



ANNUAL COMPREHENSIVE FINANCIAL REPORT

ILLINOIS



SUSANA A. MENDOZA
ILLINOIS STATE COMPTROLLER
illinoiscomptroller.gov

FOR FISCAL YEAR
ENDED JUNE 30, 2023

STATE OF ILLINOIS

Annual Comprehensive Financial Report

~ 2023 ~

For Fiscal Year Ended June 30, 2023

Comptroller Susana A. Mendoza



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Introductory Section

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SUSANA A. MENDOZA

ILLINOIS STATE COMPTROLLER

August 7, 2025

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 Annual Comprehensive Financial Report (ACFR)* for the year ended June 30, 2023. The ACFR is the State's official annual report which provides the readers with the financial position of the State as of June 30, 2023, 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 16 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 ACFR 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, the Advancement of Education Account, the Commitment to Human Services Account, and the Budget Stabilization Account), 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, and component units where all component units are presented. Combination of funds is necessary due to the existence of approximately 850 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 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's population, as of the 2020 census, is estimated to be approximately 12.8 million residents. The State has a total area (land and water) of approximately 57,900 square miles.

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 15 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. However, Public Act 102-0291 amended this act to reduce the extended lapse period to October 31 for fiscal year 2022 and future fiscal periods. Public Act 96-1501 extended the lapse period to October 31 for fiscal year 2021 and future fiscal years for medical payments of the Department of Veterans' Affairs and medical, childcare, and substance abuse treatment payments of the Department of Human Services.

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, 2023, increased from June 30, 2022. The fund balance in the State's General Fund increased by \$1.795 billion on a GAAP basis, from a fund balance of \$714 million to a fund balance of \$2.509 billion.

On the *budgetary basis*, there was a \$2.226 billion fund balance at June 30, 2023, which is an increase of \$2.290 billion compared to a \$63.613 million fund deficit at June 30, 2022.

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 6.098 million nonfarm payroll jobs and an unemployment rate of 4.3% in fiscal year 2023.

MAJOR INITIATIVES

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

Revenues Initiative

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.

Accelerated Pension Benefit Program

Public Act 100-0587, as amended by Public Act 101-0010 and Public Act 102-0718, 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% 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% 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, 2026.

LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES

The fiscal year 2023 ACFR reveals continued improvement from the previously reported underlying financial weaknesses which significantly impacted 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 in the current fiscal year. The section was originally created to address billing and adjudication issues connected with such expenditures. In some years, however, the significant amount of liabilities deferred using Section 25 effectively reduced the appropriation levels needed to fund certain programs within any given fiscal year and pushed expenditures into the next fiscal year. The State ended fiscal year 2023 with \$1.188 billion in such costs. This represents an increase of \$786 million from the fiscal year 2022 balance of \$402 million.

Cash Management

Cash management practices over the years have been 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. Illinois has had a running General Revenue Account cash basis fund deficit defined as bills on hand exceeding available cash, with few exceptions, since November of 2000. However, at June 30, 2023, the General Revenue Account had a cash basis fund balance of \$1.160 billion, which is an increase of \$1.773 billion compared to a \$612.963 million cash basis fund deficit at June 30, 2022.

In 2000, legislation was enacted to create the State's Budget Stabilization Account in order to assist the State in meeting cash flow deficits as needed. The statutory goal for funding this reserve was set at 5% of the General Revenue Account'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 Account across approximately 40 agencies to help defray operating costs through December 31, 2016. Over the years, the balance in the Budget Stabilization Account has been insufficient in practical terms to address the State's annual cash management needs and timing variations between spending and revenues. However, in recent years, significant strides have been made to increase funding in the Budget Stabilization Account, including recently increasing the statutory goal for funding this reserve from 5% to 7.5% of the General Revenue Account's revenues in any given year.

Public Act 102-0700, effective April 19, 2022, required transfers from the General Revenue Account to the Budget Stabilization Account of \$720 million in fiscal year 2022 and \$280 million in fiscal year 2023. Public Act 102-1115, effective January 9, 2023, provided for a transfer of \$850 million in fiscal year 2023. In addition, Public Act 102-0699, effective April 19, 2022, requires monthly transfers of \$3.75 million beginning in fiscal year 2024. During fiscal year 2023, \$450 million was appropriated, as a loan, from the General Revenue Account to the Unemployment Compensation Trust Fund to aid in the repayment of a portion of the federal advances that were borrowed as a result of the COVID-19 pandemic. Public Act 102-1105, effective January 1, 2023, requires repayment of this loan to the Budget Stabilization Account. The statute requires repayment of 10% each calendar year, starting in 2024, in any year where the balance in the State's account of the Unemployment Compensation Trust Fund exceeds \$1.2 billion, until the full amount is repaid. The fund balance in the Budget Stabilization Account increased from \$745.9 million at June 30, 2022, to \$2.367 billion at June 30, 2023, the details of which can be seen on the General Fund Combining Schedule of Accounts on pages 200-201.

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 and 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 for fiscal year 2011. In fiscal years 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. In addition, Public Act 102-0017, effective June 17, 2021, provided for an additional supplemental appropriation to the State Employees' Retirement System of \$100 million for fiscal year 2021. Public Act 102-0696, effective March 25, 2022, Public Act 102-0700, effective April 19, 2022, and Public Act 103-0008, effective June 7, 2023, required transfers from the General Revenue Account to the Pension Stabilization Account totaling \$300 million in fiscal year 2022 and \$400 million in fiscal year 2023. Moneys in the Pension Stabilization Account are to be used for the sole purpose of making payments to the State's five retirement systems. As of June 30, 2023, the State reported a net pension liability totaling \$145.552 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, 2023, the State reported an OPEB liability totaling \$20.385 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 Fund 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 years 2017 and 2018.

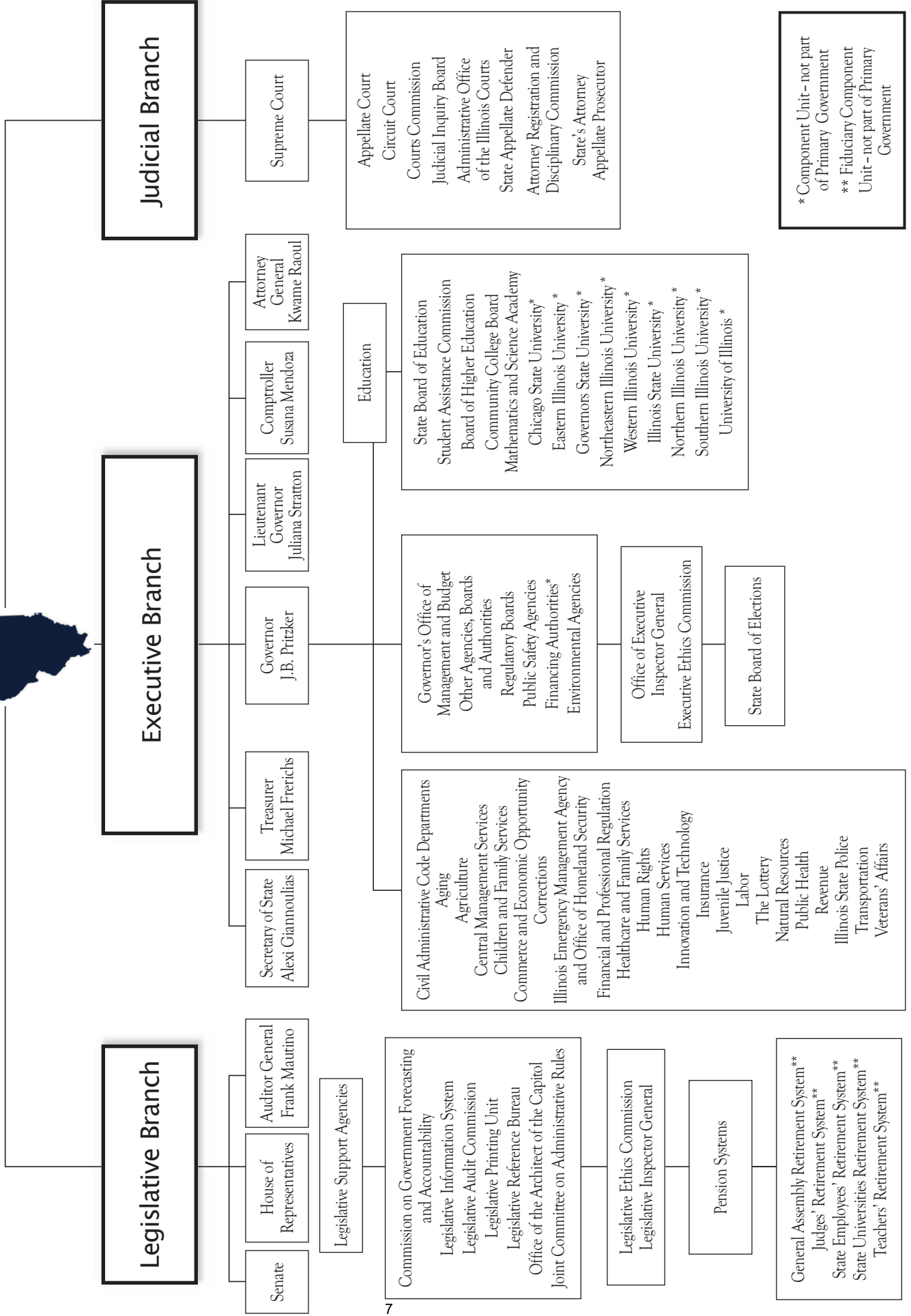
ACKNOWLEDGMENTS

The preparation of the State's ACFR 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
Illinois State Comptroller

STATE OF ILLINOIS
Organizational Chart
June 30, 2023



* Component Unit – not part of Primary Government
** Fiduciary Component Unit – not part of Primary Government

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Financial Section

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OFFICE OF THE AUDITOR GENERAL
 FRANK J. MAUTINO

INDEPENDENT AUDITOR'S REPORT

Honorable Emanuel Chris Welch, Speaker of the House
 Honorable Don Harmon, President of the Senate
 Members of the General Assembly
 Honorable JB Pritzker, Governor
 Honorable Susana A. Mendoza, Comptroller

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, the General Fund, the Unemployment Compensation Trust Fund, the Water Revolving Fund, the Prepaid Tuition Fund, and the aggregate remaining fund information of the State of Illinois, as of and for the year ended June 30, 2023, 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 of the State of Illinois' Annual Comprehensive Financial Report.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Qualified
Aggregate Discretely Presented Component Units	Unmodified
General Fund	Unmodified
Unemployment Compensation Trust Fund	Qualified
Water Revolving Fund	Unmodified
Prepaid Tuition Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinions on the Business-Type Activities and Unemployment Compensation Trust Fund

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion on Unemployment Compensation Trust Fund* and the *Basis for Qualified Opinion on Business-Type Activities* paragraphs, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Unemployment Compensation Trust Fund and business-type activities of the State of Illinois, as of June 30, 2023, 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.

Unmodified Opinions on Each of the Other Opinion Units

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, aggregate discretely presented component units, the General Fund, the Water Revolving Fund, the Prepaid Tuition Fund, and the aggregate remaining fund information of the State of Illinois, as of June 30, 2023, 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.

We did not audit the financial statements of certain university related organizations, which represent 11%, 24%, 8%, and 6%, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on the Unemployment Compensation Trust Fund

The State of Illinois, Department of Employment Security (IDES) outsourced unemployment benefit claims processing to a service organization for the Pandemic Unemployment Assistance (PUA) program as well as several other pandemic related programs. The system processing these claims had material weaknesses in the design and operation of internal control and we were unable to obtain sufficient appropriate audit evidence to determine, or verify by alternative means, whether amounts paid to claimants met eligibility requirements. The IDES recorded approximately \$75 million in expenses paid to claimants, and approximately \$6 million in related revenues from the federal government, net of refunds for PUA and related programs. Due to the material weaknesses in internal

control over the system, we were unable to obtain sufficient appropriate audit evidence to conclude that amounts recorded for PUA and related programs on the statements on revenues, expenses, and changes in net position and cash flows were free of material misstatement.

Basis for Qualified Opinion on Business-Type Activities

The State of Illinois, business-type activities is comprised of three major enterprise funds – Unemployment Compensation Trust Fund, Water Revolving Fund, and Prepaid Tuition Fund – and the aggregate remaining nonmajor enterprise funds. The problems noted for business-type activities were strictly limited to the conditions noted in the *Basis for Qualified Opinions on Unemployment Compensation Trust Fund* paragraph. As a result, we were unable to obtain sufficient appropriate audit evidence to conclude the Statements of Revenues, Expenses, and Changes in Net Position and Cash Flows of the business-type activities were free from material misstatement.

Emphasis of Matters

As discussed in Note 2 to the financial statements, the State of Illinois restated beginning balances to correct an error in the understatement of liabilities and expenditures. Our opinions are not modified with respect to this matter.

As discussed in Note 2 to the financial statements, the State of Illinois restated beginning balances resulting from the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

The deficit for net position of governmental activities decreased during Fiscal Year 2023. The deficit decreased by \$15,372,904,000 from \$185,576,485,000 at June 30, 2022, as restated, to \$170,203,581,000 at June 30, 2023. 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 opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 State's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 16-29, 186-189, 190-196, and 197-198, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and,

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.

Supplementary 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. The 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, the combining and individual fund financial statements and schedules information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2025, 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



COURTNEY DZIERWA, CPA
Director of Financial and Compliance Audits
Office of the Auditor General

Springfield, Illinois
August 7, 2025

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, 2023. 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 lease obligations, financed purchase 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 50 of this report.

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

The fund financial statements begin on page 34 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 199. 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 Facilities Management 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 custodial 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 increased \$16.862 billion or 9.3% during the current fiscal year. The net position of the State’s governmental activities increased \$14.607 billion or 7.9% and the net position of the State’s business-type activities increased \$2.255 billion or 61.8%. 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, 2023 and 2022:

Net Position as of June 30 (amounts in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other non-current assets	\$ 44,762	\$ 42,064	\$ 8,932	\$ 9,254	\$ 53,694	\$ 51,318
Capital assets	27,066	24,889	7	3	27,073	24,892
Total assets	71,828	66,953	8,939	9,257	80,767	76,210
Deferred outflow s of resources	14,768	16,359	73	62	14,841	16,421
Other liabilities	22,226	24,067	1,838	4,229	24,064	28,296
Long-term liabilities	197,636	218,326	1,120	1,321	198,756	219,647
Total liabilities	219,862	242,393	2,958	5,550	222,820	247,943
Deferred inflow s of resources	36,938	25,730	152	122	37,090	25,852
Net position:						
Invested in capital assets	17,690	16,758	1	3	17,691	16,761
Restricted	7,446	6,292	5,984	3,871	13,430	10,163
Unrestricted	(195,340)	(207,861)	(83)	(227)	(195,423)	(208,088)
Total net position	\$ (170,204)	\$ (184,811)	\$ 5,902	\$ 3,647	\$ (164,302)	\$ (181,164)

The State's largest asset is its capital assets (\$27.073 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 (\$145.552 billion), other postemployment benefits liability (\$20.385 billion), and bonds and notes payable (\$30.306 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 increased \$4.557 billion from \$76.210 billion at June 30, 2022, to \$80.767 billion at June 30, 2023, due mainly to \$2.181 billion more in capital assets, \$923 million in cash and cash equivalents, and \$726 million in securities lending collateral. The increase in capital assets is due to significant additions to infrastructure, as well as the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

The State's liabilities decreased \$25.123 billion from \$247.943 billion at June 30, 2022, to \$222.820 billion at June 30, 2023. OPEB liabilities decreased \$26.226 billion, based on the actuarial valuations of the related plans. Short-term notes payable decreased \$1.824 billion due to repayment of the remaining balance of the federal advances to the Unemployment Compensation Trust Fund.

The State's deferred outflows of resources decreased \$1.580 billion from \$16.421 billion at June 30, 2022, to \$14.841 billion at June 30, 2023, while the deferred inflows of resources increased \$11.238 billion from \$25.852 billion at June 30, 2022, to \$37.090 billion at June 30, 2023. These fluctuations were due mostly to differences in the actuarial valuations between the projected and actual earnings for the pension plans, as well as the changes of assumptions in the actuarial valuations of the OPEB plan.

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
	2023	2022	2023	2022	2023	2022	2022 to 2023
Revenues							
Program revenues							
Charges for services	\$ 5,014	\$ 4,026	\$ 5,499	\$ 5,370	\$ 10,513	\$ 9,396	11.9%
Operating grants and contributions	37,178	37,501	238	3,164	37,416	40,665	(8.0%)
Capital grants and contributions	2,063	1,676	-	-	2,063	1,676	23.1%
General revenues							
Income taxes	36,865	36,575	-	-	36,865	36,575	0.8%
Sales taxes	15,811	15,285	-	-	15,811	15,285	3.4%
Motor fuel taxes	2,539	2,486	-	-	2,539	2,486	2.1%
Public utility taxes	1,484	1,421	-	-	1,484	1,421	4.4%
Riverboat taxes	380	346	-	-	380	346	9.8%
Medical providers assessment taxes	3,683	3,114	-	-	3,683	3,114	18.3%
Other taxes	4,261	4,425	-	-	4,261	4,425	(3.7%)
Operating grants and contributions	2,923	5,531	-	-	2,923	5,531	(47.2%)
Interest and investment earnings	714	(218)	20	(23)	734	(241)	(404.6%)
Other revenue	1,074	1,367	-	-	1,074	1,367	(21.4%)
Total revenues	113,989	113,535	5,757	8,511	119,746	122,046	(1.9%)
Expenses							
Health and social services	49,023	44,596	-	-	49,023	44,596	9.9%
Education	22,624	24,543	-	-	22,624	24,543	(7.8%)
General government	4,078	3,805	-	-	4,078	3,805	7.2%
Employment and economic development	2,037	2,343	-	-	2,037	2,343	(13.1%)
Transportation	4,254	4,505	-	-	4,254	4,505	(5.6%)
Public protection and justice	2,284	3,386	-	-	2,284	3,386	(32.5%)
Environment and business regulation	957	1,091	-	-	957	1,091	(12.3%)
Unemployment compensation fund	-	-	1,029	5,234	1,029	5,234	(80.3%)
Water revolving fund	-	-	109	120	109	120	(9.2%)
Prepaid tuition programs	-	-	11	-	11	-	100.0%
Lottery	-	-	2,741	2,580	2,741	2,580	6.2%
Other business-type activities	-	-	98	162	98	162	(39.5%)
Intergovernmental	11,547	11,108	-	-	11,547	11,108	4.0%
Interest	1,327	1,419	-	-	1,327	1,419	(6.5%)
Total expenses	98,131	96,796	3,988	8,096	102,119	104,892	(2.6%)
Excess (deficiency) before transfers	15,858	16,739	1,769	415	17,627	17,154	2.8%
Transfers	(486)	(2,398)	486	2,398	-	-	0.0%
Increase (decrease) in net position	15,372	14,341	2,255	2,813	17,627	17,154	2.8%
Net position - beginning, as restated*	(185,576)	(199,152)	3,647	834	(181,929)	(198,318)	8.3%
Net position - ending	\$ (170,204)	\$ (184,811)	\$ 5,902	\$ 3,647	\$ (164,302)	\$ (181,164)	9.3%

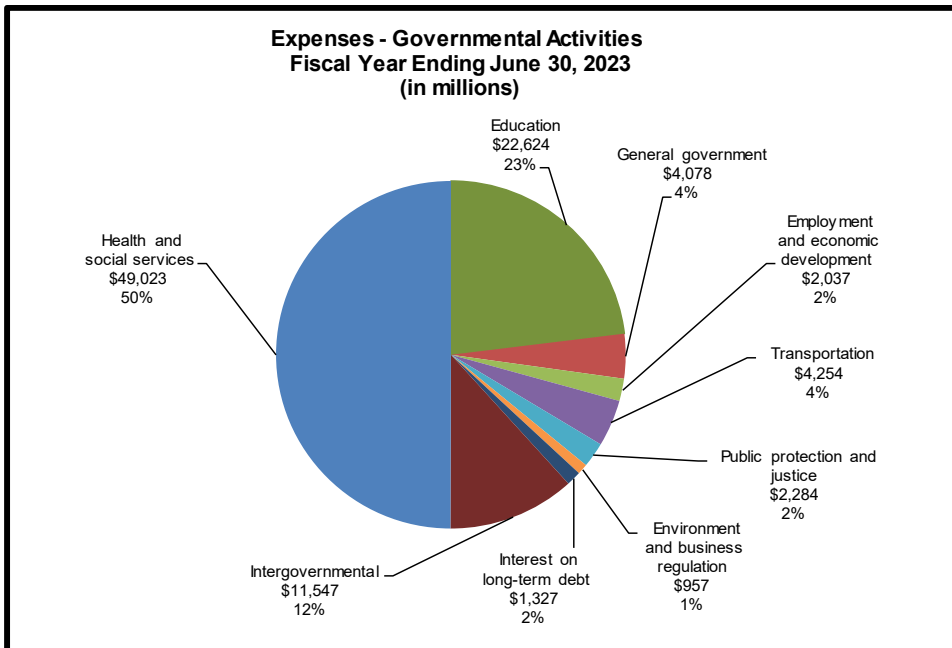
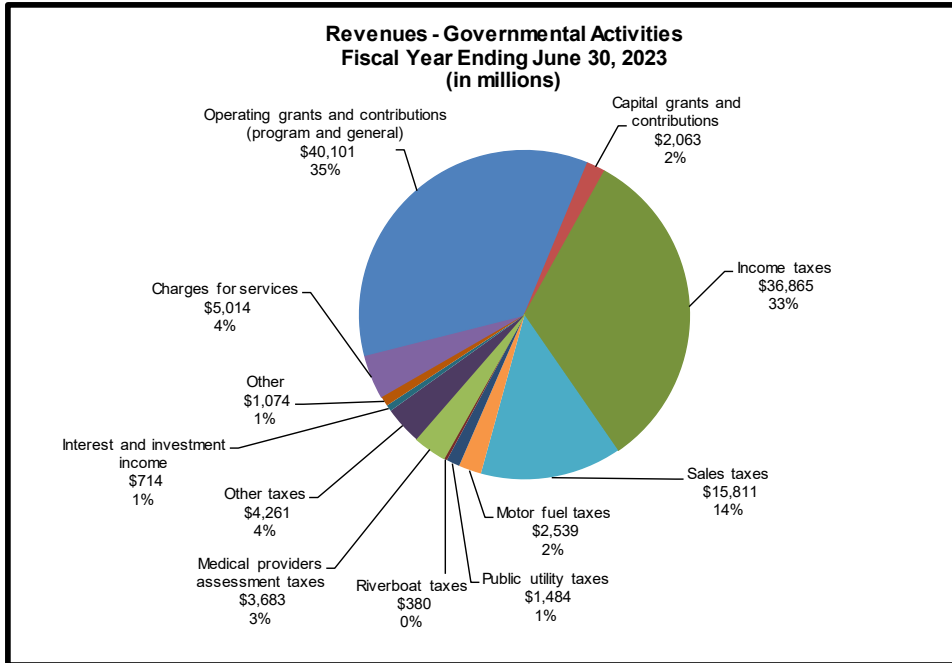
* The 2023 beginning net position has been restated to reflect the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* and the correction of the understatement of liabilities and expenditures due to ineligible drug rebate claims.

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 \$454 million (0.4%) during fiscal year 2023. Moderate increases in various revenue sources, including income taxes, sales taxes and medical provider assessment taxes, as well as an increase in interest and investment earnings, were offset by a decrease in operating grants and contributions of \$2.931. The decrease in operating grants and contributions was due mostly to the decrease in Federal Cares Act funds.

The State's governmental activities expenses increased \$1.335 billion (1.4%) during fiscal year 2023. Pension and OPEB expenses decreased approximately \$7.690 billion but were then offset by increases across all expense functions due to the increase in spending relating to federal government grants.

Business-type Activities:

The net position of business-type activities increased \$2.255 billion during the fiscal year 2023. This increase was attributed mainly to a \$1.363 billion transfer from the General Fund to repay a portion of the federal advances that were borrowed as a result of the COVID-19 pandemic.

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 199. 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.

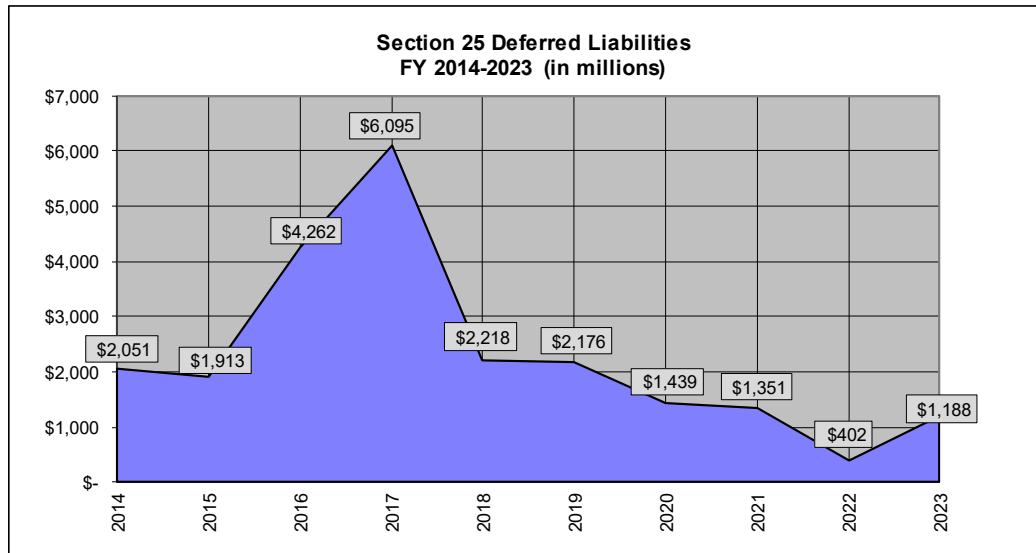
The State's General Funds' budgetary fund balance ended fiscal year 2023 with a positive fund balance for the first time in twenty-two years. At June 30, 2023, the General Funds' budgetary fund balance was \$2.226 billion compared to a \$63.613 million deficit recorded at June 30, 2022. The final budget projected a \$2.108 billion deficit.

The \$4.334 billion increase in the General Funds' budgetary balance between the final budget and the actual results was due to \$3.478 billion more in actual revenue than budgeted revenue, combined with \$856 million less in actual expenditures than budgeted expenditures.

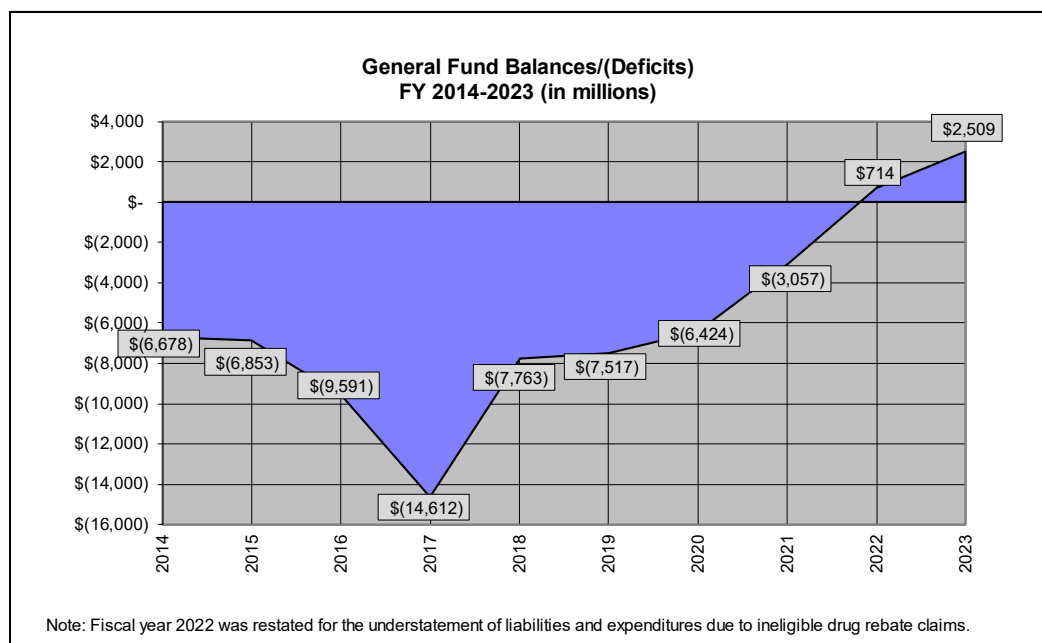
The General Fund's assets at June 30, 2023, were \$20.941 billion, which is a decrease of \$1.230 billion from the June 30, 2022, balance of \$22.171 billion. Cash equity with the State Treasurer decreased \$2.163 billion, offset by an increase in intergovernmental receivables of \$981 million.

The General Fund's liabilities at June 30, 2023, were \$15.254 billion, which is a decrease of \$3.041 billion from the June 30, 2022, balance of \$18.295 billion. The decrease was due mostly from the decrease in unearned revenues of \$2.556 billion, due to the receipt of Federal Cares Act funds in previous years that were expended in the current year.

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 increased \$786 million from \$402 million at June 30, 2022, to \$1.188 billion at June 30, 2023.



During fiscal year 2023, the General Fund's fund balance increased from \$714 million to a fund balance of \$2.509 billion, a \$1.795 billion increase.



During fiscal year 2023, General Fund revenues increased \$624 million to \$73.828 billion. General Fund expenditures increased \$6.572 billion to \$68.662 billion, due mainly to increased spending on health and social services programs of \$5.828 billion. Transfers to other funds decreased \$2.917 billion.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

At June 30, 2023, the State had \$27.073 billion in capital assets, net of accumulated depreciation, in the following categories:

Capital Assets as of June 30 (net of depreciation, amounts in millions)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022*	2023	2022*	2023	2022*
Land and land improvements	\$ 3,662	\$ 3,646	\$ -	\$ -	\$ 3,662	\$ 3,646
Site improvements	128	127	-	-	128	127
Buildings and building improvements	2,036	1,673	1	1	2,037	1,674
Equipment	736	686	1	1	737	687
Subscription-Based Information						
Technology Arrangements	207	169	1	1	208	170
Leases - buildings	433	478	4	1	437	479
Leases - equipment	20	20	-	-	20	20
Leases - other	1	1	-	-	1	1
Intangible assets	1,024	861	-	-	1,024	861
Infrastructure	17,908	16,626	-	-	17,908	16,626
Other	12	13	-	-	12	13
Subtotal	26,167	24,300	7	4	26,174	24,304
Construction in progress	899	758	-	-	899	758
Total	\$ 27,066	\$ 25,058	\$ 7	\$ 4	\$ 27,073	\$ 25,062

* The 2022 capital assets has been restated to reflect the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Infrastructure assets consist of 66% of the State's net capital assets and comprise \$2.590 billion of the \$3.985 billion (65%) of the current year additions to capital assets. The State capitalizes and depreciates its roads and road improvements over a twenty-year period and its bridges over a forty-year period. More detailed information regarding the State's capital assets is presented in Note 7 of the financial statements on page 88.

Debt Administration:

Bonded Indebtedness

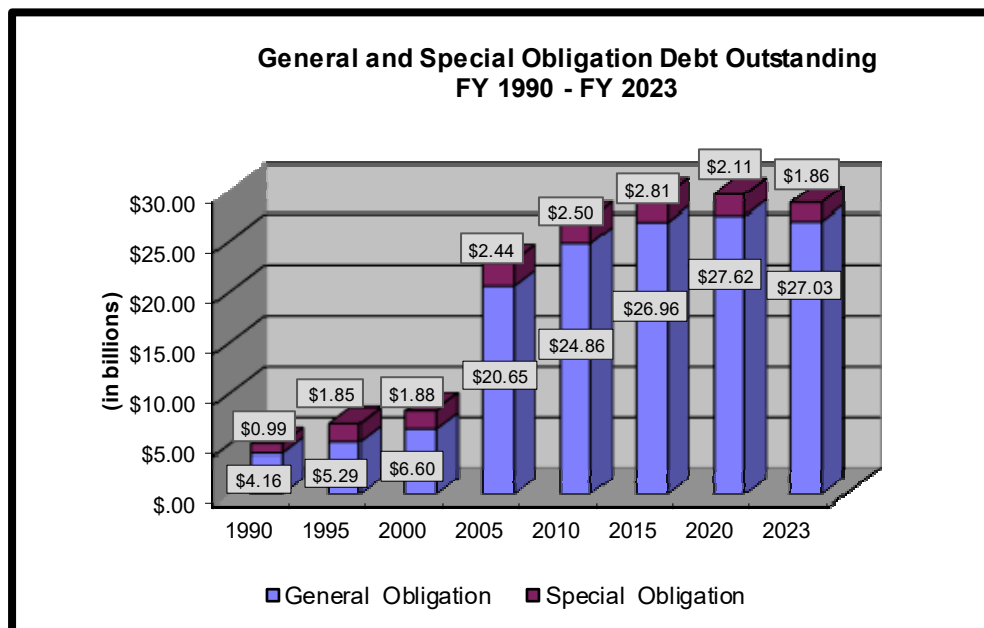
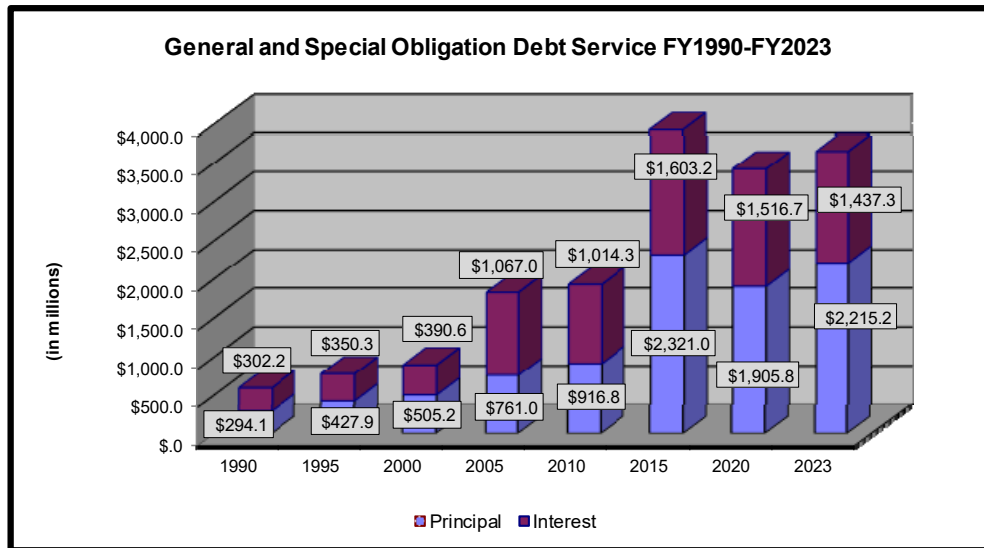
The State, certain State agencies, and component units of the State are empowered by law to authorize, issue, and sell debt obligations. General obligation bonds, issued by the State, are backed by the full faith and credit of the State and are considered a direct debt of the State. Special obligation 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	
	2023	2022	2023	2022	2023	2022
General obligation bonds (backed by the State)	\$ 27,029	\$ 27,065	\$ -	\$ -	\$27,029	\$ 27,065
Special obligation bonds (backed by specific fee revenue)	1,859	2,047	-	-	1,859	2,047
Revenue bonds (backed by specific tax and fee revenue)	449	561	54	82	503	643
	<u>\$ 29,337</u>	<u>\$ 29,673</u>	<u>\$ 54</u>	<u>\$ 82</u>	<u>\$29,391</u>	<u>\$ 29,755</u>

As shown above, Illinois had outstanding general and special obligation bonds at June 30, 2023, totaling \$28.888 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 \$7.650 billion for pension purposes, issued in 2003, is included in the outstanding general obligation bonds as of June 30, 2023.

Debt service principal of \$2.215 billion and interest costs of \$1.437 billion were paid and charged, respectively, in fiscal year 2023 for general and special obligation bonds and notes. The dramatic increase in debt service payments and outstanding debt since fiscal year 1990 is displayed in the following charts:



In addition to general and special obligation bonds, the primary government had \$503 million of revenue bonds and \$3.429 billion of non-retirement long-term obligations outstanding as of June 30, 2023.

The State’s general obligation bond ratings were A3 with a Stable Outlook by Moody’s Investor Services, A- with a Stable Outlook by Standard and Poor’s, and BBB+ with a Positive Outlook by Fitch Ratings as of June 30, 2023. Since June 30, 2023, Moody’s Investor Services revised its rating to A3 with a Positive Outlook and Fitch Ratings revised its rating to A- with a stable outlook.

The State’s special obligation–Build Illinois Bonds – ratings were A3 with a Stable Outlook by Moody’s Investor Services, A with a Stable Outlook by Standard and Poor’s, and A with a Positive Outlook by Fitch Ratings as of June 30, 2023. Since June 30, 2023, Moody’s Investor Services revised its rating to A3 with a Positive Outlook and Fitch Ratings revised its rating to A+ with a stable 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 2023, the net pension liability as reported in the financial statements totaled \$145.552 billion, an increase of \$5.706 billion from the fiscal year 2022 balance of \$139.846 billion.

During fiscal year 2023, 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 \$20.385 billion as of June 30, 2023, a decrease of \$26.226 billion from the fiscal year 2022 balance of \$46.611 billion.

ECONOMIC CONDITION AND OUTLOOK

Fiscal Year 2023

Illinois' non-agricultural employment (derived from survey data from Illinois companies) averaged 6.098 million workers in fiscal year 2023, an increase of 166,000 jobs or 2.8% above 2022 employment. A second Illinois employment estimate, obtained through household surveys, also showed an increase in Illinois employment. According to these surveys, an average of 6.176 million Illinoisans was employed in fiscal year 2023, an increase over the average of 6.121 million in fiscal year 2022.

The average Illinois unemployment rate decreased from 7.9% and 5.0% in fiscal years 2021 and 2022, respectively, to 4.3% in fiscal year 2023. At June 30, 2023, the rate was 4.5%. The decreased average unemployment rate was caused by the increase in employment levels and the decrease in the average number of unemployed which decreased from approximately 321,000 during fiscal year 2022 to approximately 278,000 for fiscal year 2023.

A more comprehensive measure of Illinois' economic performance is the change in state personal income adjusted for inflation. This value decreased 3.1% in fiscal year 2023 as nominal personal

income rose 3.6% and the consumer price index was up 6.9%. State personal income adjusted for inflation had shown an increase in 2021 of 5.0% and a decrease of 5.3% in 2022.

Outlook

The State has shown significant improvement during fiscal year 2023, with a positive fund balance in the General Fund, increased funding in the Budget Stabilization Account, a significant decrease in the OPEB liability, and rating increases on debt issuances of the State.

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, 2023. 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.

State of Illinois

Statement of Net Position

June 30, 2023 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash equity with State Treasurer	\$ 23,223,830	\$ 639,358	\$ 23,863,188	\$ 930,795
Cash and cash equivalents	352,880	1,800,554	2,153,434	1,561,540
Securities lending collateral of State Treasurer	4,518,864	95,924	4,614,788	3,594
Investments	50,297	889,275	939,572	3,368,033
Receivables, net:				
Taxes	3,411,347	427,921	3,839,268	
Intergovernmental	4,759,262	44,984	4,804,246	274,002
Other	2,386,442	498,727	2,885,169	838,482
Internal balances	453,340	(453,340)	-	
Due from fiduciary funds	41,899	464	42,363	
Due from component units	571,272	11,001	582,273	17,142
Due from primary government				1,763,270
Inventories	222,490		222,490	51,059
Prepaid expenses	407,064	298	407,362	96,220
Unamortized bond insurance costs	6,303		6,303	8,445
Loans and notes receivable, net	206,090	1,333,193	1,539,283	1,352,133
Restricted assets:				
Cash equity with State Treasurer	3,291,746		3,291,746	229,900
Cash and cash equivalents	652,093	7,219	659,312	2,213,300
Investments	13,710		13,710	7,803,321
Taxes receivable	10,179		10,179	
Intergovernmental receivables	5,193		5,193	
Other receivables	81,799	49,570	131,369	57,598
Loans and notes receivable, net		3,586,760	3,586,760	18,111
Other assets	49,028		49,028	5,575
Derivative instruments				26,301
Lease receivable	32,015		32,015	101,450
Other assets	15,410		15,410	119,258
Capital assets not being depreciated	5,155,628		5,155,628	4,024,373
Capital assets being depreciated, net	21,909,919	7,213	21,917,132	14,654,352
Total assets	71,828,100	8,939,121	80,767,221	39,518,254
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - accumulated decrease in fair value of derivative instruments				510
Deferred outflows of resources - unamortized deferred amounts on bond refundings	10,504		10,504	189,421
Deferred outflows of resources - unamortized deferred amounts on certificates of participation refundings				104
Deferred outflows of resources - pensions	13,978,111	38,610	14,016,721	134,355
Deferred outflows of resources - OPEB	779,518	33,881	813,399	870,080
Total deferred outflows of resources	14,768,133	72,491	14,840,624	1,194,470

State of Illinois

Statement of Net Position

June 30, 2023 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Accounts payable and accrued liabilities	8,566,126	254,784	8,820,910	1,588,759
Intergovernmental payables	6,420,929	134,130	6,555,059	43,860
Due to fiduciary funds	178,497		178,497	
Due to component units	484,740	1,278,313	1,763,053	17,142
Due to primary government				575,992
Unearned revenue	2,056,797	34,333	2,091,130	1,000,029
Obligations under securities lending of State Treasurer	4,518,864	95,924	4,614,788	3,594
Assets held for others				168,885
Short-term notes payable		39,601	39,601	10,199
Derivative instruments				376
Other liabilities				7,144
Long-term obligations:				
Due within one year	3,684,035	135,035	3,819,070	650,262
Due subsequent to one year	193,952,257	985,269	194,937,526	16,760,156
Total liabilities	219,862,245	2,957,389	222,819,634	20,826,398
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - accumulated increase in fair value of derivative instruments				26,689
Deferred inflows of resources - unamortized deferred amounts on bond refundings	36,389	12,801	49,190	3,042
Deferred inflows of resources - unamortized deferred amounts on certificates of participation refundings				519
Deferred inflows of resources - service concession arrangements				91,244
Deferred inflows of resources - irrevocable split-interest agreements				23,738
Deferred inflows of resources - leases	34,817		34,817	94,709
Deferred inflows of resources - pensions	4,332,443	45,348	4,377,791	117,455
Deferred inflows of resources - OPEB	32,533,920	94,208	32,628,128	1,763,944
Total deferred inflows of resources	36,937,569	152,357	37,089,926	2,121,340
NET POSITION				
Net investment in capital assets	17,690,604	669	17,691,273	8,123,195
Restricted for:				
Debt service	2,239,286	49,310	2,288,596	532,584
Capital grants/projects	1,932,182		1,932,182	35,749
Repayment of loan from component unit		3,492,440	3,492,440	
Unemployment compensation benefits		1,961,865	1,961,865	
Municipal lending		469,594	469,594	
Education	26,102	122	26,224	
Employment and economic development	473,619		473,619	
Health and social services	630,591		630,591	
Public protection and justice	210,106		210,106	
Environment and business regulation	171,511		171,511	
Transportation	116,159		116,159	
Other purposes	1,584,196		1,584,196	
Funds held as permanent investments:				
Nonexpendable purposes	57,232		57,232	2,320,167
Expendable purposes	4,935	10,485	15,420	4,376,081
Unrestricted	(195,340,104)	(82,619)	(195,422,723)	2,377,210
Total net position	\$ (170,203,581)	\$ 5,901,866	\$ (164,301,715)	\$ 17,764,986

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, 2023 (Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
Health and social services	\$ 49,021,843	\$ 1,284,092	\$ 30,404,593	\$ 25
Education	22,624,293	10,650	4,825,192	
General government	4,077,921	2,964,791		65,773
Employment and economic development	2,037,504	47,926	1,110,135	
Transportation	4,253,896	111,062	268,989	1,993,312
Public protection and justice	2,284,157	195,552	187,638	
Environment and business regulation	956,479	400,273	381,238	3,838
Intergovernmental-revenue sharing	11,546,959			
Interest	1,327,293			
Total governmental activities	<u>98,130,345</u>	<u>5,014,346</u>	<u>37,177,785</u>	<u>2,062,948</u>
Business-type activities				
Unemployment compensation trust	1,028,686	1,629,442	122,892	
Water revolving	109,620	99,993	78,877	
Prepaid tuition program	10,662	36,111		
Lottery	2,740,677	3,614,761		
Other	98,413	118,090	36,140	
Total business-type activities	<u>3,988,058</u>	<u>5,498,397</u>	<u>237,909</u>	
Total primary government	<u>\$ 102,118,403</u>	<u>\$ 10,512,743</u>	<u>\$ 37,415,694</u>	<u>\$ 2,062,948</u>
Component units				
Authorities				
Illinois Housing Development Authority	\$ 621,078	\$ 95,800	\$ 517,194	
Illinois State Toll Highway Authority	1,167,937	1,554,480		
Other authorities	59,106	31,732		\$ 1,040
Universities				
Illinois State University	591,710	313,791	101,648	708
Northern Illinois University	485,815	200,647	117,158	
Southern Illinois University	1,115,132	596,239	169,989	499
University of Illinois	6,436,509	3,860,383	1,340,653	12,585
Other universities	721,306	250,626	170,146	1,429
Total component units	<u>\$ 11,198,593</u>	<u>\$ 6,903,698</u>	<u>\$ 2,416,788</u>	<u>\$ 16,261</u>
General revenues				
Taxes:				
Income taxes				
Sales taxes				
Motor fuel taxes				
Public utility taxes				
Riverboat taxes				
Medical providers assessment taxes				
Other taxes				
Operating grants and contributions				
Interest and investment income				
Other revenues				
Pension and OPEB revenue recognized				
Payments from the State of Illinois				
Additions to permanent endowments				
Transfers				
Total general revenues, additions to permanent endowments, and transfers				
Change in net position				
Net position, July 1, 2022, as restated				
Net position, June 30, 2023				

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

Net (Expense) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (17,333,133)		\$ (17,333,133)	
(17,788,451)		(17,788,451)	
(1,047,357)		(1,047,357)	
(879,443)		(879,443)	
(1,880,533)		(1,880,533)	
(1,900,967)		(1,900,967)	
(171,130)		(171,130)	
(11,546,959)		(11,546,959)	
(1,327,293)		(1,327,293)	
<u>(53,875,266)</u>			
	\$ 723,648	723,648	
	69,250	69,250	
	25,449	25,449	
	874,084	874,084	
	55,817	55,817	
	<u>1,748,248</u>		
		(52,127,018)	
			\$ (8,084)
			386,543
			(26,334)
			(175,563)
			(168,010)
			(348,405)
			(1,222,888)
			(299,105)
			<u>(1,861,846)</u>
36,865,248		36,865,248	
15,810,832		15,810,832	
2,539,429		2,539,429	
1,483,768		1,483,768	
380,121		380,121	
3,682,957		3,682,957	
4,261,170		4,261,170	
2,922,776		2,922,776	
714,271	20,224	734,495	578,651
1,073,556		1,073,556	428,853
			781,591
			1,358,108
			102,107
<u>(485,958)</u>	<u>485,958</u>	<u>-</u>	
69,248,170	506,182	69,754,352	3,249,310
15,372,904	2,254,430	17,627,334	1,387,464
(185,576,485)	3,647,436	(181,929,049)	16,377,522
<u>\$ (170,203,581)</u>	<u>\$ 5,901,866</u>	<u>\$ (164,301,715)</u>	<u>\$ 17,764,986</u>

State of Illinois

**Balance Sheet -
Governmental Funds**

June 30, 2023 (Expressed in Thousands)

	General Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash equity with State Treasurer	\$ 9,379,896	\$ 16,843,343	\$ 26,223,239
Cash and cash equivalents	7,375	926,372	933,747
Securities lending collateral of State Treasurer	3,197,484	1,267,254	4,464,738
Investments		64,007	64,007
Receivables, net:			
Taxes	2,673,125	748,401	3,421,526
Intergovernmental	2,772,949	1,986,440	4,759,389
Other	1,545,813	871,058	2,416,871
Due from other funds	1,055,741	751,552	1,807,293
Due from component units	46,665	508,234	554,899
Inventories	75,996	143,325	219,321
Loans and notes receivable, net	170,657	35,433	206,090
Leases receivable	538	14,536	15,074
Other assets	15,000	49,438	64,438
Total assets	\$ 20,941,239	\$ 24,209,393	\$ 45,150,632
LIABILITIES			
Accounts payable and accrued liabilities	\$ 6,210,206	\$ 1,544,625	\$ 7,754,831
Intergovernmental payables	2,928,922	3,481,325	6,410,247
Due to other funds	1,085,506	1,269,929	2,355,435
Due to component units	289,102	195,599	484,701
Unearned revenue	1,542,477	514,225	2,056,702
Obligations under securities lending of State Treasurer	3,197,484	1,267,254	4,464,738
Matured portion of long-term liabilities	772	740	1,512
Total liabilities	15,254,469	8,273,697	23,528,166
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - unavailable revenue	3,177,119	1,223,197	4,400,316
Deferred inflows of resources - leases	532	14,402	14,934
Total deferred inflows of resources	3,177,651	1,237,599	4,415,250
FUND BALANCES (DEFICITS)			
Nonspendable - long-term portion of			
loans and notes receivable	2,487		2,487
Nonspendable - inventories	75,996	143,325	219,321
Nonspendable - endowments and similar funds		57,232	57,232
Restricted	246,480	6,115,554	6,362,034
Committed	4,926,744	8,551,341	13,478,085
Assigned		135,684	135,684
Unassigned	(2,742,588)	(305,039)	(3,047,627)
Total fund balances (deficits)	2,509,119	14,698,097	17,207,216
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 20,941,239	\$ 24,209,393	\$ 45,150,632

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, 2023
(Expressed in Thousands)

Total fund balances-governmental funds		\$ 17,207,216
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 \$877,351, are not financial resources and therefore are not reported in the funds.		26,188,196
Prepaid expenses for governmental activities, not including amounts included as assets in internal service funds, are current uses of financial resources for funds.		407,064
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.		6,303
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.		(25,885)
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.		651,961
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.		4,400,316
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 \$992,635, consist of:		
Net pension liability	(145,351,095)	
Deferred outflows of resources - pensions	13,978,111	
Deferred inflows of resources - pensions	(4,332,443)	
OPEB liability	(20,326,714)	
Deferred outflows of resources - OPEB	779,518	
Deferred inflows of resources - OPEB	(32,533,920)	
General obligation bonds	(27,028,918)	
Special obligation bonds	(1,859,395)	
Revenue bonds	(449,050)	
Unamortized premiums	(938,620)	
Unamortized discounts	19,256	
Compensated absences	(420,690)	
Pollution remediation obligation	(12,463)	
Auto liability	(14,542)	
Leases	(113,394)	
Subscription-based information technology arrangements	(146,365)	
Financed purchase obligations	(155)	
Accrued interest	(287,873)	
	(219,038,752)	
Net position of governmental activities		\$ (170,203,581)

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, 2023 (Expressed in Thousands)

	General Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES			
Income taxes	\$ 30,563,492	\$ 6,296,792	\$ 36,860,284
Sales taxes	10,924,135	4,886,697	15,810,832
Motor fuel taxes		2,539,455	2,539,455
Public utility taxes	773,441	710,330	1,483,771
Riverboat taxes		380,121	380,121
Medical providers assessment taxes	3,621,665		3,621,665
Other taxes	3,316,911	1,008,736	4,325,647
Federal government	22,129,178	18,581,397	40,710,575
Licenses and fees	489,345	3,018,915	3,508,260
Interest and other investment income	450,510	251,489	701,999
Other	1,559,118	1,372,469	2,931,587
Total revenues	73,827,795	39,046,401	112,874,196
EXPENDITURES			
Current:			
Health and social services	39,637,192	10,410,632	50,047,824
Education	21,232,961	5,395,957	26,628,918
General government	3,254,195	1,156,651	4,410,846
Employment and economic development	766,742	1,360,053	2,126,795
Transportation	705,989	2,821,514	3,527,503
Public protection and justice	2,581,735	638,642	3,220,377
Environment and business regulation	196,877	939,698	1,136,575
Debt service:			
Principal	44,245	2,357,427	2,401,672
Interest	6,162	1,467,517	1,473,679
Capital outlays	235,496	3,491,630	3,727,126
Intergovernmental		11,546,959	11,546,959
Total expenditures	68,661,594	41,586,680	110,248,274
Excess (deficiency) of revenues over (under) expenditures	5,166,201	(2,540,279)	2,625,922
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
General obligation bonds issued		2,050,000	2,050,000
Premiums on general obligation bonds issued		88,311	88,311
Discounts on general obligation bonds issued		(1,497)	(1,497)
General obligation refunding bonds issued		1,161,210	1,161,210
Premiums on general obligation refunding bonds issued		82,411	82,411
Transfers-in	2,523,450	5,690,126	8,213,576
Transfers-out	(5,772,168)	(2,999,252)	(8,771,420)
Payments to refunded bond escrow agent		(1,239,054)	(1,239,054)
Financing of leases, subscription-based information technology arrangements and financed purchases	57,891	28,910	86,801
Net other sources (uses) of financial resources	(3,190,827)	4,861,165	1,670,338
Net change in fund balances	1,975,374	2,320,886	4,296,260
Fund balances (deficits), July 1, 2022, as restated	713,795	12,347,793	13,061,588
Increase (decrease) for changes in inventories	(180,050)	29,418	(150,632)
FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ 2,509,119	\$ 14,698,097	\$ 17,207,216

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, 2023
(Expressed in Thousands)

Net change in fund balances	\$	4,296,260
Change in inventories		(150,632)
		4,145,628

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 increased by this amount during the year. 137,881

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	\$ 3,727,126	
Depreciation expense	(1,629,923)	
Excess of capital outlays over depreciation expense		2,097,203

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. 17,747

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 also include losses on capital assets scrapped, damaged, or stolen. (111,871)

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. (36,655)

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. 94,202

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. 956,292

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 \$170,722, net of discounts of \$1,497	(3,380,435)	
Payments to refunded bond escrow agent	1,239,054	
Bond principal retirements	2,327,490	
Deferred gain on current year refundings of debt	(13,349)	
Accrued interest paid to refunding agent	(18,554)	
Amortization of bond premiums	196,748	
Amortization of bond discounts	(1,458)	
Amortization of bond insurance costs	(1,788)	
Amortization of deferred amounts on refundings of debt	3,135	
Lease, subscription-based information technology arrangements, and financed purchase proceeds	(86,801)	
Lease, subscription-based information technology arrangements, and financed purchase principal retirements	77,089	
Payments made in advance of contract inception for leases, subscription-based information technology arrangements, and financed purchases	1,434	
Net increase in change in fund balance of governmental funds from long-term debt transactions		342,565

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	(5,718,621)	
Decrease in deferred outflows of resources - pensions	(306,808)	
Decrease in deferred inflows of resources - pensions	6,493,211	
Decrease in OPEB liability	26,175,793	
Decrease in deferred outflows of resources - OPEB	(1,280,670)	
Increase in deferred inflows of resources - OPEB	(17,672,783)	
Increase in compensated absences obligation	(780)	
Interest accreted on capital appreciation debt	(295)	
Decrease in auto liability obligation	4,121	
Decrease in pollution remediation obligations	28,987	
Decrease in accrued interest on obligations	7,757	
Net increase in expenses for net increase in long-term liabilities not reported in governmental funds		7,729,912

Change in net position of governmental activities	\$	15,372,904
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The accompanying notes to the financial statements are an integral part of this statement.

**Statement of Net Position -
Proprietary Funds**

June 30, 2023 (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	
ASSETS						
Cash equity with State Treasurer		\$ 362,630	\$ 1,001	\$ 275,727	\$ 639,358	\$ 292,337
Cash and cash equivalents	\$ 1,775,334		2,812	22,408	1,800,554	71,226
Securities lending collateral of State Treasurer		65,087		30,837	95,924	54,126
Investments			108,146	96,209	204,355	
Receivables, net:						
Taxes	427,921				427,921	
Intergovernmental:						
Pandemic Unemployment Assistance (PUA)	2,477				2,477	
Federal Pandemic Unemployment Compensation (FPUC) associated with PUA	32				32	
Other unemployment insurance and related programs	677				677	
Other intergovernmental	39,385	1,087		1,326	41,798	5,066
Other:						
Other federal pandemic related programs	52,047				52,047	
Other unemployment insurance and related programs	358,025				358,025	
Other		26,736	1,750	56,490	84,976	51,370
Due from other funds	3,929			13,880	17,809	884,727
Due from component units	80	10,921			11,001	16,373
Loans and notes receivable, net		70,956			70,956	
Restricted assets:						
Cash and cash equivalents				7,219	7,219	
Other receivables, net		18,369		31,201	49,570	
Loans and notes receivable, net		257,535		13,522	271,057	
Leases receivable						4,806
Inventories						3,169
Prepaid expenses		19		279	298	
Total current assets	2,659,907	813,340	113,709	549,098	4,136,054	1,383,200
Investments			447,356	237,564	684,920	
Other receivables, net			3,679		3,679	
Loans and notes receivable, net		1,262,237			1,262,237	
Restricted loans and notes receivable, net		3,216,536		99,167	3,315,703	
Leases receivable						12,135
Capital assets not being depreciated						52,735
Capital assets being depreciated, net		167		7,046	7,213	824,616
Total noncurrent assets		4,478,940	451,035	343,777	5,273,752	889,486
Total assets	2,659,907	5,292,280	564,744	892,875	9,409,806	2,272,686
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources - pensions		14,535		24,075	38,610	
Deferred outflows of resources - OPEB		14,576		19,305	33,881	
Total deferred outflows of resources		29,111		43,380	72,491	
LIABILITIES						
Accounts payable and accrued liabilities:						
PUA	31				31	
FPUC associated with PUA	32				32	
Other unemployment insurance and related programs	134,615				134,615	
Other accounts payable and accrued liabilities	10,391	345	976	108,394	120,106	523,422
Intergovernmental payables:						
PUA	790				790	
FPUC	655				655	
LWA	69,008				69,008	
Other intergovernmental payables	29,718			33,959	63,677	10,682
Due to other funds	47,802	386	48	17,449	65,685	19,843
Due to component units		1,275,505	11	2,797	1,278,313	39
Unearned revenue				34,333	34,333	95
Obligations under securities lending of State Treasurer		65,087		30,837	95,924	54,126
Short-term notes payable				39,601	39,601	
Current portion of long-term obligations		1,178	105,578	28,279	135,035	209,459
Total current liabilities	293,042	1,342,501	106,613	295,649	2,037,805	817,666
Due to other funds	405,000				405,000	
Noncurrent portion of long-term obligations		83,316	447,646	454,307	985,269	783,176
Total noncurrent liabilities	405,000	83,316	447,646	454,307	1,390,269	783,176
Total liabilities	698,042	1,425,817	554,259	749,956	3,428,074	1,600,842
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - unamortized deferred amounts on bond refundings				12,801	12,801	
Deferred inflows of resources - leases						19,883
Deferred inflows of resources - pensions		5,812		39,536	45,348	
Deferred inflows of resources - OPEB		25,256		68,952	94,208	
Total deferred inflows of resources		31,068		121,289	152,357	19,883
NET POSITION						
Net investment in capital assets		167		502	669	476,779
Net position restricted for:						
Debt service				49,310	49,310	
Repayment of loan from component unit		3,492,440			3,492,440	
Unemployment compensation benefits	1,961,865				1,961,865	
Municipal lending		469,594			469,594	
Education				122	122	
Other expendable purposes			10,485		10,485	
Unrestricted		(97,695)		15,076	(82,619)	175,182
Total net position	\$ 1,961,865	\$ 3,864,506	\$ 10,485	\$ 65,010	\$ 5,901,866	\$ 651,961

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, 2023 (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	
OPERATING REVENUES						
Charges for sales and services			\$ 177	\$ 3,714,558	\$ 3,714,735	\$ 3,891,792
Interest income pledged as revenue bond security				12,677	12,677	
Interest and other investment income		\$ 99,993	35,934	113	136,040	
Employer contributions	\$ 1,629,442				1,629,442	
Other				4,844	4,844	17
Total operating revenues	1,629,442	99,993	36,111	3,732,192	5,497,738	3,891,809
OPERATING EXPENSES						
Cost of sales and services				201,081	201,081	759,998
Benefit payments and refunds:						
PUA	28,449				28,449	
FPUC associated with PUA	44,448				44,448	
LWA associated with PUA	2,471				2,471	
Other unemployment insurance and related programs	953,318				953,318	
Other benefit payments and refunds				31,568	31,568	2,961,693
Prizes and claims				2,364,897	2,364,897	
Interest				1,082	1,082	
General and administrative		20,222	2,064	216,977	239,263	77,576
Depreciation/amortization		37		2,093	2,130	180,299
Other		67,329	8,598	12,551	88,478	56
Total operating expenses	1,028,686	87,588	10,662	2,830,249	3,957,185	3,979,622
Operating income (loss)	600,756	12,405	25,449	901,943	1,540,553	(87,813)
NONOPERATING REVENUES (EXPENSES)						
Interest and investment income	7,695	11,829		700	20,224	12,114
Interest expense		(21,881)		(8,281)	(30,162)	(27,598)
Federal government:						
PUA	5,350				5,350	
FPUC associated with PUA	461				461	
Other unemployment insurance and related programs	117,081				117,081	
Other federal government		78,877		36,140	115,017	14,532
Other revenues				659	659	
Other expenses		(151)		(560)	(711)	(984)
Income (loss) before contributions and transfers	731,343	81,079	25,449	930,601	1,768,472	(89,749)
Contributions of capital assets						112,065
Transfers-in	1,362,649	27,284		24	1,389,957	101,500
Transfers-out	(16,315)		(202)	(887,482)	(903,999)	(29,614)
Change in net position	2,077,677	108,363	25,247	43,143	2,254,430	94,202
Net position, July 1, 2022	(115,812)	3,756,143	(14,762)	21,867	3,647,436	557,759
NET POSITION, JUNE 30, 2023	\$ 1,961,865	\$ 3,864,506	\$ 10,485	\$ 65,010	\$ 5,901,866	\$ 651,961

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, 2023 (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	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from sales and services			\$ 177	\$ 106,545	\$ 106,722	\$ 199,014
Cash received from lottery sales				3,601,949	3,601,949	
Cash received from transactions with other funds						3,674,477
Cash payments to suppliers for goods and services		\$ (1,508)	(1,966)	(192,618)	(196,092)	(3,618,992)
Cash payments for interfund services		(2,034)	(645)	(2,044)	(4,723)	(36,103)
Cash payments to employees for services		(21,356)		(54,016)	(75,372)	(223,317)
Cash payments for lottery prizes				(2,363,812)	(2,363,812)	
Cash payments for commissions and bonuses				(173,806)	(173,806)	
Cash receipts from unemployment taxes	\$ 2,406,695				2,406,695	
Cash payments for unemployment benefits:						
PUA	(43,967)				(43,967)	
FPUC associated with PUA	(3,277)				(3,277)	
Other unemployment insurance and related programs	(1,904,380)				(1,904,380)	
Cash receipts from prepaid tuition contract sales			2,940		2,940	
Cash payments for tuition			(90,483)		(90,483)	
Cash payments for tuition contract refunds			(24,704)		(24,704)	
Cash receipts from student loan principal				38,237	38,237	
Cash receipts from student loan interest				6,458	6,458	
Cash payments for workers' compensation						(106,339)
Cash receipts from other operating activities				22,286	22,286	150,818
Cash payments for other operating activities				(45,384)	(45,384)	
Net cash provided (used) by operating activities	455,071	(24,898)	(114,681)	943,795	1,259,287	39,558
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Proceeds from revenue bonds and other borrowings	450,000	176,979			626,979	
Principal paid on revenue bonds and other borrowings	(1,812,645)			(39,379)	(1,852,024)	(10,033)
Interest paid on revenue bonds and other borrowings				(4,534)	(4,534)	(436)
Grants received:						
PUA	164,849				164,849	
FPUC associated with PUA	5				5	
LWA associated with PUA	655				655	
Other unemployment insurance and related programs	153,730				153,730	
Other grants received		77,681		28,409	106,090	14,057
Grants refunded				(28)	(28)	(317)
Transfers-in from other funds	1,362,650	27,284		24	1,389,958	101,500
Transfers-out to other funds	(14,779)		(202)	(878,298)	(893,279)	(29,614)
Net cash provided (used) by noncapital financing activities	304,465	281,944	(202)	(893,806)	(307,599)	75,157
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets		(39)		(260)	(299)	(43,174)
Principal paid on capital debt				(434)	(434)	(129,026)
Interest paid on capital debt				(72)	(72)	(13,782)
Proceeds from sales of capital assets						29,614
Proceeds from lessor leases						6,075
Net cash used by capital and related financing activities		(39)		(766)	(805)	(150,293)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities			(331,791)	(59,885)	(391,676)	
Proceeds from sales and maturities of investment securities			210,179	68,544	278,723	
Cash paid to investment managers			(264)		(264)	
Cash paid for long-term annuity prizes payable				(26,538)	(26,538)	
Loan disbursements		(406,288)			(406,288)	
Loan repayments		57,497			57,497	
Interest and dividends on investments	7,695	53,825	15,397	6,633	83,550	10,410
Net cash provided (used) by investing activities	7,695	(294,966)	(106,479)	(11,246)	(404,996)	10,410
Net increase (decrease) in cash and cash equivalents	767,231	(37,959)	(221,362)	37,977	545,887	(25,168)
Cash and cash equivalents, July 1, 2022	1,008,103	400,589	225,175	267,377	1,901,244	388,731
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$ 1,775,334	\$ 362,630	\$ 3,813	\$ 305,354	\$ 2,447,131	\$ 363,563
Reconciliation of cash and cash equivalents to the Statement of Net Position:						
Total cash and cash equivalents per Statement of Net Position	\$ 1,775,334		\$ 2,812	\$ 22,408	\$ 1,800,554	\$ 71,226
Add: cash equity with State Treasurer		\$ 362,630	1,001	275,727	639,358	292,337
Add: restricted cash equivalents				7,219	7,219	
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$ 1,775,334	\$ 362,630	\$ 3,813	\$ 305,354	\$ 2,447,131	\$ 363,563

State of Illinois

Statement of Cash Flows -

Proprietary Funds

For the Year Ended June 30, 2023 (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		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
OPERATING INCOME (LOSS)	\$ 600,756	\$ 12,405	\$ 25,449	\$ 901,943	\$ 1,540,553	\$ (87,813)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation/amortization		37		2,093	2,130	180,299
Provision for uncollectible accounts	(37,218)	67,329		4,760	34,871	(118)
Amortization (Accretion)						(6,025)
Interest and investment income		(99,993)	(34,988)	(1,402)	(136,383)	
Interest expense		239		1,082	1,321	
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:						
(Increase) decrease in accounts receivable:						
PUA	2,799				2,799	
FPUC associated with PUA	10,646				10,646	
LWA associated with PUA	(4,623)				(4,623)	
Other unemployment insurance and related programs	(183,980)				(183,980)	
Other (increase) decrease in accounts receivable			215,028	11,965	226,993	(18,370)
(Increase) decrease in intergovernmental receivables	(2,060)			109	(1,951)	(150)
(Increase) decrease in due from other funds	2,981			1,122	4,103	(17,314)
(Increase) decrease in due from component units	7				7	902
(Increase) decrease in loans and notes receivable				36,339	36,339	
(Increase) decrease in inventories						(72)
(Increase) decrease in prepaid expenses		2		86	88	841
(Increase) decrease in leases						(104)
(Increase) decrease in deferred outflows of resources		(10,292)		(32)	(10,324)	
Increase (decrease) in accounts payable and accrued liabilities:						
PUA	(1,299)				(1,299)	
FPUC associated with PUA	(1,486)				(1,486)	
Other unemployment insurance and related programs	17,259				17,259	
Other increase (decrease) in accounts payable and accrued liabilities	20,172	(336)	(212,992)	5,854	(187,302)	(24,343)
Increase (decrease) in intergovernmental payables	31,112	(141)		1,152	32,123	135
Increase (decrease) in due to other funds	5	26	(123)	341	249	(4,499)
Increase (decrease) in due to component units		(106)	(36)	1,333	1,191	(273)
Increase (decrease) in unearned revenue				697	697	(10)
Increase (decrease) in net pension liability		4,337		(17,779)	(13,442)	
Increase (decrease) in OPEB liability		(12,449)		(38,443)	(50,892)	
Increase (decrease) in other liabilities		(604)	(107,019)	(682)	(108,305)	16,472
Increase (decrease) in long-term annuity prizes payable				13,144	13,144	
Increase (decrease) in deferred inflows of resources		14,648		20,113	34,761	
Total adjustments	(145,685)	(37,303)	(140,130)	41,852	(281,266)	127,371
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 455,071	\$ (24,898)	\$ (114,681)	\$ 943,795	\$ 1,259,287	\$ 39,558
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Cost of capital asset acquisitions financed by leases				\$ 4,830		\$ 26,956
Cost of subscription-based information technology arrangements				70		72,475
Acquisition of buildings and equipment						79,000
Gain (loss) on disposal of capital assets				(526)		(33,261)
Gain on early termination of lessor leases						5
Transfer of assets/liabilities from (to) other state funds						36,655
Loan repayments held at Trustee		\$ 271,048			\$ 271,048	
Increase (decrease) in fair value of investments			\$ 21,857	(13,255)	8,602	
Interest accreted on investments				8,204	8,204	
Interest accreted on long-term annuity prizes payable				(8,204)	(8,204)	

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, 2023 (Expressed in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ASSETS				
Cash equity with State Treasurer	\$ 825,837		\$ 7	\$ 958,899
Cash and cash equivalents	365,608	\$ 4,803,290	167	51,455
Securities lending collateral of State Treasurer	113,919		1	107,640
Investments:				
Equities	34,138,555	6,014,155	632	
Fixed income	12,957,770	14,343,487	170	841,407
Private equity	11,270,891			
Real estate	14,941,998			
Other	15,686,511			
Equity in Illinois State Board of Investments	24,293,420			
Securities lending collateral	5,157,442			
Receivables, net:				
Taxes				203,804
Members	187,870			
Employers	39,187			
Investment income	246,215	86,724		
Intergovernmental	409			2,269
Pending investment sales	2,055,797			
Other	17,380			249,817
Due from other funds	180			
Due from primary government funds	126,239			52,258
Prepaid expenses	213,683			
Capital assets not being depreciated	11,985			
Capital assets being depreciated, net	35,824			
Total assets	122,686,720	25,247,656	977	2,467,549
LIABILITIES				
Accounts payable and accrued liabilities	289,918	33,197		206,752
Intergovernmental payables				1,176,962
Due to other funds	180			
Due to primary government funds	41,899	464		
Obligations under securities lending of State Treasurer	113,919		1	107,640
Securities lending collateral	5,156,958			
Payable to brokers for unsettled trades	2,103,868			
Long-term obligations:				
Due within one year	1,747			
Due subsequent to one year	7,027			
Total liabilities	7,715,516	33,661	1	1,491,354
NET POSITION				
Restricted for:				
Pension	114,456,190			
Postemployment benefits other than pensions	622,121			
Pool participants		25,213,995		
Individuals, organizations, and other governments			976	976,195
Unrestricted	(107,107)			
Total net position	\$ 114,971,204	\$ 25,213,995	\$ 976	\$ 976,195

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, 2023 (Expressed in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS				
Contributions:				
Employer	\$ 3,103,048			\$ 12,217
State	8,221,759			82,399
Participants		\$ 1,804,484		32
Members:				
Employees	1,835,454			133,000
Federal Medicare Part D	457			
Other contributions	12,090			
Total contributions	13,172,808	1,804,484		227,648
Investment income:				
Interest and other investment income	2,993,721	761,557	\$ 23	19,357
Net increase (decrease) in fair value of investments	5,267,822	1,041,080	100	(190)
Less investment expense	(1,077,526)	(5,472)	(11)	(65)
Net investment income	7,184,017	1,797,165	112	19,102
Capital share and individual account transactions:				
Shares sold		15,345,077		
Reinvested distributions		284,011		
Shares redeemed		(14,554,517)		
Net capital share and individual account transactions		1,074,571		
Collections/deposits:				
Sales tax collections for other governments				3,589,060
Public utility tax collections for other governments				116,152
Motor fuel tax collections for other governments				84,950
Other tax collections for other governments				1,939,588
License and fee collections for other governments				110,531
Collateral deposits received				269,120
Custodial fund deposits received				1,189,399
Other				12,073
Total collections/deposits				7,310,873
Total additions	20,356,825	4,676,220	112	7,557,623
DEDUCTIONS				
Benefit payments	14,458,729			
Refunds	173,210			
Payments to participants/beneficiaries		1,349,972		
Distribution to pool investors		289,442		
Depreciation	6,273			
General and administrative	83,887	56,788		8,230
Payment of sales tax to other governments				3,597,311
Payment of public utility tax to other governments				116,152
Payment of motor fuel tax to other governments				85,303
Payment of other tax to other governments				1,948,634
Payment of licenses and fees to other governments				110,580
Collateral deposits returned				298,317
Custodial funds disbursed				1,100,970
Contributions disbursed to third party investors				218,250
Other				22,233
Total deductions	14,722,099	1,696,202		7,505,980
Change in net position				
Restricted for:				
Pension benefits	5,519,467			
Retiree health insurance benefits	110,110			
Other employee benefits	5,149			
Pool participants		2,980,018		
Individuals, organizations, and other governments			112	51,643
Net position, July 1, 2022, as restated	109,336,478	22,233,977	864	924,552
NET POSITION, JUNE 30, 2023	\$ 114,971,204	\$ 25,213,995	\$ 976	\$ 976,195

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, 2023 (Expressed in Thousands)

	Housing Development Authority	Illinois State Toll Highway Authority	Other Authorities	Illinois State University	Northern Illinois University
ASSETS					
Cash equity with State Treasurer		\$ 930,663			
Cash and cash equivalents	\$ 93,463	62,887	\$ 9,235	\$ 177,848	\$ 12,026
Securities lending collateral of State Treasurer			3,570		
Investments	226,644		53,205	240,140	171,867
Receivables, net:					
Intergovernmental		53,629			
Other	3,766	137,594	1,018	38,735	36,840
Due from component units			16,483	240	25
Due from primary government	32,002	83,290	1,278,603	3,568	1,103
Inventories				2,346	1,935
Prepaid expenses		13,575	178	6,091	386
Unamortized bond insurance costs		2,069		533	3,425
Loans and notes receivable, net	1,289,000		13,479	2,912	1,635
Restricted assets:					
Cash equity with State Treasurer		210,092	19,808		
Cash and cash equivalents	1,218,338	216,949	417,591	53,642	41,694
Investments	2,232,647	456,000	222,738	118,484	53,667
Other receivables, net	43,689	2,870	1,801	5,339	
Loans and notes receivable, net			18,111		
Other assets				376	
Derivative instruments	21,181				
Other assets	12,990		403	3,846	2,944
Leases receivable		18,112	36,882	8	329
Capital assets not being depreciated		3,320,214	38,053	56,103	34,662
Capital assets being depreciated, net	32,747	8,108,121	17,284	494,364	337,951
Total assets	5,206,467	13,616,065	2,148,442	1,204,575	700,489
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources - accumulated decrease in fair value of derivative instruments	291				
Deferred outflows of resources - unamortized deferred amounts on bond refundings		185,093		544	
Deferred outflows of resources - unamortized deferred amounts on certificates of participation refundings					
Deferred outflows of resources - pensions		80,501	643	728	1,739
Deferred outflows of resources - OPEB		449,113		2,670	10,401
Total deferred outflows of resources	291	714,707	643	3,942	12,140
LIABILITIES					
Accounts payable and accrued liabilities	119,310	503,373	40,349	32,402	45,898
Intergovernmental payables		39,826			2,110
Due to component units				63	
Due to primary government	467,698	40,823	10,942	34	
Unearned revenue	410,381	236,163	3,867	12,639	14,602
Obligations under securities lending collateral of State Treasurer			3,570		
Assets held for others	153,923		5		
Short-term notes payable					
Derivative instruments	291				
Other liabilities				2,621	
Long-term obligations:					
Due within one year	142,577	71,149	109,277	22,461	14,497
Due subsequent to one year	2,602,396	8,756,098	1,760,525	196,261	333,305
Total liabilities	3,896,576	9,647,432	1,928,535	266,481	410,412
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - accumulated increase in fair value of derivative instruments	21,181				
Deferred inflows of resources - unamortized deferred amounts on bond refundings					
Deferred inflows of resources - unamortized deferred amounts on certificates of participation refundings				256	
Deferred inflows of resources - irrevocable split-interest agreements					
Deferred inflows of resources - service concession arrangements					
Deferred inflows of resources - leases		17,816	35,132	8	304
Deferred inflows of resources - pensions		117,010	445		
Deferred inflows of resources - OPEB		741,283		16,238	27,762
Total deferred inflows of resources	21,181	876,109	35,577	16,502	28,066
NET POSITION					
Net investment in capital assets	11,543	3,473,669	41,802	364,738	65,694
Restricted for:					
Debt service		518,316			
Capital projects				126,873	65,629
Nonexpendable purposes				278,158	140,536
Other expendable purposes	1,014,339		62,419		
Unrestricted	263,119	(184,754)	80,752	155,765	2,292
Total net position	\$ 1,289,001	\$ 3,807,231	\$ 184,973	\$ 925,534	\$ 274,151

Southern Illinois University	University of Illinois	Other Universities	Total
\$ 101,635	\$ 928,318	\$ 132	\$ 930,795
		176,128	1,561,540
		24	3,594
202,481	2,410,253	63,443	3,368,033
	207,247	13,126	274,002
56,908	496,936	66,685	838,482
115	101	178	17,142
30,783	329,452	4,469	1,763,270
6,344	36,343	4,091	51,059
4,400	66,536	5,054	96,220
1,235		1,183	8,445
6,665	33,590	4,852	1,352,133
			229,900
58,790	142,842	63,454	2,213,300
364,663	4,136,764	218,358	7,803,321
		3,899	57,598
			18,111
		5,199	5,575
	5,120		26,301
13,159	84,433	1,483	119,258
4,826	39,735	1,558	101,450
59,711	373,424	142,206	4,024,373
713,150	4,223,801	726,934	14,654,352
1,624,865	13,514,895	1,502,456	39,518,254
	219		510
	3,548	236	189,421
21		83	104
3,235	45,784	1,725	134,355
42,130	344,765	21,001	870,080
45,386	394,316	23,045	1,194,470
47,007	739,557	60,863	1,588,759
		1,924	43,860
100	16,766	213	17,142
1,787	54,378	330	575,992
44,115	252,735	25,527	1,000,029
		24	3,594
12,444	2,500	13	168,885
	10,199		10,199
	85		376
		4,523	7,144
45,344	214,898	30,059	650,262
331,449	2,551,983	228,139	16,760,156
482,246	3,843,101	351,615	20,826,398
	5,508		26,689
1,635	1,403	4	3,042
263			519
	23,261	477	23,738
	63,966	27,278	91,244
4,695	35,258	1,496	94,709
			117,455
97,772	826,396	54,493	1,763,944
104,365	955,792	83,748	2,121,340
549,492	2,965,909	650,348	8,123,195
6,847		7,421	532,584
35,315		434	35,749
174,780	1,814,008	138,877	2,320,167
157,036	2,557,588	166,005	4,376,081
160,170	1,772,813	127,053	2,377,210
\$ 1,083,640	\$ 9,110,318	\$ 1,090,138	\$ 17,764,986

State of Illinois

**Statement of Activities -
Component Units**

For the Year Ended June 30, 2023 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues			Net (expense) revenue
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Authorities:					
Illinois Housing Development Authority	\$ 621,078	\$ 95,800	\$ 517,194		\$ (8,084)
Illinois State Toll Highway Authority	1,167,937	1,554,480			386,543
Other authorities	59,106	31,732		\$ 1,040	(26,334)
Universities:					
Illinois State University	591,710	313,791	101,648	708	(175,563)
Northern Illinois University	485,815	200,647	117,158		(168,010)
Southern Illinois University	1,115,132	596,239	169,989	499	(348,405)
University of Illinois	6,436,509	3,860,383	1,340,653	12,585	(1,222,888)
Other universities	721,306	250,626	170,146	1,429	(299,105)
Total	<u>\$ 11,198,593</u>	<u>\$ 6,903,698</u>	<u>\$ 2,416,788</u>	<u>\$ 16,261</u>	<u>\$ (1,861,846)</u>

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

General revenues				Additions to permanent endowments	Total general revenues and additions to permanent endowments	Change in net position	Net position, July 1, 2022, as restated	Net position, June 30, 2023
Pension and OPEB revenue recognized	State appropriations	Interest and investment income	Other					
		\$ 30,683			\$ 30,683	\$ 22,599	\$ 1,266,402	\$ 1,289,001
		25,764	\$ 25,737		51,501	438,044	3,369,187	3,807,231
		25,677	79		25,756	(578)	185,551	184,973
\$ 38,795	\$ 78,273	20,529	53,881	\$ 5,818	197,296	21,733	903,801	925,534
35,968	97,872	15,352	11,403	4,839	165,434	(2,576)	276,727	274,151
79,962	215,268	31,679	43,217	9,188	379,314	30,909	1,052,731	1,083,640
557,124	724,149	400,890	291,104	76,458	2,049,725	826,837	8,283,481	9,110,318
69,742	242,546	28,077	3,432	5,804	349,601	50,496	1,039,642	1,090,138
<u>\$ 781,591</u>	<u>\$ 1,358,108</u>	<u>\$ 578,651</u>	<u>\$ 428,853</u>	<u>\$ 102,107</u>	<u>\$ 3,249,310</u>	<u>\$ 1,387,464</u>	<u>\$ 16,377,522</u>	<u>\$ 17,764,986</u>

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STATE OF ILLINOIS
Notes to the Financial Statements
June 30, 2023

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 seven 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.

1. *General Assembly Retirement System (GARS)*. GARS is the administrator of a single-employer defined benefit pension plan which provides coverage to 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, as well as Clerks and Assistant Clerks of the respective houses of the General Assembly. The State of Illinois is legally mandated to make contributions to GARS.

2. *Judges' Retirement System (JRS)*. JRS is the administrator of a single-employer defined benefit pension plan which provides coverage to Judges, Associate Judges, and under certain conditions, the Administrative Director of the Illinois Courts. The State of Illinois is legally mandated to make contributions to JRS.
3. *State Employees' Retirement System (SERS)*. SERS is the administrator of a single-employer defined benefit pension plan which provides coverage to employees of State agencies as well as employees of Illinois Toll Highway Authority and Illinois Comprehensive Health Insurance Plan, both of which are component units of the State. The State of Illinois is legally mandated to make contributions to SERS.
4. *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), special districts, and certain State agencies, even though most covered employees are not State employees. The State of Illinois is legally mandated to make contributions to TRS.
5. *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.
6. *Teacher Health Insurance Security Fund (THISF) also known as (TRIP)*. TRIP is the administrator of a cost-sharing multiple-employer defined benefit post-employment healthcare plan which provides coverage to retired employees of participating school districts in Illinois, excluding the Chicago Public School System. The State of Illinois is legally mandated to make contributions to TRIP.
7. *Community College Health Insurance Security (CCHISF) also known as (CIP)*. CIP is the administrator of a cost-sharing multiple-employer defined benefit post-employment healthcare plan which provides coverage to retired employees and their dependents of Illinois community college districts in Illinois, excluding the City Colleges of Chicago. The State of Illinois is legally mandated to make contributions to CIP.

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 Offices: State of Illinois Building, 555 W. Monroe Street, Suite 1500 S-GOMB, Chicago, Illinois 60661.)

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. *Illinois Finance Authority*. The Illinois Finance 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 Illinois Finance Authority and has a moral obligation for its debt if there are not sufficient Illinois Finance Authority monies to pay principal and interest. (Administrative Offices: 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601.)
4. *Illinois Medical District Commission*. The Illinois Medical District Commission was created to maintain and expand a designated “medical district.” (Administrative Offices: 2100 W. Harrison Street, Chicago, Illinois 60612.)
5. *Southwestern Illinois Development Authority (SWIDA)*. The SWIDA promotes economic development within the counties of St. Clair and Madison in the State of Illinois. The State approves bonds and notes issued by SWIDA and has a moral obligation for its debt if there are not sufficient SWIDA monies to pay principal and interest. (Administrative Offices: 1022 Eastport Plaza Drive, Collinsville, Illinois 62234.)
6. *Upper Illinois River Valley Development Authority (UIRVDA)*. The UIRVDA 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 UIRVDA and has a moral obligation for its debt if there are not sufficient UIRVDA monies to pay principal and interest. (Administrative Offices: 633 La Salle Street, Suite 401, Ottawa, Illinois 61350.)
7. *Boards of Trustees (boards) 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). 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, Campus Box 1100, 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, 2022, was \$134.035 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 2022 of \$247 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 fund:

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 six primary sub-accounts (General Revenue, Education Assistance, Common School, Advancement of Education, Commitment to Human Services, and Budget Stabilization) with numerous secondary sub-accounts.

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 leases, financed purchases, workers’ compensation, net pension liability, and other postemployment benefit 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 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 College Savings Pool Fund.

Private-Purpose Trust – These funds 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.

Custodial – 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 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 leases and financed 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 Offices at Marine Bank Building, 1 East Old State Capitol Plaza, Springfield, Illinois 62701.

The State’s financial statements contain certain investments that meet the definition of “derivative instruments.” Derivative instrument 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, including 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. Right-to-use lease assets and subscription-based information technology arrangements (SBITAs) are recorded at cost based on the present value of expected payments over the lease or SBITA term plus any payments made to the lessor at or before the commencement of the lease or SBITA term and certain direct costs that are ancillary charges necessary to place the lease or SBITA asset into service.

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 Software	1,000
Non-Internally Generated Software	25
Right-to-Use Lease Assets	25
Subscription-Based Information Technology Arrangements	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.

Capital assets, right-to-use lease assets, and SBITAs are depreciated and amortized using the straight-line method over the following estimated useful lives or over the lease or SBITA term:

Table 1-2

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 Software	3-25
Non-Internally Generated Software	3-25
Right-to-Use Lease Assets	Lease Term
Subscription-Based Information Technology Arrangements	SBITA Term

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 forty-two 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. 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.

L. Bonds Issued, Premiums/Discounts and Insurance on Bonds Issued, and Bond Issuance Costs

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

In the fund financial statements, the face amount of the debt issues is reported as other financing sources. The governmental fund types recognize bond premiums and discounts, as well as bond insurance costs, during the current period. 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.

Certain bonds are classified as capital appreciation bonds which are issued at stated interest rates significantly below their effective interest rate, resulting in a substantial discount. The implicit interest (i.e., discount) is not paid until the 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.

M. Refundings of Debt

In the government-wide and proprietary fund financial statements, gains and losses from 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.

N. 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 30th are available for subsequent expenditure to the extent that encumbrances for the purchase of equipment and commodities have been incurred at June 30th, 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.

O. 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.

P. 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.

Q. New Accounting Pronouncements

Effective for the year ending June 30, 2023, the State adopted 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 implementation of this statement had no financial impact on the State's net position or results of operations.

Effective for the year ending June 30, 2023, the State adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which establishes standards of accounting and financial reporting for Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs) for governments to improve the comparability of financial statements among governments that enter into these types of agreements. The standards will enhance the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The implementation of this statement had no financial impact on the State's net position or results of operations.

Effective for the year ending June 30, 2023, the State adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the objective of which is to improve accounting and financial reporting for subscription-based information technology arrangements (SBITAs) by establishing a definition for SBITAs and providing uniform guidance on accounting and financial reporting for transactions that meet that definition. SBITAs provide governments with access to vendors' information technology (IT) software and associated tangible capital assets for subscription payments without granting governments perpetual license or title to the IT software and associated tangible capital assets. The statement establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. Information regarding the State's SBITAs is disclosed in Note 13. Additionally, the requirements of this statement resulted in the restatement of beginning net position, as detailed in Note 2.

Effective for the year ending June 30, 2023, the State adopted additional portions of GASB Statement No. 99, *Omnibus 2022*, the objective of which is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues identified during the implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The requirements of this statement required to be adopted at this time are those related to the clarification of provisions within GASB Statement No. 87 related to the lease term, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions within GASB Statement No. 94 related to PPP terms, recognition and measurement of installment payments, and transfers of underlying PPP assets; and within GASB Statement No. 96 related to the term, classification as a short-term arrangement and recognition and measurement of a subscription liability. The implementation of this statement had no financial impact on the State's net position or results of operations.

R. Future Adoption of GASB Statements

Effective for the year ending June 30, 2024, the State will adopt the remaining portions of GASB Statement No. 99, *Omnibus 2022*. Specifically, the requirements within this GASB related to financial guarantees and the classification and reporting of derivative instruments within the

scope of GASB Statement No. 53 that do not meet the definition of either an investment derivative or hedging derivative instrument are effective with this final implementation period. The State has not yet determined the impact on its financial statements as a result of adopting this portion of the statement.

Effective for the year ending June 30, 2024, the State will adopt GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The statement defines what constitutes an accounting change and addresses corrections of errors in previously issued financial statements. The statement also prescribes the accounting and financial reporting for each type of accounting change and error correction and provides information on the required disclosures in the notes to the financial statements, required supplementary information, and supplementary information. 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, 2025, the State will adopt GASB Statement No. 101, *Compensated Absences*, the objective of which is to better meet the needs of the financial statement user by updating the recognition and measurement guidance for compensated absences. The statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The statement further identifies certain types of compensated absences and when a liability should be recognized. Additionally, it establishes guidance for measuring a liability for leave and amends existing guidance for 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, 2023, are as follows:

Table 2-1 (amounts expressed in thousands)

	General Fund	Other Nonmajor Funds	Total Governmental Funds
Fund Balances Nonspendable:			
Long-Term Portion of Loans and Notes Receivable	\$ 2,487	\$ -	\$ 2,487
Inventories	75,996	143,325	219,321
Endowments and Similar Funds	-	57,232	57,232
Total Nonspendable	78,483	200,557	279,040
Restricted For:			
Debt Service	-	2,089,695	2,089,695
Capital Grants/Projects			
Transportation Construction/Maintenance	-	641,841	641,841
Other	-	1,286,041	1,286,041
Health and Social Services	29,857	273,546	303,403
Education	149	18,058	18,207
General Government			
Unclaimed Property	-	216,434	216,434
Pension Acceleration Program	-	206,054	206,054
Other	154,113	552,468	706,581
Employment and Economic Development	535	413,584	414,119
Transportation	-	116,159	116,159
Public Protection and Justice	61,826	148,280	210,106
Environment and Business Regulation			
Abandoned Mined Land Reclamation	-	74,340	74,340
Other	-	79,054	79,054
Total Restricted	246,480	6,115,554	6,362,034
Committed For:			
Capital Grants/Projects			
Transportation Construction/Maintenance	-	1,675,684	1,675,684
Other	393,291	121,439	514,730
Health and Social Services			
Healthcare/Pharmaceutical Provider Relief	268,777	-	268,777
Adoption/Foster Care Services	-	455,509	455,509
Other	741,732	307,149	1,048,881
Education			
Education Assistance	169,453	-	169,453
Other	-	29,808	29,808
General Government			
School Infrastructure	172,618	-	172,618
Affordable Housing	-	249,424	249,424
State Universities Pension	-	47,020	47,020
Real Estate Tax-Relief Loan Program	-	61,794	61,794
Identification Security and Theft Prevention Measures	-	35,967	35,967
Other	2,786,995	1,109,093	3,896,088
Employment and Economic Development			
Low Income Energy Assistance	-	68,930	68,930
Tourism Promotion	-	103,364	103,364
Renewable Energy Programs	-	118,146	118,146
Other	105,237	80,708	185,945
Transportation			
Downstate Public Transportation	-	279,200	279,200
Regional Transportation Capital Improvements	-	382,836	382,836
Other	151,247	2,101,335	2,252,582
Public Protection and Justice	122,110	538,248	660,358
Environment and Business Regulation			
Clean Water Activities	-	22,125	22,125
Open Space Lands Acquisition and Development	-	168,668	168,668
Parks and Conservation Activities	-	9,963	9,963
Insurance Regulation and Administration	-	202,892	202,892
Other	15,284	382,039	397,323
Total Committed	4,926,744	8,551,341	13,478,085
Assigned For:			
Child Care Services and Programs	-	135,684	135,684
Total Assigned	-	135,684	135,684
Unassigned	(2,742,588)	(305,039)	(3,047,627)
	<u>\$ 2,509,119</u>	<u>\$ 14,698,097</u>	<u>\$ 17,207,216</u>

B. Restatements

The financial statements have been restated as of July 1, 2022, due to the following:

Table 2-2 (amounts expressed in thousands)

	Governmental Activities			Business-Type Activities	
	Governmental Funds		Governmental Activities	Proprietary Funds	
	General	Internal Service Funds		Nonmajor Enterprise Funds	Business-Type Activities
Fund Balance/Net Position, July 1, 2022, as previously reported	\$ 1,479,795	\$ 557,759	\$ (184,811,378)	\$ 21,867	\$ 3,647,436
Correction of Prior Errors					
Understatement of liabilities and expenditures due to ineligible drug rebate claims (note 24)	(766,000)	-	(766,000)	-	-
Implementation of New Accounting Standard					
Implementation of GASB Statement No. 96					
Assets	-	30,489	168,645	1,235	1,235
Liabilities	-	(30,489)	(167,752)	(1,235)	(1,235)
Net Position, July 1, 2022, as restated	<u>\$ 713,795</u>	<u>\$ 557,759</u>	<u>\$ (185,576,485)</u>	<u>\$ 21,867</u>	<u>\$ 3,647,436</u>

Table 2-3 (amounts expressed in thousands)

	Fiduciary Funds			
	Pension (and Other Employee Benefit) Trust Funds			
	State Employees' Retirement System	Teachers' Retirement System	State Universities Retirement System	Pension (and Other Employee Benefit) Trust Funds
Net Position, July 1, 2022, as previously reported	\$ 22,224,503	\$ 62,833,626	\$ 22,523,123	\$ 109,335,850
Implementation of New Accounting Standard				
Implementation of GASB Statement No. 96				
Assets	60	1,265	1,265	2,590
Liabilities	(60)	(1,265)	(637)	(1,962)
Net Position, July 1, 2022, as restated	<u>\$ 22,224,503</u>	<u>\$ 62,833,626</u>	<u>\$ 22,523,751</u>	<u>\$ 109,336,478</u>

Table 2-4 (amounts expressed in thousands)

	Component Units					Component Units
	Component Units					
	Illinois Housing Development Authority	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	
Net Position, July 1, 2022, as previously reported	\$ 1,266,402	\$ 903,801	\$ 276,318	\$ 1,052,480	\$ 8,279,646	\$ 16,373,027
Implementation of New Accounting Standard						
Implementation of GASB Statement No. 96						
Assets	5,051	10,076	1,935	9,215	37,820	64,097
Liabilities	(5,051)	(10,076)	(1,526)	(8,964)	(33,985)	(59,602)
Net Position, July 1, 2022, as restated	<u>\$ 1,266,402</u>	<u>\$ 903,801</u>	<u>\$ 276,727</u>	<u>\$ 1,052,731</u>	<u>\$ 8,283,481</u>	<u>\$ 16,377,522</u>

C. Net Position Restricted by Enabling Legislation

The government-wide statement of net position reports \$13.430 billion of restricted net position, of which \$5.312 billion is restricted by enabling legislation.

D. Budget Stabilization Account

The Budget Stabilization Account, a sub-account of the General Fund, was created under P.A. 91-0703, effective May 16, 2000. Transfers into the fund include 10% of the net monthly revenue in the Cannabis Regulation Fund, as defined in the Cannabis Regulation and Tax Act, which became effective June 25, 2019. In addition, P.A. 102-0700, effective April 19, 2022, and P.A. 102-1115, effective January 9, 2023, provided for transfers of \$280 million and \$850 million, respectively, during fiscal year 2023.

The State may transfer moneys from the Budget Stabilization Account to the General Revenue Account in order to meet cash flow deficits resulting from timing variations between disbursements and the receipt of funds within a fiscal year. Any moneys so borrowed shall be repaid by June 30 of the fiscal year in which they were borrowed. For Fiscal Year 2020 through 2022, any transfers into the Budget Stabilization Account pursuant to the Cannabis Regulation and Tax Act may be transferred to the General Revenue Account and shall not be subject to repayment back into the Budget Stabilization Account. As of June 30, 2023, the fund balance in the Budget Stabilization Account was \$2.367 billion and is included in the committed fund balance of the General Fund.

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, 2023, consisted of the following:

Table 3-1 (amounts expressed in thousands)

Investment Type	Fair Value
Repurchase agreements	\$ 3,124,079
U.S. Treasury obligations	4,498,057
U.S. Agency obligations	1,899,761
Supranational bonds	287,860
Municipal debt	196,618
Commercial paper	2,994,140
Corporate debt securities	2,130,434
Money market mutual funds	5,187,412
Private equity	568,780
Equity in Public Treasurers' Investment Pool	10,731,980
Securities lending collateral invested in repurchase agreements	4,839,942
Total fair value	<u>\$ 36,459,063</u>

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, 2023, except for investments held by ISBI, TRS, and SURS, consisted of the following:

Investment Type	Fair Value
Negotiable certificates of deposit	\$ 3,876
U.S. Treasury obligations	1,111,540
U.S. Agency obligations	37,462
Municipal debt	100,225
Corporate debt securities	34,716
Debt mutual funds	6,015,463
Equity in Public Treasurers' Investment Pool	8,000,393
Equity in Illinois State Board of Investments	44,082
Equity in State Universities Retirement System	19,477
Government notes - non U.S.	2,056
Cash and pending trades	(2,558)
Money market mutual funds	1,324,614
Equity securities	136,754
Equity mutual funds	10,038,705
Blended mutual funds	2,674
Bond trust funds	47,032
Other	180,146
Total fair value	<u>\$ 27,096,657</u>

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 custodial 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 \$43.096 million more than the deposits and investments of the ISBI, due to net liabilities of the ISBI.

Investments held by ISBI at June 30, 2023, consisted of the following:

Investment Type	Fair Value
U.S. Treasury obligations	\$ 540,943
U.S. Agency obligations	219
Corporate obligations	224,653
Common stock and equity funds	4,004,165
Foreign debt obligations	1,963
Foreign equity securities	222,823
Commingled funds	11,666,739
Private credit	1,652,431
Hedge funds	181
Real estate	2,727,335
Private equity	2,400,092
Money market instruments	160,666
Infrastructure funds	551,606
Bank loans	125,536
Total Investments	<u>\$ 24,279,352</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 \$967.709 million and \$991.492 million at June 30, 2023, respectively. Of the total bank balance of these cash deposits at June 30, 2023, \$27.341 million was uninsured with collateral held by the pledging financial institution in the State's name, \$10.705 million was uninsured with collateral held by the pledging financial institution but not in the State's name, and \$2.276 million was uninsured and uncollateralized. In addition to the cash deposits held outside of the State Treasury, the Unemployment Compensation Trust Fund had \$1.768 billion in deposits held by the federal government.

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 \$14.898 million at June 30, 2023.

TRS's foreign currency held by investment managers at June 30, 2023, totaled \$97.273 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, 2023, the carrying amount was \$244.286 million and the bank balance was \$93.191 million, of which \$8.580 million was uninsured and uncollateralized.

Investments***Primary Government:***

The State does not have a formal policy for custodial credit risk of investments held outside of the State Treasury. Of the total balance of primary government investments held outside of the State Treasury, except for investments held by ISBI, TRS, and SURS, \$813.560 million was held by the counterparty, but not in the State's name, at June 30, 2023. 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 \$3.876 million,

\$674.324 million, \$11.947 million, \$100.075 million, \$21.837 million, and \$1.501 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, 2023:

Table 3-4 (amounts expressed in thousands)

Investment Type	Aaa	Aa	A	Baa	P-1	P-2	Not Rated	Total
Repurchase agreements	\$ -	\$ -	\$ 1,320,270	\$ -	\$ 603,809	\$ -	\$ 1,200,000	\$ 3,124,079
U.S. Agency obligations	1,899,761	-	-	-	-	-	-	1,899,761
Supranational bonds	287,860	-	-	-	-	-	-	287,860
Municipal debt	9,851	50,829	18,374	-	-	-	117,564	196,618
Commercial paper	-	-	-	-	2,378,173	615,967	-	2,994,140
Corporate debt securities	360,871	594,204	1,037,937	40,370	-	-	97,052	2,130,434
Money market mutual funds	5,187,412	-	-	-	-	-	-	5,187,412
Equity in Public Treasurers' Investment Pool	-	-	-	-	-	-	10,731,980 *	10,731,980
Securities lending collateral: Invested in repurchase agreements	-	-	-	-	-	-	4,839,942 **	4,839,942
Total subject to credit risk	\$ 7,745,755	\$ 645,033	\$ 2,376,581	\$ 40,370	\$ 2,981,982	\$ 615,967	\$ 16,986,538	31,392,226
U.S. Treasury obligations	-	-	-	-	-	-	-	4,498,057
Total fixed income securities								\$ 35,890,283

* 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: 1.28% Aaa, 2.07% Aa, 7.28% A, 11.18% Baa, 5.18% Ba, 4.73% B, 2.37% Caa, 1.07% Ca, 0.07% C, 64.77% 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, 2023:

Table 3-5 (amounts expressed in thousands)

Investment Type	Aaa	Aa	A	Baa	Ba	B	Not Rated	Withdrawn	Total
Negotiable certificates of deposit	\$ -	\$ -	\$ 243	\$ -	\$ -	\$ -	\$ 3,633	\$ -	\$ 3,876
U.S. Agency obligations	11,687	-	48	-	-	-	289	25,438	37,462
Municipal debt	22,309	64,002	10,818	601	-	-	394	2,101	100,225
Corporate debt securities	4,345	3,465	20,075	2,728	-	84	3,921	98	34,716
Government notes - non U.S.	141	1,501	-	257	-	-	157	-	2,056
Mutual funds	553	6	684	36	16	7	6,014,161	-	6,015,463
Equity in Public Treasurers' Investment Pool	-	-	-	-	-	-	8,000,393 *	-	8,000,393
Money market mutual funds	822,946	-	-	-	-	-	501,668	-	1,324,614
Bond trust funds	-	-	-	-	-	-	47,032	-	47,032
Total subject to credit risk	\$ 861,981	\$ 68,974	\$ 31,868	\$ 3,622	\$ 16	\$ 91	\$ 14,571,648	\$ 27,637	15,565,837
U.S. Treasury obligations	-	-	-	-	-	-	-	-	1,111,540
Total fixed income securities									\$ 16,677,377

* 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, 2023:

Table 3-6 (amounts expressed in thousands)

Quality Rating	Corporate Debt Obligations	Foreign Debt Obligations	U.S. Agency Obligations	Money Market Instruments	Total
Aaa	\$ -	\$ -	\$ 219	\$ -	\$ 219
Aa	9,308	-	-	-	9,308
A	80,628	-	-	-	80,628
Baa	3,999	-	-	-	3,999
Ba	18,881	-	-	-	18,881
B	20,454	-	-	-	20,454
Caa	12,222	-	-	-	12,222
Ca	4,365	-	-	-	4,365
Not rated	74,796	1,963	-	160,666	237,425
Total subject to credit risk	\$ 224,653	\$ 1,963	\$ 219	\$ 160,666	\$ 387,501

The following table summarizes the Moody's credit quality ratings for debt securities held by TRS at June 30, 2023:

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	\$ 195,638	\$ -	\$ 291,784	\$ -	\$ 538,761	\$ 1,026,183
Aa	59,516	45,061	-	1,170	304,012	409,759
A	577,806	85,357	-	-	1,911,095	2,574,258
Baa	1,093,733	346,399	-	-	-	1,440,132
Ba	516,941	187,809	-	276	164,448	869,474
B	310,403	8,116	-	-	41,116	359,635
Caa	61,950	598	-	-	-	62,548
Ca	20,448	-	-	-	-	20,448
C	6,039	-	-	-	-	6,039
Not rated	62,992	8,871	-	-	-	71,863
Total subject to credit risk	\$ 2,905,466	\$ 682,211	\$ 291,784	\$ 1,446	\$ 2,959,432	6,840,339
U.S. Treasury obligations						907,609
Less cash equivalents						(18,511)
Total fixed income securities						\$ 7,729,437

The following table summarizes the Standard and Poor's credit quality ratings for debt securities held by SURS at June 30, 2023:

Table 3-8 (amounts expressed in thousands)

Quality Rating	Corporate Debt Securities	Foreign Debt Securities	U.S. Agency Obligations	Municipal Obligations	Total
AAA	\$ 103,152	\$ 3,294	\$ -	\$ 21,091	\$ 127,537
AA	68,364	6,168	1,002,819	68,859	1,146,210
A	179,297	16,018	-	8,656	203,971
BBB	333,076	61,503	749	-	395,328
BB	289,467	30,093	-	-	319,560
B	223,132	16,016	-	-	239,148
CCC	77,691	1,832	-	424	79,947
CC	7,381	-	-	-	7,381
C	189	-	-	-	189
D	9,945	-	-	-	9,945
Not rated	38,764	1,398	-	-	40,162
Total subject to credit risk	\$ 1,330,458	\$ 136,322	\$ 1,003,568	\$ 99,030	2,569,378
U.S. Treasury obligations					2,781,791
U.S. Agency obligations explicitly guaranteed by U.S. government					39,910
Less cash equivalents					(158,854)
Total fixed income securities					\$ 5,232,225

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 20% of the investment portfolio shall be allocated to investments with a 4 to 5-year maturity band. No more than 15% 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, 2023:

Table 3-9 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years
Repurchase agreements	\$ 3,124,079	\$ 3,124,079	\$ -	\$ -
U.S. Treasury obligations	4,498,057	2,043,137	1,399,856	1,055,064
U.S. Agency obligations	1,899,761	280,393	790,319	829,049
Supranational bonds	287,860	174,455	88,536	24,869
Municipal debt	196,618	21,351	94,119	81,148
Commercial paper	2,994,140	2,994,140	-	-
Corporate debt securities	2,130,434	325,691	1,160,558	644,185
Money market mutual funds	5,187,412	5,187,412	-	-
Equity in Public Treasurers' Investment Pool	10,731,980	10,731,980	-	-
Securities lending collateral:				
Invested in repurchase agreements	4,839,942	4,659,942	180,000	-
Total fixed income investments	\$ 35,890,283	\$ 29,542,580	\$ 3,713,388	\$ 2,634,315

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, 2023. 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	\$ 3,876	2.713
U.S. Treasury obligations	1,111,540	3.520
U.S. Agency obligations	37,462	18.877
Municipal debt	100,225	10.487
Corporate debt securities	34,716	8.996
Government notes - non U.S.	2,056	7.653
Mutual funds	6,015,463	5.421
Equity in Public Treasurers' Investment Pool	8,000,393	0.156
Money market mutual funds	1,324,614	0.189
Bond trust funds	47,032	8.790
Total fixed income investments	\$ 16,677,377	

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, 2023, the effective weighted duration of ISBI's fixed income portfolio was 6.6 years and the effective duration of the benchmark index was 6.1 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, 2023:

Table 3-11 (amounts expressed in thousands)

Investment Type	Fair Value	Effective Weighted Duration (Years)
Government and agency obligations:		
U.S. Treasury obligations	\$ 540,943	8.7
U.S. Agency obligations	219	-
	\$ 541,162	
Corporate obligations:		
Banks	74,024	0.7
Insurance	1,985	1.1
Other	148,644	2.2
	224,653	
Foreign obligations	1,963	1.2
Total subject to interest rate risk	\$ 767,778	

For the ISBI bank loan portfolio, the appropriate measure of interest rate risk is WAM. WAM is the average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. WAM measures the sensitivity of fixed-income portfolios to interest rate changes. At June 30, 2023, the WAM of ISBI's bank loan portfolio was 0.7 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 segmented time distribution of the debt securities held by TRS at June 30, 2023:

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
U.S. Treasury obligations	\$ 907,609	\$ 339,022	\$ 450,256	\$ 74,848	\$ 23,828	\$ 19,655
U.S. Agency obligations	291,784	90,671	55,424	-	1,548	144,141
Municipal obligations	1,446	-	276	-	-	1,170
Corporate debt securities	2,905,466	155,679	1,771,423	478,655	179,711	319,998
Foreign debt securities	682,211	14,235	299,603	202,341	143,088	22,944
Commingled funds	2,959,432	118,489	590,203	1,850,250	243,758	156,732
Derivative instruments	(6,255)	(2,116)	(3,643)	(496)	-	-
Total subject to interest rate risk	7,741,693	\$ 715,980	\$ 3,163,542	\$ 2,605,598	\$ 591,933	\$ 664,640
Less derivative instruments	6,255					
Less cash equivalents	(18,511)					
Total fixed income securities	\$ 7,729,437					

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 segmented time distribution of the debt securities held by SURS at June 30, 2023:

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	\$ 3,825,269	\$ 482,902	\$ 1,149,074	\$ 616,408	\$ 422,096	\$ 1,154,789
Municipal obligations	99,030	444	42,843	30,353	21,581	3,809
Corporate debt securities	1,330,458	27,093	626,837	363,505	130,241	182,782
Foreign debt securities	136,322	1,550	47,789	28,036	38,107	20,840
Derivative instruments - swaps	(2,214)	(2)	(2,136)	(76)	-	-
Total subject to interest rate risk	5,388,865	\$ 511,987	\$ 1,864,407	\$ 1,038,226	\$ 612,025	\$ 1,362,220
Less derivative instruments - swaps	2,214					
Less cash equivalents	(158,854)					
Total fixed income securities	\$ 5,232,225					

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, 2023, the policy target for international equities was 16%, with a rebalancing range of 12% to 19% 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, 2023:

<u>Currency Denomination</u>	<u>Foreign Debt Securities</u>	<u>Foreign Currency and Pending Currency Transactions</u>
Mexican Peso	\$ 257	\$ (255)
New Israeli Shekel	1,658	(154)
New Zealand Dollar	141	(144)
Total deposits and investments subject to foreign currency risk	<u>\$ 2,056</u>	<u>\$ (553)</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 instrument 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, 2023:

Table 3-15 (amounts expressed in thousands)

Currency Denomination	Foreign Equity Securities	Foreign Obligations
Australian Dollar	\$ 6,847	\$ -
Brazilian Real	7,070	-
British Pound Sterling	26,787	377
Canadian Dollar	13,135	1,112
Danish Krone	3,376	-
Euro	81,943	-
Hong Kong Dollar	5,803	-
Japanese Yen	40,567	-
South Korean Won	15,008	-
Swedish Krona	3,631	-
Swiss Franc	14,849	-
Other currencies	3,807	474
Total investments subject to foreign currency risk	<u>\$ 222,823</u>	<u>\$ 1,963</u>

In addition, certain investments held in real estate, private equity, private credit, and infrastructure funds trade in a reported currency of Euro based or British Pound Sterling based dollars valued at \$550.804 million at June 30, 2023.

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by TRS as of June 30, 2023:

Table 3-16 (amounts expressed in thousands)

Currency Denomination	Foreign Currency	Foreign Equity Securities	Foreign Debt Obligations	Foreign Derivative Instrument Obligations	Total
Australian Dollar	\$ 3,272	\$ 284,690	\$ -	\$ -	\$ 287,962
Brazilian Real	6,421	150,839	80,315	337	237,912
British Pound Sterling	8,380	1,036,464	-	-	1,044,844
Canadian Dollar	3,573	456,626	-	-	460,199
Chinese Yuan Renminbi	(183,096)	381,156	6,362	107	204,529
Danish Krone	1,551	185,122	-	-	186,673
Euro	17,740	2,117,167	55,327	(544)	2,189,690
Hong Kong Dollar	4,678	574,233	-	(108)	578,803
Indian Rupee	174	401,918	-	-	402,092
Indonesian Rupiah	1,486	81,411	72,024	-	154,921
Japanese Yen	16,152	1,363,441	-	-	1,379,593
Mexican Peso	2,107	72,364	85,563	214	160,248
New Taiwan Dollar	2,518	498,925	-	-	501,443
Russian Ruble	2,378	-	-	-	2,378
South African Rand	954	65,287	81,444	164	147,849
South Korean Won	2,509	423,336	-	(480)	425,365
Swedish Krona	2,411	199,791	-	-	202,202
Swiss Franc	749	490,684	-	-	491,433
Thailand Baht	1,955	74,052	32,474	-	108,481
Other currencies	201,361	416,467	268,702	(1,422)	885,108
Total deposits and investments subject to foreign currency risk	<u>\$ 97,273</u>	<u>\$ 9,273,973</u>	<u>\$ 682,211</u>	<u>\$ (1,732)</u>	<u>\$ 10,051,725</u>

In addition, TRS has foreign currency investments in private equity with fair values totaling \$520.107 million (payable in Euros), \$128.196 million (payable in British Pound Sterling), \$29.690 million (payable in South Korean Won), and \$204 thousand (payable in Canadian Dollars), real estate with fair values totaling \$511.008 million (payable in Euros), and private credit with fair values totaling \$39.083 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, 2023:

Table 3-17 (amounts expressed in thousands)

Currency Denomination	Foreign Alternative Investments	Foreign Equity Securities	Foreign Debt Obligations	Foreign Currency and Pending Currency Transactions	Net Foreign Currency Forward Contracts	Other Foreign Derivative Instrument Obligations	Total
Australian Dollar	\$ -	\$ 45,298	\$ 158	\$ (833)	\$ (33)	\$ -	\$ 44,590
Brazilian Real	-	26,511	-	4,008	234	-	30,753
British Pound Sterling	3,400	250,173	18,336	(37,568)	(703)	(76)	233,562
Canadian Dollar	-	52,203	1,708	(426)	193	-	53,678
Danish Krone	-	25,023	-	219	-	-	25,242
Euro	99,764	538,675	115,842	(116,094)	(1,535)	-	636,652
Hong Kong Dollar	-	100,862	-	(8,980)	-	-	91,882
Japanese Yen	-	315,697	-	43,574	17	-	359,288
New Taiwan Dollar	-	40,440	-	-	-	-	40,440
South Korean Won	-	34,508	-	(138)	-	-	34,370
Swedish Krona	-	19,418	-	(737)	1	-	18,682
Swiss Franc	-	107,613	-	(20,061)	50	-	87,602
Other currencies	-	54,915	278	(9,183)	(36)	-	45,974
Total investments subject to foreign currency risk	\$ 103,164	\$ 1,611,336	\$ 136,322	\$ (146,219)	\$ (1,812)	\$ (76)	\$ 1,702,715

COMPONENT UNITS

The risk disclosures associated with the State's major component units' 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	\$ 2,157,830	\$ 145,109	\$ 38,140	\$ 3,281	\$ 1,971,300
Municipal debt	*	42,881	29,783	13,098	-	-
Commercial paper	A/P-1	115,970	115,970	-	-	-
Investment Agreements	A/P-1	100,000	100,000	-	-	-
Money market mutual funds	AAA/Aaa	1,166,080	1,166,080	-	-	-
Total subject to credit risk		3,582,761	1,556,942	51,238	3,281	1,971,300
U.S. Treasury obligations		42,610	16,719	25,287	525	79
Total subject to interest rate risk		3,625,371	\$ 1,573,661	\$ 76,525	\$ 3,806	\$ 1,971,379
Less cash equivalents		(1,166,080)				
Total investments		\$ 2,459,291				

*Of the \$42,881 of Municipal debt, \$3,163 is rated AAA, \$27,541 is rated AA, and \$12,177 is not rated by Standard & Poor's. In addition, \$656 is rated Aaa, \$15,439 is rated Aa, \$1,173 is rated A, and \$25,613 is not rated by Moody's.

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 Government National Mortgage Association (\$1.037 billion), Federal National Mortgage Association (\$792.630 million), and Federal Home Loan Bank (\$248.525 million).

ILLINOIS STATE TOLL HIGHWAY AUTHORITY (THA)

Investments

Table 3-19 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Standard & Poor's/Moody's</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>
Money market mutual funds	AAA/Aaa	\$ 216,949	\$ 216,949	\$ -
Total subject to credit risk		216,949	216,949	-
U.S. Treasury obligations		456,000	134,000	322,000
Total subject to interest rate risk		672,949	\$ 350,949	\$ 322,000
Less cash equivalents		(216,949)		
Total investments		\$ 456,000		

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 & 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+	\$ 65,566	\$ 27,446	\$ 38,120
Illinois Public Treasurers' Investment Pool	Not Rated/AAA	99,427	99,427	-
Money market mutual funds	Aaa/AAA	64,798	64,798	-
Total subject to credit risk		229,791	191,671	38,120
U.S. Treasury obligations		52,918	24,788	28,130
Total subject to interest rate risk		282,709	\$ 216,459	\$ 66,250
Less cash equivalents		(164,225)		
Total investments of the University		118,484		
Investments of component units		240,140		
Total investments		\$ 358,624		

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 (\$60.578 million).

NORTHERN ILLINOIS UNIVERSITY (NIU)

Investments

Table 3-21 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Standard & Poor's</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
U.S. Agency obligations	AA	\$ 4,993	\$ 4,993
Money market mutual funds	AAA	9,839	9,839
Illinois Public Treasurers' Investment Pool	AAA	48,732	48,732
Total subject to credit risk		63,564	63,564
U.S. Treasury obligations		19,850	19,850
Total subject to interest rate risk		83,414	\$ 83,414
Less cash equivalents		(9,839)	
Total investments of the University		73,575	
Investments of component units		151,959	
Total investments		\$ 225,534	

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 (\$4.993 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	*	\$ 108,580	\$ 11,073	\$ 45,892	\$ 51,615
Corporate debt securities	**	32,961	26,815	6,146	-
Equity in Public Treasurers' Investment Pool	AAA	112,629	112,629	-	-
Total subject to credit risk		254,170	150,517	52,038	51,615
U.S. Treasury obligations		74,588	14,814	52,948	6,826
Total subject to interest rate risk		328,758	\$ 165,331	\$ 104,986	\$ 58,441
Common stock		44			
Less cash equivalents		(112,629)			
Total investments of the University		216,173			
Investments of component units		350,971			
Total investments		\$ 567,144			

*Of the \$108,580 of U.S. Agency obligations, \$17,661 is rated AAA, \$85,949 is rated AA, and \$4,970 is rated A by Standard & Poor's.

**Of the \$32,961 of Corporate debt securities, \$3,604 is rated AA, \$25,532 is rated A, and \$3,825 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 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 Bloomberg 3-month T-Bills index and ICE Bank of America 1-year Treasury Index as performance benchmarks. Core operating funds are invested in longer maturity investments. Core operating funds investment managers' performance benchmarks are the Bloomberg 1-3 year U.S. Government Bond Index, the Bloomberg 1-3 year U.S. Government Credit Bond Index, the Bloomberg Intermediate U.S. Government Credit Bond Index, and the Bloomberg Intermediate U.S. Aggregate Bond Index. The U of I's investments and maturities at June 30, 2023, 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	\$ 590,409	\$ 59,661	\$ 426,043	\$ 93,065	\$ 11,640
U.S. Agency obligations	302,253	70,393	17,580	13,939	200,341
Commercial paper	158,621	158,621	-	-	-
Corporate bonds	1,025,863	315,018	584,803	105,702	20,340
Money market mutual funds	1,057,543	1,057,543	-	-	-
Illinois Public Treasurers' Investment Pool	8,583	8,583	-	-	-
Non government mortgage-backed securities	96,682	573	3,708	1,904	90,497
Other asset-backed securities	428,057	2,071	344,216	61,101	20,669
Government bonds - non U.S.	9,693	4,852	3,762	778	301
Global fixed income	31,724	-	-	-	31,724
Municipal bonds	27,043	1,317	13,734	8,469	3,523
Total subject to interest rate risk	3,736,471	\$ 1,678,632	\$ 1,393,846	\$ 284,958	\$ 379,035
U.S. equities	16,106				
U.S. equity mutual funds	471,574				
Diversifying strategies	91,159				
Private equity	109,930				
Farm properties	173,491				
Real estate	55,495				
Less cash equivalents	(1,076,006)				
Total investments of the University	3,578,220				
Investments of component units	2,968,797				
Total investments	\$ 6,547,017				

At June 30, 2023, 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, 2023, 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	\$ 302,253	\$ -	\$ 302,253	\$ -	\$ -	\$ -	\$ -
Commercial paper	158,621	-	6,433	152,188	-	-	-
Corporate bonds	1,025,863	5,584	76,420	496,722	437,753	6,567	2,817
Money market mutual funds	1,057,543	1,057,543	-	-	-	-	-
Illinois Public Treasurers' Investment Pool	8,583	8,583	-	-	-	-	-
Non government mortgage-backed securities	96,682	77,065	2,220	317	2,114	-	14,966
Other asset-backed securities	428,057	411,000	3,177	2,311	9,588	6	1,975
Government bonds - non U.S.	9,693	6,922	967	973	650	181	-
Global fixed income	31,724	4	79	14	15	-	31,612
Municipal bonds	27,043	6,695	15,280	3,785	-	-	1,283
Total subject to credit risk	3,146,062	\$ 1,573,396	\$ 406,829	\$ 656,310	\$ 450,120	\$ 6,754	\$ 52,653
U.S. Treasury obligations	590,409						
Total fixed income securities	\$ 3,736,471						

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 1 day. Cash collateral is generally invested in the lending agents' short-term investment pools, which at year-end had weighted average maturities of approximately 1 to 66 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, 2023.

State Agency/Component Unit	Fair Value	Collateral Value
State Treasurer	\$4,746,251	\$4,839,942
Teachers' Retirement System	1,826,529	1,869,613
State Universities Retirement System	3,275,467	3,311,915

4 TAXES RECEIVABLE AND TAX ABATEMENTS

Taxes receivable for the primary government at June 30, 2023, 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	\$ 1,859,072	\$ 283,320	\$ 2,142,392	\$ -	\$ -
Less allowance	(455,366)	(48,023)	(503,389)	-	-
Net income tax	1,403,706	235,297	1,639,003	-	-
Sales tax	633,049	197,702	830,751	-	-
Less allowance	(74,393)	(23,528)	(97,921)	-	-
Net sales tax	558,656	174,174	732,830	-	-
Motor fuel tax	-	232,294	232,294	-	-
Less allowance	-	(9,633)	(9,633)	-	-
Net motor fuel tax	-	222,661	222,661	-	-
Public utility tax	4,996	16,781	21,777	-	-
Less allowance	(1,115)	(67)	(1,182)	-	-
Net public utility tax	3,881	16,714	20,595	-	-
Medical providers assessment tax	149,487	-	149,487	-	-
Less allowance	(1,976)	-	(1,976)	-	-
Net medical providers assessment tax	147,511	-	147,511	-	-
Other tax	568,625	102,040	670,665	-	-
Less allowance	(9,254)	(2,485)	(11,739)	-	-
Net other tax	559,371	99,555	658,926	-	-
Unemployment compensation tax	-	-	-	841,984	-
Less allowance	-	-	-	(414,063)	-
Net unemployment compensation tax	-	-	-	427,921	-
Taxes assessed by other governments	-	-	-	-	203,804
Total taxes receivable, net	\$ 2,673,125	\$ 748,401	\$ 3,421,526	\$ 427,921	\$ 203,804

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, 2023, the State abated income taxes totaling approximately \$187.7 million and \$8.7 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 \$10.9 million and \$486 thousand, respectively.

5 INTERFUND BALANCES AND ACTIVITY

Interfund due to and due from balances at June 30, 2023, consisted of the following:

Table 5-1 (amounts expressed in thousands)

Due From	Due To								
	General 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	\$ -	\$ 552,880	\$ 450,000	\$ 118	\$ -	\$ 14,421	\$ 1,117	\$ 37,205	\$ 1,055,741
Nonmajor Governmental Funds	281,929	466,616	2,802	-	-	144	61	-	751,552
Unemployment Compensation Trust Fund	2,448	1,481	-	-	-	-	-	-	3,929
Nonmajor Enterprise Funds	2	11,351	-	-	48	1,909	106	464	13,880
Internal Service Funds	671,429	188,802	-	268	-	975	18,559	4,694	884,727
Fiduciary Funds	129,698	48,799	-	-	-	-	-	180	178,677
Total	\$ 1,085,506	\$ 1,269,929	\$ 452,802	\$ 386	\$ 48	\$ 17,449	\$ 19,843	\$ 42,543	\$ 2,888,506

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.

The Unemployment Compensation Trust Fund, a major enterprise fund, has reported \$405.000 million due to the General Fund, which is not expected to be repaid within one year.

Interfund transfers activity at June 30, 2023, consisted of the following:

Table 5-2 (amounts expressed in thousands)

Transfers-In	Transfers-Out						
	General Fund	Nonmajor Governmental Funds	Unemployment Compensation Trust Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total
General Fund	\$ -	\$ 1,613,327	\$ -	\$ -	\$ 880,509	\$ 29,614	\$ 2,523,450
Nonmajor Governmental Funds	4,309,023	1,357,637	16,315	202	6,949	-	5,690,126
Unemployment Compensation Trust Fund	1,362,645	4	-	-	-	-	1,362,649
Water Revolving Fund	-	27,284	-	-	-	-	27,284
Nonmajor Enterprise Funds	-	-	-	-	24	-	24
Internal Service Funds	100,500	1,000	-	-	-	-	101,500
Total	\$ 5,772,168	\$ 2,999,252	\$ 16,315	\$ 202	\$ 887,482	\$ 29,614	\$ 9,705,033

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, 2023, consisted of the following:

Table 5-3 (amounts expressed in thousands)

Due To	Due From							
	Illinois Housing Development Authority	Illinois State Toll Highway Authority	Nonmajor Authorities	Illinois State University	Southern Illinois University	University of Illinois	Nonmajor Universities	Total
General Fund	\$ 767	\$ -	\$ -	\$ -	\$ 1,544	\$ 44,250	\$ 104	\$ 46,665
Nonmajor Governmental Funds	466,931	40,823	-	34	231	162	53	508,234
Unemployment Compensation Trust Fund	-	-	-	-	12	52	16	80
Water Revolving Fund	-	-	10,921	-	-	-	-	10,921
Internal Service Funds	-	6,281	21	-	-	9,914	157	16,373
Total	\$ 467,698	\$ 47,104 *	\$ 10,942	\$ 34	\$ 1,787	\$ 54,378	\$ 330	\$ 582,273

* The Illinois State Toll Highway Authority reported \$40,823 at December 31, 2022, its fiscal year-end.

The due to amounts for the State of Illinois to its component units, as of June 30, 2023, 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	\$ 30	\$ 66	\$ 15	\$ 30	\$ -	\$ 19,424	\$ 269,364	\$ 173	\$ 289,102
Nonmajor Governmental Funds	31,972	83,004	3,158	2,614	594	10,794	59,875	3,588	195,599
Water Revolving Fund	-	-	1,275,430	-	-	75	-	-	1,275,505
Prepaid Tuition Fund	-	-	-	-	-	-	-	11	11
Nonmajor Enterprise Funds	-	3	-	924	509	486	178	697	2,797
Internal Service Funds	-	-	-	-	-	4	35	-	39
Total	\$ 32,002	\$ 83,073 *	\$ 1,278,603	\$ 3,568	\$ 1,103	\$ 30,783	\$ 329,452	\$ 4,469	\$ 1,763,053

* The Illinois State Toll Highway Authority reported \$83,290 at December 31, 2022, 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, 2023, consisted of the following:

Table 6-1 (amounts expressed in thousands)

	Primary Government					
	Governmental Activities			Business-type Activities		
	General Fund	Nonmajor Governmental Funds	Total	Water Revolving Fund	Nonmajor Enterprise Funds	Total
Student loan program	\$ 38,567	\$ -	\$ 38,567	\$ -	\$ 195,026	\$ 195,026
Local government infrastructure	-	-	-	4,807,264	-	4,807,264
Real estate tax-relief loan program	-	32,922	32,922	-	-	-
Other	168,368	16,810	185,178	-	-	-
	<u>206,935</u>	<u>49,732</u>	<u>256,667</u>	<u>4,807,264</u>	<u>195,026</u>	<u>5,002,290</u>
Less: Allowance for uncollectible accounts	36,278	14,299	50,577	-	82,337	82,337
Total	<u>170,657</u>	<u>35,433</u>	<u>206,090</u>	<u>4,807,264</u>	<u>112,689</u>	<u>4,919,953</u>
Less: Amounts representing restricted assets	-	-	-	3,474,071	112,689	3,586,760
Loans and notes receivable, net	<u>\$ 170,657</u>	<u>\$ 35,433</u>	<u>\$ 206,090</u>	<u>\$ 1,333,193</u>	<u>\$ -</u>	<u>\$ 1,333,193</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	\$ 1,408,128	\$ -	\$ -	\$ -	\$ -
Student loan program	-	3,214	1,780	7,085	35,665
	<u>1,408,128</u>	<u>3,214</u>	<u>1,780</u>	<u>7,085</u>	<u>35,665</u>
Less: Allowance for uncollectible accounts	119,128	302	145	420	2,075
Loans and notes receivable, net	<u>\$ 1,289,000</u>	<u>\$ 2,912</u>	<u>\$ 1,635</u>	<u>\$ 6,665</u>	<u>\$ 33,590</u>

7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance, as Restated	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Primary Government					
Governmental activities					
Capital assets not being depreciated/amortized:					
Land and land improvements	\$ 3,646,159	\$ 48,011	\$ 32,990	\$ 820	\$ 3,662,000
Intangible assets	386,052	228,898	-	(31,596)	583,354
Historical treasures and works of art	12,663	36	4	(925)	11,770
Construction in progress	757,870	577,410	4,742	(432,034)	898,504
Total capital assets not being depreciated/amortized	<u>4,802,744</u>	<u>854,355</u>	<u>37,736</u>	<u>(463,735)</u>	<u>5,155,628</u>
Capital assets being depreciated/amortized:					
Infrastructure	30,898,725	2,590,324	1,105,625	4,976	32,388,400
Site improvements	726,875	2,738	4,485	101,001	826,129
Buildings and building improvements	5,313,975	102,442	201,023	335,155	5,550,549
Equipment	1,775,999	204,115	51,404	(8,993)	1,919,717
Historical treasures and works of art	1,067	-	-	(41)	1,026
Intangible assets	879,311	24,498	451	31,596	934,954
Subscription-based information technology arrangements	168,645	126,214	-	-	294,859
Right-to-use lease assets					
Buildings	558,627	65,123	42,023	-	581,727
Equipment	29,058	9,655	5,215	-	33,498
Other	1,435	-	587	-	848
Total capital assets being depreciated/amortized	<u>40,353,717</u>	<u>3,125,109</u>	<u>1,410,813</u>	<u>463,694</u>	<u>42,531,707</u>
Less accumulated depreciation/amortization for:					
Infrastructure	14,273,180	1,239,370	1,031,944	-	14,480,606
Site improvements	599,774	16,884	47	81,236	697,847
Buildings and building improvements	3,640,821	131,703	177,552	(80,857)	3,514,115
Equipment	1,089,699	140,851	46,912	(379)	1,183,259
Historical treasures and works of art	1,067	-	-	(41)	1,026
Intangible assets	403,670	91,055	451	-	494,274
Subscription-based information technology arrangements	-	87,734	-	-	87,734
Right-to-use lease assets					
Buildings	80,818	92,305	24,241	-	148,882
Equipment	9,041	9,885	5,154	-	13,772
Other	476	435	638	-	273
Total accumulated depreciation/amortization	<u>20,098,546</u>	<u>1,810,222</u>	<u>1,286,939</u>	<u>(41)</u>	<u>20,621,788</u>
Total capital assets being depreciated/amortized, net	<u>20,255,171</u>	<u>1,314,887</u>	<u>123,874</u>	<u>463,735</u>	<u>21,909,919</u>
Governmental activities capital assets, net	<u>\$ 25,057,915</u>	<u>\$ 2,169,242</u>	<u>\$ 161,610</u>	<u>\$ -</u>	<u>\$ 27,065,547</u>
Depreciation/amortization expense for governmental activities was charged to functions as follows:					
Health and social services					\$ 90,683
Education					11,264
General government					60,157
Employment and economic development					14,947
Transportation					1,299,710
Public protection and justice					121,390
Environmental and business regulation					31,772
Internal service funds					<u>180,299</u>
Total					<u>\$ 1,810,222</u>

Table 7-2 (amounts expressed in thousands)					
	Beginning Balance, as Restated	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Primary Government					
Business-type activities					
Water Revolving Fund:					
Capital assets being depreciated:					
Equipment	\$ 461	\$ 39	\$ -	\$ -	\$ 500
Total capital assets being depreciated	461	39	-	-	500
Less accumulated depreciation for:					
Equipment	296	37	-	-	333
Total accumulated depreciation	296	37	-	-	333
Total capital assets being depreciated, net	165	2	-	-	167
Water Revolving Fund capital assets, net	165	2	-	-	167
Nonmajor enterprise funds:					
Capital assets being depreciated/amortized:					
Buildings and building improvements	2,518	-	1,384	-	1,134
Equipment	7,003	260	1,176	-	6,087
Intangible assets	3,357	-	-	-	3,357
Subscription-based information technology arrangements	1,235	70	-	-	1,305
Right-to-use lease assets					
Buildings	831	4,798	-	-	5,629
Equipment	164	32	45	-	151
Total capital assets being depreciated/amortized	15,108	5,160	2,605	-	17,663
Less accumulated depreciation/amortization for:					
Buildings and building improvements	1,067	79	1,042	-	104
Equipment	6,014	444	992	-	5,466
Intangible assets	3,357	-	-	-	3,357
Subscription-based information technology arrangements	-	132	-	-	132
Right-to-use lease assets					
Buildings	90	1,365	-	-	1,455
Equipment	75	73	45	-	103
Total accumulated depreciation/amortization	10,603	2,093	2,079	-	10,617
Total capital assets being depreciated/amortized, net	4,505	3,067	526	-	7,046
Nonmajor enterprise funds capital assets, net	4,505	3,067	526	-	7,046
Total Business-type activities					
Capital assets being depreciated/amortized, net	4,670	3,069	526	-	7,213
Business-type activities capital assets, net	\$ 4,670	\$ 3,069	\$ 526	\$ -	\$ 7,213
Depreciation/amortization expense for business-type activities was charged to functions as follows:					
Water revolving					\$ 37
Other					2,093
Total					\$ 2,130

Table 7-3 (amounts expressed in thousands)

	Beginning Balance, as Restated	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Fiduciary Funds					
Capital assets not being depreciated/amortized:					
Land and land improvements	\$ 1,735	\$ -	\$ -	\$ -	\$ 1,735
Intangible assets	3	-	-	-	3
Construction in progress	4,373	7,072	2	(1,196)	10,247
Total capital assets not being depreciated/amortized	6,111	7,072	2	(1,196)	11,985
Capital assets being depreciated/amortized:					
Site improvements	1,283	61	48	35	1,331
Buildings and building improvements	28,338	258	3	951	29,544
Equipment	22,860	333	1,282	210	22,121
Intangible assets	29,116	2,486	-	-	31,602
Subscription-based information technology arrangements	2,160	1,305	-	-	3,465
Right-to-use lease assets					
Buildings	-	1,885	-	-	1,885
Equipment	86	104	-	-	190
Total capital assets being depreciated/amortized	83,843	6,432	1,333	1,196	90,138
Less accumulated depreciation/amortization for:					
Site improvements	1,120	22	48	-	1,094
Buildings and building improvements	17,587	902	3	-	18,486
Equipment	20,587	710	1,260	-	20,037
Intangible assets	10,042	3,056	-	-	13,098
Subscription-based information technology arrangements	-	1,220	-	-	1,220
Right-to-use lease assets					
Buildings	-	311	-	-	311
Equipment	16	52	-	-	68
Total accumulated depreciation/amortization	49,352	6,273	1,311	-	54,314
Total capital assets being depreciated/amortized, net	34,491	159	22	1,196	35,824
Fiduciary funds capital assets, net	\$ 40,602	\$ 7,231	\$ 24	\$ -	\$ 47,809

Table 7-4 (amounts expressed in thousands)

	Beginning Balance, as Restated	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Major Component Units					
Illinois Housing Development Authority:					
Capital assets being depreciated/amortized:					
Buildings and building improvements	\$ 50,557	\$ 1,084	\$ -	\$ -	\$ 51,641
Equipment	2,717	542	84	-	3,175
Intangible assets	4,461	79	-	-	4,540
Subscription-based information technology arrangements	5,051	-	-	-	5,051
Right-to-use lease assets					
Buildings	7,264	-	530	-	6,734
Equipment	-	118	-	-	118
Total capital assets being depreciated/amortized	70,050	1,823	614	-	71,259
Less accumulated depreciation/amortization for:					
Buildings and building improvements	26,971	1,182	-	-	28,153
Equipment	2,044	409	84	-	2,369
Intangible assets	3,866	272	-	-	4,138
Subscription-based information technology arrangements	-	1,134	-	-	1,134
Right-to-use lease assets					
Buildings	1,341	1,341	-	-	2,682
Equipment	-	36	-	-	36
Total accumulated depreciation/amortization	34,222	4,374	84	-	38,512
Total capital assets being depreciated/amortized, net	35,828	(2,551)	530	-	32,747
Capital assets, net	\$ 35,828	\$ (2,551)	\$ 530	\$ -	\$ 32,747
Illinois State Toll Highway Authority:					
Capital assets not being depreciated:					
Land and land improvements	\$ 999,292	\$ 61,565	\$ 27,789	\$ -	\$ 1,033,068
Construction in progress	2,056,603	989,902	759,359	-	2,287,146
Total capital assets not being depreciated	3,055,895	1,051,467	787,148	-	3,320,214
Capital assets being depreciated/amortized:					
Infrastructure	12,289,102	798,884	95,419	-	12,992,567
Buildings and building improvements	61,502	9,004	-	-	70,506
Equipment	484,660	29,558	4,848	-	509,370
Intangible assets	6,872	2,136	1,067	-	7,941
Right-to-use lease assets					
Buildings	-	738	-	-	738
Total capital assets being depreciated/amortized	12,842,136	840,320	101,334	-	13,581,122
Less accumulated depreciation/amortization for:					
Infrastructure	4,707,478	492,212	95,419	-	5,104,271
Buildings and building improvements	48,941	1,479	-	-	50,420
Equipment	282,080	36,288	4,082	-	314,286
Intangible assets	3,279	1,409	1,067	-	3,621
Right-to-use lease assets					
Buildings	-	403	-	-	403
Total accumulated depreciation/amortization	5,041,778	531,791	100,568	-	5,473,001
Total capital assets being depreciated/amortized, net	7,800,358	308,529	766	-	8,108,121
Capital assets, net	\$ 10,856,253	\$ 1,359,996	\$ 787,914	\$ -	\$ 11,428,335

Table 7-4 (continued)					
(amounts expressed in thousands)					
	Beginning Balance, as Restated	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Major Component Units, continued					
Illinois State University:					
Capital assets not being depreciated:					
Land and land improvements	\$ 18,287	\$ 1,270	\$ -	\$ -	\$ 19,557
Construction in progress	38,986	29,040	1,812	(29,668)	36,546
Total capital assets not being depreciated	57,273	30,310	1,812	(29,668)	56,103
Capital assets being depreciated/amortized:					
Infrastructure	13,147	-	-	-	13,147
Site improvements	43,266	-	-	386	43,652
Buildings and building improvements	750,898	2,927	2	28,940	782,763
Equipment	120,265	5,628	6,166	342	120,069
Intangible assets	33,868	-	-	-	33,868
Subscription-based information technology arrangements	10,076	2,624	-	-	12,700
Right-to-use lease assets					
Buildings	7,989	174	70	-	8,093
Equipment	2,382	1,245	915	-	2,712
Total capital assets being depreciated/amortized	981,891	12,598	7,153	29,668	1,017,004
Less accumulated depreciation/amortization for:					
Infrastructure	9,710	297	-	-	10,007
Site improvements	21,900	1,179	-	-	23,079
Buildings and building improvements	337,682	18,140	2	-	355,820
Equipment	106,413	5,565	6,126	-	105,852
Intangible assets	20,406	1,028	-	-	21,434
Subscription-based information technology arrangements	-	3,556	-	-	3,556
Right-to-use lease assets					
Buildings	924	956	70	-	1,810
Equipment	1,059	933	910	-	1,082
Total accumulated depreciation/amortization	498,094	31,654	7,108	-	522,640
Total capital assets being depreciated/amortized, net	483,797	(19,056)	45	29,668	494,364
Capital assets, net	\$ 541,070	\$ 11,254	\$ 1,857	\$ -	\$ 550,467
Northern Illinois University:					
Capital assets not being depreciated:					
Land and land improvements	\$ 23,003	\$ -	\$ -	\$ -	\$ 23,003
Construction in progress	8,352	9,243	41	(5,895)	11,659
Total capital assets not being depreciated	31,355	9,243	41	(5,895)	34,662
Capital assets being depreciated/amortized:					
Site improvements	93,850	-	-	4,375	98,225
Buildings and building improvements	767,924	-	6,203	1,520	763,241
Equipment	189,132	3,945	9,040	-	184,037
Intangible assets	3,820	-	-	-	3,820
Subscription-based information technology arrangements	1,935	935	-	-	2,870
Right-to-use lease assets					
Buildings	308	191	35	-	464
Equipment	203	465	15	-	653
Total capital assets being depreciated/amortized	1,057,172	5,536	15,293	5,895	1,053,310
Less accumulated depreciation/amortization for:					
Site improvements	66,466	2,757	-	2,522	71,745
Buildings and building improvements	433,975	24,179	4,788	14,614	467,980
Equipment	196,444	-	9,023	(17,136)	170,285
Intangible assets	3,820	-	-	-	3,820
Subscription-based information technology arrangements	-	1,144	-	-	1,144
Right-to-use lease assets					
Buildings	119	102	35	-	186
Equipment	69	145	15	-	199
Total accumulated depreciation/amortization	700,893	28,327	13,861	-	715,359
Total capital assets being depreciated/amortized, net	356,279	(22,791)	1,432	5,895	337,951
Capital assets, net	\$ 387,634	\$ (13,548)	\$ 1,473	\$ -	\$ 372,613

Table 7-4 (continued)					
(amounts expressed in thousands)					
	Beginning Balance, as Restated	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Major Component Units, continued					
Southern Illinois University:					
Capital assets not being depreciated:					
Land and land improvements	\$ 22,665	\$ 101	\$ 1	\$ -	\$ 22,765
Historic treasures and works of art	13,054	-	-	-	13,054
Construction in progress	16,293	18,995	-	(11,396)	23,892
Total capital assets not being depreciated	52,012	19,096	1	(11,396)	59,711
Capital assets being depreciated/amortized:					
Infrastructure	21,722	-	-	-	21,722
Site improvements	95,148	110	-	6,007	101,265
Buildings and building improvements	1,439,413	586	-	5,232	1,445,231
Equipment	285,766	10,918	44,052	157	252,789
Intangible assets	7,953	-	-	-	7,953
Subscription-based information technology arrangements	9,215	674	-	-	9,889
Right-to-use lease assets					
Building	63,886	7,428	2,996	-	68,318
Equipment	2,692	885	317	-	3,260
Other	291	150	-	-	441
Total capital assets being depreciated/amortized	1,926,086	20,751	47,365	11,396	1,910,868
Less accumulated depreciation/amortization for:					
Infrastructure	14,176	657	-	-	14,833
Site improvements	72,122	3,508	-	-	75,630
Buildings and building improvements	813,673	39,388	-	-	853,061
Equipment	251,634	10,180	43,706	-	218,108
Intangible assets	7,499	61	-	-	7,560
Subscription-based information technology arrangements	-	4,098	-	-	4,098
Right-to-use lease assets					
Building	11,363	11,477	-	-	22,840
Equipment	834	695	-	-	1,529
Other	27	32	-	-	59
Total accumulated depreciation/amortization	1,171,328	70,096	43,706	-	1,197,718
Total capital assets being depreciated/amortized, net	754,758	(49,345)	3,659	11,396	713,150
Capital assets, net	\$ 806,770	\$ (30,249)	\$ 3,660	\$ -	\$ 772,861
University of Illinois:					
Capital assets not being depreciated/amortized:					
Land and land improvements	\$ 150,807	\$ -	\$ 782	\$ 184	\$ 150,209
Intangible assets	130	-	-	-	130
Historic treasures and works of art	27,023	1,303	-	-	28,326
Construction in progress	257,935	147,879	-	(211,055)	194,759
Total capital assets not being depreciated/amortized	435,895	149,182	782	(210,871)	373,424
Capital assets being depreciated/amortized:					
Site improvements	784,965	-	321	19,973	804,617
Buildings and building improvements	5,654,232	164,024	3,745	148,388	5,962,899
Equipment	2,036,214	126,918	47,317	37,849	2,153,664
Intangible assets	307,718	-	-	4,661	312,379
Subscription-based information technology arrangements	37,820	38,314	-	-	76,134
Right-to-use lease assets					
Building	82,654	22,058	5,760	-	98,952
Equipment	10,774	7,044	1,342	-	16,476
Other	15	-	8	-	7
Total capital assets being depreciated/amortized	8,914,392	358,358	58,493	210,871	9,425,128
Less accumulated depreciation/amortization for:					
Site improvements	584,569	22,451	296	-	606,724
Buildings and building improvements	2,471,303	150,380	2,229	(505)	2,618,949
Equipment	1,619,574	110,818	43,821	505	1,687,076
Intangible assets	215,282	13,729	-	-	229,011
Subscription-based information technology arrangements	-	20,295	-	-	20,295
Right-to-use lease assets					
Building	16,321	19,092	2,623	-	32,790
Equipment	3,229	4,588	1,338	-	6,479
Other	7	4	8	-	3
Total accumulated depreciation/amortization	4,910,285	341,357	50,315	-	5,201,327
Total capital assets being depreciated/amortized, net	4,004,107	17,001	8,178	210,871	4,223,801
Capital assets, net	\$ 4,440,002	\$ 166,183	\$ 8,960	\$ -	\$ 4,597,225

8 CHANGES IN LONG-TERM OBLIGATIONS

Changes in long-term obligations for governmental activities for the year ended June 30, 2023, are summarized below:

Table 8-1 (amounts expressed in thousands)

	Balance July 1, 2022, as restated	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
Primary Government					
Governmental Activities					
Bonds and notes payable:					
General obligation bonds (note 9)	\$ 27,065,258	\$ 3,211,505 *	\$ (3,247,845)	\$ 27,028,918	\$ 2,139,138 ^
Special obligation bonds (note 10)	2,047,280	-	(187,885)	1,859,395	180,690
Revenue bonds (note 11)	561,310	-	(112,260)	449,050	109,745
Notes payable - direct borrowing (note 12)	10,033	-	(10,033)	-	-
Unamortized premiums:					
General obligation bonds (note 9)	814,466	170,722	(169,860)	815,328	-
Special obligation bonds (note 10)	98,603	-	(18,171)	80,432	-
Revenue bonds (note 11)	51,577	-	(8,717)	42,860	-
Unamortized (discounts):					
General obligation bonds (note 9)	(19,211)	(1,497)	1,456	(19,252)	-
Special obligation bonds (note 10)	(6)	-	2	(4)	-
Total bonds and notes payable	<u>30,629,310</u>	<u>3,380,730</u>	<u>(3,753,313)</u>	<u>30,256,727</u>	<u>2,429,573</u>
Other long-term obligations:					
Leases (note 13)	505,712	76,754	(116,059)	466,407	85,834
Subscription-based information technology arrangements (note 13)	167,752	124,743	(98,571)	193,924	81,843
Financed purchases (note 19B)	-	680	(525)	155	155
Workers compensation (note 21)	559,429	122,369	(106,831)	574,967	107,727
Auto liability (note 21)	19,259	1,197	(4,402)	16,054	11,135
Pollution remediation obligation (note 19C)	41,450	8,000	(36,987)	12,463	900
Compensated absences (note 1K)	436,072	448,765	(447,051)	437,786	50,419
Net pension liability (note 16)	139,632,474	5,718,621	-	145,351,095	-
OPEB liability (note 17)	46,502,507	-	(26,175,793)	20,326,714	916,449
Total other long-term obligations	<u>187,864,655</u>	<u>6,501,129</u>	<u>(26,986,219)</u>	<u>167,379,565</u>	<u>1,254,462</u>
Total Governmental Activities	<u>\$ 218,493,965</u>	<u>\$ 9,881,859</u>	<u>\$ (30,739,532)</u>	<u>\$ 197,636,292</u>	<u>\$ 3,684,035</u>

* Includes \$295 of interest accreted on capital appreciation debt.
^ \$6 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, lease obligations (including financed purchases), and subscription-based information technology arrangements – 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 19.

Changes in long-term obligations for business-type activities for the year ended June 30, 2023, are summarized below:

Table 8-2 (amounts expressed in thousands)

	Balance July 1, 2022, as restated	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
Primary Government					
Business-type Activities					
Water Revolving Fund:					
Other long-term obligations:					
Compensated absences (note 1K)	\$ 1,451	\$ 1,112	\$ (1,716)	\$ 847	\$ 228
Net pension liability (note 16)	60,078	4,337	-	64,415	-
OPEB liability (note 17)	31,681	-	(12,449)	19,232	950
Total Water Revolving Fund	<u>93,210</u>	<u>5,449</u>	<u>(14,165)</u>	<u>84,494</u>	<u>1,178</u>
Prepaid Tuition Fund:					
Tuition and related accretion payable (note 19E)	660,243	8,167	(115,186)	553,224	105,578
Total Prepaid Tuition Fund	<u>660,243</u>	<u>8,167</u>	<u>(115,186)</u>	<u>553,224</u>	<u>105,578</u>
Nonmajor Enterprise Funds:					
Bonds payable:					
Revenue bonds (note 11)	81,972	-	(27,993)	53,979	-
Unamortized (discounts) (note 11)	(4,801)	-	208	(4,593)	-
Total bonds payable	<u>77,171</u>	<u>-</u>	<u>(27,785)</u>	<u>49,386</u>	<u>-</u>
Other long-term obligations:					
Leases (note 13)	843	5,618	(941)	5,520	716
Subscription-based information technology arrangements (note 13)	1,235	70	(281)	1,024	105
Lottery prize awards (note 19D)	246,738	13,144	(18,980)	240,902	24,969
Compensated absences (note 1K)	3,160	2,872	(3,031)	3,001	297
Net pension liability (note 16)	153,852	-	(17,779)	136,073	-
OPEB liability (note 17)	77,220	-	(38,515)	38,705	1,783
Other obligations (note 19F)	8,426	72	(523)	7,975	409
Total other long-term obligations	<u>491,474</u>	<u>21,776</u>	<u>(80,050)</u>	<u>433,200</u>	<u>28,279</u>
Total Nonmajor Enterprise Funds	<u>568,645</u>	<u>21,776</u>	<u>(107,835)</u>	<u>482,586</u>	<u>28,279</u>
Total Business-type Activities	<u>\$ 1,322,098</u>	<u>\$ 35,392</u>	<u>\$ (237,186)</u>	<u>\$ 1,120,304</u>	<u>\$ 135,035</u>

Changes in long-term obligations for fiduciary funds for the year ended June 30, 2023, are summarized below:

Table 8-3 (amounts expressed in thousands)

	Balance July 1, 2022, as restated	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
Fiduciary Funds					
Leases (note 13)	\$ 74	\$ 1,897	\$ (115)	\$ 1,856	\$ 53
Subscription-based information technology arrangements (note 13)	1,962	1,305	(1,360)	1,907	1,200
Compensated absences (note 1K)	4,845	3,952	(3,786)	5,011	494
Total Fiduciary Funds	<u>\$ 6,881</u>	<u>\$ 7,154</u>	<u>\$ (5,261)</u>	<u>\$ 8,774</u>	<u>\$ 1,747</u>

Changes in long-term obligations for major component units for the year ended June 30, 2023, are summarized below:

Table 8-4 (amounts expressed in thousands)

	Balance July 1, 2022, as restated	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
Major Component Units					
Illinois Housing Development Authority:					
Bonds and notes payable:					
Revenue bonds - direct placement (note 11)	\$ 197,175	\$ 8,640	\$ (2,090)	\$ 203,725	\$ 2,205
Revenue bonds - other (note 11)	1,689,908	913,670	(143,386)	2,460,192	134,912
Unamortized premiums - other (note 11)	37,775	17,589	(4,491)	50,873	-
Unamortized (discounts) - other (note 11)	(654)	-	98	(556)	-
Notes payable - direct borrowing (note 12)	23,556	2,147,430	(2,149,275)	21,711	1,768
Total bonds and notes payable	<u>1,947,760</u>	<u>3,087,329</u>	<u>(2,299,144)</u>	<u>2,735,945</u>	<u>138,885</u>
Other long-term obligations:					
Leases (note 13)	6,076	118	(1,820)	4,374	1,243
Subscription-based information technology arrangements (note 13)	5,051	-	(2,006)	3,045	840
Compensated absences (note 1K)	1,455	2,432	(2,278)	1,609	1,609
Total other long-term obligations	<u>12,582</u>	<u>2,550</u>	<u>(6,104)</u>	<u>9,028</u>	<u>3,692</u>
Total Illinois Housing Development Authority	<u>\$ 1,960,342</u>	<u>\$ 3,089,879</u>	<u>\$ (2,305,248)</u>	<u>\$ 2,744,973</u>	<u>\$ 142,577</u>
Illinois State Toll Highway Authority:					
Bonds payable:					
Revenue bonds (note 11)	\$ 7,019,855	\$ -	\$ (145,415)	\$ 6,874,440	\$ 45,925
Unamortized premiums (note 11)	974,060	-	(58,989)	915,071	-
Total bonds payable	<u>7,993,915</u>	<u>-</u>	<u>(204,404)</u>	<u>7,789,511</u>	<u>45,925</u>
Other long-term obligations:					
Leases (note 13)	-	345	-	345	345
Accrued self-insurance (note 21)	19,832	24,578	(26,012)	18,398	5,989
Compensated absences (note 1K)	10,596	8,694	(8,767)	10,523	8,800
Net pension liability (note 16)	854,495	-	(74,627)	779,868	-
OPEB liability (note 17)	493,964	-	(265,362)	228,602	10,090
Total other long-term obligations	<u>1,378,887</u>	<u>33,617</u>	<u>(374,768)</u>	<u>1,037,736</u>	<u>25,224</u>
Total Illinois State Toll Highway Authority	<u>\$ 9,372,802</u>	<u>\$ 33,617</u>	<u>\$ (579,172)</u>	<u>\$ 8,827,247</u>	<u>\$ 71,149</u>
Illinois State University:					
Bonds payable:					
Revenue bonds - direct placement (note 11)	\$ 50,140	\$ 13,775	\$ (4,010)	\$ 59,905	\$ 3,870
Revenue bonds - other (note 11)	86,130	-	(18,990)	67,140	5,585
Unamortized premiums - other (note 11)	5,215	-	(974)	4,241	-
Total bonds payable	<u>141,485</u>	<u>13,775</u>	<u>(23,974)</u>	<u>131,286</u>	<u>9,455</u>
Other long-term obligations:					
Certificates of participation - direct placement (note 19A)	30,965	-	(4,955)	26,010	3,895
Certificates of participation - other (note 19A)	15,800	-	-	15,800	1,165
Unamortized (discounts) (note 19A)	(83)	-	16	(67)	-
Leases (note 13)	8,673	1,418	(1,992)	8,099	1,549
Subscription-based information technology arrangements (note 13)	10,076	2,624	(4,040)	8,660	3,804
Financed purchases (note 19B)	2,098	-	(124)	1,974	129
Compensated absences (note 1K)	16,461	2,527	(1,909)	17,079	1,854
OPEB liability (note 17)	21,649	-	(12,596)	9,053	502
Other obligations (note 19F)	820	120	(112)	828	108
Total other long-term obligations	<u>106,459</u>	<u>6,689</u>	<u>(25,712)</u>	<u>87,436</u>	<u>13,006</u>
Total Illinois State University	<u>\$ 247,944</u>	<u>\$ 20,464</u>	<u>\$ (49,686)</u>	<u>\$ 218,722</u>	<u>\$ 22,461</u>

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

	Balance July 1, 2022, as restated	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
Major Component Units, continued					
Northern Illinois University:					
Bonds payable:					
Revenue bonds - direct placement (note 11)	\$ 29,800	\$ -	\$ (100)	\$ 29,700	\$ 250
Revenue bonds - other (note 11)	223,175	-	(1,240)	221,935	5,425
Unamortized premiums - other (note 11)	38,832	-	(6,341)	32,491	-
Total bonds payable	<u>291,807</u>	<u>-</u>	<u>(7,681)</u>	<u>284,126</u>	<u>5,675</u>
Other long-term obligations:					
Certificates of participation (note 19A)	4,235	-	(1,325)	2,910	1,390
Unamortized premiums (note 19A)	380	-	(95)	285	-
Leases (note 13)	325	640	(214)	751	240
Subscription-based information technology arrangements (note 13)	1,526	732	(566)	1,692	587
Financed purchases (note 19B)	742	1,186	(594)	1,334	575
Compensated absences (note 1K)	18,372	2,469	(1,595)	19,246	1,595
OPEB liability (note 17)	40,299	-	(18,693)	21,606	1,099
Other obligations (note 19F)	19,085	-	(3,233)	15,852	3,336
Total other long-term obligations	<u>84,964</u>	<u>5,027</u>	<u>(26,315)</u>	<u>63,676</u>	<u>8,822</u>
Total Northern Illinois University	\$ 376,771	\$ 5,027	\$ (33,996)	\$ 347,802	\$ 14,497
Southern Illinois University:					
Bonds payable:					
Revenue bonds - direct placement (note 11)	\$ 10,175	\$ -	\$ (2,940)	\$ 7,235	\$ 1,110
Revenue bonds - other (note 11)	128,580	38,997	(34,470)	133,107	15,120 [^]
Unamortized premiums - other (note 11)	12,602	2,351	(3,603)	11,350	-
Total bonds payable	<u>151,357</u>	<u>41,348</u>	<u>(41,013)</u>	<u>151,692</u>	<u>16,230</u>
Other long-term obligations:					
Certificates of participation - direct placement (note 19A)	19,930	-	(1,785)	18,145	3,350
Certificates of participation - other (note 19A)	8,205	-	(1,440)	6,765	-
Unamortized premiums - other (note 19A)	247	-	(37)	210	-
Leases (note 13)	55,568	5,904	(12,134)	49,338	11,891
Subscription-based information technology arrangements (note 13)	8,964	796	(4,330)	5,430	2,604
Financed purchases (note 19B)	1,253	366	(489)	1,130	448
Accrued self-insurance (note 21)	21,867	3,334	(1,251)	23,950	2,736
Compensated absences (note 1K)	47,632	4,119	(4,083)	47,668	4,433
OPEB liability (note 17)	130,653	-	(59,428)	71,225	3,484
Other obligations (note 19F)	983	463	(206)	1,240	168
Total other long-term obligations	<u>295,302</u>	<u>14,982</u>	<u>(85,183)</u>	<u>225,101</u>	<u>29,114</u>
Total Southern Illinois University	\$ 446,659	\$ 56,330	\$ (126,196)	\$ 376,793	\$ 45,344
University of Illinois:					
Bonds payable:					
Revenue bonds (note 11)	\$ 1,123,991	\$ 154,060	\$ (217,370)	\$ 1,060,681	\$ 47,913 ^{^^}
Unamortized premiums (note 11)	65,414	14,271	(18,414)	61,271	-
Total bonds payable	<u>1,189,405</u>	<u>168,331</u>	<u>(235,784)</u>	<u>1,121,952</u>	<u>47,913</u>
Other long-term obligations:					
Certificates of participation (note 19A)	50,360	-	(9,765)	40,595	9,990
Unamortized premiums (note 19A)	2,427	-	(783)	1,644	-
Leases (note 13)	74,684	25,492	(22,084)	78,092	20,733
Subscription-based information technology arrangements (note 13)	33,985	37,650	(28,041)	43,594	19,159
Financed purchases (note 19B)	109,020	150,386	(2,050)	257,356	4,098
Accrued self-insurance (note 21)	292,265	47,300	(57,634)	281,931	46,542
Compensated absences (note 1K)	252,753	27,466	(22,043)	258,176	26,571
OPEB liability (note 17)	1,113,449	-	(494,445)	619,004	29,322
Other obligations (note 19F)	84,333	211	(20,007)	64,537	10,570
Total other long-term obligations	<u>2,013,276</u>	<u>288,505</u>	<u>(656,852)</u>	<u>1,644,929</u>	<u>166,985</u>
Total University of Illinois	\$ 3,202,681	\$ 456,836	\$ (892,636)	\$ 2,766,881	\$ 214,898

[^] \$240 of interest will be accreted on capital appreciation debt in the next year.^{^^} \$832 of interest will be accreted on capital appreciation debt in the next year.

9 GENERAL OBLIGATION BONDS

General obligation bonds outstanding and bonds authorized but unissued at June 30, 2023, 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	Pension
Governmental Activities									
Multiple Purpose Series:									
November	2001	375,000	11/1/2026	6.0%	1,413	16,847	-	-	-
October	2002	62,079	8/1/2024	Accreted*	405	-	162	-	-
June	2003	10,000,000	6/1/2033	5.1%	-	-	-	-	7,650,000
January	2006	325,000	1/1/2031	5.5%	-	18,880	480	-	-
B.A.B. ^	2010-1	1,000,000	2/1/2035	6.63%	-	178,896	-	-	-
B.A.B. ^	2010-2	300,000	3/1/2035	6.05% to 6.9%	-	-	-	-	-
March	2010	56,000	3/1/2035	6.05% to 6.9%	-	-	-	-	-
B.A.B. ^	2010-3	700,000	4/1/2035	6.725%	-	-	-	-	-
B.A.B. ^	2010-4	300,000	7/1/2035	6.875% to 7.1%	4,940	-	-	-	-
B.A.B. ^	2010-5	900,000	7/1/2035	7.35%	14,820	-	-	-	-
B-January	2012	275,000	1/1/2037	5.15% to 5.75%	28,000	2,358	11,192	-	-
May	2012	1,797,740	8/1/2023	5.0%	-	-	-	-	-
B-April	2013	350,000	4/1/2038	4.46% to 5.52%	-	16,583	-	-	-
June	2013	1,300,000	7/1/2023	5.0%	52	7,388	240	-	-
December	2013	350,000	12/1/2038	5.65%	-	61,509	-	-	-
February	2014	1,025,000	2/1/2039	5.0% to 5.25%	-	180,000	-	-	-
April	2014	250,000	4/1/2039	4.25% to 5.0%	-	-	-	-	-
May	2014	750,000	5/1/2039	3.5% to 5.0%	-	16,640	-	-	-
January	2016	480,000	1/1/2041	3.75% to 5.0%	-	57,600	-	-	-
June	2016	550,000	6/1/2041	3.5% to 5.0%	7,200	14,400	-	-	-
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%	-	67,876	-	-	-
C-November	2017	500,000	11/1/2029	5.0%	-	-	-	500,000	-
D-November	2017	4,500,000	11/1/2028	3.25% to 5.0%	-	-	-	3,000,000	-
A-December	2017	655,000	12/1/2042	4.0% to 5.25%	-	141,910	-	-	-
B-December	2017	95,000	12/1/2027	5.0%	-	47,500	-	-	-
A-May	2018	450,000	5/1/2043	4.0% to 6.0%	-	160,000	-	-	-
B-May	2018	50,000	5/1/2028	5.0%	-	25,000	-	-	-
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	4.2% to 6.0%	-	-	-	-	-
B-April	2019	140,280	9/1/2028	5.0% to 5.125%	-	-	-	-	-
A-November	2019	300,000	11/1/2029	5.0%	-	28,079	-	-	-
B-November	2019	300,000	11/1/2039	4.0% to 5.0%	-	40,113	-	-	-
C-November	2019	150,000	11/1/2044	4.0%	-	-	-	-	-
May	2020	225,000	5/1/2045	5.5% to 5.75%	-	154,000	-	-	-
A-October	2020	125,000	10/1/2025	2.84% to 3.24%	39,000	-	-	-	-
B-October	2020	325,000	10/1/2035	4.0% to 5.0%	-	130,000	-	-	-
C-October	2020	300,000	10/1/2045	4.0% to 4.25%	-	120,000	-	-	-
D-October	2020	100,000	10/1/2025	5.0%	-	60,000	-	-	-
A-March	2021	850,000	3/1/2046	4.0% to 5.0%	-	241,980	-	-	-
B-March	2021	150,000	3/1/2027	5.0%	-	100,000	-	-	-
C-March	2021	257,960	3/1/2031	4.0%	-	-	-	-	-
A-December	2021	200,000	12/1/2031	5.0%	-	-	-	-	-
B-December	2021	200,000	12/1/2041	3.0% to 5.0%	-	-	-	-	-
A-June	2022	925,000	3/1/2047	5.0% to 5.5%	-	225,631	-	-	-
B-June	2022	713,375	3/1/2036	5.0%	-	-	-	-	-
A-October	2022	175,000	10/1/2029	5.25% to 6.0%	26,070	-	-	-	-
B-October	2022	245,000	10/1/2037	5.0% to 5.25%	-	140,000	-	-	-
C-October	2022	280,000	10/1/2047	5.0% to 5.5%	-	160,000	-	-	-
A-May	2023	200,000	5/1/2028	5.111% to 5.254%	-	-	-	-	-
B-May	2023	1,000,000	5/1/2048	4.5% to 5.5%	-	650,000	-	-	-
C-May	2023	150,000	5/1/2033	5.0%	-	150,000	-	-	-
D-May	2023	1,161,210	7/1/2037	4.0% to 5.0%	-	-	-	-	-
Total		\$ 38,917,559			\$ 121,900	\$ 3,234,468	\$ 12,074	\$ 3,500,000	\$ 7,650,000
Authorized but Unissued					\$ 158,684	\$ 7,529,606	\$ 88,932	\$ 1,200,000	\$ 396,348
<p>^ Bonds issued under the American Recovery and Reinvestment Act of 2009 commonly referred to as "Build America Bonds." (B.A.B.)</p> <p>* Accreted bonds are shown at their accreted values as of 6/30/23. Imputed interest rates on these capital appreciation bonds range from 4.97% to 4.99%.</p>									

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 had 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 (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 ("Subsidy Payments"). The 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. 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, 2023, are summarized in Note 8. Future general obligation debt service requirements at June 30, 2023, are as follows:

Table 9-2 (amounts expressed in thousands)

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 2,139,144	\$ 1,334,652	\$ 3,473,796
2025	2,148,440	1,252,712	3,401,152
2026	2,202,550	1,141,367	3,343,917
2027	2,142,121	1,029,198	3,171,319
2028	2,197,976	917,705	3,115,681
2029-2033	10,154,141	2,956,505	13,110,646
2034-2038	3,337,356	1,097,112	4,434,468
2039-2043	1,851,394	456,399	2,307,793
2044-2048	855,998	100,764	956,762
	27,029,120	\$ 10,286,414	\$ 37,315,534
Less: Unaccreted appreciation	(202)		
	27,028,918		
Unamortized premiums	815,328		
Unamortized (discounts)	(19,252)		
Total	\$ 27,824,994		

10 SPECIAL OBLIGATION BONDS

Special obligation bonds have been authorized and issued to provide funds for the Build Illinois Program and to refund any bonds previously issued under this program. 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, 2023, of \$2.4 billion in special obligation bonds related to the Build Illinois Program:

Table 10-1 (amounts expressed in thousands)		
	Annual Revenue Amount	Total Revenue for Source
4.44% of general sales tax revenues plus \$37.8 million transfers from the State and Local Sales Tax Reform Fund	\$ 719,424	\$ 15,742,957
Principal and interest requirements	\$ 272,026	
Percentage to principal and interest requirements	<u>264%</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.

Effective July 30, 2004, special obligation bonds are to be redeemed over a period not to exceed 25 years. Previously, bonds had 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, 2023, are as follows:

Table 10-2 (amounts expressed in thousands)

	Original Issue Amount	Final Maturity	Interest Rate Ranges	Build Illinois		
				Public Infrastructure	Business Development	Education
Series of April 2002	150,000	6/15/2027	6.0%	35,467	5,600	13,066
Series of May 2012	425,040	6/15/2036	3.231% to 4.08%	39,390	47,676	117,553
Series of May 2013	300,000	6/15/2037	2.85% to 3.88%	58,333	29,167	81,667
Series of June 2013	604,110	6/15/2026	5.0%	-	-	-
Series of March 2014	402,000	6/15/2038	4.62%	79,377	31,248	131,251
Series of September 2016-A	150,025	6/15/2034	3.0% to 5.0%	53,383	14,559	15,966
Series of September 2016-B	60,010	6/15/2034	2.35% to 3.17%	18,463	7,765	12,602
Series of September 2016-C	152,000	6/15/2032	4.0%	-	-	-
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%	86,911	391	-
Series of October 2018-B	125,000	6/15/2043	4.75% to 5.0%	2,973	95,437	-
Series of October 2018-C	10,000	6/15/2028	3.92% to 4.125%	52	4,948	-
Series of September 2021-A	130,000	6/15/2034	3.0% to 4.0%	12,692	80,384	4,232
Series of September 2021-B	220,000	6/15/2041	0.941% to 3.259%	26,999	171,001	-
Series of September 2021-C	142,745	6/15/2033	4.0% to 5.0%	-	-	-
Total	\$ 3,172,685			\$ 414,040	\$ 488,176	\$ 376,337
Authorized but Unissued				\$ 1,269,172	\$ 1,233,277	\$ 777,076

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

<u>Environment</u>	<u>Refunding</u>	<u>Principal Outstanding June 30, 2023</u>	<u>Amount Related to Capital Assets</u>
1,867	-	56,000	3,356
25,611	-	230,230	219
5,833	-	175,000	811
-	139,410	139,410	28,565
9,374	-	251,250	-
13,167	-	97,075	4,097
-	-	38,830	11
-	108,980	108,980	17,677
-	139,880	139,880	573
4,698	-	92,000	1,786
1,590	-	100,000	26
-	-	5,000	3
12,692	-	110,000	299
-	-	198,000	-
-	117,740	117,740	271
<u>\$ 74,832</u>	<u>\$ 506,010</u>	<u>\$ 1,859,395</u>	<u>\$ 57,694</u>
<u>\$ 54,414</u>	<u>Unlimited</u>		
Unamortized premiums		80,432	2,881
Unamortized (discounts)		(4)	-
		<u>\$ 1,939,823</u>	<u>\$ 60,575</u>

Changes in special obligation bonds during the year ended June 30, 2023, are summarized in Note 8. Future special obligation debt service requirements at June 30, 2023, are as follows:

Table 10-3 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2024	\$ 180,690	\$ 76,277	\$ 256,967
2025	179,575	68,463	248,038
2026	177,725	60,644	238,369
2027	156,120	52,895	209,015
2028	134,620	46,254	180,874
2029-2033	624,270	151,042	775,312
2034-2038	325,395	49,400	374,795
2039-2043	81,000	8,584	89,584
	1,859,395	\$ 513,559	\$ 2,372,954
Unamortized premiums	80,432		
Unamortized (discounts)	(4)		
Total	\$ 1,939,823		

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, 2023 (except for the Illinois State Toll Highway Authority, which is as of December 31, 2022), net of unamortized discounts, unamortized deferred amount on bond refunding, and unamortized bond premiums are as follows:

Table 11-1 (amounts expressed in thousands)

Fund Type/Agency	Amount Outstanding	Outstanding Interest Rates	Annual Maturity To
Primary Government			
Governmental Activities			
Blended component unit:			
Railsplitter Tobacco Settlement Authority	\$ 491,910	5.0%	2028
Business-type Activities			
Nonmajor enterprise fund:			
Illinois Designated Account Purchase Program	49,386	6.155%	2046
Major Component Units			
Illinois Housing Development Authority			
Direct placement	203,725	0.4% to 4.65%	2064
Other debt	2,510,509	0.25% to 6.25%	2066
Total	2,714,234		
Illinois State Toll Highway Authority	7,789,511	3.0% to 6.184%	2046
Illinois State University			
Direct placement	59,905	1.47% to 3.62%	2050
Other debt	71,381	3.25% to 5.0%	2039
Total	131,286		
Northern Illinois University			
Direct placement	29,700	5.41%	2041
Other debt	254,426	4.0% to 5.0%	2044
Total	284,126		
Southern Illinois University			
Direct placement	7,235	2.85% to 4.35%	2030
Other debt	144,457	3.625% to 5.559%	2042
Total	151,692		
University of Illinois	1,121,952	2.125% to 6.25%	2051

Changes in revenue bonds during the year ended June 30, 2023, are summarized in Note 8. Revenue bond debt service requirements, principal and interest, as of June 30, 2023, are as follows:

Table 11-2 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Railsplitter Tobacco Settlement Authority		Illinois Designated Account Purchase Program	
	Principal	Interest	Principal	Interest
2024	\$ 109,745	\$ 22,452	\$ -	\$ 3,322
2025	107,305	16,965	-	3,322
2026	105,370	11,600	-	3,322
2027	103,360	6,331	-	3,322
2028	23,270	1,164	-	3,322
2029-2033	-	-	-	16,610
2034-2038	-	-	-	16,610
2039-2043	-	-	-	16,610
2044-2046	-	-	53,979	3,560
	449,050	\$ 58,512	53,979	\$ 70,000
Unamortized premiums	42,860			-
Unamortized (discounts)	-		(4,593)	
Total	\$ 491,910		\$ 49,386	

Table 11-3 (amounts expressed in thousands)

Major Component Units							
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	
	2024	\$ 2,205	\$ 4,922	\$ 134,912	\$ 90,692	\$ 137,117	\$ 95,614
2025	4,450	4,854	53,972	87,007	58,422	91,861	
2026	4,120	4,757	66,969	85,777	71,089	90,534	
2027	4,235	4,658	72,327	83,955	76,562	88,613	
2028	4,350	4,557	62,517	82,203	66,867	86,760	
2029-2033	23,685	21,124	323,099	381,359	346,784	402,483	
2034-2038	27,340	18,000	290,212	328,894	317,552	346,894	
2039-2043	102,445	12,118	413,667	270,865	516,112	282,983	
2044-2048	7,995	4,079	462,773	175,994	470,768	180,073	
2049-2053	8,080	2,913	362,186	79,279	370,266	82,192	
2054-2058	7,325	1,783	186,645	12,668	193,970	14,451	
2059-2063	7,170	583	23,208	3,398	30,378	3,981	
2064-2066	325	7	7,705	367	8,030	374	
	<u>203,725</u>	<u>\$ 84,355</u>	<u>2,460,192</u>	<u>\$ 1,682,458</u>	<u>2,663,917</u>	<u>\$ 1,766,813</u>	
Unamortized premiums	-	-	50,873	-	50,873	-	
Unamortized (discounts)	-	-	(556)	-	(556)	-	
Total	<u>\$ 203,725</u>		<u>\$ 2,510,509</u>		<u>\$ 2,714,234</u>		

Table 11-4 (amounts expressed in thousands)

Major Component Units			
Year Ending June 30	Illinois State Toll Highway Authority		
	Principal	Interest	
2024	\$ 45,925	\$ 345,091	
2025	155,025	340,068	
2026	162,715	332,124	
2027	187,530	323,368	
2028	231,265	312,898	
2029-2033	1,520,140	1,370,200	
2034-2038	1,603,840	951,516	
2039-2043	2,066,000	457,528	
2044-2046	902,000	71,188	
	<u>6,874,440</u>	<u>\$ 4,503,981</u>	
Unamortized premiums	915,071	-	
Total	<u>\$ 7,789,511</u>		

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	
	2024	\$ 3,870	\$ 1,348	\$ 5,585	\$ 3,248	\$ 9,455	\$ 4,596
2025	3,975	1,241	5,860	2,968	9,835	4,209	
2026	4,090	1,130	6,155	2,675	10,245	3,805	
2027	4,200	1,017	6,460	2,368	10,660	3,385	
2028	4,315	899	6,755	2,078	11,070	2,977	
2029-2033	16,670	2,843	20,130	7,055	36,800	9,898	
2034-2038	6,120	1,498	13,155	2,797	19,275	4,295	
2039-2043	6,590	1,034	3,040	152	9,630	1,186	
2044-2048	7,090	535	-	-	7,090	535	
2049-2050	2,985	66	-	-	2,985	66	
	<u>59,905</u>	<u>\$ 11,611</u>	<u>67,140</u>	<u>\$ 23,341</u>	<u>127,045</u>	<u>\$ 34,952</u>	
Unamortized premiums	-	-	4,241	-	4,241	-	
Total	<u>\$ 59,905</u>		<u>\$ 71,381</u>		<u>\$ 131,286</u>		

Table 11-6 (amounts expressed in thousands)

Major Component Units

Year Ending June 30	Northern Illinois University Direct Placement		Northern Illinois University Other		Northern Illinois University Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2024	\$ 250	\$ 1,603	\$ 5,425	\$ 9,787	\$ 5,675
2025	1,353	1,575	4,610	9,515	5,963	11,090
2026	1,394	1,501	8,200	9,201	9,594	10,702
2027	1,436	1,425	8,615	8,787	10,051	10,212
2028	1,479	1,347	9,050	8,351	10,529	9,698
2029-2033	8,086	5,476	52,595	34,439	60,681	39,915
2034-2038	9,375	3,136	65,880	21,169	75,255	24,305
2039-2043	6,327	606	60,195	7,076	66,522	7,682
2044	-	-	7,365	147	7,365	147
	<u>29,700</u>	<u>\$ 16,669</u>	<u>221,935</u>	<u>\$ 108,472</u>	<u>251,635</u>	<u>\$ 125,141</u>
Unamortized premiums	-	-	32,491	-	32,491	-
Total	<u>\$ 29,700</u>		<u>\$ 254,426</u>		<u>\$ 284,126</u>	

Table 11-7 (amounts expressed in thousands)

Major Component Units

Year Ending June 30	Southern Illinois University Direct Placement		Southern Illinois University Other		Southern Illinois University Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2024	\$ 1,110	\$ 255	\$ 15,360	\$ 4,632	\$ 16,470
2025	1,150	216	15,400	4,204	16,550	4,420
2026	1,040	176	14,985	3,777	16,025	3,953
2027	1,080	138	14,480	3,371	15,560	3,509
2028	1,125	99	15,350	2,998	16,475	3,097
2029-2033	1,730	75	40,605	8,957	42,335	9,032
2034-2038	-	-	17,445	3,003	17,445	3,003
2039-2042	-	-	5,290	482	5,290	482
	<u>7,235</u>	<u>\$ 959</u>	<u>138,915</u>	<u>\$ 31,424</u>	<u>146,150</u>	<u>\$ 32,383</u>
Less: Unaccrued appreciation	-	-	(5,808)	-	(5,808)	-
	<u>7,235</u>		<u>133,107</u>		<u>140,342</u>	
Unamortized premiums	-	-	11,350	-	11,350	-
Total	<u>\$ 7,235</u>		<u>\$ 144,457</u>		<u>\$ 151,692</u>	

Table 11-8 (amounts expressed in thousands)

Major Component Units

Year Ending June 30	University of Illinois	
	Principal	Interest
2024	\$ 48,745	\$ 47,074
2025	50,915	45,048
2026	53,455	42,916
2027	56,260	40,448
2028	57,365	37,874
2029-2033	293,270	147,653
2034-2038	228,890	85,954
2039-2043	185,150	43,691
2044-2048	83,180	9,038
2049-2051	7,010	322
	<u>1,064,240</u>	<u>\$ 500,018</u>
Less: Unaccrued appreciation	(3,559)	-
	<u>1,060,681</u>	
Unamortized premiums	61,271	-
Total	<u>\$ 1,121,952</u>	

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 on December 8, 2010. Proceeds of the Series 2010 bonds were primarily used 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 RTSA issued \$670.965 million in Tobacco Settlement Revenue Bonds, Series 2017 on December 27, 2017. The Series 2017 bonds were issued as fixed interest rate (5.0%), fixed scheduled amortization, serial, and term bonds with maturities ranging from 2023 through 2028. Proceeds from the Series 2017 bonds were used to advance refund \$682.375 million of the Series 2010 bonds which were paid off in 2021.

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 \$507.562 million. The total principal and interest paid for the current year and total TSRs received were \$140.326 million and \$299.336 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, 2023, \$163.926 million of residual revenues was paid to the State and \$64.682 million was recorded as a liability to the State at year-end.

ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM (IDAPP)

The majority of IDAPP's \$53.979 million of outstanding revenue bonds at June 30, 2023, 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 \$38.030 million of Homeowner Mortgage Revenue Bonds Series 2004C3, 2014A4, and 2014A5, and \$75.065 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. 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 utilizes risk management agreements to hedge against interest rate risks. As of June 30, 2023, IHDA has entered into fifteen pay fixed, receive variable, interest rate swap agreements and three interest rate cap agreements (see Note 14—Derivative Instruments).

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.

NORTHERN ILLINOIS UNIVERSITY (NIU)

The NIU issued Series 2020A variable rate bonds in the amount of \$30 million on April 1, 2020. This bond has a final maturity of April 1, 2041. The interest rate on the bond is determined by the Bank Index Rate. The Bank Index Rate is equal to the sum of (a) the applicable factor times the one-month LIBOR rate plus (b) the applicable margin, but in no event in excess of the maximum rate of interest permitted by law. The interest rate in effect at June 30, 2023, was 5.41%.

The Series 2020A and Series 2020B bonds issued in April 2020 refunded the remaining outstanding balance of the Auxiliary Facilities Systems Revenue Bonds, Series 2010 and Series 2011. They are payable from and secured by net revenues of the System and pledged fees and are further secured by a pledge of and lien on pledged tuition, which equaled \$122.564 million as of June 30, 2023. The Series 2020A bonds contain a provision that in the event of a default, the bonds shall bear interest at a floating rate equal to the default rate so long as the event of default has not been cured. All bond series are also secured by non-cancelable policies of municipal bond insurance.

UNIVERSITY OF ILLINOIS (U OF I)

The U of I had outstanding variable rate demand bonds in the amount of \$5.500 million for the Series 1997B bonds and \$12.955 million for the Series 2008 bond. These bonds have final maturities in fiscal year 2027 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.

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.

DERIVATIVE INSTRUMENTS

IHDA and U of I have both entered into various interest rate swap agreements. Details of these agreements are discussed in Note 14—Derivative Instruments.

BUILD AMERICA BONDS

The THA, NIU, and Southern Illinois University (SIU) have issued Build America Bonds under the American Recovery and Reinvestment Act of 2009 (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 (“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, 2023, 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	\$ 21,538,061	2058
Illinois Housing Development Authority	1,892,426	2069
Southwestern Illinois Development Authority	717,819	2053
Upper Illinois River Valley Development Authority	200,938	2063
Total	\$ 24,349,244	

12 NOTES PAYABLE/SHORT-TERM BORROWINGS

A. Notes Payable

Primary Government

Illinois Department of Information Technology obtained financing to upgrade portions of the State’s phone system. The project included the purchase and installation of phones, as well as licensing and maintenance fees. The financing is an unsecured direct borrowing with an unstated interest rate. During fiscal year 2023, the outstanding principal of \$10.033 million was paid.

Changes in the general obligation notes and notes payable during the year ended June 30, 2023, are summarized in Note 8.

Major Component Units

Illinois Housing Development Authority (IHDA)

IHDA has obtained notes payable relating to advances from the Federal Home Loan Bank to provide financing. Under provisions of the direct borrowing agreement, the lender has 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. The amount of the direct borrowing outstanding at June 30, 2023, was \$21.711 million with interest rates ranging from 2.35% to 5.23% and a final maturity date of 2028. Additionally, at June 30, 2023, IHDA has an unused line of credit relating to available cash advances from the Federal Home Loan Bank totaling \$228 million.

Changes in the notes payable during the year ended June 30, 2023, are summarized in Note 8. Future notes payable debt service requirements as of June 30, 2023, are as follows:

Major Component Units		
Year Ending June 30	Illinois Housing Development Authority Direct Borrowing	
	Principal	Interest
	2024	\$ 1,768
2025	11,435	1,932
2026	388	1,312
2027	402	1,271
2028	7,718	621
	<u>\$ 21,711</u>	<u>\$ 6,559</u>

B. Short-Term Borrowings

Primary Government – Business-type Activities

Pursuant to the provisions of Title XII of the Social Security Act, as amended by the Emergency Unemployment Insurance Stabilization and Access Act of 2020, the Department of Employment

Security (IDES) received advances from the federal government to the State's account within the Unemployment Compensation Trust Fund (UCTF). The UCTF account, from which funds are drawn by IDES to pay unemployment benefits to claimants, was depleted due to extended high unemployment rates during the COVID-19 pandemic. This led IDES to borrow from the federal government to fulfill its mandate to pay benefits required by law. On, June 23, 2020, IDES started taking advances from the federal government, and during fiscal year 2023, the outstanding principal of \$1.813 billion was repaid with a final principal payment made on January 25, 2023.

Under the amended Emergency Unemployment Insurance Stabilization and Access Act of 2020, these loans were interest free through September 6, 2021, with interest accruing beginning on September 7, 2021. Title XII Loan Advances accrued interest at a rate of 2.28% per annum from July 1, 2021, to December 31, 2021, a rate of 1.59% from January 1, 2022, to June 30, 2022 and at a rate of 1.68% from January 1, 2023, to January 25, 2023. Interest is due and payable to the federal government each September 30 and may not be paid from the UCTF or from federal funds. IDES paid the interest incurred from October 1, 2022, through January 25, 2023, on September 30, 2023, in the amount of \$7.030 million.

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; as a result, the bank involved with the agreement has certain remedies available. Citibank has reserved its rights to remedies in the indenture, but has not exercised its remedies to date. Conversations are ongoing with the lender to resolve the issues discussed. The \$39.601 million outstanding under this line is shown as current at June 30, 2023.

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 2023, \$10.859 million of principal and \$2.761 million of interest was collected, all of which was transferred to the trust. During the same period, the trust paid \$2.065 million for interest expense and other professional fees and \$668 thousand for servicing fees.

Major Component Units

Illinois State University (ISU)

INTO ISU, a former component unit of ISU, had an agreement with one of its partners, INTO North America, Inc., which allowed INTO ISU to borrow up to \$6 million in operating capital from INTO North America, Inc. at an interest rate of 6.0%. INTO ISU was terminated effective May 31, 2023 and the outstanding borrowings of \$6 million were forgiven. ISU had no outstanding borrowings with INTO North America, Inc. for the year ended June 30, 2023.

University of Illinois (U of I)

The U of I Foundation has a \$15 million unsecured line of credit to a bank, due October 2024, with a negotiated interest rate in irregular intervals (6.02% at June 30, 2023). The line of credit is

to be used to purchase property that is to be held for the U of I. The \$10.199 million outstanding under this line is shown as current at June 30, 2023.

Changes in short-term borrowing during the year ended June 30, 2023, are as follows:

	Balance			Balance June 30, 2023
	July 1, 2022	Additions	Deletions	
Primary Government				
Business-type Activities				
Unemployment Compensation Trust Fund - direct borrowing	\$ 1,812,645	\$ -	\$ (1,812,645)	\$ -
Designated Account Purchase Program	50,987	-	(11,386)	39,601
	<u>\$ 1,863,632</u>	<u>\$ -</u>	<u>\$ (1,824,031)</u>	<u>\$ 39,601</u>
Major Component Units				
Illinois State University	\$ 6,000	\$ -	\$ (6,000)	-
University of Illinois	9,813	586	(200)	10,199
	<u>\$ 15,813</u>	<u>\$ 586</u>	<u>\$ (6,200)</u>	<u>\$ 10,199</u>

13 LEASES/SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

A. Lessee Arrangements

The State and its component units have entered into various leases for land, office facilities, office and computer equipment, medical equipment, and other right-to-use assets with remaining lease terms ranging from less than one year to 10 years. 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. The renewal and termination options are not included in the right-to-use asset or lease liability balance until they are reasonably certain of exercise.

Certain of the State's and its component units' leases contain both fixed and variable lease payments. These exist primarily within the leases for office facilities related to rent escalations based on the consumer price index as well as leases for parking spaces for which payment varies by the number of parking spaces leased. The remaining office facilities, equipment, and other leases do not contain variable lease payments. The variable payments are not included in the calculation of the lease liability. The total expenditures for variable payments not previously included in the measurement of the lease liability during the fiscal year ended June 30, 2023, were \$315 thousand for the State. In addition, Illinois State University and University of Illinois had \$37 thousand and \$319 thousand, respectively, of total expenditures for variable payments not previously included in the measurement of the lease liability.

At June 30, 2023, the State had commitments under leases prior to the commencement of the lease term totaling \$25.835 million.

At June 30, 2023, right-to-use assets under leases are as follows:

Table 13-1 (amounts expressed in thousands)

Primary Government	Business-Type Activities		
	Governmental Activities	Nonmajor Enterprise Funds	Fiduciary Funds
	Buildings	\$ 581,727	\$ 5,629
Equipment	33,498	151	190
Other	848	-	-
	616,073	5,780	2,075
Less: Accumulated amortization	162,927	1,558	379
	\$ 453,146	\$ 4,222	\$ 1,696

Table 13-2 (amounts expressed in thousands)

Major Component Units	Illinois Housing Development Authority	Illinois State Toll Highway Authority	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
Buildings	\$ 6,734	\$ 738	\$ 8,093	\$ 464	\$ 68,318	\$ 98,952
Equipment	118	-	2,712	653	3,260	16,476
Other	-	-	-	-	441	7
	6,852	738	10,805	1,117	72,019	115,435
Less: Accumulated amortization	2,718	403	2,892	385	24,428	39,272
	\$ 4,134	\$ 335	\$ 7,913	\$ 732	\$ 47,591	\$ 76,163

Future minimum commitments for non-cancelable leases as of June 30, 2023, are as follows:

Table 13-3 (amounts expressed in thousands)

Primary Government	Business-Type Activities					
	Governmental Activities		Nonmajor Enterprise Funds		Fiduciary Funds	
	Year Ending June 30	Principal	Interest	Principal	Interest	Principal
2024	\$ 85,834	\$ 13,922	\$ 716	\$ 90	\$ 53	\$ 77
2025	75,001	11,303	723	74	214	71
2026	69,169	8,979	757	60	195	62
2027	56,440	6,910	789	45	196	53
2028	49,368	5,200	800	30	206	44
2029-2033	130,595	7,433	1,735	57	864	86
2034-2038	-	-	-	-	128	2
Total minimum lease payments	\$ 466,407	\$ 53,747	\$ 5,520	\$ 356	\$ 1,856	\$ 395

Table 13-4 (amounts expressed in thousands)

Major Component Units	Business-Type Activities											
	Illinois Housing Development Authority		Illinois State Toll Highway Authority		Illinois State University		Northern Illinois University		Southern Illinois University		University of Illinois	
	Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2024	\$ 1,243	\$ 146	\$ 345	\$ 1	\$ 1,549	\$ 114	\$ 240	\$ 39	\$ 11,891	\$ 1,247	\$ 20,733	\$ 1,263
2025	1,255	109	-	-	1,364	89	251	25	10,312	946	16,033	979
2026	1,312	54	-	-	1,096	70	182	11	8,119	697	11,018	744
2027	564	6	-	-	1,071	53	59	4	5,893	501	9,061	530
2028	-	-	-	-	1,012	37	19	1	5,646	328	6,456	337
2029-2033	-	-	-	-	2,007	36	-	-	7,310	362	14,791	466
2034-2038	-	-	-	-	-	-	-	-	167	3	-	-
Total minimum lease payments	\$ 4,374	\$ 315	\$ 345	\$ 1	\$ 8,099	\$ 399	\$ 751	\$ 80	\$ 49,338	\$ 4,084	\$ 78,092	\$ 4,319

B. Lessor Arrangements

The State and its component units lease parking lots, land, space within and attached to its buildings, and other assets to third parties. These agreements have terms ranging from less than one year to 53 years. Payments are generally fixed monthly amounts with certain variable payments not included in the measurement of the lease receivable. The State recognized \$6.732 million in lease revenue, including interest and other related revenues for the period ending June 30, 2023. The Illinois State Toll Highway Authority (THA) recognized \$3.336 million in lease revenue, including interest and other related revenues for the period ended December 31, 2022 (THA's fiscal year-end). Illinois State University, Northern Illinois University, Southern Illinois University, and University of Illinois recognized \$5 thousand, \$64 thousand, \$1.076 million, and \$8.402 million, respectively, in lease revenue, including interest and other related revenues for the period ending June 30, 2023. Of these amounts recognized during the fiscal year ended June 30, 2023, Illinois State University and University of Illinois recognized \$282 thousand and \$2.807 million, respectively, of revenue related to variable payments that were not previously included in the measurement of the lease receivable.

Southern Illinois University leases an asset as part of a lease-leaseback transaction. As of June 30, 2023, Southern Illinois University reported a net lease receivable of \$1.223 million related to this lease-leaseback transaction. University of Illinois has certain leases of assets that are sublease transactions; however, these amounts are minimal.

C. SBITAs

The State and its component units have entered into various SBITAs with remaining contract terms ranging from less than one year to 10 years. Although subscription terms vary, certain agreements are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, agreements requiring appropriation by the General Assembly are considered noncancelable agreements for financial reporting purposes. The renewal and termination options are not included in the subscription asset or subscription liability balance until they are reasonably certain of exercise.

Certain of the State's and its component units' agreements contain both fixed and variable subscription payments. The variable payments are not included in the calculation of the subscription liability. The total expenditures for variable payments not previously included in the measurement of the subscription liability during the fiscal year ended June 30, 2023, were \$1.698 million for the State. In addition, Illinois State University and University of Illinois had \$80 thousand and \$795 thousand, respectively, of total expenditures for variable payments not previously included in the measurement of the subscription liability.

At June 30, 2023, subscription assets under SBITAs are as follows:

Primary Government	Governmental Activities	Business-Type Activities	
		Nonmajor Funds	Enterprise Funds
Subscription Assets	\$ 294,859	\$ 1,305	\$ 3,465
Less: Accumulated amortization	87,734	132	1,220
	<u>\$ 207,125</u>	<u>\$ 1,173</u>	<u>\$ 2,245</u>

Table 13-6 (amounts expressed in thousands)

Major Component Units	Illinois Housing	Illinois	Northern	Southern	University
	Development	State	Illinois	Illinois	of
	Authority	University	University	University	Illinois
Subscription Assets	\$ 5,051	\$ 12,700	\$ 2,870	\$ 9,889	\$ 76,134
Less: Accumulated amortization	1,134	3,556	1,144	4,098	20,295
	<u>\$ 3,917</u>	<u>\$ 9,144</u>	<u>\$ 1,726</u>	<u>\$ 5,791</u>	<u>\$ 55,839</u>

Future minimum commitments for non-cancelable SBITAs as of June 30, 2023, are as follows:

Table 13-7 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		Business-Type Activities Nonmajor Enterprise Funds		Fiduciary Funds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2024	\$ 81,843	\$ 8,393	\$ 105	\$ 45	\$ 1,200
2025	31,378	4,825	110	40	569	28
2026	25,987	3,427	152	40	114	5
2027	10,991	2,465	120	30	24	1
2028	9,706	1,947	125	25	-	-
2029-2033	34,019	3,279	412	38	-	-
Total minimum SBITA payments	<u>\$ 193,924</u>	<u>\$ 24,336</u>	<u>\$ 1,024</u>	<u>\$ 218</u>	<u>\$ 1,907</u>	<u>\$ 103</u>

Table 13-8 (amounts expressed in thousands)

Year Ending June 30	Illinois Housing Development Authority		Illinois State University		Northern Illinois University		Southern Illinois University		University of Illinois	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2024	\$ 840	\$ 89	\$ 3,804	\$ 194	\$ 587	\$ 99	\$ 2,604	\$ 146	\$ 19,159
2025	771	136	2,572	108	460	65	1,919	79	13,241	679
2026	296	39	1,670	46	449	38	465	28	5,980	321
2027	817	71	367	14	28	12	233	14	3,420	148
2028	321	14	77	6	30	10	209	6	1,298	50
2029-2033	-	-	170	3	138	22	-	-	496	13
Total minimum SBITA payments	<u>\$ 3,045</u>	<u>\$ 349</u>	<u>\$ 8,660</u>	<u>\$ 371</u>	<u>\$ 1,692</u>	<u>\$ 246</u>	<u>\$ 5,430</u>	<u>\$ 273</u>	<u>\$ 43,594</u>	<u>\$ 2,323</u>

14 DERIVATIVE INSTRUMENTS

INVESTMENT DERIVATIVE INSTRUMENTS - 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 instrument securities. These derivative instrument 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 derivative instruments: 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 fair 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. As the fair value of the futures contracts vary 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 a 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 values 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.
- 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 portfolios. 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 after one to several years.

At June 30, 2023, investment derivative instruments are reported as investments in the Statement of Fiduciary Net Position. The change in the fair value of derivative instrument investments is included in investment income on the Statement of Changes in Fiduciary Net Position. Following are summaries of investment derivative instruments held at each agency at June 30, 2023:

ISBI

Investment Derivative Instruments	Fair Value at June 30, 2023	Change in Fair Value	Notional*
Rights/Warrants	\$ 365	\$ 3	197
Totals	<u>\$ 365</u>	<u>\$ 3</u>	<u>197</u>

* Notional amounts represent the number of shares for each instrument.

TRS

Investment Derivative Instruments	Fair Value at June 30, 2023	Change in Fair Value	Notional*
Rights	\$ -	\$ (221)	\$ 2
Warrants	7,315	(1,625)	838
Currency Forwards			
Purchases	1,943,519		
Sales	(1,942,081)		
	1,438	14,492	-
Futures**			
Equity Futures Long	-	12,363	70,929
Equity Futures Short	-	(1,623)	(44,130)
Fixed Income Futures Long	-	(20,096)	265,264
Fixed Income Futures Short	-	5,668	(49,259)
	-	(3,688)	242,804
Options**			
Currency Forward Options Purchased	412	(1,656)	49,679
Currency Forward Options Written	(2,803)	1,114	41,606
	(2,391)	(542)	91,285
Swaptions			
Swaptions Purchased	593	(1,246)	59,313
Swaptions Written	(200)	903	20,008
	393	(343)	79,321
Credit Default Swaps			
Credit Default Swaps Buying Protection	(2,018)	(12,145)	169,450
Credit Default Swaps Selling Protection	(987)	7,090	16,698
	(3,005)	(5,055)	186,148
Index Swaps	(408)	(8,007)	7,445
Interest Rate/Inflation-linked Swaps			
Pay Fixed Interest Rate/Inflation Swaps	1,442	(6,524)	229,679
Receive Fixed Interest Rate/Inflation Swaps	(2,286)	2,030	343,409
	(844)	(4,494)	573,088
Totals	\$ 2,498	\$ (9,483)	\$ 1,180,931

* 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 instrument 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, 2023:

Table 14-3 (amounts expressed in thousands)						
Interest Rate and Inflation Swaps						
Asset Description	Par	Gross Notional*	TRS Receives	TRS Pays	Maturity Date	Fair Value June 30, 2023
Pay Fixed Interest						
Rate/Inflation Swaps						
Brazilian Real	39,497	\$ 8,188	3 mo. Brazilian CDI (1)	11.12%	1/4/2027	\$ (192)
Chilean Peso	46,158,100	57,556	6 mo. Chile Interbank Rate	3.17% to 7.37%	11/29/2024-9/20/2033	310
Colombian Peso	89,150,620	21,349	3 mo. IBRCO (8)	6.85% to 11.97%	1/12/2027-6/21/2028	(1,750)
Euro	5,230	5,800	12 mo. ESTR (11)	2.05% to 2.08%	4/11/2031-10/30/2031	314
Hungarian Forint	1,970,000	6,028	6 month BUBOR (10)	6.25%	3/17/2027	559
Mexican Peso	116,264	6,781	28 day Mexican TIIE (3)	8.54% to 9.14%	9/18/2025-6/14/2028	13
Polish Zloty	119,211	29,775	6 month WIBOR (4)	1.35% to 6.41%	10/5/2023-5/10/2032	445
South African Rand	205,052	10,924	3 month JIBAR (5)	7.42% to 8.46%	6/21/2025-9/27/2031	637
U.S. Dollar	83,200	83,278	SOFR (12)	3.95% to 4.42%	6/18/2025-9/17/2025	1,106
		<u>\$ 229,679</u>				<u>\$ 1,442</u>
Receive Fixed Interest						
Rate/Inflation Swaps						
Brazilian Real	308,782	\$ 64,653	5.76% to 11.95%	3 mo. Brazilian CDI (1)	1/2/2025-1/2/2029	\$ 644
Chilean Peso	18,480,290	22,673	1.66% to 7.37%	6 mo. Chile Interbank Rate	11/29/2024-3/15/2033	(426)
Chinese Yuan	110,149	15,294	2.31% to 2.68%	3 month CNRR (2)	8/31/2027-12/15/2027	107
Colombian Peso	16,529,080	3,567	3.67% to 6.65%	3 month IBRCO (8)	5/7/2025-11/9/2031	(391)
Czech Koruna	35,245	1,332	1.52%	6 month PRIBOR (9)	1/29/2030	(297)
Hungarian Forint	938,520	2,365	1.96%	6 month BUBOR (10)	5/5/2030	(380)
Israeli New Shekel	80,400	21,404	3.36%	3 month TELBOR (13)	9/20/2028	(261)
Mexican Peso	862,508	50,547	7.87% to 9.27%	28 day Mexican TIIE (3)	9/17/2025-9/7/2033	175
Malaysian Ringgit	126,500	27,059	3.44% to 3.62%	3 month KLIBOR (7)	6/21/2028	-
Polish Zloty	68,615	18,181	1.80% to 6.85%	6 month WIBOR (4)	7/24/2024-6/21/2028	827
South African Rand	255,127	13,079	7.77% to 9.16%	3 month JIBAR (5)	3/15/2028-3/15/2033	(473)
South Korean Won	45,063,352	33,947	2.18% to 4.20%	91 day CD-KSDA (6)	1/7/2027-9/20/2028	(297)
U.S. Dollar	70,538	69,308	2.92% to 3.95%	SOFR (12)	6/18/2025-3/21/2033	(1,514)
		<u>\$ 343,409</u>				<u>\$ (2,286)</u>
* Includes income/accrued payable amounts						
(1) Brazilian CDI - Brazilian Cetip Interbank Deposit						
(2) CNRR - China Fixing Repo Rates						
(3) Mexican TIIE - Mexico Interbank Equilibrium Interest Rate						
(4) WIBOR - Warsaw Interbank Offered Rate						
(5) JIBAR - Johannesburg Interbank Average Rate						
(6) CD-KSDA - Certificates of Deposit, Korean Securities Dealer Assoc.						
(7) KLIBOR - Kuala Lumpur Interbank Offered Rate						
(8) IBRCO - Colombia Interbank Rate						
(9) PRIBOR - Prague Interbank Offered Rate						
(10) BUBOR - Budapest Interbank Offered Rate						
(11) ESTR - Euro Short-Term Rate						
(12) SOFR - Secured Interbank Overnight Interest Rate						
(13) TELBOR - Tel Aviv Interbank Offered Rate						

SURS

Investment Derivative Instruments	Fair Value at June 30, 2023	Changes in Fair Value	Notional*
Rights and Warrants	\$ 110	\$ 1	\$ 94
Currency Forwards			
Purchases	5,232	(8,101)	-
Sales	(6,606)	(154)	-
	<u>(1,374)</u>	<u>(8,255)</u>	<u>-</u>
Futures			
Equity Derivative Instruments Long	1,950	6,525	276,854
Equity Derivative Instruments Short	(1,372)	(4,795)	(215,493)
Fixed Income Long	(294)	(1,936)	717,397
Fixed Income Short	(32)	7,838	(444,590)
Commodity Long	1,024	7,313	67,889
Commodity Short	(890)	(2,682)	(81,636)
Foreign Exchange Long	1,633	1,598	505,296
Foreign Exchange Short	(1,014)	2,869	(237,838)
	<u>1,005</u>	<u>16,730</u>	<u>587,879</u>
Options			
Equity Call	-	481	-
Equity Put	-	342	-
	<u>-</u>	<u>823</u>	<u>-</u>
Swaptions			
Call	-	53	-
	<u>-</u>	<u>53</u>	<u>-</u>
Swaps			
Credit Default: Selling Protection	483	3,085	34,082
Pay Fixed Interest Rate	(4,532)	(1,742)	88,798
Receive Fixed Interest Rate	1,835	156	29,700
	<u>(2,214)</u>	<u>1,499</u>	<u>152,580</u>
Totals	<u>\$ (2,473)</u>	<u>\$ 10,851</u>	<u>\$ 740,553</u>

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

Interest rate risk for derivative instrument 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, 2023:

Pay Fixed / Receive Fixed	Notional Amount	SURS Rate	Counterparty Rate	Fair Value June 30, 2023
Pay Fixed	\$ 87,400	0.25%	1 day USD SOFR (1)	\$ (4,457)
Pay Fixed	1,398	3.75%	1 day British Pound SONIA (2)	(75)
	<u>\$ 88,798</u>			<u>\$ (4,532)</u>
Receive Fixed	\$ 29,700	1 day USD SOFR (1)	0.36%	\$ 1,835
	<u>\$ 29,700</u>			<u>\$ 1,835</u>

(1) Secured Overnight Financing Rate
(2) Sterling Overnight Interbank Average 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 instrument 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 instrument securities over the counter, with robust collateral requirements to mitigate counterparty risk. Derivative instruments 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, 2023.

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 derivative instruments operate a collateral call process ensuring full collateralization of these derivative instruments.

The aggregate fair value of non-exchange traded derivative instruments in asset positions at June 30, 2023, was \$25.488 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)

Moody's Quality Rating	
Aa1	\$ 454
Aa2	788
Aa3	8,670
A1	13,560
A2	1,188
A3	828
Total subject to credit risk	<u>\$ 25,488</u>

Although the derivative instruments held within the TRS investment portfolio are executed with various counterparties, approximately 99 percent of the net fair value exposure to credit risk is for non-exchange traded derivative instrument contracts held with 11 counterparties.

SURS: The maximum loss that would be recognized at June 30, 2023, if all counterparties fail to perform as contracted, is \$8.4 million. This maximum exposure is reduced by \$11.9 million in liabilities and \$1.7 million in collateral held, resulting in a net credit risk exposure of approximately (\$5.2) million. At June 30, 2023, the counterparties' credit ratings for currency forwards and swaps subject to credit risk are as follows:

Table 14-7 (amounts expressed in thousands)

Standard & Poor's Quality Rating	Forwards	Swaps	Total
A	\$ -	\$ (253)	\$ (253)
Not Rated	(1,374)	(1,961)	(3,335)
Total subject to credit risk	<u>\$ (1,374)</u>	<u>\$ (2,214)</u>	<u>\$ (3,588)</u>

HEDGING DERIVATIVE INSTRUMENTS - 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 derivative instruments, 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) and the University of Illinois (U of I).

IHDA: The IHDA has fifteen swap contracts and three interest rate caps. All are considered cash flow hedges. The objective of the 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 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 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, as applicable, except in the case of Series 2008A 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.

U of I: The U of I has entered into one pay-fixed, receive variable interest rate swap agreement in connection with certain bond issues.

The objective of this swap was to effectively change the U of I's variable interest rate on the bonds to a synthetic fixed rate. The swap agreement was entered at the same time as the original bonds were issued and terminates with maturity of the existing bonds. No cash was paid or received when the original swap agreement was entered into. The U of I engaged a third-party consultant to determine the fair value of the swap agreement.

The following table displays the terms of the various hedging derivative instruments of the major component units outstanding at June 30, 2023, 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)
Major Component Units								
IHDA								
Interest Rate Swap Contracts								
HMRB*								
Series 2018 A-2	\$ 30,000	8/18	2.394%	70% 1 month LIBOR (a)	\$ 1,663		2/38	AA-/Aa1
	30,000				1,663	\$ 1,557		
RB**								
Series 2019B	30,000	3/19	2.431%	100% SIFMA (b) -> 70% LIBOR (a)	2,044		4/42	A+/Aa2
Series 2020C	40,000	10/20	1.057%	100% SIFMA (b) -> 70% LIBOR (a)	7,610		4/42	AA-/Aa1
Series 2022D	59,860	5/22	2.432%	70% SOFR (c) + 0.08%	3,488		4/45	A+/Aa2
Series 2022F	50,000	9/22	2.598%	70% SOFR (c) + 0.10%	2,096		4/45	AA-/Aa1
Series 2023C	37,500	3/23	4.495%	100% SOFR (c) + 0.15%	(176)		10/46	A+/Aa2
Series 2023F	43,290	10/46	4.065%	100% SOFR (c) + 0.15%	955		10/46	AA-/Aa1
MFRB Maywood	24,995	7/24	2.147%	70% SOFR (c) + 0.08% -> LIBOR (a)	2,133		7/64	A+/Aa2
MFRB Burnham Manor	12,725	1/25	2.776%	70% SOFR (c) + 0.08%	111		1/65	A+/Aa2
MFRB Autumn Ridge	11,730	2/23	2.975%	70% SOFR (c) + 0.10%	258		7/65	AA-/Aa1
	310,100				18,519	11,216		
GO****								
GO 835 Wilson	3,365	6/25	2.963%	100% SOFR (c) Compound	85		11/52	A/A1
GO Millbrook	2,205	7/25	2.829%	100% SOFR (c)	22		12/52	A/A1
GO Otto Veteran	4,835	3/26	3.273%	100% SOFR (c)	(49)		10/53	AA+/A1
GO Poplar Place	3,495	5/26	3.108%	100% SOFR (c)	85		11/53	A/A1
GO Beech Street Senior Lofts	3,480	6/26	3.520%	100% SOFR (c) Compound	(66)		12/53	A+/A1
	17,380				77	130		
Interest Rate Cap								
HB***								
Series 2008A	10,930	1/18	6.000%	100% SIFMA (b)	15		1/27	A/A1
Series 2008C	4,150	5/22	4.000%	70% SOFR (c) Compound + 0.18%	28		7/27	A/A1
	15,080				43	(41)		
RB**								
Series 2022C	23,175	5/22	4.000%	100% SOFR (c) Compound + 0.11%	588		7/25	A+/Aa2
	23,175				588	363		
	\$ 395,735				\$ 20,890	\$ 13,225		
U of I								
Interest Rate Swap Contracts								
Revenue Bonds								
Series 2008								
(Health Services Facility System)	\$ 12,850	11/08****	3.534%	68% of LIBOR (a)	\$ (85)		10/26	A-/A1
	\$ 12,850				\$ (85)	\$ 473		
<p>* Homeowner Mortgage Revenue Bonds (a) London Interbank Offered Rate</p> <p>** Revenue Bonds (b) Securities Industry and Financial Market Association</p> <p>*** Housing Bonds (c) Secured Overnight Financing Rate</p> <p>**** Swap agreement was transferred from original issue to the refunded bond issue.</p> <p>***** General Obligation Bonds</p> <p>(1) All bond issues are taxable debt instruments.</p> <p>(2) Includes accrued interest.</p> <p>(3) Credit rating companies: Standard and Poor's (S&P)/Moody's Investors Services</p>								

Additionally, the U of I's discretely presented component unit, Prairieland Energy, Inc., entered into noncancelable, exchange-traded futures contracts for natural gas for settlement periods during fiscal years 2024 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 \$15.541 million and \$5.120 million, 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, 2023, IHDA was not exposed to credit risk for the swaps that had negative fair value. IHDA is exposed to credit risk on the swaps and caps with positive fair value. The aggregate fair value of hedging derivative instruments with positive fair value at June 30, 2023, was \$21.181 million. This represents the maximum loss that would be recognized at June 30, 2023, 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 43% of the total notional amount of the outstanding swaps. IHDA does not have a policy regarding master netting arrangements.

U of I: As of June 30, 2023, the U of I was not exposed to credit risk because the swap had a negative fair value. If interest rates change and the fair value of the swap becomes positive, the U of I would be exposed to credit risk in the amount of the derivative instrument's fair value. Since these 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, 2023, one counterparty held 100% of the total notional amount of the outstanding swap. U of I does not have a policy regarding master netting arrangements.

Interest rate risk

IHDA: Because interest rates have increased since the execution of the swap agreements in the Single-Family Program Fund, they have positive fair values as of June 30, 2023. The positive fair value may be countered by increases in total interest payments required under the variable-rate bonds, creating higher 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.

U of I: During fiscal year 2023, rising interest rates exposed the U of I to interest rate risk, which positively affected the fair value of the swap agreement.

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.

U of I: The swap exposes 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.

U of I: The U of I has the option to terminate the swap 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 agreements. 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.

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

As of June 30, 2023, 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	Illinois Housing Development Authority				University of Illinois-Revenue Bonds			
	Principal	Interest	Interest Rate Swaps, Net	Total	Principal	Interest	Interest Rate Swaps, Net	Total
June 30								
2024	\$ 1,205	\$ 14,758	\$ (5,275)	\$ 10,688	\$ 3,060	\$ 406	\$ (20)	\$ 3,446
2025	1,240	14,704	(5,275)	10,669	3,225	288	(14)	3,499
2026	1,280	14,648	(5,275)	10,653	3,295	166	(8)	3,453
2027	9,015	14,590	(5,274)	18,331	3,375	42	(2)	3,415
2028	1,000	14,227	(5,274)	9,953	-	-	-	-
2029-2033	19,335	70,094	(26,931)	62,498	-	-	-	-
2034-2038	108,135	57,650	(22,580)	143,205	-	-	-	-
2039-2043	126,590	31,126	(14,072)	143,644	-	-	-	-
2044-2048	58,440	7,503	(16,460)	49,483	-	-	-	-
2049-2053	5,130	2,089	(3,942)	3,277	-	-	-	-
2054-2058	2,600	1,259	(3,149)	710	-	-	-	-
2059-2063	3,070	696	(181)	3,585	-	-	-	-
2064-2068	1,730	106	(27)	1,809	-	-	-	-
Total	\$ 338,770	\$ 243,450	\$ (113,715)	\$ 468,505	\$ 12,955	\$ 902	\$ (44)	\$ 13,813

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

15 REFUNDINGS OF LONG-TERM OBLIGATIONS

Current Year Refundings

During the year ended June 30, 2023, the State and several of its component units issued current refunding debt to defease long-term obligations which were currently outstanding. Proceeds from the sales, together with other funds, were used to currently refund earlier issues maturing on dates ranging from October 1, 2022, through October 1, 2052, at redemption prices of 100%. Current refunding debt issued during fiscal year 2023, 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)/ Reduced by Refunding	Refunding Economic Gain/ (Loss)	Accounting Gain/(Loss)
Primary Government							
Governmental Activities							
General Obligation Bonds:							
May 2023-D	\$ 1,161,210	4.0% to 5.0%	\$ 1,220,500	4.0% to 5.5%	\$ 154,600	\$ 102,256	\$ 13,349
Major Component Units							
Revenue Bonds							
Illinois Housing Development Authority							
Multi-Family Revenue Bond Series 2022-E	\$ 16,390	2.3% to 5.25%	\$ 16,390	0.15% to 4.5%	\$ -	\$ -	\$ -
Illinois Housing Development Authority							
Revenue Bond Series 2023-A	\$ 35,760	3.2% to 5.25%	\$ 35,760	0.2% to 6.25%	\$ -	\$ -	\$ -
Illinois State University							
Auxiliary Facilities System Revenue Bonds Series 2022-B	\$ 13,775	2.99%	\$ 13,675	4.0%	\$ 701	\$ 584	\$ 250
Southern Illinois University							
Housing and Auxiliary Facilities System							
Revenue Bonds Series 2022-A	\$ 18,820	5.0%	\$ 19,105	5.0%	\$ 729	\$ 599	\$ 2,326
University of Illinois							
Auxiliary Facilities System Revenue Bonds Series 2023-A	\$ 153,150	5.0%	\$ 166,245	3.25% to 5.0%	\$ 11,422	\$ 9,926	\$ 124

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), a component unit 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, 132 special districts, and 9 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 60 thousand active members have chosen this option, as of the measurement date, June 30, 2022.

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"> • Age 60, with 8 years of service credit. • Any age, when the member's age (years & whole months) plus years of service credit (years & whole months) equal 85 years (1,020 months) (Rule of 85) with 8 years of credited service. • Between ages 55-60 with 25-30 years of service credit (reduced 1/2 of 1% for each month under age 60). <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"> • Age 67, with 10 years of credited service. • Between ages 62-67 with 10 years of credited service (reduced 1/2 of 1% for each month under age 67). <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 2022 rate is \$119,892.</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>Members eligible for the alternative formula may retire at age 60 with 20 years of service.</p>

<p>Final average compensation is figured one of three ways:</p> <ul style="list-style-type: none"> • The average of the highest 48 consecutive months over the last 120 months of service (for members in service prior to January 1, 1998). • Average of last 48 months of service. • Final rate of pay: cannot exceed the average of the last 24 months of pay by 115%. <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>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 2022 rate is \$119,892.</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>
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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 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 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 also provides disability and death benefits. 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, 2022, the following employees were covered by the defined benefit terms of each system, respectively:

	GARS	JRS	SERS	TRS	SURS
Inactive employees (and their beneficiaries) receiving benefits	430	1,293	75,826	129,466	71,458
Inactive employees entitled to but not yet receiving benefits	42	10	3,708	144,801	87,829
Active employees	122	940	61,056	165,566	60,281
Total	594	2,243	140,590	439,833	219,568

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.
- State Employees’ Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217) 785-7444 or 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.
- State Universities Retirement System, 1901 Fox Drive, Champaign, Illinois, 61820-7333, (217) 378-8800 or www.surs.org.

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. Public Act 100-0587 created two new buyout provisions for members: an inactive vested buyout and an automatic annual increase buyout, which were scheduled to exist until June 30, 2021. Public Act 101-0010 extended both buyout programs to fiscal year 2024. These programs allow certain members eligible for a pension to elect an accelerated present value payment based on a percentage of future benefits payable in exchange for giving up those future benefits. The accelerated payment is financed through the sale of bonds. The remaining pension obligation bond proceeds that fund the buyouts are limited to \$1 billion for all participating systems and the programs are assumed to end when the buyouts reach this amount. The State met its funding requirement established by *statutory law* for the fiscal year ended June 30, 2023. 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, 2023, are shown in Table 16-2.

Table 16-2 (amounts expressed in thousands)

Contribution Rates/Amounts		
Plan	Member (% of Covered Payroll)	State (Statutorily Required)
GARS	11.50%	\$ 28,081
JRS	11.00%	\$ 147,430
SERS	4.00% - 12.50%	\$ 2,576,758
TRS	9.00%	\$ 5,893,943
SURS	8.00% - 9.50%	\$ 2,118,567

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 2023, this amount was \$134,071. 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 2023, this amount was \$123,489.

For TRS, employee contributions are fully refundable, without interest, upon withdrawal from applicable employment. For Tier 1 members, contributions are based on credible earnings. 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 2023, this amount was \$123,489.

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 2023, this amount was \$123,489.

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, 2023, was measured as of June 30, 2022, 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 [^]
Total pension liability			
Service cost	\$ 2,288	\$ 46,588	\$ 890,724
Interest on total pension liability	23,454	182,714	3,468,047
Change of benefit terms	-	-	(203,810)
Differences between expected and actual experience	(4,133)	23,624	367
Assumption changes	(10,232)	(109,632)	(3,559,665)
Benefit payments	(26,930)	(180,423)	(2,991,760)
Refunds	(4)	(804)	(26,582)
Net change in total pension liability	(15,557)	(37,933)	(2,422,679)
Total pension liability - June 30, 2021 (a)	384,424	3,051,843	56,984,047
Total pension liability - June 30, 2022 (a)	\$ 368,867	\$ 3,013,910	\$ 54,561,368
Plan fiduciary net position			
Contributions - employer	\$ 28,500	\$ 155,993	\$ 2,665,685
Contributions - participant	1,179	14,574	288,830
Net investment income	(5,090)	(90,889)	(1,576,811)
Benefit payments	(26,930)	(180,423)	(2,991,760)
Refunds	(4)	(804)	(26,582)
Administrative expense	(387)	(1,124)	(18,186)
Net change in plan fiduciary net position	(2,732)	(102,673)	(1,658,824)
Plan fiduciary net position - June 30, 2021 (b)	79,811	1,380,437	23,883,327
Plan fiduciary net position - June 30, 2022 (b)	\$ 77,079	\$ 1,277,764	\$ 22,224,503
State's net pension liability - ending (a) - (b)	\$ 291,788	\$ 1,736,146	\$ 32,336,865
Plan fiduciary net position as a percentage of the total pension liability	20.90%	42.40%	40.73%
Covered-employee payroll	\$ 10,108	\$ 133,830	\$ 4,807,031
State's net pension liability as a percentage of covered payroll	2886.70%	1297.28%	672.70%
[^] The amounts represent the collective changes in the net pension liability for the State, including THA.			

The primary government of the State reported a net pension liability at June 30, 2023, related to GARS and JRS totaling \$291.788 million and \$1.736 billion, respectively.

Related to SERS, the State reported a collective net pension liability of \$32.337 billion. Of this amount, \$31.557 billion is reported by the primary government, while \$779.868 million represent the liability of the THA.

TRS is an administrator of a cost-sharing multiple-employer defined benefit pension plan. As a nonemployer contributing entity, at June 30, 2023, the primary government reported a liability of \$82.885 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, 2022, the measurement date, the State’s proportionate share was 98.860% for the TRS plan, which was an increase of 0.0399% from its proportion measured as of the prior year measurement date of June 30, 2021.

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 \$3.781 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 2022. At June 30, 2022, the measurement date, the State’s proportionate share related to employer contributions was 0.005%, which was a decrease of 16.604% from its proportion measured as of the prior year measurement date of June 30, 2021.

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, 2023, as a nonemployer contributing entity, the primary government reported a net pension liability of \$29.078 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, 2023, as follows:

Plan	Pension Expense
GARS	\$ 12,370
JRS	\$ 124,114
SERS [^]	\$ 2,039,992
TRS ^{^^}	\$ 6,502,591
SURS	\$ 1,903,315

[^] The amount represents the collective pension expense for the State, including THA.

^{^^} The amount represents the State's nonemployer and employer pension expense.

At June 30, 2023, the State reported deferred outflows and deferred inflows of resources related to each plan, as of the measurement date of June 30, 2022, from the following sources:

Table 16-5 (amounts expressed in thousands)

	GARS		JRS		SERS [^]		TRS ^{^^}		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	\$ -	\$ 1,681	\$ 29,455	\$ -	\$ 364,140	\$ 3,560	\$ 166,607	\$ 457,012	\$ 31,973	\$ 28,675
Changes of assumptions	-	4,162	29,059	84,001	839,208	2,769,296	382,194	158,254	279,362	982,954
Net difference between projected and actual investment earnings on pension plan investments	2,495	-	29,313	-	621,296	-	75,825	-	31,629	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-	-	-	236,025	5,206	-	-
State contributions subsequent to the measurement date	28,081	-	147,430	-	2,666,685	-	6,010,386	-	2,157,326	-
Total	\$ 30,576	\$ 5,843	\$ 235,257	\$ 84,001	\$ 4,491,329	\$ 2,772,856	\$ 6,871,037	\$ 620,472	\$ 2,500,290	\$ 1,011,629

[^] The amounts represent the collective deferred outflows and inflows of resources for the State, including THA.
^{^^} 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		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
Differences between expected and actual experience	\$ 355,358	\$ 3,474	\$ 8,782	\$ 86	\$ 364,140	\$ 3,560
Changes of assumptions	818,969	2,702,509	20,239	66,787	839,208	2,769,296
Net difference between projected and actual investment earnings on pension plan investments	606,312	-	14,984	-	621,296	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	(4,621)	(50,137)	4,621	50,137	-	-
State contributions subsequent to the measurement date	2,603,543	-	63,142	[^] -	2,666,685	-
Total	\$ 4,379,561	\$ 2,655,846	\$ 111,768	\$ 117,010	\$ 4,491,329	\$ 2,772,856

[^] THA reported \$31,875 of contributions subsequent to the measurement date as of December 31, 2022, 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, 2022, 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 \$728 thousand, \$1.739 million, \$3.235 million, and \$45.784 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, 2024. 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 [^]	TRS ^{^^}	SURS
2024	\$ (5,564)	\$ 201	\$ (175,172)	\$ 223,766	\$ (332,941)
2025	205	(5,372)	(334,349)	(157,578)	(528,967)
2026	(59)	(23,813)	(677,788)	(868,934)	(249,291)
2027	2,070	32,810	239,097	1,025,257	442,534
2028	-	-	-	17,668	-
Total	<u>\$ (3,348)</u>	<u>\$ 3,826</u>	<u>\$ (948,212)</u>	<u>\$ 240,179</u>	<u>\$ (668,665)</u>

[^] The amounts represent the collective deferred outflows and inflows of resources for the State, including THA, to be recognized as expense in future years.

^{^^} 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.

Table 16-8

	GARS	JRS	SERS	TRS	SURS
Valuation date	6/30/2022	6/30/2022	6/30/2022	6/30/2022*	6/30/2022*
Measurement date	6/30/2022	6/30/2022	6/30/2022	6/30/2022	6/30/2022
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Actuarial assumptions:					
Investment rate of return	6.50%	6.50%	6.75%	7.00%	6.50%
Projected salary increases**	2.50%	2.50%	2.50% - 7.41%	3.75% - 8.75%	3.00% - 12.75%
Inflation rate	2.25%	2.25%	2.25%	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 [^] , compounded	Lesser of 3% or annual increase in CPI [^] , compounded	Lesser of 3% or 1/2 of CPI [^] , on original benefit	1.125% not compounded	Lesser of 3% or 1/2 of CPI [^]
Retirement age experience study ^{^^}	July 2018 - June 2021	July 2018 - June 2021	July 2018 - June 2021	July 2017 - June 2020	July 2017 - June 2020
Mortality ^{^^^}					
GARS	Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, with no scaling factors, and the MP-2021 two-dimensional mortality improvement scales				
JRS	Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, with no scaling factors, and the MP-2021 two-dimensional mortality improvement scales				
SERS	Pub-2010 General and Public Safety Healthy Retiree mortality tables, sex distinct, with rates projected to 2021 generational mortality improvement factors were updated to projection scale MP-2021				
TRS	Pub-2010 adjusted for TRS experience for future mortality improvements on a fully generational basis using projection table MP-2020				
SURS	Rates based on Pub-2010 Healthy Retiree Mortality tables and the most recent MP-2020 projection scale. Teachers table was used for Academic members and General Employees table was used for Non-Academic members				

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:

	GARS	JRS	SERS	TRS	SURS
Investment rate of return					
Projected salary increases**			2.75% - 7.17%	3.50% - 8.50%	3.25% - 12.25%
Inflation rate				2.25%	
Retirement age experience study ^{^^}	July 2015 - June 2018	July 2015 - June 2018	July 2015 - June 2018		
Mortality	Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, scaling factors of 99% for males and females and generational mortality improvements using MP-2018 two-dimensional mortality improvement scales	Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, scaling factors of 102% for males and 98% for females and generational mortality improvements using MP-2018 two-dimensional mortality improvement scales	Pub-2010 General and Public Safety Healthy Retiree mortality tables, sex distinct, with rates projected to 2018 generational mortality improvement factors were updated to projection scale MP-2018		

* The total pension liability presented in the June 30, 2022, actuarial valuation is based on census data as of June 30, 2021, rolled-forward to the measurement date.
 ** Includes inflation rate listed.
 ^ Consumer Price Index
 ^^ 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 a slight reduction in the utilization assumption in 2019 for the automatic annual increase buyout provision and extended the assumed buyout period to 6/30/2022 in connection with the expectation that the funds available for the buyouts are limited to \$650 million. However, the investment return assumption of 7.0 percent did not change.
 ^^ 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, 2022, the best estimates of geometric real rates of return are summarized in the following table:

Table 16-9

Asset Class	GARS, JRS, and SERS	
	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	4.60%
Developed Foreign Equity	13%	4.90%
Emerging Market Equity	8%	5.90%
Private Equity	9%	6.90%
Intermediate Investment Grade Bonds	15%	(0.50)%
Long-term Government Bonds	5%	0.30%
TIPS	3%	(0.50)%
High Yield and Bank Loans	2%	1.90%
Opportunistic Debt	9%	4.40%
Real Estate	10%	3.30%
Infrastructure	3%	6.80%
Total	100%	

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, 2022, 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	16%	5.70%
U.S. Equities Small/Mid Cap	2%	6.80%
International Equities Developed	14%	6.60%
Emerging Market Equities	5%	8.60%
U.S. Bonds Core	7%	1.20%
International Debt Developed	1%	0.30%
Emerging International Debt	4%	3.80%
Cash Equivalents	1%	(0.30)%
TIPS	1%	0.30%
Real Estate	16%	5.40%
Hedge Funds	4%	3.50%
Infrastructure	2%	5.90%
Private Equity	15%	10.00%
Private Debt	12%	5.30%
Total	100%	

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, 2022, 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
Global Public Equity	38%	7.62%
Credit Real Assets	5%	4.98%
Public Credit Fixed Income	9%	4.20%
Private Credit	1%	7.45%
Options Strategies	2%	4.91%
Private Equity	11%	11.91%
Non-Core Real Assets	2%	9.43%
U.S. TIPS	5%	1.23%
Core Fixed Income	8%	1.79%
Systematic Trend Following	10%	4.33%
Alternative Risk Premia	5%	3.59%
Long Duration	4%	2.16%
Total	100%	6.08%
Inflation		2.25%
Expected Arithmetic Normal Return		8.33%

Discount rate. The discount rate used to measure the total pension liability for each system as calculated using the June 30, 2022 and June 30, 2021 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 3.69% 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 2073, 2064, 2076, and 2076 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 discount rate used to measure the total pension liability was 7.00%. This single blended discount rate was based on the expected rate of pension plan investments of 7.00% and a municipal bond rate, based on an index of 20 year general obligation bonds published by The Bond Buyer, as of the current fiscal year. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates. Based on these assumptions, the pension plan’s fiduciary net position and future contributions was projected to be available to make all projected future benefit payments as of June 30, 2022. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Table 16-12

Plan	Current Discount Rate (%)	Prior Discount Rate (%)	Change (%)
GARS	6.43%	6.30%	0.13%
JRS	6.36%	6.12%	0.24%
SERS	6.58%	6.20%	0.38%
TRS	7.00%	7.00%	0.00%
SURS	6.39%	6.12%	0.27%

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	6.43%	\$ 330,578	\$ 291,788	\$ 259,099
JRS	6.36%	\$ 2,051,935	\$ 1,736,146	\$ 1,466,548
SERS^	6.58%	\$ 39,343,960	\$ 32,336,865	\$ 26,542,014
TRS^^	7.00%	\$ 101,373,490	\$ 82,888,598	\$ 67,560,296
SURS	6.39%	\$ 35,261,803	\$ 29,078,054	\$ 23,928,731

^ The amounts represent the collective net pension liability for the State, including THA.
 ^^ The amounts represent the State's employer and nonemployer proportionate share of the net pension liability.

Payables to the pension plan. At June 30, 2023, 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, 2023.

Table 16-14 (amounts expressed in thousands)

Plan	Payable to pension plan
GARS	\$ -
JRS	\$ -
SERS^	\$ 125,121
TRS^^	\$ 430
SURS	\$ -

^ Amount represents the collective payable for the State, including THA.
 ^^ Amount represents the State's nonemployer payable to the plan.

Reconciliation of Net Pension Liability as summarized in Footnote 8.

Table 16-15 (amounts expressed in thousands)

	GARS	JRS	SERS	TRS	SURS	Total
Primary Government:						
Governmental Activities	\$ 291,788	\$ 1,736,146	\$ 31,356,509	\$ 82,888,598	\$ 29,078,054	\$ 145,351,095
Business-type Activities:						
Water Revolving Fund	-	-	64,415	-	-	64,415
Nonmajor Enterprise Funds	-	-	136,073	-	-	136,073
Component Units:						
Toll Highway Authority	-	-	779,868	-	-	779,868
Net pension liability	\$ 291,788	\$ 1,736,146	\$ 32,336,865	\$ 82,888,598	\$ 29,078,054	\$ 146,331,451

* Nonmajor component units are not disclosed in Footnote 8, Changes in Long-term Obligations.

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) 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, 2022, the following employees were covered by the defined benefit terms of the plan.

Inactive employees or beneficiaries currently receiving benefit payments	96,468
Inactive employees entitled to but not yet receiving benefit payments	26,716
Active employees	110,092
Total	<u>233,276</u>

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 2023, the annual cost of the basic program of group health, dental, and vision benefits before the State's contribution was \$12,635.52 (\$6,989.76 if Medicare eligible) if the annuitant chose benefits provided by a health maintenance organization and \$14,646.00 (\$5,882.40 if Medicare eligible) if the annuitant chose other benefits.

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, 2023, was measured as of June 30, 2022, with an actuarial valuation as of June 30, 2021. The schedule of changes in the State's total OPEB liability, as of the measurement date, are presented below:

Total OPEB liability[^]	
Service cost	\$ 981,106
Interest on the total OPEB liability	405,583
Difference between expected and actual experience	(5,726,367)
Changes of assumptions	(12,343,588)
Benefit payments	(1,148,424)
Net change in total OPEB liability	(17,831,690)
Total OPEB liability at June 30, 2021	34,911,898
Total OPEB liability at June 30, 2022	\$ 17,080,208
Covered-employee payroll	\$ 8,511,607
Total OPEB liability as a percentage of covered-employee payroll	200.67%
[^] Amounts represent the collective total OPEB liability for the State, including THA and the nine university component units.	

The State recognized a credit to collective total OPEB expense, including the primary government, THA, and the nine university component units, for the year ended June 30, 2023, of (\$4.675) billion.

At June 30, 2023, the primary government and its component units reported deferred outflows and deferred inflows of resources, as of the measurement date of June 30, 2022, from the following sources:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total SEGIP</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 164,673	\$ 10,054	\$ 174,727
Changes of assumptions	397,350	24,257	421,607
Changes in proportion and differences between employer contributions and proportionate share of contributions	(790,034)	790,034	-
State contributions subsequent to the measurement date	781,533	46,190	827,723
Total deferred outflows of resources	\$ 553,522	\$ 870,535	\$ 1,424,057
Deferred inflows of resources			
Differences between expected and actual experience	\$ 4,401,857	\$ 268,727	\$ 4,670,584
Changes of assumptions	15,767,740	962,597	16,730,337
Changes in proportion and differences between employer contributions and proportionate share of contributions	(532,620)	532,620	-
Total deferred inflows of resources	\$19,636,977	\$ 1,763,944	\$ 21,400,921

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

	Toll Highway Authority	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Other Universities	Total Component Units
Deferred outflows of resources							
Differences between expected and actual experience	\$ 2,338	\$ 93	\$ 221	\$ 729	\$ 6,332	\$ 341	\$ 10,054
Changes of assumptions	5,643	223	533	1,758	15,279	821	24,257
Changes in proportion and differences between employer contributions and proportionate share of contributions	431,042	1,852	8,548	36,159	293,832	18,601	790,034
Contributions subsequent to the measurement date	10,545 [^]	502	1,099	3,484	29,322	1,238	46,190
Total deferred outflows of resources	\$ 449,568	\$ 2,670	\$ 10,401	\$ 42,130	\$ 344,765	\$ 21,001	\$ 870,535
Deferred inflows of resources							
Differences between expected and actual experience	\$ 62,511	\$ 2,476	\$ 5,908	\$ 19,476	\$ 169,267	\$ 9,089	\$ 268,727
Changes of assumptions	223,919	8,867	21,164	69,766	606,324	32,557	962,597
Changes in proportion and differences between employer contributions and proportionate share of contributions	454,853	4,895	690	8,530	50,805	12,847	532,620
Total deferred inflows of resources	\$ 741,283	\$ 16,238	\$ 27,762	\$ 97,772	\$ 826,396	\$ 54,493	\$ 1,763,944

[^] THA reported \$10.090 million of contributions subsequent to the measurement date as of December 31, 2022, 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 during the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2024	\$ (5,343,284)
2025	(5,615,526)
2026	(5,163,103)
2027	(3,737,393)
2028	(945,281)
Total	<u>\$ (20,804,587)</u>

The amounts represent the collective deferred outflows and inflows of resources for the State, including THA 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, 2021, for eligible SEGIP employees, and SEGIP retiree data as of June 30, 2021.

Table 17-6	
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial assumptions:	
Inflation Rate	2.25%
Projected Salary Increases*	2.50% - 12.75%
Healthcare Cost Trend Rate:	
Medical and Rx (QCHP**)	6.08% grading up 1.92% in the first year to 8.00%, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2039.
Medical and Rx (MAPD***)	2.78% grading down 2.78% in the first year to 0.00% through 2028, then grading up 19.42% in 2029 through 2033, then grading down 13.65% to 5.77% in 2034, then grading down 0.32% per year to 4.50% in 2038 then grading down 0.25% to 4.25% in year 2039.
Retiree Premium (QCHP)	10.21% grading down 2.21% in the first year to 8.00%, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2039.
Retiree Premium (MAPD)	-3.82% grading up 3.82% in the first year to 0.00% through 2028, then grading up 19.42% in 2029 through 2033, then grading down 13.65% to 5.77% in 2034, then grading down 0.32% per year to 4.50% in 2038, then grading down 0.25% to 4.25% in year 2039.
Retirees' share of benefit-related costs	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 2022 and 2023 are based on actual premiums. Premiums after 2023 were projected based on the same healthcare cost trend rates applied to per capita claim costs.
Note: the above actuarial assumptions were used to calculate the OPEB liability as of the current year measurement date and are consistent with the actuarial assumptions used to calculate the OPEB liability as of the prior year measurement date except for the following:	
Projected Salary Increases*	2.50% - 12.25%
Healthcare Cost Trend Rate:	
Medical and Rx (Pre-Medicare)	1.80% grading up 6.20% in the first year to 8.00%, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2038. There is no additional trend rate adjustment due to the repeal of the Excise Tax.
Medical and Rx (Post-Medicare)	-7.56% grading up 15.56% in the first year to 8.00%, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2038.
Dental and Vision	3.75% grading up 0.25% in the first year to 4.00% through 2038.
* Dependent upon service and participation in the respective retirement systems. Includes inflation rate listed.	
** Quality Care Health Plan	
*** Medicare Advantage Prescription Drug	

Additionally, the demographic assumptions used in this OPEB valuation are identical to those used in the June 30, 2021, valuations for GARS, JRS, SERS, TRS, and SURS as follows:

Table 17-7

	Retirement age experience study [^]	Mortality ^{^^}
GARS	July 2018 - June 2021	Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, scaling factors of 99% for males and females, and the MP-2018 two-dimensional generational mortality improvement scales
JRS	July 2018 - June 2021	Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, scaling factors of 102% for males and 98% for females, and the MP-2018 two-dimensional generational mortality improvement scales
SERS	July 2018 - June 2021	Pub-2010 General and Public Safety Healthy Retiree mortality tables, sex distinct, with rates projected to 2018 generational mortality improvement factors were updated to projection scale MP-2018
TRS	July 2017 - June 2020	Pub-2010 adjusted for TRS experience for future mortality improvements on a fully generational basis using projection table MP-2020
SURS	July 2017 - June 2020	Rates based on Pub-2010 Healthy Retiree Mortality tables and the most recent MP-2020 projection scale. Teachers table was used for Academic members and General Employees table was used for Non-Academic members

[^] The actuarial assumptions used in the respective actuarial valuations are based on the results of actuarial experience studies for the periods defined.

^{^^} 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 1.92% at June 30, 2021, and 3.69% at June 30, 2022, 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 3.69%, 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 (4.69%) or lower (2.69%) than the current rate:

Table 17-8 (amounts expressed in thousands)

	1% Decrease (2.69%)	Current Single Discount Rate Assumption (3.69%)	1% Increase (4.69%)
Total OPEB liability [^]	\$ 18,844,506	\$ 17,080,208	\$ 15,170,798

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

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following presents the plan’s 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 2024 decreasing to an ultimate trend rate of 4.25% in 2039.

Table 17-9 (amounts expressed in thousands)

	1% Decrease**	Current Healthcare Cost Trend Rates Assumption *	1% Increase***
Total OPEB liability^	\$ 14,788,045	\$ 17,080,208	\$ 19,403,381

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

* Current healthcare trend rates - Pre-Medicare per capita costs: 6.08% in 2023, 8.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2039. Post-Medicare per capita costs: 2.78% in 2023, 0.00% in 2024 to 2028, 19.42% from 2029 to 2033, 5.77% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2039.

** One percentage point decrease in current healthcare trend rates - Pre-Medicare per capita costs: 5.08% in 2023, 7.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2039. Post-Medicare per capita costs: 1.78% in 2023, 0.00% in 2024 to 2028, 18.42% from 2029 to 2033, 4.77% in 2034 decreasing ratably to an ultimate trend rate of 3.25% in 2039.

*** One percentage point increase in current healthcare trend rates - Pre-Medicare per capita costs: 7.08% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039. Post-Medicare per capita costs: 3.78% in 2023, 1.00% in 2024 to 2028, 20.42% from 2029 to 2033, 6.77% in 2034 decreasing ratably to an ultimate trend rate of 5.25% in 2039.

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 (Act) (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 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, 2022, there were 979 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, 2022, 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, 2022, the following employees were covered by the defined benefit terms of each program, respectively:

	TRIP	CIP
Inactive employees or beneficiaries currently receiving benefit payments	65,908	6,786
Inactive employees entitled to but not yet receiving benefit payments	37,513	6,513
Active employees	153,834	18,791
Total	257,255	32,090

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 2023, active members contributed 0.90% of pay, and school districts contributed an amount equal to 0.67% 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 0.90% 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 \$107.704 million for fiscal year 2023.

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 2023, 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 0.50% of salary and every community college district or association of

community college boards to contribute to the plan an amount equal to 0.50% of the salary paid to its full-time employees who are required to contribute to the plan. The State is also required to contribute 0.50% 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 \$4.945 million for fiscal year 2023. In addition, the State contributed \$25 million to the plan through an appropriation in fiscal year 2023.

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, 2023, the State reported a liability of \$3.945 billion for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. At June 30, 2022, the State’s proportion was 57.634%, based on its contribution requirement. This is an increase of 0.142% from its proportionate share measured as of the prior year measurement date of June 30, 2021.

CIP is also a cost-sharing multiple-employer defined benefit plan with a special funding situation. At June 30, 2023, the State reported a liability of \$342.280 million for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. At June 30, 2022, the State’s proportionate share of the liability was 50.000% based on its contribution requirement consistent with its proportionate share measured as of the prior year measurement date of June 30, 2021.

As a result of the State’s contribution requirements for the plans, the State recognized OPEB expense for the year ended June 30, 2023, as follows:

Plan	OPEB Expense
TRIP	\$ (1,719,702)
CIP	\$ (146,694)

At June 30, 2023, 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	\$ -	\$ 2,580,153	\$ 2,704	\$ 142,570
Changes of assumptions	3,559	9,730,997	-	461,383
Net difference between projected and actual investment earnings on OPEB plan investments	569	90	-	18
Changes in proportion and differences between employer contributions and share of contributions.	114,328	75,171	1,068	769
State contributions subsequent to the measurement date	107,704	-	29,945	-
Total	<u>\$ 226,160</u>	<u>\$12,386,411</u>	<u>\$ 33,717</u>	<u>\$ 604,740</u>

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 during the year ended June 30, 2024. 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:

Table 17-13 (amounts expressed in thousands)

Year ended June 30,	TRIP	CIP
2024	\$ (2,036,188)	\$ (149,688)
2025	(1,877,138)	(139,079)
2026	(1,660,294)	(124,265)
2027	(1,616,621)	(106,548)
2028	(1,601,335)	(81,388)
Thereafter	(3,476,379)	-
Total	<u>\$ (12,267,955)</u>	<u>\$ (600,968)</u>

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, 2021, and TRIP retiree data as of June 30, 2021, while the actuarial valuation of CIP was based on SURS active, inactive, and retiree data as of June 30, 2021, for eligible community college members, and CIP retiree data as of June 30, 2021.

Table 17-14		
	TRIP	CIP
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Inflation Rate	2.25%	2.25%
Projected Salary Increases*	3.5% - 8.50%	3.00% - 12.75%
Investment Rate of Return	2.75%	0.00%
Retirement age experience study ^	July 2017 - June 2020	July 2017 - June 2020
Mortality	PubT-2010 with future mortality improvements on a fully generational basis using projection table MP-2020	Pub-2010 with future mortality improvements on a fully generational basis using projection table MP-2020
Healthcare Cost Trend Rate:		
Medical and Rx (CHP** and MC***)	6.00% grading up 2.00% in the first year to 8.00%, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2039.	9.18% grading down 1.18% in the first year to 8.00%, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2039.
Medical and Rx (MAPD****)	3.22% grading down 3.22% in the first year to 0.00% through 2028, then grading up 19.42% in 2029 through 2033, then grading down 13.61% to 5.81% in 2034, then grading down 0.31% per year to 4.25% in year 2039.	2.98% grading down 2.98% in the first year to 0.00% through 2028, then grading up 19.42% in 2029 through 2033, then grading down 13.56% to 5.86% in 2034, then grading down 0.32% per year to 4.25% in year 2039.
Retiree Premium (CHP and MC)	5.00% in the first year through 2036, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2039.	15.31% grading down 10.31% in the first year to 5.00% through 2036, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2039.
Retiree Premium (MAPD)	-5.16% grading up 5.16% in the first year to 0.00% through 2028, then grading up 19.42% in 2029 through 2033, then grading down 14.42% to 5.00% in 2034 through 2036, then grading down 0.25% per year to 4.25% in 2039.	-5.62% grading up 5.62% in the first year to 0.00% through 2028, then grading up 19.42% in 2029 through 2033, then grading down 14.42% to 5.00% in 2034 through 2036, then grading down 0.11% to 4.89% in 2037, then grading down 0.32% per year to 4.25% in year 2039.
Dental and Vision	n/a	3.75% grading up 0.25% in the first year to 4.00% through 2039.
<p>Note: the above actuarial assumptions were used to calculate the OPEB liability as of the current year measurement date and are consistent with the actuarial assumptions used to calculate the OPEB liability as of the prior year measurement date except for the following:</p>		
Inflation Rate	2.50%	
Projected Salary Increases*	4.0% - 9.50%	3.25% - 12.25%
Retirement age experience study ^	July 2014 - June 2017	July 2014 - June 2017
Mortality	RP-2014 with future mortality improvements on a fully generational basis using projection table MP-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.
Healthcare Cost Trend Rate:		
Medical and Rx (Pre-Medicare)	1.53% grading up 6.47% in the first year to 8.00%, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2038.	3.16% grading up 4.84% in the first year to 8.00%, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2038.
Medical and Rx (Post-Medicare)	2.16% grading up 5.84% in the first year to 8.00%, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2038.	3.59% grading up 4.41% in the first year to 8.00%, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2038.
Retiree Premium	4.7% grading up 0.3% in the first year then grading down 0.25% in year 14 over 3 years to 4.25% in 2038.	0% grading up 5.00% in the first year then grading down 0.25% in year 14 over 3 years to 4.25% in 2038.
Dental and Vision		3.75% grading up 0.25% in the first year to 4.00% through 2038.
<p>* Dependent upon service and participation in the respective retirement systems. Includes inflation rate listed. ** Choice Health Plan *** Maintenance Choice **** Medicare Advantage Prescription Drugs ^ The actuarial assumptions used in the respective actuarial valuations are based on the results of actuarial experience studies for the periods defined.</p>		

As of the measurement date of June 30, 2022, the THISF and CCHISF earned \$143 thousand and \$16 thousand in interest, respectively. The market value of assets for TRIP was \$378.63 million while the market value of assets for CIP was negative primarily due to a significant payable in the plan. The long-term rate of return assumption was 2.75% for TRIP. The significant benefit payable, the low and negative asset values, and the pay-as-you-go funding policy resulted in a long-term expected rate of return assumption of zero for CIP.

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 1.92% at June 30, 2021, and 3.69% at June 30, 2022, 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 3.69%, 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 (2.69%) or higher (4.69%) than the current rate is shown below:

Plan	1% Decrease (2.69%)	Current Single Discount Rate Assumption (3.69%)	1% Increase (4.69%)
TRIP	\$ 4,384,220	\$ 3,944,891	\$ 3,493,500
CIP	\$ 374,687	\$ 342,280	\$ 314,568

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 are shown below. The key trend rates are 8.00% in 2024 decreasing to an ultimate trend rate of 4.25% for TRIP and CIP in 2039.

Table 17-16 (amounts expressed in thousands)

Plan	1% Decrease**	Current Healthcare Cost Trend Rates Assumption *	1% Increase***
TRIP	\$ 3,333,543	\$ 3,944,891	\$ 4,615,836
CIP	\$ 305,880	\$ 342,280	\$ 386,758

TRIP

* Current healthcare trend rates - Pre-Medicare per capita costs: 6.00% in 2023, 8.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2039. Post-Medicare per capita costs: 3.22% in 2023, 0.00% in 2024 to 2028, 19.42% from 2029 to 2033, 5.81% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2039.

** One percentage point decrease in healthcare trend rates - Pre-Medicare per capita costs: 5.00% in 2023, 7.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2039. Post-Medicare per capita costs: 2.22% in 2023, 0.00% in 2024 to 2028, 18.42% from 2029 to 2033, 4.81% in 2034 decreasing ratably to an ultimate trend rate of 3.25% in 2039.

*** One percentage point increase in current healthcare trend rates - Pre-Medicare per capita costs: 7.00% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039. Post-Medicare per capita costs: 4.22% in 2023, 1.00% in 2024 to 2028, 20.42% from 2029 to 2033, 6.81% in 2034 decreasing ratably to an ultimate trend rate of 5.25% in 2039.

CIP

* Current healthcare trend rates - Pre-Medicare per capita costs: 9.18% in 2023, 8.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2039. Post-Medicare per capita costs: 2.98% in 2023, 0.00% in 2024 to 2028, 19.42% from 2029 to 2033, 5.86% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2039.

** One percentage point decrease in current healthcare trend rates - Pre-Medicare per capita costs: 8.18% in 2023, 7.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2039. Post-Medicare per capita costs: 1.98% in 2023, 0.00% in 2024 to 2028, 18.42% from 2029 to 2033, 4.86% in 2034 decreasing ratably to an ultimate trend rate of 3.25% in 2039.

*** One percentage point increase in current healthcare trend rates - Pre-Medicare per capita costs: 10.18% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039. Post-Medicare per capita costs: 3.98% in 2023, 1.00% in 2024 to 2028, 20.42% from 2029 to 2033, 6.86% in 2034 decreasing ratably to an ultimate trend rate of 5.25% in 2039.

Reconciliation of Total OPEB liability as summarized in Footnote 8.

Table 17-17 (amounts expressed in thousands)

	SEGIP	TRIP	CIP	Total
Primary Government:				
Governmental Activities	\$ 16,039,543	\$ 3,944,891	\$ 342,280	\$ 20,326,714
Business-type Activities:				
Water Revolving Fund	19,232	-	-	19,232
Nonmajor Enterprise Funds	38,705	-	-	38,705
Component Units:				
Toll Highway Authority	228,602	-	-	228,602
Illinois State University	9,053	-	-	9,053
Northern Illinois University	21,606	-	-	21,606
Southern Illinois University	71,225	-	-	71,225
University of Illinois	619,004	-	-	619,004
Other Universities*	33,238	-	-	33,238
Total OPEB liability	\$ 17,080,208	\$ 3,944,891	\$ 342,280	\$ 21,367,379

* Nonmajor component units are not disclosed in Footnote 8, Changes in Long-term Obligations.

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, supranational bond 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, 2023. 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	\$ 2,700,160	\$ 2,700,160
U.S. Agency obligations	1,850,681	1,850,681
Supranational bonds	287,860	287,860
Municipal debt	196,618	196,618
Corporate debt securities	2,130,434	2,130,434
Total investments by fair value level	7,165,753	\$ 7,165,753
Investments measured at the net asset value (NAV)		
Private equity (1)	568,780	
Total investments measured at the NAV	568,780	
Investments measured at amortized cost		
U.S. Treasury bills	1,797,897	
U.S. Agency discount notes	49,080	
Commercial paper	2,994,140	
Money market mutual funds	5,187,412	
Repurchase agreements	3,124,079	
Securities lending collateral invested in repurchase agreements	4,839,942	
Illinois Public Treasurers' Investment Pool	10,731,980	
Total investments measured at amortized cost	28,724,530	
Total investments	\$ 36,459,063	

(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 business income from portfolio companies, dividend payments paid by a company to a fund, or the liquidation of the underlying assets or interests of the fund over the contractual term lives of each partnership investment. 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 January 4, 2025, for ITD I and November 3, 2033, 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, 2023, there are unfunded commitments of \$164.470 million.

Primary government investments held outside of the State Treasury at June 30, 2023, 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 following table summarizes investments and derivative instruments held outside of the State Treasury at June 30, 2023, 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)
Investments by fair value level			
Negotiable certificates of deposit	\$ 3,876	\$ -	\$ 3,876
U.S. Treasury obligations	1,111,540	691,951	419,589
U.S. Agency obligations	37,462	-	37,462
Municipal debt	100,225	2,148	98,077
Corporate debt securities	34,716	-	34,716
Debt mutual funds	6,015,463	6,015,463	-
Government notes - non U.S.	2,056	1,501	555
Money market mutual funds	1,317,646	1,317,646	-
Equity securities	136,754	136,754	-
Equity mutual funds	10,038,705	10,038,705	-
Blended mutual funds	2,674	2,674	-
Bond trust funds	47,032	-	47,032
Other	29,104	-	29,104
Total investments by fair value level	18,877,253	<u>\$ 18,206,842</u>	<u>\$ 670,411</u>
Investments measured at the net asset value (NAV)			
Real estate investment trust (1)	19,459		
Real estate (2)	46,504		
Infrastructure (3)	16,759		
Absolute return (4)	1,149		
High yield fund (5)	23,360		
Private equity (6)	1,275		
International equity (7)	42,536		
Total investments measured at the NAV	151,042		
Investments measured at amortized cost			
Cash and pending trades	(2,558)		
Money market mutual funds	6,968		
Equity in Public Treasurers' Investment Pool	8,000,393		
Total investments measured at amortized cost	8,004,803		
Equity in State Universities Retirement System	19,477		
Equity in Illinois State Board of Investments*	44,082		
Total investments	<u>\$ 27,096,657</u>		

* Total investments of Illinois State Board of Investments are \$24,279,352. The fair value measurement for these investments is displayed in Table 18-3.

- (1) **Real estate investment trust:** The investment manager for the real estate investment trust 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 30 days' notice. A liquidating account may be used during periods of market stress to provide orderly liquidation.
- (2) **Real estate funds:** This type includes one real estate fund that invests primarily in U.S. commercial and residential real estate. Lyrical Antheus Realty Partners, III, LP recognizes the partners' capital at cost basis on their financial statements, which 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 fund will be liquidated over the next four years with 15% within fiscal year 2024.
- (3) **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 Illinois Prepaid Tuition 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 three years with 100% to 25% (varies by investment manager) within fiscal year 2024. There are unfunded commitments of \$5.453 million between these two funds.
- (4) **Absolute return fund:** The fund includes one absolute return fund of funds. This fund targets consistent, positive absolute returns with minimal beta to major equity and fixed income markets. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Illinois Prepaid Tuition Program's ownership investment in partners' capital. The fund may be redeemed annually within 30 days of March 31 for class ER4 or September 30 for class ER5, with 65 days' notice. Quarterly liquidity is available for a fee. There is a fund level gate threshold of 25% of fund assets. The fund will withhold a percentage pending the completion of the annual audit. The fund is in the process of liquidating. One million dollars was liquidated in fiscal year 2023 with the remainder expected in fiscal year 2024.
 - (5) **High yield fund:** This 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 Illinois Prepaid Tuition 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.
 - (6) **Private equity:** This type includes one private equity fund which 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 Illinois Prepaid Tuition 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 with 90% within fiscal year 2024, with the remainder over the following year. 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.

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. Foreign government obligations and foreign corporate obligations are valued by using broker-quoted prices in an active market. Corporate bonds and municipal bonds are valued by using quoted prices for similar securities in active markets. 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. 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. Money market funds are measured at amortized cost.

Investments valued using the NAV per share (or its equivalent) are mostly “alternative investments” which, unlike more traditional investments, generally do not have readily obtainable fair values. ISBI’s estimate of the fair value of these alternative investments is determined based on the NAV per share (or its equivalent) of the respective investment funds provided by external investment fund managers. NAV per share (or its equivalent) may be used as a practical expedient to estimate the fair value of the investment if certain eligibility criteria are met. If June 30 financial statement valuations are not available, the investment value is adjusted from the most recently available financial statements, taking into account key factors and assumptions used to monitor, collect, and analyze the valuations of the alternative investments in relation to relevant literature.

The following table summarizes the investments held by ISBI as of June 30, 2023. The amounts are 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	\$ 540,943	\$ -	\$ 540,943	\$ -
U.S. Agency obligations	219	219	-	-
Corporate obligations	224,653	2,347	206,700	15,606
Common stock and equity funds	4,004,165	3,993,734	-	10,431
Foreign obligations	1,963	-	-	1,963
Foreign equity securities	222,823	222,375	-	448
Bank loans	125,536	-	99,776	25,760
Commingled funds	9,745,713	9,745,713	-	-
Total investments by fair value level	14,866,015	\$ 13,964,388	\$ 847,419	\$ 54,208
Investments measured at the net asset value (NAV)				
Commingled funds (1)	1,921,026			
Real estate (2)	2,727,335			
Private equity (3)	2,400,092			
Private credit funds (4)	1,652,431			
Infrastructure funds (5)	551,606			
Hedge funds (6)	181			
Total investments measured at the NAV	9,252,671			
Investments measured at amortized cost				
Money market instruments	160,666			
Total investments measured at amortized cost	160,666			
Total investments	\$ 24,279,352			

- (1) **Commingled funds:** ISBI’s assets in this category consist of various investments that are blended together in order to provide economies of scale, allowing 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.” ISBI’s current NAV per share (or its equivalent) measured commingled fund exposure consists of investments in 37 domestic and international public equity (36) and fixed income (1) funds. Sixteen of these funds are domestic and 21 are international. 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, 2023. It is not probable

- that any investment will be sold at an amount different from the NAV per share (or its equivalent) of the plan's ownership interest.
- (2) **Real estate:** ISBI's assets in this category consist of investments in Core and Non-Core Real Estate Funds. ISBI's current Real Estate exposure consists of investments in 78 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, 2023. It is not probable that any investment will be sold at an amount different from the NAV per share (or its equivalent) of the plan's ownership interest. There are unfunded commitments of \$747.8 million at June 30, 2023.
 - (3) **Private equity:** ISBI's assets in this category consist of investments in funds not listed on public exchanges. ISBI's current Private Equity exposure consists of investments in 116 funds with the goals of generating returns significantly greater than typically available in the public market and diversifying ISBI's overall portfolio that is comprised predominantly of equity and fixed income 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, 2023. It is not probable that any investment will be sold at an amount different from the NAV per share (or its equivalent) of the plan's ownership interest. There are unfunded commitments of \$1.412 billion at June 30, 2023.
 - (4) **Private credit funds:** ISBI's assets in this category consist of investments in private fixed income markets. ISBI's current Private Credit exposure consists of investments in 101 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 equity and fixed income 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, 2023. It is not probable that any investment will be sold at an amount different from the NAV per share (or its equivalent) of the plan's ownership interest. There are unfunded commitments of \$1.712 billion at June 30, 2023.
 - (5) **Infrastructure funds:** ISBI's assets in this category consist of investments in funds that target infrastructure assets that provide essential services or facilities to a community (ports, bridges, toll roads, etc.). ISBI's current infrastructure exposure consists of investments in 23 funds that seek to diversify ISBI's overall portfolio (comprised predominantly of equity and fixed income assets) and provide capital appreciation and income generation through both open-end and closed-end structures. Investments in this category are globally diversified and consist of Core and Non-Core 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, 2023. It is not probable that any investment

will be sold at an amount different from the NAV per share (or its equivalent) of the plan's ownership interest. There are unfunded commitments of \$322.4 million at June 30, 2023.

- (6) **Hedge funds:** ISBI has historically invested assets in these types of funds but has transitioned its investments in hedge fund vehicles to long-only equity investments. ISBI's current Hedge Fund exposure consists of investments in four residual funds. Returns are commensurate with risks presented by this asset class which include illiquidity. The fair value of these investments is based on audited financial statements of the funds adjusted for activity from audit date to year end. It is not probable that any investment will be sold at an amount different from the NAV of ISBI'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 derivative instruments 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 derivative instruments, 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, 2023:

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	\$ 907,609	\$ -	\$ 907,609	\$ -
U.S. Agency obligations	291,784	-	291,784	-
Corporate debt securities	2,905,466	-	2,905,466	-
Foreign debt securities	682,211	-	682,211	-
Fixed income mutual funds	2,334,024	-	462,404	1,871,620
International common and preferred stock	10,280,980	10,253,975	27,005	-
U.S. equities	12,444,979	12,444,725	254	-
Municipal obligations	1,446	-	1,446	-
Real estate	4,967,746	-	-	4,967,746
Securities lending collateral	1,847,995	277,126	1,570,869	-
Total investments by fair value level	36,664,240	\$ 22,975,826	\$ 6,849,048	\$ 6,839,366
Investment derivative instruments by fair value level				
Credit default swaps	(3,005)	\$ -	\$ (3,005)	\$ -
Index and variance swaps	(408)	-	(408)	-
Inflation rate and inflation swaps	(844)	-	(844)	-
Options/swaptions	(1,998)	-	(1,998)	-
Total investment derivative instruments by fair value level	(6,255)	\$ -	\$ (6,255)	\$ -
Investments measured at the net asset value (NAV)				
Diversifying strategies (1) (2)	3,399,530			
Commingled fixed income funds (3)	625,408			
Private debt partnerships (4)	7,399,862			
Private equity partnerships (5)	11,270,891			
Private real estate partnerships (5)	5,608,109			
Real asset partnerships (6)	1,748,433			
Total investments measured at the NAV	30,052,233			
Investments measured at amortized cost				
Short-term investments	1,307,236			
Total investments measured at amortized cost	1,307,236			
Total investments subject to disclosure	68,017,454			
Less cash equivalents	(18,511)			
Total investments	\$ 67,998,943			

- (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. Three factor portfolio direct investments include trend/momentum exposures and alternative risk premia. One risk parity investment focuses on optimizing Chinese beta. The systematic and discretionary macro strategies include direct investment in five funds diversifying through regional and product expertise, speed of algorithms, and style of trading. Opportunistic funds, including four direct investments and one diversified fund of funds, 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. Most strategies maintain a liquidity profile of less than one year, ranging from daily to quarterly, and require advance notice prior to redemption.
- (2) **Diversifying funds (illiquid strategies):** The diversifying strategies asset class also includes seven 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 either a monthly or quarterly basis by the general partner and are audited annually. The average life of these funds spans 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. As of June 30, 2023, there

- are unfunded commitments of \$209.7 million. TRS has no plans to liquidate as of June 30, 2023.
- (3) **Commingled fixed income funds:** The investment strategies for the five fixed income funds include ESG, high yield, defensive bond arbitrage, global liquidity relative value, and emerging market debt. The fair value of the investments has been determined using the NAV per share (or its equivalent) of the investments. Liquidity is available monthly upon notice of redemption.
- (4) **Private debt partnerships:** Private debt funds consist of 72 funds investing across strategies such as stressed debt/credit, direct and specialty lending, real estate and real asset credit, and global multi-credit strategies. Eight of these funds are custom partnerships investing in opportunistic investments. The private debt 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 3 to 12 years and distributions are received throughout the life of the funds. Most custom partnerships allow TRS to liquidate upon giving advanced notice. TRS has no plans to liquidate as of June 30, 2023, and TRS did not sell any funds on the secondary market during the fiscal year. As of June 30, 2023, 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. As of June 30, 2023, there are unfunded commitments of \$3.7 billion.
- (5) **Private equity and real estate partnerships:** TRS has 250 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 67 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 15 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 full or partial interest in five private equity funds on the secondary market. As of June 30, 2023, 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. As of June 30, 2023, there are unfunded commitments of \$9.5 billion.
- (6) **Real assets partnerships:** Real assets strategies include 14 limited partnerships investing in global infrastructure, direct energy, renewables, 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, 2023, 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. As of June 30, 2023, there are unfunded commitments of \$760.0 million.

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.

Debt and debt derivative instrument 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 instrument 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, 2023. 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	\$ 2,781,791	\$ 2,781,791	\$ -	\$ -
U.S. Agency obligations	1,043,478	-	1,039,269	4,209
Municipal obligations	99,030	-	80,749	18,281
Corporate debt securities	1,330,458	-	1,315,479	14,979
Foreign obligations	136,322	-	136,322	-
U.S. equities	3,619,659	3,617,741	1,040	878
Foreign equity securities	1,800,145	1,799,574	-	571
Short-term securities and cash adjustments	358,082	358,082	-	-
Securities lending collateral	3,311,912	-	3,311,912	-
Total investments by fair value level	14,480,877	\$ 8,557,188	\$ 5,884,771	\$ 38,918
Investment derivative instruments by fair value level				
U.S. fixed income derivative instruments	(1,885)	\$ -	\$ (1,885)	\$ -
Foreign fixed income derivative instruments	(329)	-	(329)	-
U.S. equity derivative instruments	110	-	-	110
Total investment derivative instruments by fair value level	(2,104)	\$ -	\$ (2,214)	\$ 110
Investments measured at the net asset value (NAV)				
Commingled equity funds (1)	550,787			
Commingled foreign equity funds (1)	2,388,289			
Private real estate funds (2)	2,619,659			
Private equity funds (2)	3,062,112			
Diversifying strategy funds (3)	2,708,478			
Private credit funds (4)	524,457			
Total investments measured at the NAV	11,853,782			
Total investments subject to disclosure	26,332,555			
Less cash equivalents	(158,854)			
Less SURS Custodial Funds	(19,477)			
Total investments	\$ 26,154,224			

- (1) **Commingled funds:** One U.S. equity fund, five international equity funds, and two global equity funds 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 2-5 days.
- (2) **Private real estate and private equity funds:** The real asset investments are 47 core, value-add, and opportunistic real asset funds. The private equity funds are 115 limited partnership interests in equity or debt securities of privately held companies. Core open-end real asset funds generally provide liquidity possibilities through redemption opportunities. Real asset 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, 2023, 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 \$484.749 million and \$1.045 billion in unfunded commitments in the private real estate funds and private equity funds, respectively.
- (3) **Diversifying strategy funds:** This type of investment provides diversification benefits to the total portfolio and includes investments that show little to no correlation to traditional economic growth assets. The investments include allocations to both systematic trend following and alternative risk premia. Nine 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, and annually, with a 3-90 day redemption notice.

- (4) **Private credit funds:** This type of investment consists of limited partnerships. Strategies included in this portfolio are currently special situation, multi-strategy, specialty lending, and direct lending. The closed-end private credit partnerships have an approximate life of 5-10 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnerships, distributions are received as underlying partnership investments are realized. SURS has no plans to liquidate the total portfolio. As of June 30, 2023, 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 \$684.226 million in unfunded commitments in the private credit funds.

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, 2023. 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, 2023, 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	\$ 42,610	\$ 42,610	\$ -
U.S. Agency obligations	2,157,830	-	2,157,830
Municipal debt	42,881	-	42,881
Commercial paper	115,970	-	115,970
Investment Agreements	100,000	100,000	-
Total investments by fair value level	2,459,291	\$ 142,610	\$ 2,316,681
Investments measured at amortized cost			
Money market mutual funds	1,166,080		
Total investments measured at amortized cost	1,166,080		
Total investments	3,625,371		
Less cash equivalents	(1,166,080)		
Total investments	\$ 2,459,291		
Hedging derivative instruments by fair value level			
Interest rate swaps and caps	\$ 20,890	\$ -	\$ 20,890
Total hedging derivative instruments by fair value level	\$ 20,890	\$ -	\$ 20,890

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.

The following table summarizes assets measured at fair value as of December 31, 2022 (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
Investments measured at amortized cost	
U.S. Treasury obligations	\$ 456,000
Money market mutual funds	216,949
Total investments measured at amortized cost	672,949
Total investments	672,949
Less cash equivalents	(216,949)
Total investments	\$ 456,000

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, 2023, 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	\$ 52,918	\$ -	\$ 52,918
U.S. Agency obligations	<u>65,566</u>	<u>65,566</u>	<u>-</u>
Total investments by fair value level	118,484	<u>\$ 65,566</u>	<u>\$ 52,918</u>
Investments measured at amortized cost			
Illinois Public Treasurers' Investment Pool	99,427		
Money market mutual funds	<u>64,798</u>		
Total investments measured at amortized cost	<u>164,225</u>		
Total investments subject to disclosure	282,709		
Less cash equivalents	<u>(164,225)</u>		
Total investments of the University	<u>\$ 118,484</u>		

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, 2023, 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	\$ 19,850	\$ 19,850
U.S. Agency obligations	<u>4,993</u>	<u>4,993</u>
Total investments by fair value level	24,843	<u>\$ 24,843</u>
Investments measured at amortized cost		
Money market mutual funds	9,839	
Illinois Public Treasurers' Investment Pool	<u>48,732</u>	
Total investments measured at amortized cost	<u>58,571</u>	
Total investments subject to disclosure	83,414	
Less cash equivalents	<u>(9,839)</u>	
Total investments of the University	<u>\$ 73,575</u>	

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. These may include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are

observable at commonly quoted intervals. 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, 2023, 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	\$ 74,588	\$ -	\$ 74,588
U.S. Agency obligations	108,580	-	108,580
Corporate debt securities	32,961	-	32,961
Common stock	44	44	-
Total investments by fair value level	216,173	\$ 44	\$ 216,129
Investments measured at amortized cost			
Illinois Public Treasurers' Investment Pool	112,629		
Total investments measured at amortized cost	112,629		
Total investments subject to disclosure	328,802		
Less cash equivalents	(112,629)		
Total investments of the University	\$ 216,173		

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.

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.

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. For farm properties, a full appraisal is conducted by an independent agency at receipt of each farm and every five years thereafter. In the years between the full appraisal, the independent agency provides an estimate of market value which is derived by an annual updating of prior appraised values.

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, 2023.

The following table summarizes assets measured at fair value as of June 30, 2023, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

Table 18-11 (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	\$ 590,409	\$ -	\$ 590,409	\$ -
U.S. Agency obligations	302,253	-	302,253	-
Commercial paper	158,621	-	158,621	-
Corporate bonds	1,025,863	-	1,025,863	-
Non government mortgage-backed securities	96,682	-	96,682	-
Other asset-backed securities	428,057	-	428,057	-
Government bonds - non U.S.	9,693	-	9,693	-
Municipal bonds	27,043	-	27,043	-
Global fixed income	112	112	-	-
U.S. equities	16,106	15,954	-	152
Equity funds	23,549	23,549	-	-
Real estate - farm properties	173,491	-	-	173,491
Total investments by fair value level	2,851,879	\$ 39,615	\$ 2,638,621	\$ 173,643
Investments measured at the net asset value (NAV)				
Global fixed income (1)	31,612			
Prime money market funds (2)	251,246			
Equity funds (3)	448,025			
Diversifying strategies (4)	91,159			
Private equity (5)	109,930			
Real assets (6)	55,495			
Total investments measured at the NAV	987,467			
Investments measured at amortized cost				
Money market mutual funds	806,297			
Illinois Public Treasurers' Investment Pool	8,583			
Total investments measured at amortized cost	814,880			
Total investments subject to disclosure	4,654,226			
Less cash equivalents	(1,076,006)			
Total investments of the University	\$ 3,578,220			
Hedging derivative instruments by fair value level				
Interest rate swaps	\$ (85)	\$ -	\$ (85)	\$ -
Total hedging derivative instruments by fair value level	\$ (85)	\$ -	\$ (85)	\$ -

- (1) **Global fixed income:** The funds in this category primarily invest in bonds and other debt instruments. Investments may include government, corporate, municipal, and convertible bonds; mortgage-backed and asset-backed securities; mezzanine/subordinated debt partnerships; and restructuring/distressed debt partnerships. 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. 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 period between the dates of the last available NAV per share (or its equivalent) and June 30, 2023. There are unfunded commitments of \$30.783 million in this category.
- (2) **Prime money market funds:** The funds are invested in high-quality, short-term obligations that present minimal credit risk including: securities issued by the U.S.

- government and its agencies; floating rate and variable rate demand notes of U.S. and foreign corporations; commercial paper – in the highest category by Moody’s Investor Services (P1) and Standard & Poor’s (A1); certificates of deposit and time deposits; asset-backed securities; and repurchase agreements. The fund calculates its NAV per share (or its equivalent) using market-based pricing and operates with a floating NAV per share (or its equivalent). These funds can be redeemed with same business day redemption notification with same-day settlement.
- (3) **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. Settlement may take up to two business days. The fair values of these investments have been estimated using the NAV per share (or its equivalent) provided by the fund manager.
- (4) **Diversifying strategies:** 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 either be redeemed quarterly with notice periods of 60 to 65 days or 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 for the funds that cannot be redeemed as the underlying investments of the funds are liquidated over time. The fair values of these investments have been estimated using the NAV per share (or its equivalent) provided by the fund manager and an adjustment determined by management for the period between the dates of the last available NAV per share (or its equivalent) and June 30, 2023. There are unfunded commitments of \$8.614 million in this category.
- (5) **Private equity:** The funds in this category primarily 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 \$75.952 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, 2023.
- (6) **Real assets:** The funds in this category invest in real assets. These investments can either be redeemed quarterly with up to a 3-month notice period subject to general partner approval and available cash or 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 for the funds that cannot be redeemed as the underlying investments of the funds are liquidated over time. The fair values of these investments have been estimated using the NAV per share (or its equivalent) provided by the fund manager and an adjustment determined by management for the period between the dates of the last available NAV per share (or its equivalent) and June 30, 2023. There are unfunded commitments of \$28.239 million in this category.

19 OTHER LONG-TERM OBLIGATIONS

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

Primary Government		Business-type Activities		
		Governmental	Prepaid	Nonmajor
Description	Reference	Activities	Tuition Fund	Enterprise Funds
Financed purchase obligations	(B)	\$ 155	\$ -	\$ -
Pollution remediation obligations	(C)	12,463	-	-
Obligations to Lottery Prize Winners	(D)	-	-	240,902
Prepaid Tuition Fund obligations	(E)	-	553,224	-
Other obligations	(F)	-	-	7,975
Total other long-term obligations		\$ 12,618	\$ 553,224	\$ 248,877

Major Component Units		Illinois State	Northern Illinois	Southern Illinois	University of Illinois
Description	Reference	University	University	University	Illinois
Certificates of participation - direct placement	(A)	\$ 26,010	\$ -	\$ 18,145	\$ -
Certificates of participation - other	(A)	15,733	3,195	6,975	42,239
Financed purchase obligations	(B)	1,974	1,334	1,130	257,356
Other obligations	(F)	828	15,852	1,240	64,537
Total other long-term obligations		\$ 44,545	\$ 20,381	\$ 27,490	\$ 364,132

A. Certificates of Participation (Certificates)

Certain major component units have 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, 2023, was \$112.297 million, which includes unamortized premiums of \$2.139 million and unamortized discounts of \$67 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, 2023, are as follows:

Table 19-3 (amounts expressed in thousands)

Year Ending June 30	Major Component Units											
	Certificates of Participation											
	Illinois State University		Illinois State University		Northern Illinois University		Southern Illinois University		Southern Illinois University		University of Illinois	
	Direct Placement		Other		Other		Direct Placement		Other		Other	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 3,895	\$ 443	\$ 1,165	\$ 627	\$ 1,390	\$ 110	\$ 3,350	\$ 468	\$ -	\$ 323	\$ 9,990	\$ 1,894
2025	3,965	377	1,205	580	1,455	39	2,025	372	-	322	9,255	1,395
2026	4,040	310	1,255	532	65	1	495	322	1,580	322	9,700	922
2027	3,525	241	1,305	486	-	-	505	310	1,645	259	5,970	437
2028	3,595	180	1,360	438	-	-	515	299	1,725	177	5,680	142
2029-2033	6,990	251	7,745	1,338	-	-	9,105	1,048	1,815	91	-	-
2034-2038	-	-	1,765	73	-	-	2,150	55	-	-	-	-
	<u>26,010</u>	<u>\$ 1,802</u>	<u>15,800</u>	<u>\$ 4,074</u>	<u>2,910</u>	<u>\$ 150</u>	<u>18,145</u>	<u>\$ 2,874</u>	<u>6,765</u>	<u>\$ 1,494</u>	<u>40,595</u>	<u>\$ 4,790</u>
Unamortized premiums	-	-	-	-	285	-	-	-	210	-	1,644	-
Unamortized (discounts)	-	-	(67)	-	-	-	-	-	-	-	-	-
	<u>\$ 26,010</u>		<u>\$ 15,733</u>		<u>\$ 3,195</u>		<u>\$ 18,145</u>		<u>\$ 6,975</u>		<u>\$ 42,239</u>	

B. Financed Purchase Obligations

The Office of the Attorney General and the Department of Transportation have acquired certain facilities and computer equipment through financed purchase arrangements. The amounts outstanding at June 30, 2023, were \$81 thousand and \$74 thousand, respectively, of which all is considered current.

Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois, major component units, have acquired certain facilities, office and computer equipment, and other assets through financed purchase arrangements. Future commitments under financed purchase contracts as of June 30, 2023, are as follows:

Table 19-4 (amounts expressed in thousands)

Year Ending June 30	Major Component Units							
	Financed Purchase Obligations							
	Illinois State University		Northern Illinois University		Southern Illinois University		University of Illinois	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 129	\$ 65	\$ 575	\$ 49	\$ 448	\$ 46	\$ 4,098	\$ 11,336
2025	134	60	244	26	478	27	4,273	11,159
2026	1,711	29	235	17	168	9	4,416	10,967
2027	-	-	235	9	36	1	4,520	10,757
2028	-	-	45	2	-	-	4,733	10,535
2029-2033	-	-	-	-	-	-	27,298	48,953
2034-2038	-	-	-	-	-	-	34,551	41,597
2039-2043	-	-	-	-	-	-	42,977	33,038
2044-2048	-	-	-	-	-	-	53,243	22,593
2049-2053	-	-	-	-	-	-	53,987	10,055
2054-2058	-	-	-	-	-	-	23,260	1,420
	<u>\$ 1,974</u>	<u>\$ 154</u>	<u>\$ 1,334</u>	<u>\$ 103</u>	<u>\$ 1,130</u>	<u>\$ 83</u>	<u>\$ 257,356</u>	<u>\$ 212,410</u>

C. 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 and Office of Homeland Security 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. During fiscal year 2023 the USEPA obtained funding of approximately \$90 million through the Bipartisan Infrastructure Law to pay for the remediation in its entirety. The State’s remaining portion of the liability is estimated to be \$2.213 million, primarily related to labor costs.

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, 2023, of \$10.250 million.

D. Obligations to Lottery Prize Winners

The State has provided 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 \$227.8 million at June 30, 2023, with interest rates ranging from .456% to 12.864%. The present value of these liabilities owed to prize winners, approximating \$240.902 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, 2023, are as follows:

Primary Government Business-type Activities		State Lottery Fund
Year Ending June 30		Amount
2024		\$ 27,200
2025		27,250
2026		25,481
2027		22,862
2028		20,727
2029-2033		102,128
2034-2038		55,273
2039-2043		10,002
2044-2048		2,856
2049-2053		1,790
		295,569
	Less: Present value adjustments	(54,667)
	Present value of future prizes	\$ 240,902

E. Prepaid Tuition Fund Obligations

Tuition payable in the Illinois Prepaid Tuition Fund, a major enterprise fund, as of June 30, 2023, represents net principal payments received for contracts held by the fund in the amount of \$553.224 million, of which \$105.578 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.

F. Other Obligations

Primary Government - Business-type Activities

Other nonmajor enterprise funds presented other obligations in the amount of \$7.975 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 \$82.457 million. These obligations will be liquidated from resources of the reporting major component unit.

20 FUND DEFICITS/CASH FLOW DEFICITS
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A. Fund Deficits

Primary Government - Governmental Activities

Nonmajor Governmental Funds

The Local Government Distributive Fund of the Department of Revenue and the SBE Federal Department of Education Fund of the State Board of Education had deficits at June 30, 2023, aggregating \$20.960 million and \$111.116 million, respectively, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis. The Personal Property Tax Replacement Fund of the Department of Revenue had a deficit at June 30, 2023, aggregating \$21.411 million, resulting from spending in excess of revenues recognized.

Primary Government – Business-Type Activities

Nonmajor Enterprise Funds

The Bank and Trust Company Fund of the Department of Financial and Professional Regulation and The State Lottery Fund of the Department of the Lottery had deficits at June 30, 2023, aggregating \$32.092 million and \$83.717 million, respectively, 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 had a deficit at June 30, 2023, aggregating \$107.107 million, resulting from insufficient contributions due to funding based on a pay-as-you-go basis.

B. Cash Flow Deficits

As of June 30, 2023, transactions totaling \$1.640 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, \$13.035 million related to intra-governmental transactions and \$1.235 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.

21 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 \$772 thousand and \$740 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 \$4.003 million and \$10.539 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 \$574.967 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 five 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 \$146.459 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, 2023:

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:				
2022				
Auto Liability	\$ 17,441	\$ 8,329	\$ (6,511)	\$ 19,259
Workers' Compensation	558,196	99,362	(98,129)	559,429
Health Insurance	408,450	1,153,073	(1,434,411)	127,112
Total	\$ 984,087	\$ 1,260,764	\$ (1,539,051)	\$ 705,800
2023				
Auto Liability	\$ 19,259	\$ 1,197	\$ (4,402)	\$ 16,054
Workers' Compensation	559,429	122,369	(106,831)	574,967
Health Insurance	127,112	1,250,865	(1,231,518)	146,459
Total	\$ 705,800	\$ 1,374,431	\$ (1,342,751)	\$ 737,480
Component Units, (Information for the Illinois State Toll Highway Authority is as of December 31):				
2022				
Illinois State Toll Highway Authority	\$ 17,964	\$ 26,347	\$ (24,479)	\$ 19,832
Southern Illinois University	24,868	9	(3,010)	21,867
University of Illinois	272,732	90,467	(70,934)	292,265
Total	\$ 315,564	\$ 116,823	\$ (98,423)	\$ 333,964
2023				
Illinois State Toll Highway Authority	\$ 19,832	\$ 24,578	\$ (26,012)	\$ 18,398
Southern Illinois University	21,867	3,334	(1,251)	23,950
University of Illinois	292,265	47,300	(57,634)	281,931
Total	\$ 333,964	\$ 75,212	\$ (84,897)	\$ 324,279

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 \$18.398 million at December 31, 2022.

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 \$23.950 million at June 30, 2023.

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 \$281.931 million at June 30, 2023.

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.

22 COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

The Department of Transportation has outstanding construction commitments for highway improvement programs of approximately \$7.7 billion as of June 30, 2023, which will be financed through State reappropriations. Also, the Capital Development Board has outstanding construction commitments for building and building additions and improvements of approximately \$1.1 billion as of June 30, 2023, 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 approximately \$2.3 billion as of December 31, 2022. Northern Illinois University, Southern Illinois University, and the University of Illinois have outstanding construction commitments for various building and building improvement projects of approximately \$27.1 million, \$244.8 million, and \$197.8 million, respectively, as of June 30, 2023.

B. Investment Commitments

The Office of the Treasurer has outstanding commitments at June 30, 2023, for Illinois Technology Development of approximately \$164 million. The Illinois State Board of Investments has total unfunded investment commitments of approximately \$4.2 billion outstanding at June 30, 2023. The Teachers' Retirement System has outstanding commitments at June 30, 2023, for the future purchase of investments in the real estate, other real assets, private equity, diversifying strategies, and global income asset classes of approximately \$14.1 billion. The State Universities Retirement System has outstanding commitments at June 30, 2023, to private equity limited partnerships, private credit partnerships, and real estate partnerships of approximately \$1.0 billion, \$684.2 million, and \$484.7 million, respectively.

C. Illinois Housing Development Authority Loans

The Illinois Housing Development Authority has entered into commitments aggregating approximately \$49.0 million for the purchase of various home loans as of June 30, 2023.

D. 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, 2023, approximately 20.7 thousand agreements were in place with total future commitments of approximately \$924 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 44.6% and 35.8%, respectively.

E. Tax Litigation

At June 30, 2023, the State of Illinois has \$29.4 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.

F. 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, 2023, 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.

G. 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.

H. Supplemental Nutrition Assistance Program (SNAP) Overpayment Claims

The State has significant delays in investigating and resolving overpayment claims for the Supplemental Nutrition Assistance Program (SNAP). State management cannot establish a claim against a SNAP recipient until their investigation is complete. When resolution of these claims is complete, the State estimates it will record net receivables from beneficiaries under the program of approximately \$690 million, for benefits established on or before June 30, 2023. Additionally, it is estimated that \$505 million will be recorded as a liability to the Federal government for their share of overpayment collections. The rate used to calculate this amount, 10.91%, came from a June 30, 2023, letter from the U.S. Department of Agriculture (USDA).

I. Forward Fixed-Price Energy Contracts

The Illinois Power Agency (IPA) has entered into contracts to purchase renewable energy credits from new photovoltaic distributed energy generation devices. A total of 6 companies have, or had, contracts to sell renewable energy credits to IPA. In addition, IPA has implemented the Illinois Solar For All Program which has a total of 20 companies with contracts that include incentives for low-income distributed generation and community solar projects. The total outstanding commitments for these two programs total \$46.3 million. The University of Illinois has executed forward fixed-price purchase contracts for natural gas and electricity with commitments of approximately \$66.0 million as of June 30, 2023.

J. Metropolitan Pier and Exposition Authority (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, a custodial 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 2035, 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 \$300 million in fiscal years 2024 through 2026, graduating to \$450 million in fiscal year 2036 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 2023, debt service requirements for these bonds were \$202.580 million. The amount paid to the Authority based on their annual certification was \$193.823 million consisting of \$162.123 million of Authority taxes and \$31.700 million in State sales taxes.

K. Regional Transportation Authority (RTA)

The RTA, not a part of the State of Illinois reporting entity, was authorized by the Regional Transportation Authority Act to issue bonds in the principal amount of \$100 million on or after January 1, 1990 with an additional \$100 million per year authorized to be issued on or after January 1st of each year until January 1, 1994, for a total authorization of \$500 million used for Strategic Capital Improvement Projects (SCIP). Effective July 1, 1999, Public Act 91-0037 authorized the RTA to issue additional bonds in the principal amount of \$260 million on or after January 1, 2000 with an additional \$260 million per year authorized to be issued on or after January 1st of each year until January 1, 2004 for an additional authorization of \$1.300 billion 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 Road Fund to the Public Transportation Fund, a nonmajor governmental fund, for payment in an amount equal to the lesser of monthly debt service on the SCIP bonds or one-twelfth of the amount of the State's assistance as provided in the authorization. The authorization currently provides for \$155 million each fiscal year. During fiscal year 2023, the State provided \$121.589 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.

L. Illinois Sports Facilities Authority (ISFA)

The ISFA, not a part of the State of Illinois reporting entity, was authorized by the Illinois Sports Facilities Authority 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 2023 was \$69.873 million plus \$10 million for a total of \$79.873 million. The ISFA's annual certification for fiscal year 2023 was in the amount of \$71.974 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 2033. Including the additional \$10 million, the maximum which could be certified each year is \$83.797 million in fiscal year 2024, \$87.941 million in fiscal year 2025, \$92.318 million in fiscal year 2026, \$96.941 million in fiscal year 2027, \$101.823 million in fiscal year 2028, and graduating to \$130.668 million in fiscal year 2033. Of these amounts, only \$5 million per year is the State's share.

M. 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 a variable interest rate and mature annually through 2026. 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, 2023, the outstanding balance of bonds, which the State is morally obligated to repay, is \$1.063 million.

N. 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 an interest rate of 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, 2023, the outstanding balance, which the State is morally obligated to repay, is \$5.300 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.

O. 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.

23 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, 2023, for the segments described above:

Table 23-1 (amounts expressed in thousands)

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
Condensed Statement of Net Position:					
Assets					
Current assets	\$ 100,694	\$ 79,360	\$ 8,029	\$ 244,824	\$ 605,975
Noncurrent assets:					
Capital assets, net of accumulated depreciation	320,467	208,595	23,139	1,179,588	490,292
Other noncurrent assets	66,727	3,631	16,493	37,464	17,598
Total assets	487,888	291,586	47,661	1,461,876	1,113,865
Deferred outflows of resources	468	2,505	4,506	963	815
Liabilities					
Current liabilities	17,948	24,245	12,777	90,786	198,044
Noncurrent liabilities	123,827	140,460	15,942	1,018,611	276,322
Total liabilities	141,775	164,705	28,719	1,109,397	474,366
Deferred inflows of resources	243	8,064	10,687	5,239	346
Net Position					
Net investment in capital assets	192,164	65,784	23,139	163,455	242,715
Restricted-other expendable purposes	154,174	33,946	2,052	3,980	17,534
Unrestricted	-	21,592	(12,430)	180,768	379,719
Total net position	\$ 346,338	\$ 121,322	\$ 12,761	\$ 348,203	\$ 639,968
Condensed Statement of Revenues, Expenses and Changes in Net Position:					
Operating revenues	\$ 100,910	\$ 85,300	\$ 54,711	\$ 373,790	\$ 1,221,632
Operating expenses	(84,182)	(62,797)	(52,074)	(280,603)	(1,232,501)
Depreciation expense	(12,643)	(13,330)	(3,879)	(51,394)	(42,055)
Operating income (loss)	4,085	9,173	(1,242)	41,793	(52,924)
Nonoperating revenues (expenses)	(249)	(505)	3,066	(1,764)	127,918
Other revenues (expenses)	-	503	801	-	-
Increase (decrease) in net position	3,836	9,171	2,625	40,029	74,994
Net position, July 1, 2022, as restated	342,502	112,151	10,136	308,174	564,974
Net position, June 30, 2023	\$ 346,338	\$ 121,322	\$ 12,761	\$ 348,203	\$ 639,968

24 SUBSEQUENT EVENTS

A. Debt Issuances

Subsequent to June 30, 2023, the State of Illinois and its major component units have issued the following debt instruments:

Table 24-1 (amounts expressed in millions)

Series	Date of Issue	Amount of Issue	Interest Rates	Annual Maturity To
Primary Government				
Governmental Activities:				
General obligation bonds:				
December, Taxable Series 2023 A	12/19/2023	\$ 175.0	5.25% - 5.8%	2029
December, Series 2023 B	12/19/2023	\$ 350.0	5.0%	2039
December, Series 2023 C	12/19/2023	\$ 350.0	5.0%	2049
May, Taxable Series 2024 A	5/21/2024	\$ 250.0	5.167% - 5.376%	2034
May, Series 2024 B	5/21/2024	\$ 1,550.0	4.25% - 5.25%	2049
October, Taxable Series 2024 A	10/16/2024	\$ 150.0	4.06% - 4.64%	2035
October, Series 2024 B	10/16/2024	\$ 150.0	5.0% - 5.25%	2037
October, Series 2024 C	10/16/2024	\$ 300.0	4.0%	2049
October, Series 2024 (Refunding)	10/16/2024	\$ 1,088.0	5.0%	2039
Special obligation bonds:				
February, Build Illinois Bonds Series 2024 A (Junior)	2/14/2024	\$ 300.0	5.0%	2034
February, Build Illinois Bonds Series 2024 B (Junior)	2/14/2024	\$ 150.0	5.0%	2039
February, Build Illinois Bonds Series 2024 C (Junior)	2/14/2024	\$ 150.0	5.0%	2044
March, Build Illinois Bonds Series 2025 A (Junior)	3/27/2025	\$ 276.0	5.0%	2035
March, Build Illinois Bonds Series 2025 B (Junior)	3/27/2025	\$ 218.0	5.0%	2040
March, Build Illinois Bonds Series 2025 C (Junior)	3/27/2025	\$ 231.0	5.0%	2045
Major Component Units:				
Revenue bonds:				
Illinois Housing Development Authority				
Multi-Family Revenue Bonds, Series 2023 D (Non-AMT)	7/25/2023	\$ 4.8	0.9% - 2.6%	2064
Series 2023 H (Non-AMT)	8/3/2023	\$ 160.0	3.25% - 5.75%	2054
Series 2023 I	8/3/2023	\$ 76.7	5.253% - 5.758%	2054
Series 2023 J	8/3/2023	\$ 38.3	Variable	2049
Multi-Family Revenue Bonds, Series 2023 E (Refunding)	8/16/2023	\$ 12.9	1.9% - 3.4%	2064
Multi-Family Revenue Bonds, Series 2023 F	9/28/2023	\$ 6.6	2.32% - 3.96%	2064
Series 2023 K (Non-AMT)	10/25/2023	\$ 178.8	3.95% - 6.25%	2054
Series 2023 L	10/25/2023	\$ 64.2	5.552% - 6.558%	2049
Series 2023 M	10/25/2023	\$ 32.1	Variable	2054
Series 2023 N (Non-AMT)	11/30/2023	\$ 129.5	3.625% - 6.25%	2054
Series 2023 O	11/30/2023	\$ 95.2	5.418% - 6.5%	2054

Series	Date of Issue	Amount of Issue	Interest Rates	Annual Maturity To
Major Component Units (continued):				
Revenue bonds:				
Illinois Housing Development Authority				
Series 2023 P (Non-AMT)	11/30/2023	\$ 64.8	Variable	2049
Multi-Family Revenue Bonds, Series 2023 G	12/22/2023	\$ 8.1	1.4% - 3.3%	2064
Multi-Family Revenue Bonds, Series 2024 A (Non-AMT)	1/25/2024	\$ 25.0	Variable	2064
Series 2024 A (Non-AMT)	3/6/2024	\$ 145.0	3.25% - 6.0%	2055
Series 2024 B	3/6/2024	\$ 349.3	4.929% - 6.0%	2054
Multi-Family Revenue Bonds, Series 2024 B	5/8/2024	\$ 18.9	3.54% - 5.05%	2067
Series 2024 C (Non-AMT)	5/29/2024	\$ 116.1	3.45% - 6.25%	2055
Series 2024 D	5/29/2024	\$ 228.5	5.044% - 6.25%	2055
Multi-Family Revenue Bonds, Series 2024 C	7/17/2024	\$ 30.0	3.5% - 4.9%	2069
Multi-Family Revenue Bonds, Series 2024 D	7/26/2024	\$ 7.1	1.2% - 2.65%	2056
Multi-Family Revenue Bonds, Series 2024 E (Non-AMT)	8/8/2024	\$ 12.7	Variable	2065
Series 2024 E (Non-AMT)	8/14/2024	\$ 66.7	3.1% - 6.25%	2056
Series 2024 F	8/14/2024	\$ 324.3	4.533% - 6.25%	2055
Series 2024 G	8/14/2024	\$ 66.7	Variable	2051
Series 2024 H (Non-AMT)	8/14/2024	\$ 33.3	Variable	2051
Multi-Family Revenue Bonds, Series 2024 F	9/10/2024	\$ 23.8	3.3% - 4.65%	2067
Multi-Family Revenue Bonds, Series 2024 G (Non-AMT)	9/26/2024	\$ 16.5	4.22%	2043
Series 2024 I (Non-AMT)	12/18/2024	\$ 200.0	3.35% - 6.0%	2056
Series 2024 J	12/18/2024	\$ 100.0	4.513% - 5.641%	2042
Multi-Family Revenue Bonds, Series 2024 H-1 (Non-AMT)	12/19/2024	\$ 100.6	4.0% - 4.5%	2063
Multi-Family Revenue Bonds, Series 2024 H-2	12/19/2024	\$ 1.0	4.48%	2027
Multi-Family Revenue Bonds, Series 2024 I	12/20/2024	\$ 5.2	1.0% - 2.65%	2056
Series 2025 A (Non-AMT)	4/10/2025	\$ 137.7	3.95% - 6.25%	2056
Series 2025 B	4/10/2025	\$ 116.7	4.34% - 5.629%	2042
Series 2025 C	4/10/2025	\$ 95.7	5.879% - 6.25%	2056
Illinois State Toll Highway Authority				
Series 2024 A (Toll Highway Senior Revenue Refunding)	1/4/2024	\$ 873.7	5.0%	2039
University of Illinois				
Series 2023 (Health Services Facilities System Refunding)	10/25/2023	\$ 68.3	5.0% - 5.5%	2043
Series 2024 A (Auxiliary Facilities System Refunding)	6/11/2024	\$ 141.9	5.0% - 5.25%	2044
Series 2024 B (Auxiliary Facilities System)	6/11/2024	\$ 22.6	4.944% - 5.61%	2044
Series 2025 A (Auxiliary Facilities System)	1/8/2025	\$ 82.4	5.0%	2055
Certificates of Participation:				
Illinois State University				
Series 2023	8/2/2023	\$ 13.9	2.7%	2033
Series 2024	11/13/2024	\$ 76.0	3.0% - 5.0%	2054
Northern Illinois University				
Series 2024	12/4/2024	\$ 58.6	4.25% - 5.5%	2049
Southern Illinois University				
Series 2025 A	6/10/2025	\$ 43.3	5.0% - 5.25%	2050

B. Medicare Part D Drug Rebates

Subsequent to year end, the Department of Healthcare and Family Services (Department) identified an information technology system error that impacted invoices for drug claims identified as Medicare Part D for the Medicare Medicaid Alignment Initiative (MMAI). These claims, submitted by Managed Care Organizations (MCOs) during fiscal years 2020 through 2024, were not excluded from data ultimately transmitted to facilitate drug rebate invoicing. Inclusion of these claims resulted in the Department invoicing pharmaceutical manufacturers for rebate payments for Medicare Part D drugs that were ineligible for such rebates. For financial reporting purposes, drug rebates are reported as a reduction in expenditures. Due to the effect of correcting the error for fiscal years 2020 through 2022, the beginning fund balance/net position, has been restated as of July 1, 2022, for the understatement of expenditures and liabilities of approximately \$766 million, as shown in Note 2. The financial statements for fiscal year 2023 include the cumulative adjustments for fiscal years 2020 through 2023.

In addition, federal regulations require that the Department reimburse the federal government for a portion of state drug rebate receipts at the federal match rate in place at the time of the original drug expenditure. The Department returned the federal portion of drug rebate receipts for this activity as an offset to the federal Medicaid match revenue during fiscal years 2020 through 2024. The Department requested a good cause waiver from the federal Centers for Medicare and Medicaid Services to seek federal reimbursement for drug rebate offsets relating to claims more than two years old and received approval of this waiver on June 6, 2025. The good cause waiver allows for federal reimbursement of those claims once the rebate refunds are remitted back to the pharmaceutical drug manufacturers. No receivable has been reported within the financial statements.

Required Supplementary Information

State of Illinois

**Budgetary Comparison Schedule
Major Governmental Fund**

For the Year Ended June 30, 2023 (Expressed in Thousands)

	General Funds			
	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES:				
Income taxes	\$ 26,847,000	\$26,847,000	\$ 29,577,554	\$2,730,554
Sales taxes	9,909,000	9,909,000	10,451,458	542,458
Public utility taxes	720,000	720,000	750,721	30,721
Federal government	4,015,000	4,015,000	3,711,052	(303,948)
Other	2,399,000	2,399,000	2,877,270	478,270
Less:				
Refunds		1,069	1,029	(40)
Total revenues	43,890,000	43,888,931	47,367,026	3,478,095
EXPENDITURES:				
Current:				
Health and social services	16,838,910	17,353,700	16,786,004	(567,696)
Education	20,242,884	20,258,753	20,226,765	(31,988)
General government	4,384,747	4,524,155	4,460,687	(63,468)
Employment and economic development	274,191	2,077,017	2,036,250	(40,767)
Public protection and justice	3,005,747	3,134,473	2,993,655	(140,818)
Environment and business regulation	105,794	119,372	112,072	(7,300)
Capital outlays	25,802	28,730	24,860	(3,870)
Total expenditures	44,878,075	47,496,200	46,640,293	(855,907)
Excess (deficiency) of revenues over (under) expenditures	(988,075)	(3,607,269)	726,733	4,334,002
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:				
Transfers-in	15,431,224	15,431,224	15,431,224	-
Transfers-out	(13,868,207)	(13,868,207)	(13,868,207)	-
Total other sources (uses) of financial resources	1,563,017	1,563,017	1,563,017	-
Excess (deficiency) of revenues over (under) expenditures, and other sources budgetary funds-nonbudgeted accounts	574,942	(2,044,252)	2,289,750	4,334,002
Budgetary fund balances (deficits), July 1, 2022, as previously reported	(63,613)	(63,613)	(63,613)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ 511,329	\$ (2,107,865)	\$ 2,226,137	\$4,334,002

**Notes to Budgetary Comparison Schedule
– Major Governmental Fund**

For the Year Ended June 30, 2023

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, 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 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 Fund 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 Funds.

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, 2023, is presented below for the major governmental funds (amounts expressed in thousands):

	MAJOR GOVERNMENTAL FUND
	General Fund
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (budgetary basis)	\$ 2,289,750
Reclassifications:	
Budgetary Special State Funds reported as part of the General Fund for GAAP reporting	(3,909,311)
Adjustments:	
To adjust revenues, related receivables and unavailable revenue	4,223,252
To adjust expenditures and related liabilities	(628,317)
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (GAAP basis)	<u>\$ 1,975,374</u>

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:

Schedule of Changes in Net Pension Liability and Related Ratios									
GARS									
(amounts expressed in thousands)									
	2022	2021	2020	2019	June 30, 2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 2,288	\$ 2,730	\$ 2,860	\$ 3,280	\$ 3,536	\$ 3,880	\$ 3,577	\$ 5,957	\$ 5,383
Interest on total pension liability	23,454	23,604	23,720	24,853	24,542	24,046	22,395	19,911	20,111
Differences between expected and actual experience	(4,133)	(315)	(1,547)	4,008	1,197	2,094	(5,401)	2,366	12,389
Assumption changes	(10,232)	2,677	1,929	(8,253)	(1,213)	(2,431)	42,123	(70,539)	-
Benefit payments	(26,930)	(26,064)	(25,710)	(24,558)	(23,283)	(22,363)	(21,841)	(21,275)	(20,800)
Refunds	(4)	(154)	(138)	(169)	(45)	(131)	(142)	(192)	(245)
Administrative expenses	-	(330)	(401)	(389)	(348)	(356)	(382)	(394)	(335)
Net change in total pension liability	(15,557)	2,148	713	(1,228)	4,386	4,739	40,329	(64,166)	16,503
Total pension liability - beginning	384,424	382,276	381,563	382,791	378,405	373,666	333,337	397,503	381,000
Total pension liability - ending (a)	\$ 368,867	\$ 384,424	\$ 382,276	\$ 381,563	\$ 382,791	\$ 378,405	\$ 373,666	\$ 333,337	\$ 397,503
Plan fiduciary net position									
Contributions - employer	\$ 28,500	\$ 27,299	\$ 25,754	\$ 23,253	\$ 21,155	\$ 21,721	\$ 16,073	\$ 15,871	\$ 13,957
Contributions - participant	1,179	1,238	1,206	1,317	1,255	1,285	1,309	1,487	1,503
Net investment income	(5,090)	14,810	2,581	3,450	3,734	5,140	(539)	2,287	8,363
Benefit payments	(26,930)	(26,064)	(25,710)	(24,558)	(23,283)	(22,363)	(21,841)	(21,275)	(20,800)
Refunds	(4)	(154)	(138)	(169)	(45)	(131)	(142)	(192)	(245)
Administrative expense	(387)	(330)	(401)	(389)	(348)	(356)	(382)	(394)	(335)
Net change in plan fiduciary net position	(2,732)	16,799	3,292	2,904	2,468	5,296	(5,522)	(2,216)	2,443
Plan fiduciary net position - beginning	79,811	63,012	59,720	56,816	54,348	49,052	54,574	56,790	54,347
Plan fiduciary net position - ending (b)	77,079	79,811	63,012	59,720	56,816	54,348	49,052	54,574	56,790
State's net pension liability - ending (a) - (b)	\$ 291,788	\$ 304,613	\$ 319,264	\$ 321,843	\$ 325,975	\$ 324,057	\$ 324,614	\$ 278,763	\$ 340,713
Plan fiduciary net position as a percentage of the total pension liability	20.90%	20.76%	16.48%	15.65%	14.84%	14.36%	13.13%	16.37%	14.29%
Covered payroll *	\$ 10,108	\$ 10,082	\$ 10,191	\$ 10,159	\$ 10,711	\$ 10,996	\$ 11,298	\$ 11,587	\$ 12,754
State's net pension liability as a percentage of covered payroll	2886.70%	3021.35%	3132.80%	3168.06%	3043.37%	2947.04%	2873.20%	2405.83%	2671.42%
Notes to Schedule. The calculations of the total pension liability for each fiscal year presented are based on the following assumptions:									
Total pension liability	2022	2021	2020	2019	2018	2017	2016	2015	2014
Discount rate	6.43%	6.30%	6.37%	6.41%	6.68%	6.66%	6.60%	6.91%	5.11%
Investment rate of return	6.50%	6.50%	6.50%	6.50%	6.75%	6.75%	6.75%	7.00%	7.00%
Long-term municipal bond rate	3.69%	1.92%	2.45%	3.13%	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 is based on 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:

Schedule of Changes in Net Pension Liability and Related Ratios JRS (amounts expressed in thousands)									
	2022	2021	2020	2019	June 30, 2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 46,588	\$ 48,073	\$ 48,964	\$ 50,009	\$ 53,222	\$ 56,166	\$ 58,041	\$ 59,620	\$ 57,139
Interest on total pension liability	182,714	179,915	177,034	180,188	175,399	168,164	158,611	151,431	145,994
Differences between expected and actual experience	23,624	19,224	3,088	37,888	6,191	23,042	(3,260)	28,714	4,490
Assumption changes	(109,632)	42,844	23,771	(42,249)	(14,446)	(29,511)	205,405	9,482	-
Benefit payments	(180,423)	(172,642)	(165,544)	(157,350)	(148,147)	(140,497)	(132,572)	(125,654)	(118,591)
Refunds	(804)	(854)	(438)	(991)	(482)	(975)	(658)	(946)	(688)
Administrative expenses	-	(1,013)	(1,032)	(910)	(897)	(914)	(942)	(983)	(832)
Net change in total pension liability	(37,933)	115,547	85,843	66,585	70,840	75,475	284,625	121,664	87,512
Total pension liability - beginning	3,051,843	2,936,296	2,850,453	2,783,868	2,713,028	2,637,553	2,352,928	2,231,264	2,143,752
Total pension liability - ending (a)	\$ 3,013,910	\$ 3,051,843	\$ 2,936,296	\$ 2,850,453	\$ 2,783,868	\$ 2,713,028	\$ 2,637,553	\$ 2,352,928	\$ 2,231,264
Plan fiduciary net position									
Contributions - employer	\$ 155,993	\$ 148,625	\$ 144,160	\$ 140,519	\$ 135,962	\$ 131,334	\$ 132,060	\$ 134,040	\$ 126,816
Contributions - participant	14,574	14,600	14,508	14,610	14,295	14,770	14,962	15,431	15,919
Net investment income	(90,889)	278,836	48,127	64,741	69,950	97,797	(6,471)	36,009	110,059
Benefit payments	(180,423)	(172,642)	(165,544)	(157,350)	(148,147)	(140,497)	(132,572)	(125,654)	(118,591)
Refunds	(804)	(854)	(438)	(991)	(482)	(975)	(658)	(946)	(688)
Administrative expense	(1,124)	(1,013)	(1,032)	(910)	(897)	(914)	(942)	(983)	(832)
Net change in plan fiduciary net position	(102,673)	267,552	39,781	60,619	70,681	101,515	6,379	57,897	132,683
Plan fiduciary net position - beginning	1,380,437	1,112,885	1,073,104	1,012,485	941,804	840,289	833,910	776,013	643,330
Plan fiduciary net position - ending (b)	1,277,764	1,380,437	1,112,885	1,073,104	1,012,485	941,804	840,289	833,910	776,013
State's net pension liability - ending (a) - (b)	\$ 1,736,146	\$ 1,671,406	\$ 1,823,411	\$ 1,777,349	\$ 1,771,383	\$ 1,771,224	\$ 1,797,264	\$ 1,519,018	\$ 1,455,251
Plan fiduciary net position as a percentage of the total pension liability	42.40%	45.23%	37.90%	37.85%	36.37%	34.71%	31.86%	35.44%	34.78%
Covered payroll *	\$ 133,830	\$ 137,422	\$ 135,392	\$ 138,415	\$ 132,065	\$ 139,738	\$ 139,538	\$ 145,903	\$ 150,280
State's net pension liability as a percentage of covered payroll	1297.28%	1216.26%	1346.76%	1284.07%	1341.30%	1267.53%	1288.01%	1041.11%	968.36%
Notes to Schedule. The calculations of the total pension liability for each fiscal year presented are based on the following assumptions:									
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Discount rate	6.36%	6.12%	6.26%	6.34%	6.60%	6.58%	6.48%	6.85%	6.89%
Investment rate of return	6.50%	6.50%	6.50%	6.50%	6.75%	6.75%	6.75%	7.00%	7.00%
Long-term municipal bond rate	3.69%	1.92%	2.45%	3.13%	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 is based on 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:

Schedule of Changes in Net Pension Liability and Related Ratios SERS (amounts expressed in thousands)									
	2022	2021	2020	2019	June 30, 2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 890,724	\$ 844,736	\$ 818,760	\$ 801,415	\$ 828,486	\$ 893,147	\$ 843,377	\$ 847,997	\$ 776,488
Interest on total pension liability	3,468,047	3,369,337	3,295,059	3,378,804	3,295,855	3,217,532	2,989,387	2,912,736	2,754,122
Change of benefit terms	(203,810)	3,354	-	(462,610)	-	-	-	-	-
Differences between expected and actual experience	367	585,692	114,763	(24,683)	(185,489)	(601,531)	(730,622)	(464,942)	150,997
Assumption changes	(3,559,665)	1,002,207	716,029	313,744	(348,811)	(884,705)	5,048,087	360,713	3,142,466
Benefit payments	(2,991,760)	(2,853,549)	(2,727,821)	(2,601,306)	(2,464,832)	(2,328,621)	(2,190,501)	(2,034,858)	(1,917,062)
Refunds	(26,582)	(17,102)	(19,366)	(24,133)	(27,469)	(26,609)	(26,709)	(23,129)	(23,083)
Administrative expenses	-	(16,577)	(17,413)	(14,979)	(15,258)	(15,957)	(16,127)	(16,547)	(16,615)
Net change in total pension liability	(2,422,679)	2,918,098	2,180,011	1,366,252	1,082,482	253,256	5,916,892	1,581,970	4,867,313
Total pension liability - beginning	56,984,047	54,065,949	51,885,938	50,519,686	49,437,204	49,183,948	43,267,056	41,685,086	36,817,773
Total pension liability - ending (a)	\$ 54,561,368	\$ 56,984,047	\$ 54,065,949	\$ 51,885,938	\$ 50,519,686	\$ 49,437,204	\$ 49,183,948	\$ 43,267,056	\$ 41,685,086
Plan fiduciary net position									
Contributions - employer	\$ 2,665,685	\$ 2,478,210	\$ 2,368,905	\$ 2,274,925	\$ 1,929,175	\$ 1,798,348	\$ 1,882,243	\$ 1,804,319	\$ 1,699,448
Contributions - participant	288,830	280,584	271,749	275,675	254,442	251,611	256,198	266,139	269,232
Net investment income	(1,576,811)	4,814,490	829,329	1,118,429	1,257,040	1,812,879	(125,443)	681,377	2,169,346
Benefit payments	(2,991,760)	(2,853,549)	(2,727,821)	(2,601,306)	(2,464,832)	(2,328,621)	(2,190,501)	(2,034,858)	(1,917,062)
Refunds	(26,582)	(17,102)	(19,366)	(24,133)	(27,469)	(26,609)	(26,709)	(23,129)	(23,083)
Administrative expense	(18,186)	(16,577)	(17,413)	(14,979)	(15,258)	(15,957)	(16,127)	(16,547)	(16,615)
Net change in plan fiduciary net position	(1,658,824)	4,686,056	705,383	1,028,611	933,098	1,491,651	(220,339)	677,301	2,181,266
Plan fiduciary net position - beginning	23,883,327	19,197,271	18,491,888	17,463,277	16,530,179	15,038,528	15,258,867	14,581,566	12,400,300
Plan fiduciary net position - ending (b)	22,224,503	23,883,327	19,197,271	18,491,888	17,463,277	16,530,179	15,038,528	15,258,867	14,581,566
State's net pension liability - ending (a) - (b)	\$ 32,336,865	\$ 33,100,720	\$ 34,868,678	\$ 33,394,050	\$ 33,056,409	\$ 32,907,025	\$ 34,145,420	\$ 28,008,189	\$ 27,103,520
Plan fiduciary net position as a percentage of the total pension liability	40.73%	41.91%	35.51%	35.64%	34.57%	33.44%	30.58%	35.27%	34.98%
Covered payroll *	\$ 4,807,031	\$ 4,697,845	\$ 4,517,749	\$ 4,621,647	\$ 4,240,109	\$ 4,192,582	\$ 4,282,020	\$ 4,452,369	\$ 4,414,784
State's net pension liability as a percentage of covered payroll	672.70%	704.59%	771.82%	722.56%	779.61%	784.89%	797.41%	629.06%	613.93%
Notes to Schedule. The calculations of the total pension liability for each fiscal year presented are based on the following assumptions:									
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Discount rate	6.58%	6.20%	6.35%	6.47%	6.81%	6.78%	6.64%	7.02%	7.09%
Investment rate of return	6.75%	6.75%	6.75%	6.75%	7.00%	7.00%	7.00%	7.25%	7.25%
Long-term municipal bond rate	3.69%	1.92%	2.45%	3.13%	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 is based on 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:

Schedule of Contributions (amounts expressed in thousands)							
Plan	Fiscal Year Ended	Actuarial Determined Contribution ^	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll *	Actual Contribution as a % of Covered Payroll	
GARS	2023	\$ 35,161	\$ 28,081	\$ 7,080	\$ 12,206	230.06%	
	2022	35,006	28,500	6,506	10,107	281.98%	
	2021	34,433	27,299	7,134	10,082	270.77%	
	2020	34,411	25,754	8,657	10,191	252.71%	
	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%	
JRS	2023	\$ 174,870	\$ 147,430	\$ 27,440	\$ 139,623	105.59%	
	2022	175,823	155,993	19,830	133,830	116.56%	
	2021	173,205	148,625	24,580	137,422	108.15%	
	2020	173,704	144,160	29,544	135,392	106.48%	
	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%	
SERS	2023	\$ 3,170,956	\$ 2,666,685	\$ 504,271	\$ 5,029,076	53.03%	
	2022	2,989,926	2,665,685	324,241	4,807,031	55.45%	
	2021	3,037,756	2,478,210	559,546	4,697,845	52.75%	
	2020	2,913,649	2,368,905	544,744	4,517,749	52.44%	
	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%	

^ 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 is based on the requirements of GASB Statement No. 82.

Notes To Schedule of Contributions			
	<u>GARS</u>	<u>JRS</u>	<u>SERS</u>
Actuarial Valuation Date	6/30/2021	6/30/2021	6/30/2021
Note:	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.		
Methods and Assumptions Used to Determine Contribution Rates as of the Valuation Date:			
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	14 years, closed	19 years, closed	19 years, closed
Asset valuation method	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market
Actuarial assumptions:			
Inflation rate	2.25%	2.25%	2.25%
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 annual increase in CPI [^]	Lesser of 3% or annual increase in CPI [^]	Lesser of 3% or 1/2 annual increase in CPI [^]
Investment rate of return	6.50%	6.50%	6.75%
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	Pub-2010 Above-Median Income General Healthy Mortality tables, sex distinct, with scaling factors of 99% for males and females, and the MP-2018 two-dimensional generational mortality improvement scale.		
JRS	Pub-2010 Above-Median Income General Healthy Mortality tables, sex distinct, with scaling factors of 102% for males and 98% for females, and the MP-2018 two-dimensional generational mortality improvement scale.		
SERS	Pub-2010 General Healthy Mortality tables, sex distinct, with scaling factors of 111% for males and females, one year set forward for females, and the MP-2018 two-dimensional generational mortality improvement scale.		
<hr/>			
[^] 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:

Schedule of the State’s Proportionate Share of the Net Pension Liability TRS (amounts expressed in thousands)									
	2022	2021	2020	2019	June 30, 2018	2017	2016	2015	2014
State’s proportion of the net pension liability	98.86%	98.83%	98.74%	98.62%	98.57%	96.83%	96.72%	96.48%	96.47%
State’s proportionate share of the net pension liability [^]	\$ 82,888,598	\$ 77,095,683	\$ 85,132,824	\$ 79,988,144	\$ 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	42.84%	45.15%	37.76%	39.64%	40.00%	39.26%	36.44%	41.47%	42.95%

[^] 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:

Schedule of the State’s Proportionate Share of the Net Pension Liability SURS (amounts expressed in thousands)									
	2022	2021	2020	2019	June 30, 2018	2017	2016	2015	2014
State’s proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
State’s proportionate share of the net pension liability	\$ 29,078,054	\$ 28,528,477	\$ 30,619,504	\$ 28,720,071	\$ 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	43.65%	45.45%	39.05%	40.71%	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:

Schedule of State Contributions (amounts expressed in thousands)				
Plan	Fiscal Year	Statutorily Required Contribution	State Contribution	Contribution Excess/ (Deficiency)
TRS*	2023****	\$ 5,893,943	\$ 6,009,158	\$ 115,215
	2022***	5,693,976	5,866,800	172,824
	2021	5,140,648	5,140,648	-
	2020	4,813,452	4,813,452	-
	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**	2023****	\$ 2,118,567	\$ 2,157,326	\$ 38,759
	2022***	2,101,279	2,159,418	58,139
	2021	1,995,767	1,995,767	-
	2020	1,785,818	1,785,818	-
	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	-

* TRS statutory and actual contributions amounts include actual contributions required to fund the Guaranteed Minimum Benefit Reserve equal to \$228, \$270, \$312, \$374, \$443, \$509, \$580, \$667, \$787, and \$905 for fiscal years 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, respectively.

** 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.

*** In FY 2022, the State made an additional contribution in accordance with Public Act 102-0696.

**** In FY 2023, the State made an additional contribution in accordance with Public Act 102-0698.

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:

Schedule of Changes in Total OPEB Liability and Related Ratios SEGIP (amounts expressed in thousands)						
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability						
Service cost	\$ 981,106	\$ 1,320,596	\$ 1,454,469	\$ 1,359,787	\$ 1,372,139	\$ 1,696,977
Interest on total OPEB liability	405,583	781,102	1,174,779	1,441,517	1,435,703	1,242,237
Differences between expected and actual experience	(5,726,367)	97,180	239,944	69,153	(1,096,157)	16,224
Assumption changes	(12,343,588)	(8,722,033)	(3,233,541)	1,893,970	(898,313)	(4,805,714)
Benefit payments	(1,148,424)	(931,573)	(1,158,194)	(968,506)	(2,043,983)	(325,218)
Net change in total OPEB liability	(17,831,690)	(7,454,728)	(1,522,543)	3,795,921	(1,230,611)	(2,175,494)
Total OPEB liability - beginning	34,911,898	42,366,626	43,889,169	40,093,248	41,323,859	43,499,353
Total OPEB liability - ending	\$ 17,080,208	\$ 34,911,898	\$ 42,366,626	\$ 43,889,169	\$ 40,093,248	\$ 41,323,859
Covered-employee payroll	\$ 8,511,607	\$ 8,629,836	\$ 7,842,131	\$ 7,666,177	\$ 7,516,763	\$ 7,663,997
Total OPEB liability as a percentage of covered-employee payroll	200.67%	404.55%	540.24%	572.50%	533.38%	539.19%
Notes to Schedule. 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:						
	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Discount rate	3.69%	1.92%	2.45%	3.13%	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:

Schedule of the State's Proportionate Share of the Net OPEB Liability TRIP (amounts expressed in thousands)						
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
State's proportion of the net OPEB liability	57.63%	57.55%	57.53%	57.52%	57.32%	56.77%
State's proportionate share of the net OPEB liability	\$ 3,944,891	\$ 12,693,431	\$ 15,381,771	\$ 15,920,463	\$ 15,100,333	\$ 14,731,764
Plan fiduciary net position as a percentage of the total OPEB liability	5.24%	1.40%	0.70%	0.25%	-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:

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
State’s proportion of the net OPEB liability	50.00%	50.00%	50.00%	50.00%	50.00%	49.67%
State’s proportionate share of the net OPEB liability	\$ 342,280	\$ 867,766	\$ 911,381	\$ 944,270	\$ 942,626	\$ 905,774
Plan fiduciary net position as a percentage of the total OPEB liability	-22.03%	-6.38%	-5.07%	-4.13%	-3.54%	-2.87%

The following is a schedule of the State’s contributions, as of the end of the fiscal years presented:

Plan	Fiscal Year	Statutorily Required Contribution	State Contribution	Contribution Excess/ (Deficiency)
TRIP	2023	\$ 107,704	\$ 107,704	-
	2022	106,576	106,576	-
	2021	137,436	137,436	-
	2020	133,896	133,896	-
	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	-
	CIP	2023*	\$ 4,945	\$ 29,945
2022		4,715	4,715	-
2021		4,649	4,649	-
2020		4,598	4,598	-
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	-

* In FY 2023 and FY 2019 the State made additional contributions from the General Revenue Fund of \$25 million and \$5 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.

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

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

Advancement of Education Account--to provide financial assistance for education programs.

Commitment to Human Services Account--to provide financial assistance for community-based human service providers and state-funded human service programs.

Budget Stabilization Account--to provide monies to the general revenue account in order to meet cash flow deficits resulting in timing variations between disbursements and the receipt of funds within a fiscal year.

State of Illinois

Combining Schedule of Accounts
General Fund

June 30, 2023 (Expressed in Thousands)

	General Revenue Account	Education Assistance Account	Common School Account	Advancement of Education Account
ASSETS				
Cash equity with State Treasurer	\$ 6,592,516	\$ 290,269	\$ 302,611	\$ 143,411
Cash and cash equivalents	7,375			
Securities lending collateral of State Treasurer	2,865,698		16,843	
Receivables, net:				
Taxes	2,372,682	95,819	138,198	33,213
Intergovernmental	2,722,202	6,872	32,002	11,873
Other	1,537,453	1,325	337	
Due from other funds	551,697	19,639	32,379	
Due from component units	46,665			
Inventories	75,996			
Loans and notes receivable, net	170,657			
Leases receivable	538			
Other assets	15,000			
Total assets	\$ 16,958,479	\$ 413,924	\$ 522,370	\$ 188,497
LIABILITIES				
Accounts payable and accrued liabilities	\$ 6,072,860	\$ 3,633	\$ 91,522	\$ 443
Intergovernmental payables	2,581,949	340,024		
Due to other funds	1,095,105			
Due to component units	286,034	3,068		
Unearned revenue	1,465,906	61,855		7,358
Obligations under securities lending of State Treasurer	2,865,698		16,843	
Matured portion of long-term liabilities	772			
Total liabilities	14,368,324	408,580	108,365	7,801
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - unavailable revenue	3,130,045	24,588		11,243
Deferred inflows of resources - leases	532			
Total deferred inflows of resources	3,130,577	24,588		11,243
FUND BALANCES (DEFICITS)				
Nonspendable long-term portion of loans and notes receivable	2,487			
Nonspendable inventories	75,996			
Restricted	246,480			
Committed	1,857,959		414,005	169,453
Unassigned	(2,723,344)	(19,244)		
Total fund balances (deficits)	(540,422)	(19,244)	414,005	169,453
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 16,958,479	\$ 413,924	\$ 522,370	\$ 188,497

Commitment to Human Services Account	Budget Stabilization Account	Eliminations	Total
\$ 142,429	\$ 1,908,660		\$ 9,379,896
	314,943		7,375
			3,197,484
33,213			2,673,125
			2,772,949
388	6,310		1,545,813
9,743	452,031	\$ (9,748)	1,055,741
			46,665
			75,996
			170,657
			538
			15,000
\$ 185,773	\$ 2,681,944	\$ (9,748)	\$ 20,941,239
\$ 41,748			\$ 6,210,206
6,949			2,928,922
144	\$ 5	\$ (9,748)	1,085,506
			289,102
7,358			1,542,477
	314,943		3,197,484
			772
56,199	314,948	(9,748)	15,254,469
11,243			3,177,119
			532
11,243			3,177,651
			2,487
			75,996
			246,480
118,331	2,366,996		4,926,744
			(2,742,588)
118,331	2,366,996		2,509,119
\$ 185,773	\$ 2,681,944	\$ (9,748)	\$ 20,941,239

State of Illinois

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances

General Fund

For the Year Ended June 30, 2023 (Expressed in Thousands)

	General Revenue Account	Education Assistance Account	Common School Account	Advancement of Education Account
REVENUES				
Income taxes	\$ 26,511,114	\$ 2,327,910		\$ 862,234
Sales taxes	8,160,483		\$ 2,763,652	
Public utility taxes	726,961		46,480	
Medical providers assessment taxes	3,621,665			
Other taxes	3,262,976		53,935	
Federal government	22,119,435			
Licenses and fees	488,395		950	
Interest and other investment income	426,032		8,203	
Other	1,557,612	1,506		
Total revenues	66,874,673	2,329,416	2,873,220	862,234
EXPENDITURES				
Current:				
Health and social services	38,699,750			
Education	8,214,645	2,763,012	9,316,258	939,046
General government	3,254,190			
Employment and economic development	766,742			
Transportation	705,989			
Public protection and justice	2,581,735			
Environment and business regulation	196,877			
Debt service:				
Principal	44,170	75		
Interest	6,161	1		
Capital outlays	235,373	123		
Total expenditures	54,705,632	2,763,211	9,316,258	939,046
Excess (deficiency) of revenues over (under) expenditures	12,169,041	(433,795)	(6,443,038)	(76,812)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
Transfers-in	1,466,061	158,228	6,772,565	
Transfers-out	(13,250,434)			
Financing of leases, subscription-based information technology arrangements and financed purchases	57,868	23		
Net other sources (uses) of financial resources	(11,726,505)	158,251	6,772,565	
Net change in fund balances	442,536	(275,544)	329,527	(76,812)
Fund balances (deficits), July 1, 2022, as restated	(802,908)	256,300	84,478	246,265
(Decrease) for changes in inventory	(180,050)			
FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (540,422)	\$ (19,244)	\$ 414,005	\$ 169,453

Commitment to Human Services Account	Budget Stabilization Account	Eliminations	Total
\$ 862,234			\$ 30,563,492
			10,924,135
			773,441
			3,621,665
			3,316,911
9,743			22,129,178
			489,345
	\$ 16,275		450,510
			1,559,118
871,977	16,275		73,827,795
937,442			39,637,192
			21,232,961
	5		3,254,195
			766,742
			705,989
			2,581,735
			196,877
			44,245
			6,162
			235,496
937,442	5		68,661,594
(65,465)	16,270		5,166,201
	1,604,862	\$ (7,478,266)	2,523,450
		7,478,266	(5,772,168)
			57,891
	1,604,862	-	(3,190,827)
(65,465)	1,621,132	-	1,975,374
183,796	745,864		713,795
			(180,050)
\$ 118,331	\$ 2,366,996	\$ -	\$ 2,509,119

State of Illinois

Combining Balance Sheet -
Nonmajor Governmental Funds

June 30, 2023 (Expressed in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash equity with State Treasurer	\$ 11,411,838	\$ 1,343,922	\$ 4,071,040	\$ 16,543	\$ 16,843,343
Cash and cash equivalents	276,358	639,983	9,560	471	926,372
Securities lending collateral of State Treasurer	736,078	235,156	295,413	607	1,267,254
Investments	18,773			45,234	64,007
Receivables, net:					
Taxes	748,401				748,401
Intergovernmental	1,965,846	9,083	11,511		1,986,440
Other	858,938	4,766	7,286	68	871,058
Due from other funds	638,967	4,551	108,034		751,552
Due from component units	508,234				508,234
Inventories	143,325				143,325
Loans and notes receivable, net	34,533		900		35,433
Leases receivable	14,536				14,536
Other assets	49,438				49,438
Total assets	\$ 17,405,265	\$ 2,237,461	\$ 4,503,744	\$ 62,923	\$ 24,209,393
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,156,812		\$ 387,813		\$ 1,544,625
Intergovernmental payables	3,402,314		79,011		3,481,325
Due to other funds	1,268,562		1,218	\$ 149	1,269,929
Due to component units	195,259		340		195,599
Unearned revenue	507,026		7,199		514,225
Obligations under securities lending of State Treasurer	736,078	\$ 235,156	295,413	607	1,267,254
Matured portion of long-term liabilities	740				740
Total liabilities	7,266,791	235,156	770,994	756	8,273,697
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - unavailable revenue	1,213,859	1,593	7,745		1,223,197
Deferred inflows of resources - leases	14,402				14,402
Total deferred inflows of resources	1,228,261	1,593	7,745		1,237,599
FUND BALANCES (DEFICITS)					
Nonspendable - inventories	143,325				143,325
Nonspendable - endowments and similar funds				57,232	57,232
Restricted	2,182,025	2,000,712	1,927,882	4,935	6,115,554
Committed	6,754,218		1,797,123		8,551,341
Assigned	135,684				135,684
Unassigned	(305,039)				(305,039)
Total fund balances	8,910,213	2,000,712	3,725,005	62,167	14,698,097
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,405,265	\$ 2,237,461	\$ 4,503,744	\$ 62,923	\$ 24,209,393

State of Illinois

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

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES					
Income taxes	\$ 6,296,792				\$ 6,296,792
Sales taxes	4,886,697				4,886,697
Motor fuel taxes	1,703,597		\$ 835,858		2,539,455
Public utility taxes	710,330				710,330
Riverboat taxes	380,121				380,121
Other taxes	1,008,736				1,008,736
Federal government	18,457,409	\$ 35,726	88,262		18,581,397
Licenses and fees	2,485,144		533,538	\$ 233	3,018,915
Interest and other investment income	152,103	63,713	32,457	3,216	251,489
Other	1,356,521	326	15,613	9	1,372,469
Total revenues	37,437,450	99,765	1,505,728	3,458	39,046,401
EXPENDITURES					
Current:					
Health and social services	10,409,728		897	7	10,410,632
Education	5,247,057		148,900		5,395,957
General government	1,014,183	4,623	137,845		1,156,651
Employment and economic development	1,141,042		219,011		1,360,053
Transportation	2,198,473		623,041		2,821,514
Public protection and justice	638,010		632		638,642
Environment and business regulation	894,466		45,232		939,698
Debt service:					
Principal	142,197	2,215,230			2,357,427
Interest	30,180	1,437,337			1,467,517
Capital outlays	1,626,990		1,864,640		3,491,630
Intergovernmental	11,546,959				11,546,959
Total expenditures	34,889,285	3,657,190	3,040,198	7	41,586,680
Excess (deficiency) of revenues over (under) expenditures	2,548,165	(3,557,425)	(1,534,470)	3,451	(2,540,279)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
General obligation bonds issued	348,930		1,701,070		2,050,000
Premiums on general obligation bonds issued			88,311		88,311
Discounts on general obligation bonds issued	(7)		(1,490)		(1,497)
General obligation refunding bonds issued		1,161,210			1,161,210
Premiums on general obligation refunding bonds issued		82,411			82,411
Transfers-in	1,526,698	3,723,560	439,868		5,690,126
Transfers-out	(2,756,368)	(200,000)	(42,884)		(2,999,252)
Payments to refunded bond escrow agent		(1,239,054)			(1,239,054)
Financing of leases, subscription-based information technology arrangements and financed purchases	28,910				28,910
Net other sources (uses) of financial resources	(851,837)	3,528,127	2,184,875	-	4,861,165
Net change in fund balances	1,696,328	(29,298)	650,405	3,451	2,320,886
Fund balances, July 1, 2022	7,184,467	2,030,010	3,074,600	58,716	12,347,793
Increase for changes in inventories	29,418				29,418
FUND BALANCES, JUNE 30, 2023	\$ 8,910,213	\$ 2,000,712	\$ 3,725,005	\$ 62,167	\$ 14,698,097

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

Department of 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.

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.

Illinois Opioid Remediation State Trust Fund--to account for proceeds from opioid-related settlements and judgements pursuant to the Illinois Opioid Allocation Agreement.

Food Stamp and Commodity Fund--to account for food stamps and commodities received from the federal government.

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.

Local Government Tax Fund--to account for a 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.

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

Road Fund--to account for the activities of the State highway programs including highway maintenance and construction, traffic control and safety, and administering vehicle laws and regulations.

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.

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

Transportation Renewal Fund--to provide funds for highway maintenance and construction, bridge repair, congestion relief, construction of aviation facilities, and projects related to rail and mass transit facilities.

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

Rebuild Illinois Projects Fund--to receive monies from the collection of initial licenses issued for newly licensed gaming facilities and wagering platforms, to be used for grants that support community development.

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.

State of Illinois

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2023 (Expressed in Thousands)

	Treasurer	Children and Family Services DCFS Children's Services Fund	Commerce and Economic Opportunity State Small Business Credit Initiative Fund	Employment Security Title III Social Security and Employment Service Fund
ASSETS				
Cash equity with State Treasurer	\$ 1,137,300	\$ 543,296	\$ 138,136	\$ 107,403
Cash and cash equivalents	2,222	384		
Securities lending collateral of State Treasurer			23,629	
Investments				
Receivables, net:				
Taxes				
Intergovernmental	11,593	19,186		96,534
Other	2,924		473	426
Due from other funds	64,682	1,110		32,888
Due from component units				
Inventories				195
Loans and notes receivable, net			500	
Leases receivable				
Other assets			49,028	
Total assets	\$ 1,218,721	\$ 563,976	\$ 211,766	\$ 237,446
LIABILITIES				
Accounts payable and accrued liabilities	\$ 27,124	\$ 83,327	\$ 3,550	\$ 8,495
Intergovernmental payables	2,515	8,972	2	28,875
Due to other funds	762	2,195	66	9,375
Due to component units	63	12,367	3,035	24
Unearned revenue				65,006
Obligations under securities lending of State Treasurer			23,629	
Matured portion of long-term liabilities				
Total liabilities	30,464	106,861	30,282	111,775
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - unavailable revenue	4,990	1,606		71,219
Deferred inflows of resources - leases				
Total deferred inflows of resources	4,990	1,606		71,219
FUND BALANCES (DEFICITS)				
Nonspendable inventories				195
Restricted	422,488		181,484	54,257
Committed	760,779	455,509		
Assigned				
Unassigned				
Total fund balances (deficits)	1,183,267	455,509	181,484	54,452
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,218,721	\$ 563,976	\$ 211,766	\$ 237,446

Human Services	Revenue	Transportation	Railsplitter Tobacco Settlement Authority		Rebuild Illinois Projects Fund	State Board of Education	Other	Total
			Trustee Account Fund	Illinois Gaming Board				
\$ 224,466	\$ 1,763,874	\$ 3,295,338			\$ 416,129	\$ 2,831	\$ 3,783,065	\$ 11,411,838
		71,456	\$ 156,165				46,131	276,358
	83,648	473,212					155,589	736,078
							18,773	18,773
	342,853	288,425					117,123	748,401
212,630		301,312				882,936	441,655	1,965,846
335,880	1,676	38,428	149,591			800	328,740	858,938
	269,347	77,817			10,000	1,241	181,882	638,967
9	466,931	40,823				13	458	508,234
		92,216				259	50,655	143,325
		1,861					34,033	34,533
							12,675	14,536
							410	49,438
\$ 772,985	\$ 2,928,329	\$ 4,680,888	\$ 305,756	\$ 426,129	\$ 888,080	\$ 5,171,189	\$ 17,405,265	
\$ 146,596	\$ 56,056	\$ 327,153			\$ 46,228	\$ 458,283	\$ 1,156,812	
3,845	1,693,943	459,868			819,390	384,904	3,402,314	
27,724	447,436	350,733	\$ 67,182		14,489	348,600	1,268,562	
1,012	23,030	85,880			6,549	63,299	195,259	
	334,583	20,476			923	86,038	507,026	
	83,648	473,212				155,589	736,078	
		740					740	
179,177	2,638,696	1,718,062	67,182			887,579	1,496,713	7,266,791
355,903	20,970	61,730	149,591			111,476	436,374	1,213,859
		1,924					12,478	14,402
355,903	20,970	63,654	149,591			111,476	448,852	1,228,261
		92,216				259	50,655	143,325
102,221		62,055	88,983	\$ 426,129			844,408	2,182,025
	311,034	2,744,901					2,481,995	6,754,218
135,684								135,684
	(42,371)					(111,234)	(151,434)	(305,039)
237,905	268,663	2,899,172	88,983	426,129		(110,975)	3,225,624	8,910,213
\$ 772,985	\$ 2,928,329	\$ 4,680,888	\$ 305,756	\$ 426,129	\$ 888,080	\$ 5,171,189	\$ 17,405,265	

State of Illinois

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

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Treasurer	Children and Family Services	Commerce and Economic Opportunity	Employment Security
		DCFS Children's Services Fund	State Small Business Credit Initiative Fund	Title III Social Security and Employment Service Fund
REVENUES				
Income taxes				
Sales taxes				
Motor fuel taxes				
Public utility taxes				
Riverboat taxes				
Other taxes				
Federal government	\$ 125,395	\$ 451,176	\$ 108,678	\$ 223,111
Licenses and fees				16
Interest and other investment income	22,804		7,399	3,631
Other	339,719	7,962	4	1,405
Total revenues	487,918	459,138	116,081	228,163
EXPENDITURES				
Current:				
Health and social services	259,330	289,640		
Education	368,290			
General government	143,901			374
Employment and economic development			12,031	304,858
Transportation				
Public protection and justice				
Environment and business regulation				
Debt service:				
Principal	568	652		3,493
Interest	64			233
Capital outlays	111	1,916		4,876
Intergovernmental				
Total expenditures	772,264	292,208	12,031	313,834
Excess (deficiency) of revenues over (under) expenditures	(284,346)	166,930	104,050	(85,671)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
General obligation bonds issued	348,930			
Discounts on general obligation bonds issued	(7)			
Transfers-in	406,055			103,646
Transfers-out	(236,250)		(46)	(4)
Financing of leases, subscription-based information technology arrangements and financed purchases	66	1,916		4,876
Net other sources (uses) of financial resources	518,794	1,916	(46)	108,518
Net change in fund balances	234,448	168,846	104,004	22,847
Fund balances (deficits), July 1, 2022	948,819	286,663	77,480	31,410
Increase (decrease) for changes in inventory				195
FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ 1,183,267	\$ 455,509	\$ 181,484	\$ 54,452

Human Services	Revenue	Transportation	Railsplitter Tobacco Settlement Authority		Rebuild Illinois Projects Fund	State Board of Education	Other	Total
			Trustee Account Fund	Illinois Gaming Board				
	\$ 6,293,170						\$ 3,622	\$ 6,296,792
	3,473,085	\$ 790,736					622,876	4,886,697
		1,697,396					6,201	1,703,597
	275,826						434,504	710,330
							380,121	380,121
	245,262				\$ 31		763,443	1,008,736
\$ 7,656,667	23,298	2,032,815			75,283	\$ 4,794,824	3,041,445	18,457,409
	17,460	1,545,355					864,490	2,485,144
		48,129	\$ 6,290				46,390	152,103
105,832	64,548	172,205		296,683			368,163	1,356,521
7,762,499	10,392,649	6,286,636		302,973	75,314	4,794,824	6,531,255	37,437,450
7,667,211	66,714						2,126,833	10,409,728
	1,622					4,725,858	151,287	5,247,057
	536,169	54,025	151				279,563	1,014,183
				40,355			783,798	1,141,042
		2,067,590					130,883	2,198,473
	2,324						635,686	638,010
				225			894,241	894,466
8		5,823	112,260			671	18,722	142,197
		273	28,065			57	1,488	30,180
	22	1,516,441			291	1,353	101,980	1,626,990
	9,773,231	949,150					824,578	11,546,959
7,667,219	10,380,082	4,593,302	140,476	40,871	4,727,939	5,949,059		34,889,285
95,280	12,567	1,693,334	162,497	34,443	66,885	582,196		2,548,165
								348,930
								(7)
375,000	414,586	5,991		70,000		151,420		1,526,698
	(957,004)	(854,768)	(168,969)	(15,000)		(524,327)		(2,756,368)
		7,378				14,674		28,910
375,000	(542,418)	(841,399)	(168,969)	55,000		(358,233)		(851,837)
470,280	(529,851)	851,935	(6,472)	89,443	66,885	223,963		1,696,328
(232,375)	798,514	2,021,260	95,455	336,686	(177,526)	2,998,081		7,184,467
		25,977			(334)	3,580		29,418
\$ 237,905	\$ 268,663	\$ 2,899,172	\$ 88,983	\$ 426,129	\$ (110,975)	\$ 3,225,624		\$ 8,910,213

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Treasurer

June 30, 2023 (Expressed in Thousands)

	Unclaimed Property Trust Fund	Tobacco Settlement Recovery Fund	State Pension Obligation Acceleration Bond Fund	Total
ASSETS				
Cash equity with State Treasurer	\$ 262,264	\$ 668,317	\$ 206,719	\$ 1,137,300
Cash and cash equivalents	2,222			2,222
Receivables, net:				
Intergovernmental		11,593		11,593
Other		2,924		2,924
Due from other funds		64,682		64,682
Total assets	\$ 264,486	\$ 747,516	\$ 206,719	\$ 1,218,721
LIABILITIES				
Accounts payable and accrued liabilities	\$ 944	\$ 26,180		\$ 27,124
Intergovernmental payables	34	2,481		2,515
Due to other funds	54	43	\$ 665	762
Due to component units		63		63
Total liabilities	1,032	28,767	665	30,464
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - unavailable revenue		4,990		4,990
Total deferred inflows of resources		4,990		4,990
FUND BALANCES				
Restricted	216,434		206,054	422,488
Committed	47,020	713,759		760,779
Total fund balances	263,454	713,759	206,054	1,183,267
Total liabilities, deferred inflows of resources, and fund balances	\$ 264,486	\$ 747,516	\$ 206,719	\$ 1,218,721

State of Illinois

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

Treasurer

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Unclaimed Property Trust Fund	Tobacco Settlement Recovery Fund	State Pension Obligation Acceleration Bond Fund	Total
REVENUES				
Federal government		\$ 125,395		\$ 125,395
Interest and other investment income		22,804		22,804
Other	\$ 338,422	1,297		339,719
Total revenues	338,422	149,496		487,918
EXPENDITURES				
Current:				
Health and social services		259,330		259,330
Education	215,000		\$ 153,290	368,290
General government	15,432		128,469	143,901
Debt service:				
Principal	568			568
Interest	64			64
Capital outlays	111			111
Total expenditures	231,175	259,330	281,759	772,264
Excess (deficiency) of revenues over (under) expenditures	107,247	(109,834)	(281,759)	(284,346)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
General obligation bonds issued			348,930	348,930
Discounts on general obligation bonds issued			(7)	(7)
Transfers-in	237,086	168,969		406,055
Transfers-out	(236,250)			(236,250)
Financing of leases, subscription-based information technology arrangements and financed purchases	66			66
Net other sources (uses) of financial resources	902	168,969	348,923	518,794
Net change in fund balances	108,149	59,135	67,164	234,448
Fund balances, July 1, 2022	155,305	654,624	138,890	948,819
FUND BALANCES, JUNE 30, 2023	\$ 263,454	\$ 713,759	\$ 206,054	\$ 1,183,267

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Human Services

June 30, 2023 (Expressed in Thousands)

	Employment and Training Fund	Illinois Opioid Remediation State Trust Fund	Food Stamp and Commodity Fund	Total
ASSETS				
Cash equity with State Treasurer	\$ 139,348	\$ 85,118		\$ 224,466
Receivables, net:				
Intergovernmental	212,630			212,630
Other	121	335,759		335,880
Due from component units	9			9
Total assets	\$ 352,108	\$ 420,877	\$ -	\$ 772,985
LIABILITIES				
Accounts payable and accrued liabilities	\$ 145,660	\$ 936		\$ 146,596
Intergovernmental payables	3,845			3,845
Due to other funds	27,724			27,724
Due to component units	1,012			1,012
Total liabilities	178,241	936		179,177
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - unavailable revenue	38,183	317,720		355,903
Total deferred inflows of resources	38,183	317,720		355,903
FUND BALANCES				
Restricted		102,221		102,221
Assigned	135,684			135,684
Total fund balances	135,684	102,221		237,905
Total liabilities, deferred inflows of resources, and fund balances	\$ 352,108	\$ 420,877	\$ -	\$ 772,985

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, 2023 (Expressed in Thousands)

	Employment and Training Fund	Illinois Opioid Remediation State Trust Fund	Food Stamp and Commodity Fund	Total
REVENUES				
Federal government	\$ 1,655,860		\$ 6,000,807	\$ 7,656,667
Other		\$ 105,832		105,832
Total revenues	1,655,860	105,832	6,000,807	7,762,499
EXPENDITURES				
Current:				
Health and social services	1,662,793	3,611	6,000,807	7,667,211
Debt service:				
Principal	8			8
Total expenditures	1,662,801	3,611	6,000,807	7,667,219
Excess (deficiency) of revenues over (under) expenditures	(6,941)	102,221	-	95,280
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
Transfers-in	375,000			375,000
Net other sources (uses) of financial resources	375,000			375,000
Net change in fund balances	368,059	102,221	-	470,280
Fund balances (deficits), July 1, 2022	(232,375)			(232,375)
FUND BALANCES, JUNE 30, 2023	\$ 135,684	\$ 102,221	\$ -	\$ 237,905

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds
Revenue

June 30, 2023 (Expressed in Thousands)

	State and Local Sales Tax Reform Fund	Local Government Tax Fund	Illinois Affordable Housing Trust Fund	Local Government Distributive Fund	Personal Property Tax Replacement Fund
ASSETS					
Cash equity with State Treasurer	\$ 166,672	\$ 512,470	\$ 76,309	\$ 214,846	\$ 778,292
Securities lending collateral of State Treasurer			14,036		64,125
Receivables, net:					
Taxes	6,692	45,039	6	85,457	151,543
Other			281		1,285
Due from other funds	1,818	65,228		85,754	102,607
Due from component units			466,931		
Total assets	\$ 175,182	\$ 622,737	\$ 557,563	\$ 386,057	\$ 1,097,852
LIABILITIES					
Accounts payable and accrued liabilities			\$ 6,904	\$ 859	\$ 26,452
Intergovernmental payables	\$ 27,777	\$ 585,900	3,205	328,679	748,382
Due to other funds	147,405	36,837	260,964		2,230
Due to component units			23,030		
Unearned revenue				56,519	278,064
Obligations under securities lending of State Treasurer			14,036		64,125
Total liabilities	175,182	622,737	308,139	386,057	1,119,253
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - unavailable revenue				20,960	10
Total deferred inflows of resources				20,960	10
FUND BALANCES (DEFICITS)					
Committed			249,424		
Unassigned				(20,960)	(21,411)
Total fund balances (deficits)			249,424	(20,960)	(21,411)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 175,182	\$ 622,737	\$ 557,563	\$ 386,057	\$ 1,097,852

Build Illinois			
Fund		Total	
\$	15,285	\$	1,763,874
	5,487		83,648
	54,116		342,853
	110		1,676
	13,940		269,347
			466,931
\$	88,938	\$	2,928,329
\$	21,841	\$	56,056
			1,693,943
			447,436
			23,030
			334,583
	5,487		83,648
	27,328		2,638,696
			20,970
			20,970
	61,610		311,034
			(42,371)
	61,610		268,663
\$	88,938	\$	2,928,329

State of Illinois

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

Revenue

For the Year Ended June 30, 2023 (Expressed in Thousands)

	State and Local Sales Tax Reform Fund	Local Government Tax Fund	Illinois Affordable Housing Trust Fund	Local Government Distributive Fund	Personal Property Tax Replacement Fund
REVENUES					
Income taxes				\$ 2,011,375	\$ 4,281,795
Sales taxes	\$ 164,379	\$ 2,224,309		402,557	
Public utility taxes					275,826
Other taxes			\$ 46,773		
Federal government			23,298		
Interest and other investment income			9,207		7,329
Other			64,547		1
Total revenues	164,379	2,224,309	143,825	2,413,932	4,564,951
EXPENDITURES					
Current:					
Health and social services			66,714		
Education					1,622
General government			407,216		128,953
Public protection and justice					2,324
Capital outlays					22
Intergovernmental	131,792	2,471,019		2,429,670	4,740,750
Total expenditures	131,792	2,471,019	473,930	2,429,670	4,873,671
Excess (deficiency) of revenues over (under) expenditures	32,587	(246,710)	(330,105)	(15,738)	(308,720)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
Transfers-in	5,213	246,710		19,890	103,307
Transfers-out	(37,800)			(5,000)	
Net other sources (uses) of financial resources	(32,587)	246,710		14,890	103,307
Net change in fund balances	-	-	(330,105)	(848)	(205,413)
Fund balances (deficits), July 1, 2022			579,529	(20,112)	184,002
FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ -	\$ -	\$ 249,424	\$ (20,960)	\$ (21,411)

Build Illinois		
Fund		Total
	\$	6,293,170
\$ 681,840		3,473,085
		275,826
198,489		245,262
		23,298
924		17,460
		64,548
881,253		10,392,649

		66,714
		1,622
		536,169
		2,324
		22
		9,773,231
		10,380,082
881,253		12,567

39,466		414,586
(914,204)		(957,004)
(874,738)		(542,418)
6,515		(529,851)
55,095		798,514
\$ 61,610	\$	268,663

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Transportation

June 30, 2023 (Expressed in Thousands)

	Road Fund	Motor Fuel Tax Fund	Downstate Public Transportation Fund	Transportation Renewal Fund	Total
ASSETS					
Cash equity with State Treasurer	\$ 2,236,611	\$ 121,962	\$ 322,234	\$ 614,531	\$ 3,295,338
Cash and cash equivalents	71,456				71,456
Securities lending collateral of State Treasurer	473,212				473,212
Receivables, net:					
Taxes	44,055	104,525	24,203	115,642	288,425
Intergovernmental	301,312				301,312
Other	38,428				38,428
Due from other funds	77,817				77,817
Due from component units	40,823				40,823
Inventories	92,216				92,216
Leases receivable	1,861				1,861
Total assets	\$ 3,377,791	\$ 226,487	\$ 346,437	\$ 730,173	\$ 4,680,888
LIABILITIES					
Accounts payable and accrued liabilities	\$ 322,261	\$ 2,838		\$ 2,054	\$ 327,153
Intergovernmental payables	96,964	113,595	\$ 55,875	193,434	459,868
Due to other funds	180,858	110,054		59,821	350,733
Due to component units	85,880				85,880
Unearned revenue	20,476				20,476
Obligations under securities lending of State Treasurer	473,212				473,212
Matured portion of long-term liabilities	740				740
Total liabilities	1,180,391	226,487	55,875	255,309	1,718,062
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - unavailable revenue	61,730				61,730
Deferred inflows of resources - leases	1,924				1,924
Total deferred inflows of resources	63,654				63,654
FUND BALANCES					
Nonspendable inventories	92,216				92,216
Restricted	62,055				62,055
Committed	1,979,475		290,562	474,864	2,744,901
Total fund balances	2,133,746		290,562	474,864	2,899,172
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,377,791	\$ 226,487	\$ 346,437	\$ 730,173	\$ 4,680,888

State of Illinois

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

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Road Fund	Motor Fuel Tax Fund	Downstate Public Transportation Fund	Transportation Renewal Fund	Total
REVENUES					
Sales taxes	\$ 495,905		\$ 294,831		\$ 790,736
Motor fuel taxes	348,029	\$ 649,267		\$ 700,100	1,697,396
Federal government	2,032,815				2,032,815
Licenses and fees	1,543,980	1,375			1,545,355
Interest and other investment income	48,129				48,129
Other	172,205				172,205
Total revenues	4,641,063	650,642	294,831	700,100	6,286,636
EXPENDITURES					
Current:					
General government	1,794	52,231			54,025
Transportation	1,626,242	18,163	238,379	184,806	2,067,590
Debt service:					
Principal	5,745	78			5,823
Interest	263	10			273
Capital outlays	1,516,074	367			1,516,441
Intergovernmental		514,927		434,223	949,150
Total expenditures	3,150,118	585,776	238,379	619,029	4,593,302
Excess (deficiency) of revenues over (under) expenditures	1,490,945	64,866	56,452	81,071	1,693,334
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
Transfers-in	458	5,533			5,991
Transfers-out	(784,002)	(70,766)			(854,768)
Financing of leases, subscription-based information technology arrangements and financed purchases	7,011	367			7,378
Net other sources (uses) of financial resources	(776,533)	(64,866)			(841,399)
Net change in fund balances	714,412	-	56,452	81,071	851,935
Fund balances, July 1, 2022	1,393,357		234,110	393,793	2,021,260
Increase for changes in inventory	25,977				25,977
FUND BALANCES, JUNE 30, 2023	\$ 2,133,746	\$ -	\$ 290,562	\$ 474,864	\$ 2,899,172

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

State Board of Education

June 30, 2023 (Expressed in Thousands)

	SBE Federal Department of Agriculture Fund	SBE Federal Department of Education Fund	Total
ASSETS			
Cash equity with State Treasurer	\$ 724	\$ 2,107	\$ 2,831
Receivables, net:			
Intergovernmental	39,531	843,405	882,936
Other	278	522	800
Due from other funds	127	1,114	1,241
Due from component units	10	3	13
Inventories	259		259
Total assets	\$ 40,929	\$ 847,151	\$ 888,080
LIABILITIES			
Accounts payable and accrued liabilities	\$ 21,974	\$ 24,254	\$ 46,228
Intergovernmental payables	18,299	801,091	819,390
Due to other funds	83	14,406	14,489
Due to component units	131	6,418	6,549
Unearned revenue	170	753	923
Total liabilities	40,657	846,922	887,579
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - unavailable revenue	131	111,345	111,476
Total deferred inflows of resources	131	111,345	111,476
FUND BALANCES (DEFICITS)			
Nonspendable inventories	259		259
Unassigned	(118)	(111,116)	(111,234)
Total fund balances (deficits)	141	(111,116)	(110,975)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 40,929	\$ 847,151	\$ 888,080

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, 2023 (Expressed in Thousands)

	SBE Federal Department of Agriculture Fund	SBE Federal Department of Education Fund	Total
REVENUES			
Federal government	\$ 1,012,181	\$ 3,782,643	\$ 4,794,824
Total revenues	1,012,181	3,782,643	4,794,824
EXPENDITURES			
Current:			
Education	1,010,811	3,715,047	4,725,858
Debt service:			
Principal	128	543	671
Interest	14	43	57
Capital outlays	537	816	1,353
Total expenditures	1,011,490	3,716,449	4,727,939
Excess (deficiency) of revenues over (under) expenditures	691	66,194	66,885
Net change in fund balances	691	66,194	66,885
Fund balances (deficits), July 1, 2022	(216)	(177,310)	(177,526)
(Decrease) for changes in inventory	(334)		(334)
FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ 141	\$ (111,116)	\$ (110,975)

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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, 2023 (Expressed in Thousands)

	Treasurer	Governor's Office of Management and Budget		
	General Obligation Bond Retirement and Interest Fund	Build Illinois Bond Retirement and Interest Fund	Total	
ASSETS				
Cash equity with State Treasurer	\$ 1,332,846	\$ 11,076	\$ 1,343,922	
Cash and cash equivalents		639,983	639,983	
Securities lending collateral of State Treasurer	232,984	2,172	235,156	
Receivables, net:				
Intergovernmental	9,083		9,083	
Other	4,722	44	4,766	
Due from other funds	4,551		4,551	
Total assets	\$ 1,584,186	\$ 653,275	\$ 2,237,461	
LIABILITIES				
Obligations under securities lending of State Treasurer	\$ 232,984	\$ 2,172	\$ 235,156	
Total liabilities	232,984	2,172	235,156	
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - unavailable revenue	1,593		1,593	
Total deferred inflows of resources	1,593		1,593	
FUND BALANCES				
Restricted	1,349,609	651,103	2,000,712	
Total fund balances	1,349,609	651,103	2,000,712	
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,584,186	\$ 653,275	\$ 2,237,461	

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds**

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Treasurer		Governor's Office of Management and Budget		Total
	General Obligation Bond Retirement and Interest Fund	Build Illinois Bond Retirement and Interest Fund			
REVENUES					
Federal government	\$ 35,726				\$ 35,726
Interest and other investment income	38,293	\$ 25,420			63,713
Other	326				326
Total revenues	74,345	25,420			99,765
EXPENDITURES					
Current:					
General government	4,567	56			4,623
Debt service:					
Principal	2,027,345	187,885			2,215,230
Interest	1,353,196	84,141			1,437,337
Total expenditures	3,385,108	272,082			3,657,190
Excess (deficiency) of revenues over (under) expenditures	(3,310,763)	(246,662)			(3,557,425)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
General obligation refunding bonds issued	1,161,210				1,161,210
Premiums on general obligation refunding bonds issued	82,411				82,411
Transfers-in	3,134,311	589,249			3,723,560
Transfers-out		(200,000)			(200,000)
Payments to refunded bond escrow agent	(1,239,054)				(1,239,054)
Net other sources (uses) of financial resources	3,138,878	389,249			3,528,127
Net change in fund balances	(171,885)	142,587			(29,298)
Fund balances, July 1, 2022	1,521,494	508,516			2,030,010
FUND BALANCES, JUNE 30, 2023	\$ 1,349,609	\$ 651,103			\$ 2,000,712

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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 A Fund--to account for the proceeds from bond issues to finance State highway acquisition, construction, reconstruction, extension, and improvements.

Transportation Bond, Series B Fund--to account for the proceeds from bond issues used to finance mass transportation and aviation infrastructure including, but not limited to, the acquisition of mass transportation equipment, including rail and bus, and other equipment for counties under the Regional Transportation Authority.

Transportation Bond, Series D Fund--to account for the proceeds from bond issues used to finance State highways, arterial highways, freeways, roads, bridges, structures separating highways and railroads and roads, and bridges on roads maintained by counties, municipalities, townships, or road districts.

State Construction Account--to account for a portion of motor fuel taxes, motor vehicle registration fees, and weight taxes, to be expended for the construction, reconstruction, and maintenance of the State maintained highway system.

Multi-Modal Transportation Bond Fund--to account for the proceeds from bond issues used to finance grade crossings, port, airport, rail, and mass transit facilities and to provide and promote public transportation with the State.

Capital Development Board

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

CDB Contributory Trust Fund--to account for local, state, and federal funding for the construction and remodeling of buildings and the purchase of land and equipment in connection with the various contributing educational institutions, State departments, and agencies as authorized by law.

State of Illinois

Combining Balance Sheet
Nonmajor Capital Projects Funds

June 30, 2023 (Expressed in Thousands)

	Commerce and Economic Opportunity		Capital Development Board		Other	Total
	Build Illinois Bond Fund	Transportation				
ASSETS						
Cash equity with State Treasurer	\$ 650,895	\$ 2,507,063	\$ 854,590	\$ 58,492	\$ 4,071,040	
Cash and cash equivalents			9,560		9,560	
Securities lending collateral of State Treasurer		295,413			295,413	
Receivables, net:						
Intergovernmental			4,426	7,085	11,511	
Other	382	6,904			7,286	
Due from other funds	523	106,675	836		108,034	
Loans and notes receivable, net	900				900	
Total assets	\$ 652,700	\$ 2,916,055	\$ 869,412	\$ 65,577	\$ 4,503,744	
LIABILITIES						
Accounts payable and accrued liabilities	\$ 7,430	\$ 219,247	\$ 161,136		\$ 387,813	
Intergovernmental payables	1,151	77,860			79,011	
Due to other funds	302		916		1,218	
Due to component units			340		340	
Unearned revenue		6,010	1,189		7,199	
Obligations under securities lending of State Treasurer		295,413			295,413	
Total liabilities	8,883	598,530	163,581		770,994	
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - unavailable revenue			3,213	\$ 4,532	7,745	
Total deferred inflows of resources			3,213	4,532	7,745	
FUND BALANCES						
Restricted	643,817	641,841	625,985	16,239	1,927,882	
Committed		1,675,684	76,633	44,806	1,797,123	
Total fund balances	643,817	2,317,525	702,618	61,045	3,725,005	
Total liabilities, deferred inflows of resources, and fund balances	\$ 652,700	\$ 2,916,055	\$ 869,412	\$ 65,577	\$ 4,503,744	

State of Illinois

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Commerce and Economic Opportunity		Capital Development Board	Other	Total
	Build Illinois Bond Fund	Transportation			
REVENUES					
Motor fuel taxes		\$ 835,858			\$ 835,858
Federal government			\$ 65,773	\$ 22,489	88,262
Licenses and fees		533,538			533,538
Interest and other investment income		32,457			32,457
Other	\$ 68		15,545		15,613
Total revenues	68	1,401,853	81,318	22,489	1,505,728
EXPENDITURES					
Current:					
Health and social services	897				897
Education	11,701		132,556	4,643	148,900
General government	72,507	2,305	62,966	67	137,845
Employment and economic development	218,360		651		219,011
Transportation		623,041			623,041
Public protection and justice				632	632
Environment and business regulation	30,980		14,250	2	45,232
Capital outlays	299	1,230,494	633,847		1,864,640
Total expenditures	334,744	1,855,840	844,270	5,344	3,040,198
Excess (deficiency) of revenues over (under) expenditures	(334,676)	(453,987)	(762,952)	17,145	(1,534,470)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
General obligation bonds issued		575,000	1,100,000	26,070	1,701,070
Premiums on general obligation bonds issued		27,294	61,017		88,311
Discounts on general obligation bonds issued		(638)	(851)	(1)	(1,490)
Transfers-in	424,000	268		15,600	439,868
Transfers-out			(15,600)	(27,284)	(42,884)
Net other sources (uses) of financial resources	424,000	601,924	1,144,566	14,385	2,184,875
Net change in fund balances	89,324	147,937	381,614	31,530	650,405
Fund balances, July 1, 2022	554,493	2,169,588	321,004	29,515	3,074,600
FUND BALANCES, JUNE 30, 2023	\$ 643,817	\$ 2,317,525	\$ 702,618	\$ 61,045	\$ 3,725,005

State of Illinois

Combining Balance Sheet - Nonmajor Capital Projects Funds

Transportation

June 30, 2023 (Expressed in Thousands)

	Transportation Bond, Series A Fund	Transportation Bond, Series B Fund	Transportation Bond, Series D Fund	State Construction Account	Multi-Modal Transportation Bond Fund	Total
ASSETS						
Cash equity with State Treasurer	\$ 154,660	\$ 190,915	\$ 115,042	\$ 1,726,642	\$ 319,804	\$ 2,507,063
Securities lending collateral of State Treasurer				295,413		295,413
Other receivables, net:			4	6,900		6,904
Due from other funds				106,675		106,675
Total assets	\$ 154,660	\$ 190,915	\$ 115,046	\$ 2,135,630	\$ 319,804	\$ 2,916,055
LIABILITIES						
Accounts payable and accrued liabilities	\$ 32,679	\$ 25,380	\$ 2,413	\$ 158,508	\$ 267	\$ 219,247
Intergovernmental payables	230	21,364	3,364	15	52,887	77,860
Unearned revenue				6,010		6,010
Obligations under securities lending of State Treasurer				295,413		295,413
Total liabilities	32,909	46,744	5,777	459,946	53,154	598,530
FUND BALANCES						
Restricted	121,751	144,171	109,269		266,650	641,841
Committed				1,675,684		1,675,684
Total fund balances	121,751	144,171	109,269	1,675,684	266,650	2,317,525
Total liabilities and fund balances	\$ 154,660	\$ 190,915	\$ 115,046	\$ 2,135,630	\$ 319,804	\$ 2,916,055

State of Illinois

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

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Transportation Bond, Series A Fund	Transportation Bond, Series B Fund	Transportation Bond, Series D Fund	State Construction Account	Multi-Modal Transportation Bond Fund	Total
REVENUES						
Motor fuel taxes				\$ 835,858		\$ 835,858
Licenses and fees				533,538		533,538
Interest and other investment income				32,457		32,457
Total revenues				1,401,853		1,401,853
EXPENDITURES						
Current:						
General government	\$ 909	\$ 211			\$ 1,185	2,305
Transportation	249,953	34,840		19,410	318,838	623,041
Capital outlays	252,048	33,455	\$ 15,003	929,988		1,230,494
Total expenditures	502,910	68,506	15,003	949,398	320,023	1,855,840
Excess (deficiency) of revenues over (under) expenditures	(502,910)	(68,506)	(15,003)	452,455	(320,023)	(453,987)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
General obligation bonds issued	225,000	50,000			300,000	575,000
Premiums on general obligation bonds issued	11,604	3,759			11,931	27,294
Discounts on general obligation bonds issued	(213)				(425)	(638)
Transfers-in				268		268
Net other sources (uses) of financial resources	236,391	53,759		268	311,506	601,924
Net change in fund balances	(266,519)	(14,747)	(15,003)	452,723	(8,517)	147,937
Fund balances, July 1, 2022	388,270	158,918	124,272	1,222,961	275,167	2,169,588
FUND BALANCES, JUNE 30, 2023	\$ 121,751	\$ 144,171	\$ 109,269	\$ 1,675,684	\$ 266,650	\$ 2,317,525

State of Illinois

Combining Balance Sheet - Nonmajor Capital Projects Funds

Capital Development Board

June 30, 2023 (Expressed in Thousands)

	Capital Development Fund	CDB Contributory Trust Fund	Total
ASSETS			
Cash equity with State Treasurer	\$ 770,766	\$ 83,824	\$ 854,590
Cash and cash equivalents	9,560		9,560
Intergovernmental receivables, net:		4,426	4,426
Due from other funds	823	13	836
Total assets	\$ 781,149	\$ 88,263	\$ 869,412
LIABILITIES			
Accounts payable and accrued liabilities	\$ 153,921	\$ 7,215	\$ 161,136
Due to other funds	93	823	916
Due to component units	340		340
Unearned revenue	810	379	1,189
Total liabilities	155,164	8,417	163,581
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - unavailable revenue		3,213	3,213
Total deferred inflows of resources		3,213	3,213
FUND BALANCES			
Restricted	625,985		625,985
Committed		76,633	76,633
Total fund balances	625,985	76,633	702,618
Total liabilities, deferred inflows of resources, and fund balances	\$ 781,149	\$ 88,263	\$ 869,412

State of Illinois

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

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Capital Development Fund	CDB Contributory Trust Fund	Total
REVENUES			
Federal government		\$ 65,773	\$ 65,773
Other		15,545	15,545
Total revenues		81,318	81,318
EXPENDITURES			
Current:			
Education	\$ 115,659	16,897	132,556
General government	62,641	325	62,966
Employment and economic development	651		651
Environment and business regulation	14,250		14,250
Capital outlays	619,522	14,325	633,847
Total expenditures	812,723	31,547	844,270
Excess (deficiency) of revenues over (under) expenditures	(812,723)	49,771	(762,952)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
General obligation bonds issued	1,100,000		1,100,000
Premiums on general obligation bonds issued	61,017		61,017
Discounts on general obligation bonds issued	(851)		(851)
Transfers-out	(15,600)		(15,600)
Net other sources (uses) of financial resources	1,144,566		1,144,566
Net change in fund balances	331,843	49,771	381,614
Fund balances, July 1, 2022	294,142	26,862	321,004
FUND BALANCES, JUNE 30, 2023	\$ 625,985	\$ 76,633	\$ 702,618

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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, 2023 (Expressed in Thousands)

	Natural Resources	Human Services DHS Permanent Trust Fund	Illinois Power Agency Illinois Power Agency Trust Fund	Other	Total
ASSETS					
Cash equity with State Treasurer	\$ 16,528		\$ 15		\$ 16,543
Cash and cash equivalents		\$ 380		\$ 91	471
Securities lending collateral of State Treasurer	607				607
Investments		207	44,082	945	45,234
Other receivables, net:	68				68
Total assets	\$ 17,203	\$ 587	\$ 44,097	\$ 1,036	\$ 62,923
LIABILITIES					
Due to other funds		\$ 134	\$ 15		\$ 149
Obligations under securities lending of State Treasurer	\$ 607				607
Total liabilities	607	134	15		756
FUND BALANCES					
Nonspendable endowments and similar funds	12,084	121	44,082	\$ 945	57,232
Restricted	4,512	332		91	4,935
Total fund balances	16,596	453	44,082	1,036	62,167
Total liabilities and fund balances	\$ 17,203	\$ 587	\$ 44,097	\$ 1,036	\$ 62,923

State of Illinois

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

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Natural Resources	Human Services DHS Permanent Trust Fund	Illinois Power Agency Illinois Power Agency Trust Fund	Other	Total
REVENUES					
Licenses and fees	\$ 233				\$ 233
Interest and other investment income	603	\$ 18	\$ 2,562	\$ 33	3,216
Other		9			9
Total revenues	836	27	2,562	33	3,458
EXPENDITURES					
Current:					
Health and social services				7	7
Total expenditures				7	7
Excess (deficiency) of revenues over (under) expenditures	836	27	2,562	26	3,451
Net change in fund balances	836	27	2,562	26	3,451
Fund balances, July 1, 2022	15,760	426	41,520	1,010	58,716
FUND BALANCES, JUNE 30, 2023	\$ 16,596	\$ 453	\$ 44,082	\$ 1,036	\$ 62,167

State of Illinois

Combining Balance Sheet - Nonmajor Permanent Funds

Natural Resources

June 30, 2023 (Expressed in Thousands)

	Fish and Wildlife Endowment Fund	Illinois Habitat Endowment Trust Fund	Total
ASSETS			
Cash equity with State Treasurer	\$ 3,404	\$ 13,124	\$ 16,528
Securities lending collateral of State Treasurer	607		607
Other receivables, net:	12	56	68
Total assets	\$ 4,023	\$ 13,180	\$ 17,203
LIABILITIES			
Obligations under securities lending of State Treasurer	\$ 607		\$ 607
Total liabilities	607		607
FUND BALANCES			
Nonspendable endowments and similar funds	3,416	\$ 8,668	12,084
Restricted		4,512	4,512
Total fund balances	3,416	13,180	16,596
Total liabilities and fund balances	\$ 4,023	\$ 13,180	\$ 17,203

State of Illinois

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Permanent Funds
Natural Resources

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Fish and Wildlife Endowment Fund	Illinois Habitat Endowment Trust Fund	Total
REVENUES			
Licenses and fees	\$ 233		\$ 233
Interest and other investment income	104	\$ 499	603
Total revenues	337	499	836
Net change in fund balances	337	499	836
Fund balances, July 1, 2022	3,079	12,681	15,760
FUND BALANCES, JUNE 30, 2023	\$ 3,416	\$ 13,180	\$ 16,596

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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

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, 2023 (Expressed in Thousands)

	Financial and Professional Regulation		Lottery		Student Assistance Commission	Other	Total
	Bank and Trust Company Fund		State Lottery Fund				
ASSETS							
Cash equity with State Treasurer	\$ 41,308	\$	83,714	\$	68,620	\$ 82,085	\$ 275,727
Cash and cash equivalents			15,329		3,691	3,388	22,408
Securities lending collateral of State Treasurer	7,236				12,355	11,246	30,837
Investments			25,698		28,991	41,520	96,209
Receivables, net:							
Intergovernmental					818	508	1,326
Other	6,820		45,410		248	4,012	56,490
Due from other funds			27		13,389	464	13,880
Restricted assets:							
Cash and cash equivalents					7,219		7,219
Other receivables, net					31,201		31,201
Loans and notes receivable, net					13,522		13,522
Prepaid expenses			51			228	279
Total current assets	55,364		170,229		180,054	143,451	549,098
Investments			202,111			35,453	237,564
Restricted loans and notes receivable, net					99,167		99,167
Capital assets being depreciated, net			19		1,081	5,946	7,046
Total noncurrent assets			202,130		100,248	41,399	343,777
Total assets	55,364		372,359		280,302	184,850	892,875
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows of resources - unamortized deferred gains on bond refundings							-
Deferred outflows of resources - pensions	6,845		10,865		5,682	683	24,075
Deferred outflows of resources - OPEB	5,432		11,106		2,383	384	19,305
Total deferred outflows of resources	12,277		21,971		8,065	1,067	43,380
LIABILITIES							
Accounts payable and accrued liabilities	7,308		83,037		9,953	8,096	108,394
Intergovernmental payables	25		63			33,871	33,959
Due to other funds	280		15,022		2,125	22	17,449
Due to component units			3		2,794		2,797
Unearned revenue			2,076			32,257	34,333
Obligations under securities lending of State Treasurer	7,236				12,355	11,246	30,837
Short-term notes payable					39,601		39,601
Current portion of long-term liabilities	696		26,126		226	1,231	28,279
Total current liabilities	15,545		126,327		67,054	86,723	295,649
Noncurrent portion of long-term liabilities	60,677		312,128		66,423	15,079	454,307
Total liabilities	76,222		438,455		133,477	101,802	749,956
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources - unamortized deferred amounts on refundings					12,801		12,801
Deferred inflows of resources - pensions	6,159		8,310		24,637	430	39,536
Deferred inflows of resources - OPEB	17,352		31,282		19,628	690	68,952
Total deferred inflows of resources	23,511		39,592		57,066	1,120	121,289
NET POSITION							
Net investment in capital assets					341	161	502
Restricted for:							
Debt service					49,310		49,310
Education						122	122
Unrestricted	(32,092)		(83,717)		48,173	82,712	15,076
Total net position	\$ (32,092)	\$	(83,717)	\$	97,824	\$ 82,995	\$ 65,010

State of Illinois

Combining Statement of Revenues, Expenses
and Changes in Net Position

Nonmajor Enterprise Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Financial and Professional Regulation	Lottery	Student Assistance Commission	Other	Total
	Bank and Trust Company Fund	State Lottery Fund			
OPERATING REVENUES					
Charges for sales and services	\$ 26,890	\$ 3,609,258	\$ 2,918	\$ 75,492	\$ 3,714,558
Interest income pledged as revenue bond security			12,677		12,677
Interest and other investment income				113	113
Other		4,844			4,844
Total operating revenues	26,890	3,614,102	15,595	75,605	3,732,192
OPERATING EXPENSES					
Cost of sales and services	6,719	173,806	18,205	2,351	201,081
Benefit payments and refunds				31,568	31,568
Prizes and claims		2,364,897			2,364,897
Interest			1,082		1,082
General and administrative		193,736	5,724	17,517	216,977
Depreciation/amortization		33	256	1,804	2,093
Other				12,551	12,551
Total operating expenses	6,719	2,732,472	25,267	65,791	2,830,249
Operating income (loss)	20,171	881,630	(9,672)	9,814	901,943
NONOPERATING REVENUES (EXPENSES)					
Interest and investment income	1,220	(4,337)	2,187	1,630	700
Interest expense		(8,205)	(23)	(53)	(8,281)
Federal government			36,140		36,140
Other revenues		659			659
Other expenses				(560)	(560)
Income (loss) before transfers	21,391	869,747	28,632	10,831	930,601
Transfers-in				24	24
Transfers-out	(5,822)	(881,636)		(24)	(887,482)
Change in net position	15,569	(11,889)	28,632	10,831	43,143
Net position, July 1, 2022	(47,661)	(71,828)	69,192	72,164	21,867
NET POSITION, JUNE 30, 2023	\$ (32,092)	\$ (83,717)	\$ 97,824	\$ 82,995	\$ 65,010

State of Illinois

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Financial and Professional Regulation	Lottery	Student Assistance Commission	Other	Total
	Bank and Trust Company Fund	State Lottery Fund			
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from sales and services	\$ 26,174		\$ 3,757	\$ 76,614	\$ 106,545
Cash received from lottery sales		\$ 3,601,949			3,601,949
Cash payments to suppliers for goods and services		(150,021)	(1,055)	(41,542)	(192,618)
Cash payments for interfund services		(1,838)		(206)	(2,044)
Cash payments to employees for services	(13,503)	(22,588)	(1,308)	(16,617)	(54,016)
Cash payments for lottery prizes		(2,363,812)			(2,363,812)
Cash payments for commissions and bonuses		(173,806)			(173,806)
Cash receipts from student loan principal			38,237		38,237
Cash receipts from student loan interest			6,458		6,458
Cash receipts from other operating activities		20,356		1,930	22,286
Cash payments for other operating activities	(382)	(81)	(30,142)	(14,779)	(45,384)
Net cash provided (used) by operating activities	12,289	910,159	15,947	5,400	943,795
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Principal paid on revenue bonds and other borrowings			(39,379)		(39,379)
Interest paid on revenue bonds and other borrowings			(4,495)	(39)	(4,534)
Grants received			28,409		28,409
Grants refunded				(28)	(28)
Transfers-in from other funds				24	24
Transfers-out to other funds	(5,822)	(872,452)		(24)	(878,298)
Net cash provided (used) by noncapital financing activities	(5,822)	(872,452)	(15,465)	(67)	(893,806)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets			(124)	(136)	(260)
Principal paid on capital debt		(27)	(158)	(249)	(434)
Interest paid on capital debt		(1)	(23)	(48)	(72)
Net cash used by capital and related financing activities		(28)	(305)	(433)	(766)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities		(13,144)	(26,547)	(20,194)	(59,885)
Proceeds from sales and maturities of investment securities		27,185	24,119	17,240	68,544
Cash paid for long-term annuity prizes payable		(26,538)			(26,538)
Interest and dividends on investments	1,108	191	2,699	2,635	6,633
Net cash provided (used) by investing activities	1,108	(12,306)	271	(319)	(11,246)
Net increase (decrease) in cash and cash equivalents	7,575	25,373	448	4,581	37,977
Cash and cash equivalents, July 1, 2022	33,733	73,670	79,082	80,892	267,377
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$ 41,308	\$ 99,043	\$ 79,530	\$ 85,473	\$ 305,354
Reconciliation of cash and cash equivalents to the Statement of Net Position:					
Total cash and cash equivalents per Statement of Net Position		\$ 15,329	\$ 3,691	\$ 3,388	\$ 22,408
Add: cash equity with State Treasurer	\$ 41,308	83,714	68,620	82,085	275,727
Add: restricted cash equivalents			7,219		7,219
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$ 41,308	\$ 99,043	\$ 79,530	\$ 85,473	\$ 305,354

State of Illinois

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Financial and Professional Regulation		Lottery		Student Assistance Commission	Other	Total
	Bank and Trust Company Fund		State Lottery Fund				
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
OPERATING INCOME (LOSS)	\$ 20,171	\$ 881,630	\$ (9,672)	\$ 9,814	\$ 901,943		
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation/amortization		33	256	1,804	2,093		
Provision for uncollectible accounts	36	1,457	3,267		4,760		
Interest and investment income			(1,289)	(113)	(1,402)		
Interest expense			1,082		1,082		
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:							
(Increase) decrease in accounts receivable	(6,678)	21,252	(2,683)	74	11,965		
(Increase) decrease in intergovernmental receivables			96	13	109		
(Increase) decrease in due from other funds		537	97	488	1,122		
(Increase) decrease in loans and notes receivable			36,339		36,339		
(Increase) decrease in prepaid expenses		43		43	86		
(Increase) decrease in deferred outflows of resources	(2,176)	(3,567)	5,393	318	(32)		
Increase (decrease) in accounts payable and accrued liabilities	6,257	1,551	5,678	(7,632)	5,854		
Increase (decrease) in intergovernmental payables	24	27		1,101	1,152		
Increase (decrease) in due to other funds	272	67	14	(12)	341		
Increase (decrease) in due to component units			1,333		1,333		
Increase (decrease) in unearned revenue		411		286	697		
Increase (decrease) in net pension liability	(1,874)	(2,528)	(13,313)	(64)	(17,779)		
Increase (decrease) in OPEB liability	(9,814)	(19,153)	(9,131)	(345)	(38,443)		
Increase (decrease) in other liabilities	(160)	64	(82)	(504)	(682)		
Increase (decrease) in deferred inflows of resources	6,231	15,191	(1,438)	129	20,113		
Increase (decrease) in long-term annuity prizes payable		13,144			13,144		
Total adjustments	(7,882)	28,529	25,619	(4,414)	41,852		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 12,289	\$ 910,159	\$ 15,947	\$ 5,400	\$ 943,795		
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Cost of capital asset acquisitions financed by leases	\$	32	\$	4,798	4,830		
Cost of subscription-based information technology arrangements			70		70		
Gain (loss) on disposal of capital assets				(526)	(526)		
Increase (decrease) in fair value of investments		(12,751)	542	(1,046)	(13,255)		
Interest accreted on investments		8,204			8,204		
Interest accreted on long-term annuity prizes payable		(8,204)			(8,204)		

State of Illinois

Combining Statement of Net Position - Nonmajor Enterprise Funds

Student Assistance Commission

June 30, 2023 (Expressed in Thousands)

	Student Loan Operation Fund	Illinois Designated Account Purchase Program Fund	Total
ASSETS			
Cash equity with State Treasurer	\$ 68,620		\$ 68,620
Cash and cash equivalents		\$ 3,691	3,691
Securities lending collateral of State Treasurer	12,355		12,355
Investments		28,991	28,991
Receivables, net:			
Intergovernmental		818	818
Other	248		248
Due from other funds	13,389		13,389
Restricted assets:			
Cash and cash equivalents		7,219	7,219
Other receivables, net		31,201	31,201
Loans and notes receivable, net		13,522	13,522
Total current assets	94,612	85,442	180,054
Restricted loans and notes receivable, net		99,167	99,167
Capital assets being depreciated, net	1,081		1,081
Total noncurrent assets	1,081	99,167	100,248
Total assets	95,693	184,609	280,302
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pensions	5,395	287	5,682
Deferred outflows of resources - OPEB	2,125	258	2,383
Total deferred outflows of resources	7,520	545	8,065
LIABILITIES			
Accounts payable and accrued liabilities	9,099	854	9,953
Due to other funds	216	1,909	2,125
Due to component units	2,794		2,794
Obligations under securities lending of State Treasurer	12,355		12,355
Short-term notes payable		39,601	39,601
Current portion of long-term liabilities	197	29	226
Total current liabilities	24,661	42,393	67,054
Noncurrent portion of long-term liabilities	14,316	52,107	66,423
Total liabilities	38,977	94,500	133,477
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - unamortized deferred amounts on refundings		12,801	12,801
Deferred inflows of resources - pensions	24,275	362	24,637
Deferred inflows of resources - OPEB	18,606	1,022	19,628
Total deferred inflows of resources	42,881	14,185	57,066
NET POSITION			
Net investment in capital assets	341		341
Restricted for:			
Debt service		49,310	49,310
Unrestricted	21,014	27,159	48,173
Total net position	\$ 21,355	\$ 76,469	\$ 97,824

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, 2023 (Expressed in Thousands)

	Student Loan Operation Fund	Illinois Designated Account Purchase Program Fund	Total
OPERATING REVENUES			
Charges for sales and services	\$ 2,918		\$ 2,918
Interest income pledged as revenue bond security		\$ 12,677	12,677
Total operating revenues	<u>2,918</u>	<u>12,677</u>	<u>15,595</u>
OPERATING EXPENSES			
Cost of sales and services	18,205		18,205
Interest		1,082	1,082
General and administrative		5,724	5,724
Depreciation/amortization	256		256
Total operating expenses	<u>18,461</u>	<u>6,806</u>	<u>25,267</u>
Operating income (loss)	<u>(15,543)</u>	<u>5,871</u>	<u>(9,672)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and investment income	2,187		2,187
Interest expense	(23)		(23)
Federal government	33,890	2,250	36,140
Income (loss) before transfers	<u>20,511</u>	<u>8,121</u>	<u>28,632</u>
Change in net position	<u>20,511</u>	<u>8,121</u>	<u>28,632</u>
Net position, July 1, 2022	844	68,348	69,192
NET POSITION, JUNE 30, 2023	<u>\$ 21,355</u>	<u>\$ 76,469</u>	<u>\$ 97,824</u>

State of Illinois

Combining Statement of Cash Flows - Nonmajor Enterprise Funds

Student Assistance Commission

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Student Loan Operation Fund	Illinois Designated Account Purchase Program Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sales and services	\$ 3,757		\$ 3,757
Cash payments to suppliers for goods and services	(50)	(1,005)	(1,055)
Cash payments to employees for services	(720)	(588)	(1,308)
Cash receipts from student loan principal		38,237	38,237
Cash receipts from student loan interest		6,458	6,458
Cash payments for other operating activities	(29,285)	(857)	(30,142)
Net cash provided (used) by operating activities	(26,298)	42,245	15,947
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Principal paid on revenue bonds and other borrowings		(39,379)	(39,379)
Interest paid on revenue bonds and other borrowings		(4,495)	(4,495)
Grants received	27,237	1,172	28,409
Net cash provided (used) by noncapital financing activities	27,237	(42,702)	(15,465)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(124)		(124)
Principal paid on capital debt	(158)		(158)
Interest paid on capital debt	(23)		(23)
Net cash used by capital and related financing activities	(305)		(305)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities		(26,547)	(26,547)
Proceeds from sales and maturities of investment securities		24,119	24,119
Interest and dividends on investments	2,000	699	2,699
Net cash provided (used) by investing activities	2,000	(1,729)	271
Net increase (decrease) in cash and cash equivalents	2,634	(2,186)	448
Cash and cash equivalents, July 1, 2022	65,986	13,096	79,082
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$ 68,620	\$ 10,910	\$ 79,530
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Total cash and cash equivalents per Statement of Net Position		\$ 3,691	\$ 3,691
Add: cash equity with State Treasurer	\$ 68,620		68,620
Add: restricted cash equivalents		7,219	7,219
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$ 68,620	\$ 10,910	\$ 79,530
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
OPERATING INCOME (LOSS)	\$ (15,543)	\$ 5,871	\$ (9,672)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation/amortization	256		256
Provision for uncollectible accounts		3,267	3,267
Interest and investment income		(1,289)	(1,289)
Interest expense		1,082	1,082
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
(Increase) decrease in accounts receivable		(2,683)	(2,683)
(Increase) decrease in intergovernmental receivables	96		96
(Increase) decrease in due from other funds	97		97
(Increase) decrease in loans and notes receivable		36,339	36,339
(Increase) decrease in deferred outflows of resources	5,422	(29)	5,393
Increase (decrease) in accounts payable and accrued liabilities	5,702	(24)	5,678
Increase (decrease) in due to other funds	14		14
Increase (decrease) in due to component units	1,333		1,333
Increase (decrease) in net pension liability	(13,263)	(50)	(13,313)
Increase (decrease) in OPEB liability	(8,677)	(454)	(9,131)
Increase (decrease) in other liabilities	(41)	(41)	(82)
Increase (decrease) in deferred inflows of resources	(1,694)	256	(1,438)
Total adjustments	(10,755)	36,374	25,619
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (26,298)	\$ 42,245	\$ 15,947
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Cost of subscription-based information technology arrangements	\$ 70		\$ 70
Increase (decrease) in fair value of investments		\$ 542	\$ 542

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 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, 2023 (Expressed in Thousands)

	Auditor General Audit Expense Fund	Central Management Services	Department of Innovation and Technology Technology Management Revolving Fund	Other	Total
ASSETS					
Cash equity with State Treasurer	\$ 63,327	\$ 201,463	\$ 14,890	\$ 12,657	\$ 292,337
Cash and cash equivalents		71,226			71,226
Securities lending collateral of State Treasurer		53,540		586	54,126
Receivables, net:					
Intergovernmental		4,048	1,018		5,066
Other		50,816	502	52	51,370
Due from other funds	99	718,068	163,279	3,281	884,727
Due from component units	936	14,505	520	412	16,373
Leases receivable		4,786	20		4,806
Inventories		1,864		1,305	3,169
Total current assets	64,362	1,120,316	180,229	18,293	1,383,200
Leases receivable		11,820	315		12,135
Capital assets not being depreciated		34,358	18,377		52,735
Capital assets being depreciated, net	167	628,471	195,927	51	824,616
Total noncurrent assets	167	674,649	214,619	51	889,486
Total assets	64,529	1,794,965	394,848	18,344	2,272,686
LIABILITIES					
Accounts payable and accrued liabilities	10,356	297,598	215,185	283	523,422
Intergovernmental payables		2,285	8,397		10,682
Due to other funds	2	3,841	15,440	560	19,843
Due to component units		25	14		39
Unearned revenue			95		95
Obligations under securities lending of State Treasurer		53,540		586	54,126
Current portion of long-term liabilities	135	167,199	42,100	25	209,459
Total current liabilities	10,493	524,488	281,231	1,454	817,666
Noncurrent portion of long-term liabilities		766,458	16,692	26	783,176
Total liabilities	10,493	1,290,946	297,923	1,480	1,600,842
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - leases		16,096	3,787		19,883
Total deferred inflows of resources		16,096	3,787		19,883
NET POSITION					
Net investment in capital assets	32	309,346	167,401		476,779
Unrestricted	54,004	178,577	(74,263)	16,864	175,182
Total net position	\$ 54,036	\$ 487,923	\$ 93,138	\$ 16,864	\$ 651,961

State of Illinois

Combining Statement of Revenues, Expenses
and Changes in Net Position

Internal Service Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

	<u>Auditor General</u>		<u>Department of Innovation and Technology</u>		
	Audit Expense Fund	Central Management Services	Management Revolving Fund	Other	Total
OPERATING REVENUES					
Charges for sales and services	\$ 29,827	\$ 3,337,871	\$ 489,770	\$ 34,324	\$ 3,891,792
Other		17			17
Total operating revenues	29,827	3,337,888	489,770	34,324	3,891,809
OPERATING EXPENSES					
Cost of sales and services	28,283	212,531	484,550	34,634	759,998
Benefit payments and refunds		2,961,693			2,961,693
General and administrative		77,551		25	77,576
Depreciation/amortization	480	92,604	87,190	25	180,299
Other		56			56
Total operating expenses	28,763	3,344,435	571,740	34,684	3,979,622
Operating income (loss)	1,064	(6,547)	(81,970)	(360)	(87,813)
NONOPERATING REVENUES (EXPENSES)					
Interest and investment income		11,683	3	428	12,114
Interest expense	(13)	(12,070)	(15,513)	(2)	(27,598)
Federal government		3,778	10,754		14,532
Other expenses	(57)	(6)	(921)		(984)
Income (loss) before contributions and transfers	994	(3,162)	(87,647)	66	(89,749)
Contributions of capital assets		112,065			112,065
Transfers-in		1,000	100,000	500	101,500
Transfers-out		(29,614)			(29,614)
Change in net position	994	80,289	12,353	566	94,202
Net position, July 1, 2022	53,042	407,634	80,785	16,298	557,759
NET POSITION, JUNE 30, 2023	\$ 54,036	\$ 487,923	\$ 93,138	\$ 16,864	\$ 651,961

State of Illinois

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Auditor General		Central	Department of Innovation and Technology				
	Audit Expense		Management	Technology				
	Fund		Services	Management	Other	Total		
				Revolving Fund				
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from sales and services	\$ 2,901	\$	182,795	\$	13,318	\$ 199,014		
Cash received from transactions with other funds	44,889		3,055,905		536,983	\$ 3,674,477		
Cash payments to suppliers for goods and services	(26,601)		(3,135,475)		(421,658)	(3,618,992)		
Cash payments for interfund services	(23)		(31,291)		(4,782)	(36,103)		
Cash payments to employees for services	(113)		(56,558)		(164,239)	(223,317)		
Cash payments for workers' compensation			(106,339)			(106,339)		
Cash receipts from other operating activities			150,818			150,818		
Net cash provided (used) by operating activities	21,053		59,855		(40,378)	39,558		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Principal paid on revenue bonds and other borrowings				(10,033)		(10,033)		
Interest paid on revenue bonds and other borrowings			(436)			(436)		
Grants received			1,098	12,959		14,057		
Grants refunded			(317)			(317)		
Transfers-in from other funds			1,000	100,000	500	101,500		
Transfers-out to other funds			(29,614)			(29,614)		
Net cash provided (used) by noncapital financing activities			(28,269)	102,926	500	75,157		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition and construction of capital assets	(43)		(14,305)	(28,826)		(43,174)		
Principal paid on capital debt	(526)		(73,230)	(55,245)	(25)	(129,026)		
Interest paid on capital debt	(13)		(13,160)	(607)	(2)	(13,782)		
Proceeds from sales of capital assets			29,614			29,614		
Proceeds from lessor leases			6,055	20		6,075		
Net cash used by capital and related financing activities	(582)		(65,026)	(84,658)	(27)	(150,293)		
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest and dividends on investments			10,029		381	10,410		
Net cash provided (used) by investing activities			10,029		381	10,410		
Net increase (decrease) in cash and cash equivalents	20,471		(23,411)	(22,110)	(118)	(25,168)		
Cash and cash equivalents, July 1, 2022	42,856		296,100	37,000	12,775	388,731		
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$ 63,327	\$	272,689	\$	14,890	\$	12,657	\$ 363,563
Reconciliation of cash and cash equivalents to the Statement of Net Position:								
Total cash and cash equivalents per Statement of Net Position		\$	71,226			\$	71,226	
Add: cash equity with State Treasurer	\$ 63,327		201,463	\$	14,890	\$	12,657	292,337
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$ 63,327	\$	272,689	\$	14,890	\$	12,657	\$ 363,563
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
OPERATING INCOME (LOSS)	\$ 1,064	\$	(6,547)	\$	(81,970)	\$	(360)	\$ (87,813)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation/amortization	480		92,604	87,190	25		180,299	
Provision for uncollectible accounts			(118)				(118)	
Amortization (accretion)			(5,820)	(205)			(6,025)	
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:								
(Increase) decrease in accounts receivable			(21,296)	(74)	3,000		(18,370)	
(Increase) decrease in intergovernmental receivables			2	(152)			(150)	
(Increase) decrease in due from other funds	18,413		(82,007)	46,840	(560)		(17,314)	
(Increase) decrease in due from component units	(450)		(1,544)	2,966	(70)		902	
(Increase) decrease in inventories			(82)		10		(72)	
(Increase) decrease in prepaid expenses			841				841	
(Increase) decrease in leases receivable				(104)			(104)	
Increase (decrease) in accounts payable and accrued liabilities	1,545		71,578	(97,432)	(34)		(24,343)	
Increase (decrease) in intergovernmental payables			(203)	338			135	
Increase (decrease) in due to other funds			(2,545)	918	(2,873)		(4,499)	
Increase (decrease) in due to component units			(173)	10	(110)		(273)	
Increase (decrease) in unearned revenue				(10)			(10)	
Increase (decrease) in other liabilities			15,165	1,307			16,472	
Total adjustments	19,989		66,402	41,592	(612)		127,371	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 21,053	\$	59,855	\$	(40,378)	\$	(972)	\$ 39,558
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES								
Cost of capital asset acquisitions financed by leases		\$	25,530	\$	1,426	\$	26,956	
Cost of subscription-based information technology arrangements			721	71,678	76		72,475	
Noncash acquisition of buildings and equipment			79,000				79,000	
Gain (loss) on disposal of capital assets			(33,258)	(3)			(33,261)	
Gain on early termination of lessor leases			5				5	
Transfer of assets/liabilities from (to) other state funds	\$ (43)		36,698				36,655	

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State of Illinois

Combining Statement of Net Position - Internal Service Funds

Central Management Services

June 30, 2023 (Expressed in Thousands)

	State Garage Revolving Fund	Facilities Management Revolving Fund	Professional Services Fund	Workers' Compensation Revolving Fund	Health Insurance Reserve Fund	Total
ASSETS						
Cash equity with State Treasurer	\$ 32,042	\$ 58,087	\$ 31,884	\$ 30,891	\$ 48,559	\$ 201,463
Cash and cash equivalents				10,177	61,049	71,226
Securities lending collateral of State Treasurer		12,158	6,233	7,255	27,894	53,540
Receivables, net:						
Intergovernmental					4,048	4,048
Other		13,678	125	145	36,868	50,816
Due from other funds	12,267	65,169	1,165	534,227	105,240	718,068
Due from component units		27			14,478	14,505
Leases receivable		4,786				4,786
Inventories	1,864					1,864
Total current assets	46,173	153,905	39,407	582,695	298,136	1,120,316
Leases receivable		11,820				11,820
Capital assets not being depreciated		34,358				34,358
Capital assets being depreciated, net	11,612	615,455	1,404			628,471
Total noncurrent assets	11,612	661,633	1,404			674,649
Total assets	57,785	815,538	40,811	582,695	298,136	1,794,965
LIABILITIES						
Accounts payable and accrued liabilities	4,769	22,595	473	444	269,317	297,598
Intergovernmental payables	4	2,248	10		23	2,285
Due to other funds	1,085	1,561	567	7	621	3,841
Due to component units	7	18				25
Obligations under securities lending of State Treasurer		12,158	6,233	7,255	27,894	53,540
Current portion of long-term liabilities	120	58,247	1,075	107,738	19	167,199
Total current liabilities	5,985	96,827	8,358	115,444	297,874	524,488
Noncurrent portion of long-term liabilities	724	296,410	1,811	467,251	262	766,458
Total liabilities	6,709	393,237	10,169	582,695	298,136	1,290,946
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - leases		16,096				16,096
Total deferred inflows of resources		16,096				16,096
NET POSITION						
Net investment in capital assets	11,562	297,316	468			309,346
Unrestricted	39,514	108,889	30,174			178,577
Total net position	\$ 51,076	\$ 406,205	\$ 30,642	\$ -	\$ -	\$ 487,923

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, 2023 (Expressed in Thousands)

	State Garage Revolving Fund	Facilities Management Revolving Fund	Professional Services Fund	Workers' Compensation Revolving Fund	Health Insurance Reserve Fund	Total
OPERATING REVENUES						
Charges for sales and services	\$ 52,314	\$ 248,963	\$ 29,995	\$ 125,172	\$ 2,881,427	\$ 3,337,871
Other	17					17
Total operating revenues	52,331	248,963	29,995	125,172	2,881,427	3,337,888
OPERATING EXPENSES						
Cost of sales and services	40,055	131,097	41,379			212,531
Benefit payments and refunds				126,774	2,834,919	2,961,693
General and administrative	12,572	9,540			55,439	77,551
Depreciation/amortization	6,498	84,977	1,122		7	92,604
Other	56					56
Total operating expenses	59,181	225,614	42,501	126,774	2,890,365	3,344,435
Operating income (loss)	(6,850)	23,349	(12,506)	(1,602)	(8,938)	(6,547)
NONOPERATING REVENUES (EXPENSES)						
Interest and investment income		3,544	1,066	1,602	5,471	11,683
Interest expense	(5)	(11,709)	(45)		(311)	(12,070)
Federal government					3,778	3,778
Other expenses	(6)					(6)
Income (loss) before contributions and transfers	(6,861)	15,184	(11,485)	-	-	(3,162)
Contributions of capital assets	4,377	107,688				112,065
Transfers-in		1,000				1,000
Transfers-out		(29,614)				(29,614)
Change in net position	(2,484)	94,258	(11,485)	-	-	80,289
Net position, July 1, 2022	53,560	311,947	42,127			407,634
NET POSITION, JUNE 30, 2023	\$ 51,076	\$ 406,205	\$ 30,642	\$ -	\$ -	\$ 487,923

State of Illinois

Combining Statement of Cash Flows - Internal Service Funds

Central Management Services

For the Year Ended June 30, 2023 (Expressed in Thousands)

	State Garage Revolving Fund	Facilities Management Revolving Fund	Professional Services Fund	Workers' Compensation Revolving Fund	Health Insurance Reserve Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from sales and services	\$ 3,610	\$ 927			\$ 178,258	\$ 182,795
Cash received from transactions with other funds	51,714	230,229	\$ 30,920	\$ 79,693	2,663,349	3,055,905
Cash payments to suppliers for goods and services	(32,252)	(94,641)	(34,688)	(4,701)	(2,969,193)	(3,135,475)
Cash payments for interfund services	(8,000)	(12,191)	(7,033)	(134)	(3,933)	(31,291)
Cash payments to employees for services	(16,597)	(35,704)			(4,257)	(56,558)
Cash payments for workers' compensation				(106,339)		(106,339)
Cash receipts from other operating activities	17				150,801	150,818
Net cash provided (used) by operating activities	(1,508)	88,620	(10,801)	(31,481)	15,025	59,855
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Interest paid on revenue bonds and other borrowings	(3)	(86)			(347)	(436)
Grants received					1,098	1,098
Grants refunded		(310)	(7)			(317)
Transfers-in from other funds		1,000				1,000
Transfers-out to other funds		(29,614)				(29,614)
Net cash provided (used) by noncapital financing activities	(3)	(29,010)	(7)		751	(28,269)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(2,153)	(11,925)	(227)			(14,305)
Principal paid on capital debt	(19)	(72,243)	(960)		(8)	(73,230)
Interest paid on capital debt	(2)	(13,113)	(45)			(13,160)
Proceeds from sales of capital assets		29,614				29,614
Proceeds from lessor leases		6,055				6,055
Net cash used by capital and related financing activities	(2,174)	(61,612)	(1,232)		(8)	(65,026)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends on investments		2,522	971	1,474	5,062	10,029
Net cash provided (used) by investing activities		2,522	971	1,474	5,062	10,029
Net increase (decrease) in cash and cash equivalents	(3,685)	520	(11,069)	(30,007)	20,830	(23,411)
Cash and cash equivalents, July 1, 2022	35,727	57,567	42,953	71,075	88,778	296,100
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$ 32,042	\$ 58,087	\$ 31,884	\$ 41,068	\$ 109,608	\$ 272,689
Reconciliation of cash and cash equivalents to the Statement of Net Position:						
Total cash and cash equivalents per Statement of Net Position				\$ 10,177	\$ 61,049	\$ 71,226
Add: cash equity with State Treasurer	\$ 32,042	\$ 58,087	\$ 31,884	30,891	48,559	201,463
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$ 32,042	\$ 58,087	\$ 31,884	\$ 41,068	\$ 109,608	\$ 272,689
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
OPERATING INCOME (LOSS)	\$ (6,850)	\$ 23,349	\$ (12,506)	\$ (1,602)	\$ (8,938)	\$ (6,547)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation/amortization	6,498	84,977	1,122		7	92,604
Provision for uncollectible accounts			(118)			(118)
Amortization (accretion)		(5,820)				(5,820)
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:						
(Increase) decrease in accounts receivable		(12,518)			(8,778)	(21,296)
(Increase) decrease in intergovernmental receivables	2					2
(Increase) decrease in due from other funds	(387)	1,141	923	(45,478)	(38,206)	(82,007)
(Increase) decrease in due from component units		(9)			(1,535)	(1,544)
(Increase) decrease in inventories	(82)					(82)
(Increase) decrease in prepaid expenses					841	841
Increase (decrease) in accounts payable and accrued liabilities	(181)	270	(494)	51	71,932	71,578
Increase (decrease) in intergovernmental payables	1	(206)	3		(1)	(203)
Increase (decrease) in due to other funds	(453)	(1,881)	99	4	(314)	(2,545)
Increase (decrease) in due to component units	6	(175)	(4)			(173)
Increase (decrease) in other liabilities	(62)	(390)	56	15,544	17	15,165
Total adjustments	5,342	65,271	1,705	(29,879)	23,963	66,402
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,508)	\$ 88,620	\$ (10,801)	\$ (31,481)	\$ 15,025	\$ 59,855
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Cost of capital asset acquisitions financed by leases		\$ 25,530				\$ 25,530
Cost of subscription-based information technology arrangements		673	\$ 48			721
Acquisition of buildings and equipment		79,000				79,000
Gain (loss) on disposal of capital assets	\$ (6)	(33,252)				(33,258)
Gain on early termination of lessor leases		5				5
Transfer of assets/liabilities from (to) other state funds	4,377	32,321				36,698

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 and other employee benefit plans.

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS DESCRIPTIONS

Department of Central Management Services

Teacher Health Insurance Security--to provide health benefits for the Teachers' Retirement System recipient and dependent beneficiaries. Premiums are collected from retired and active teachers and the insurance plan is administered by private companies.

Community College Health Insurance Security--to provide health benefits for the retirees of community colleges in the State of Illinois and dependent beneficiaries. Premiums are collected from retired and active teachers and the insurance plan is administered by private companies.

General Assembly Retirement System, Judges' Retirement System, State Employees' Retirement System, Teachers' Retirement System, and State Universities Retirement System

See Note 16 for description of retirement systems.

State of Illinois

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

June 30, 2023 (Expressed in Thousands)

	<u>Central Management Services</u>					
	Teacher Health Insurance Security	Community College Health Insurance Security	General Assembly Retirement System	Judges' Retirement System	State Employees' Retirement System	Teachers' Retirement System
ASSETS						
Cash equity with State Treasurer	\$ 489,241	\$ 1,877	\$ 6,546	\$ 18,852	\$ 292,553	\$ 16,768
Cash and cash equivalents	7,806	3,540				115,784
Securities lending collateral of State Treasurer	45,575	397	987	2,491	38,458	26,011
Investments:						
Equities						22,725,959
Fixed income						7,729,437
Private equity						11,270,891
Real estate						12,324,288
Other						12,100,373
Equity in Illinois State Board of Investments			76,730	1,303,263	22,913,427	
Securities lending collateral						1,847,995
Receivables, net:						
Members	14,505	189	6	103	10,479	150,528
Employers	10,798	189				21,529
Investment income	913	8	20	50	770	178,531
Intergovernmental	355	54				
Pending investment sales						2,027,262
Other	4,019	926			9,293	3,142
Due from other funds				55	125	
Due from primary government funds					125,809	430
Prepaid expenses						
Capital assets not being depreciated					971	238
Capital assets being depreciated, net			51	173	14,430	9,709
Total assets	573,212	7,180	84,340	1,324,987	23,406,315	70,548,875
LIABILITIES						
Accounts payable and accrued liabilities	18,039	113,771	43	41	9,392	117,811
Due to other funds			82	98		
Due to primary government funds	37,227	117			4,551	2
Obligations under securities lending of State Treasurer	45,575	397	987	2,491	38,458	26,011
Securities lending collateral						1,847,508
Payable to brokers for unsettled trades						2,047,491
Long term obligations:						
Due within one year	4				191	1,153
Due subsequent to one year	114	2	8	30	1,045	4,182
Total liabilities	100,959	114,287	1,120	2,660	53,637	4,044,158
NET POSITION						
Restricted for:						
Pensions			83,220	1,322,327	23,352,678	66,504,717
Postemployment benefits other than pensions	472,253					
Unrestricted		(107,107)				
Total net position	\$ 472,253	\$ (107,107)	\$ 83,220	\$ 1,322,327	\$ 23,352,678	\$ 66,504,717

State Universities Retirement System

Defined Benefit	Other Employee Benefit Plan	Total
		\$ 825,837
\$ 235,583	\$ 2,895	365,608
		113,919
11,339,128	73,468	34,138,555
5,194,715	33,618	12,957,770
		11,270,891
2,600,874	16,836	14,941,998
3,563,135	23,003	15,686,511
		24,293,420
3,288,162	21,285	5,157,442
12,060		187,870
6,671		39,187
65,497	426	246,215
		409
28,352	183	2,055,797
		17,380
		180
		126,239
213,683		213,683
10,776		11,985
11,461		35,824
26,570,097	171,714	122,686,720
30,624	197	289,918
		180
2		41,899
		113,919
3,288,165	21,285	5,156,958
56,013	364	2,103,868
399		1,747
1,646		7,027
3,376,849	21,846	7,715,516
23,193,248		114,456,190
	149,868	622,121
		(107,107)
\$ 23,193,248	\$ 149,868	\$ 114,971,204

State of Illinois

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

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Central Management Services		General	Judges'	State	Teachers'
	Teacher Health	Community	Assembly	Retirement	Employees'	Teachers'
	Insurance	College Health	Retirement	Retirement	Retirement	Retirement
	Security	Security	System	System	System	System
ADDITIONS						
Contributions:						
Employer	\$ 79,466	\$ 4,945	\$ 28,081	\$ 147,430	\$ 2,666,685	\$ 112,681
State	107,704	29,945				6,009,158
Members:						
Employees	107,704	4,945	1,304	15,007	297,411	1,109,498
Federal Medicare Part D	407	50				
Other	23					12,067
Total contributions	295,304	39,885	29,385	162,437	2,964,096	7,243,404
Investment income:						
Interest and other investment income	2,704	168	1,129	17,036	297,807	2,225,734
Net increase (decrease) in fair value of investments			3,515	60,241	1,055,828	3,142,049
Less investment expense			(59)	(1,015)	(17,758)	(940,740)
Net investment income	2,704	168	4,585	76,262	1,335,877	4,427,043
Total additions	298,008	40,053	33,970	238,699	4,299,973	11,670,447
DEDUCTIONS						
Benefit payments	195,126	18,543	27,413	192,313	3,128,312	7,899,143
Refunds			70	748	24,969	68,187
Depreciation			4	13	1,192	3,507
General and administrative	9,259	5,023	342	1,062	17,325	28,519
Total deductions	204,385	23,566	27,829	194,136	3,171,798	7,999,356
Change in net position						
Restricted for:						
Pension benefits			6,141	44,563	1,128,175	3,671,091
Retiree health insurance benefits	93,623	16,487				
Other employee benefits						
Net position, July 1, 2022, as restated	378,630	(123,594)	77,079	1,277,764	22,224,503	62,833,626
NET POSITION, JUNE 30, 2023	\$ 472,253	\$ (107,107)	\$ 83,220	\$ 1,322,327	\$ 23,352,678	\$ 66,504,717

**State Universities Retirement
System**

Defined Benefit	Other Employee Benefit Plan	Total
\$ 63,760		\$ 3,103,048
2,074,952		8,221,759
299,585		1,835,454
		457
		12,090
2,438,297		13,172,808
446,555	\$ 2,588	2,993,721
1,000,442	5,747	5,267,822
(117,275)	(679)	(1,077,526)
1,329,722	7,656	7,184,017
3,768,019	7,656	20,356,825
2,995,372	2,507	14,458,729
79,236		173,210
1,557		6,273
22,357		83,887
3,098,522	2,507	14,722,099
669,497		5,519,467
		110,110
	5,149	5,149
22,523,751	144,719	109,336,478
\$ 23,193,248	\$ 149,868	\$ 114,971,204

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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.

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

Investment Trust Funds

June 30, 2023 (Expressed in Thousands)

	<u>Treasurer</u>			
	Public Treasurers' External Investment Pool Fund	College Savings Pool Fund		Total
ASSETS				
Cash and cash equivalents	\$ 3,599,897	\$ 1,203,393	\$	4,803,290
Investments:				
Equities		6,014,155		6,014,155
Fixed income	4,306,173	10,037,314		14,343,487
Investment income receivables	35,645	51,079		86,724
Total assets	<u>7,941,715</u>	<u>17,305,941</u>		<u>25,247,656</u>
LIABILITIES				
Accounts payable and accrued liabilities	159	33,038		33,197
Due to primary government funds	464			464
Total liabilities	<u>623</u>	<u>33,038</u>		<u>33,661</u>
NET POSITION				
Net position restricted for pool participants	7,941,092	17,272,903		25,213,995
Total net position	<u>\$ 7,941,092</u>	<u>\$ 17,272,903</u>	<u>\$</u>	<u>25,213,995</u>

State of Illinois

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Treasurer		Total
	Public Treasurers' External Investment Pool Fund	College Savings Pool Fund	
ADDITIONS			
Participant contributions		\$ 1,804,484	\$ 1,804,484
Total contributions		1,804,484	1,804,484
Investment income:			
Interest and other investment income	\$ 294,914	466,643	761,557
Net increase (decrease) in fair value of investments		1,041,080	1,041,080
Less investment expense	(5,472)		(5,472)
Net investment income	289,442	1,507,723	1,797,165
Capital share and individual account transactions:			
Shares sold	15,345,077		15,345,077
Reinvested distributions	284,011		284,011
Shares redeemed	(14,554,517)		(14,554,517)
Net capital share and individual account transactions	1,074,571		1,074,571
Total additions	1,364,013	3,312,207	4,676,220
DEDUCTIONS			
Distribution to pool investors	289,442		289,442
Payments to participants/beneficiaries		1,349,972	1,349,972
General and administrative		56,788	56,788
Total deductions	289,442	1,406,760	1,696,202
Change in net position	1,074,571	1,905,447	2,980,018
Net position, July 1, 2022	6,866,521	15,367,456	22,233,977
NET POSITION, JUNE 30, 2023	\$ 7,941,092	\$ 17,272,903	\$ 25,213,995

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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

Department of Children and Family Services

Katherine F. Schaffner Bequest--to account for assets held to assist with the maintenance and upkeep of the Herrick House facility.

State of Illinois

Combining Statement of Fiduciary Net Position

Private-Purpose Trust Funds

June 30, 2023 (Expressed in Thousands)

	Children and Family Services		
	Katherine F. Schaffner Bequest		
		Other	Total
ASSETS			
Cash equity with State Treasurer		\$ 7	\$ 7
Cash and cash equivalents	\$ 154	13	167
Investments:			
Equities	632		632
Fixed income	170		170
Securities lending collateral of State Treasurer		1	1
Total assets	956	21	977
LIABILITIES			
Obligations under securities lending of State Treasurer		1	1
Total liabilities		1	1
NET POSITION			
Restricted for individuals, organizations, and other governments	956	20	976
Total net position	\$ 956	\$ 20	\$ 976

State of Illinois

**Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds**

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Children and Family Services		
	Katherine F. Schaffner Bequest		
		Other	Total
ADDITIONS			
Investment income:			
Interest and other investment income	\$ 22	\$ 1	\$ 23
Net increase (decrease) in fair value of investments	100		100
Less investment expense	(11)		(11)
Net investment income	111	1	112
Total additions	111	1	112
Net position, July 1, 2022	845	19	864
NET POSITION, JUNE 30, 2023	\$ 956	\$ 20	\$ 976

CUSTODIAL FUNDS

Custodial funds are maintained to account for resources held by the State in a purely custodial capacity.

SIGNIFICANT CUSTODIAL FUNDS DESCRIPTIONS

Attorney General

Consumer Trust Fund--to account for court ordered restitution and penalties received under the Consumer Fraud and Deceptive Business Practices Act.

Department of Corrections

DOC Resident's Trust Fund--to account for monies deposited on behalf of individual residents of the Department of Corrections.

Department of Financial and Professional Regulation

Depository Fund--to hold cash and securities on deposit by title insurance companies licensed or qualified to do business in the State of Illinois, for the benefit of any insured party under a policy the title insurance companies have issued.

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 and disbursements of child support payments from non-custodial parents and other sources.

Child Support Enforcement Trust - SDU Fund--to account for collections and disbursements of child support payments from non-custodial parents, through the State Disbursement Unit of the Department of Healthcare and Family Services.

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.

County Public Safety Retailers Occupation Tax Fund--to receive and record monies collected from a local tax imposed on gross receipts from the retail selling of tangible personal property.

Metropolitan Pier and Exposition Authority Trust Fund--to receive and record monies obtained under the Metropolitan Pier and Exposition Authority Act.

School Facility Occupation Tax Fund--to receive and record monies collected from taxes imposed on gross receipts from the retail selling of tangible personal property to provide revenue to be used exclusively for school facility purposes, school resource officers, and mental health professionals.

RTA Sales Tax Trust Fund--to receive and record deposits of the RTA Sales Tax.

State Universities Retirement System

SURS Custodial Fund--to receive and record monies received from participating employers that are passed on to a third-party administrator of the defined contribution plan and deferred compensation plan, as well as to receive and record forfeited funds.

State of Illinois

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2023 (Expressed in Thousands)

	Attorney General Consumer Trust Fund	Corrections DOC Resident's Trust Fund	Financial and Professional Regulation Depository Fund	Insurance Security Deposit Fund	Healthcare and Family Services
ASSETS					
Cash equity with State Treasurer					\$ 24,166
Cash and cash equivalents	\$ 509	\$ 19,472	\$ 2,276	\$ 4,660	1,882
Securities lending collateral of State Treasurer					
Investments			22,076	792,399	
Receivables, net:					
Taxes					
Intergovernmental					
Other	77,473	55			166,062
Due from primary government funds		1,515			1,937
Total assets	77,982	21,042	24,352	797,059	194,047
LIABILITIES					
Accounts payable and accrued liabilities	52	736		30	182,615
Intergovernmental payables					
Obligations under securities lending of State Treasurer					
Total liabilities	52	736		30	182,615
NET POSITION					
Restricted for individuals, organizations, and other governments	77,930	20,306	24,352	797,029	11,432
Total net position	\$ 77,930	\$ 20,306	\$ 24,352	\$ 797,029	\$ 11,432

State Universities Retirement System			
SURS Custodial			
Revenue	Fund	Other	Total
\$ 819,764		\$ 114,969	\$ 958,899
	\$ 5,808	16,848	51,455
103,802		3,838	107,640
	19,477	7,455	841,407
177,466		26,338	203,804
		2,269	2,269
2,080	3,818	329	249,817
48,789		17	52,258
1,151,901	29,103	172,063	2,467,549
	11,732	11,587	206,752
1,048,099		128,863	1,176,962
103,802		3,838	107,640
1,151,901	11,732	144,288	1,491,354
	17,371	27,775	976,195
\$ -	\$ 17,371	\$ 27,775	\$ 976,195

State of Illinois

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Attorney General Consumer Trust Fund	Corrections DOC Resident's Trust Fund	Financial and Professional Regulation Depository Fund	Insurance Security Deposit Fund	Healthcare and Family Services
ADDITIONS					
Contributions:					
Employer State					
Participants Employees					
Total contributions					
Investment income:					
Interest and other investment income	\$ 7	\$ 53	\$ 31	\$ 188	
Net increase (decrease) in fair value of investments			257		
Less investment expense					
Net investment income	7	53	288	188	
Collections/deposits:					
Sales tax collections for other governments					
Public utility tax collections for other governments					
Motor fuel tax collections for other governments					
Other tax collections for other governments					
License and fee collections for other governments					
Collateral deposits received			921	266,656	
Custodial fund deposits received	75,875	17,340			\$ 1,082,228
Other		6,591			
Total collections/deposits	75,875	23,931	921	266,656	1,082,228
Total additions	75,882	23,984	1,209	266,844	1,082,228
DEDUCTIONS					
General and administrative					
Payment of sales tax to other governments					
Payment of public utility tax to other governments					
Payment of motor fuel tax to other governments					
Payment of other tax to other governments					
Payment of licenses and fees to other governments					
Collateral deposits returned			1,147	296,193	
Custodial funds disbursed	3,271	12,384			1,070,796
Contributions disbursed to third party investors					
Other		15,575			
Total deductions	3,271	27,959	1,147	296,193	1,070,796
Change in net position	72,611	(3,975)	62	(29,349)	11,432
Net position, July 1, 2022	5,319	24,281	24,290	826,378	
NET POSITION, JUNE 30, 2023	\$ 77,930	\$ 20,306	\$ 24,352	\$ 797,029	\$ 11,432

State Universities Retirement System			
Revenue	SURS Custodial Fund	Other	Total
	\$ 12,191	\$ 26	\$ 12,217
	82,399		82,399
		32	32
	126,353	6,647	133,000
	220,943	6,705	227,648
\$	17,296	248	1,534
	(952)		(190)
	(65)		(65)
	16,344	688	1,534
			19,102
	3,276,176	312,884	3,589,060
		116,152	116,152
		84,950	84,950
	1,785,314	154,274	1,939,588
		110,531	110,531
		1,543	269,120
		13,956	1,189,399
		5,482	12,073
	5,061,490	799,772	7,310,873
	5,077,834	221,631	808,011
			7,557,623
		1,579	6,651
			8,230
	3,284,235	313,076	3,597,311
		116,152	116,152
		85,303	85,303
	1,793,599	155,035	1,948,634
		110,580	110,580
		977	298,317
		14,519	1,100,970
	218,250		218,250
		6,658	22,233
	5,077,834	219,829	808,951
			7,505,980
	-	1,802	(940)
			51,643
		15,569	28,715
			924,552
\$	-	\$ 17,371	\$ 27,775
			\$ 976,195

State of Illinois

Combining Statement of Fiduciary Net Position - Custodial Funds

Healthcare and Family Services

June 30, 2023 (Expressed in Thousands)

	Child Support Enforcement Trust Fund	Child Support Enforcement Trust-SDU Fund	Total
ASSETS			
Cash equity with State Treasurer	\$ 24,166		\$ 24,166
Cash and cash equivalents	268	\$ 1,614	1,882
Other receivables, net:	166,044	18	166,062
Due from primary government funds	1,937		1,937
Total assets	192,415	1,632	194,047
LIABILITIES			
Accounts payable and accrued liabilities	180,983	1,632	182,615
Total liabilities	180,983	1,632	182,615
NET POSITION			
Restricted for individuals, organizations, and other governments	11,432		11,432
Total net position	\$ 11,432	\$ -	\$ 11,432

State of Illinois

**Combining Statement of Changes in Fiduciary Net Position - Custodial Funds
Healthcare and Family Services**

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Child Support Enforcement Trust Fund	Child Support Enforcement Trust-SDU Fund	Total
ADDITIONS			
Collections/deposits:			
Custodial fund deposits received	\$ 157,423	\$ 924,805	\$ 1,082,228
Total additions	157,423	924,805	1,082,228
DEDUCTIONS			
Custodial funds disbursed	145,991	924,805	1,070,796
Total deductions	145,991	924,805	1,070,796
Change in net position	11,432	-	11,432
Net position, July 1, 2022			
NET POSITION, JUNE 30, 2023	\$ 11,432	\$ -	\$ 11,432

State of Illinois

Combining Statement of Fiduciary Net Position - Custodial Funds

Revenue

June 30, 2023 (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	County Public Safety Retailers Occupation Tax Fund	Metropolitan Pier and Exposition Authority Trust Fund
ASSETS					
Cash equity with State Treasurer	\$ 51,632	\$ 240,263	\$ 160,991	\$ 36,183	\$ 45,188
Securities lending collateral of State Treasurer	7,448	31,420	19,719		6,391
Receivables, net:					
Taxes	5,578	58,562	38,540	2,235	17,956
Other	149	630	395		128
Due from primary government funds					
Total assets	64,807	330,875	219,645	38,418	69,663
LIABILITIES					
Intergovernmental payables	57,359	299,455	199,926	38,418	63,272
Obligations under securities lending of State Treasurer	7,448	31,420	19,719		6,391
Total liabilities	64,807	330,875	219,645	38,418	69,663
NET POSITION					
Restricted for individuals, organizations, and other governments	-	-	-	-	-
Total net position	\$ -	\$ -	\$ -	\$ -	\$ -

School Facility		
Occupation Tax	RTA Sales Tax	
Fund	Trust Fund	Total
\$ 51,175	\$ 234,332	\$ 819,764
	38,824	103,802
7,146	47,449	177,466
	778	2,080
	48,789	48,789
58,321	370,172	1,151,901
58,321	331,348	1,048,099
	38,824	103,802
58,321	370,172	1,151,901
-	-	-
\$ -	\$ -	\$ -

State of Illinois

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds
Revenue

For the Year Ended June 30, 2023 (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	County Public Safety Retailers Occupation Tax Fund
ADDITIONS				
Investment income:				
Interest and other investment income	\$ 1,273	\$ 5,320	\$ 3,513	
Net increase (decrease) in fair value of investments		(985)	1,451	
Net investment income	1,273	4,335	4,964	
Collections/deposits:				
Sales tax collections for other governments	218,161	1,466,780	1,098,257	\$ 168,049
Other tax collections for other governments				
Total collections/deposits	218,161	1,466,780	1,098,257	168,049
Total additions	219,434	1,471,115	1,103,221	168,049
DEDUCTIONS				
Payment of sales tax to other governments	219,434	1,471,115	1,103,221	168,049
Payment of other tax to other governments				
Total deductions	219,434	1,471,115	1,103,221	168,049
Change in net position	-	-	-	-
Net position, July 1, 2022				
NET POSITION, JUNE 30, 2023	\$ -	\$ -	\$ -	\$ -

Metropolitan Pier and Exposition Authority Trust Fund	School Facility Occupation Tax Fund	RTA Sales Tax Trust Fund	Total
\$ 646		\$ 6,544 (1,418)	\$ 17,296 (952)
646		5,126	16,344
100,981	\$ 223,948		3,276,176
75,222		1,710,092	1,785,314
176,203	223,948	1,710,092	5,061,490
176,849	223,948	1,715,218	5,077,834
98,468	223,948		3,284,235
78,381		1,715,218	1,793,599
176,849	223,948	1,715,218	5,077,834
-	-	-	-
\$ -	\$ -	\$ -	\$ -

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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

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.

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State of Illinois

Combining Statement of Net Position

Component Units - Other Authorities

June 30, 2023 (Expressed in Thousands)

	Illinois Finance Authority	Illinois Medical District Commission	Southwestern Illinois Development Authority	Upper Illinois River Valley Development Authority	Total
ASSETS					
Cash and cash equivalents	\$ 1,794	\$ 2,993	\$ 3,113	\$ 1,335	\$ 9,235
Securities lending collateral of State Treasurer	3,570				3,570
Investments	50,205	3,000			53,205
Receivables, net:					
Other	851	164	3		1,018
Due from component units		16,483			16,483
Due from primary government	1,278,465	138			1,278,603
Prepaid expenses	75		103		178
Loans and notes receivable, net	11,883	100	1,496		13,479
Restricted assets:					
Cash equity with State Treasurer	19,808				19,808
Cash and cash equivalents	416,651	940			417,591
Investments	222,048		690		222,738
Other receivables, net	1,801				1,801
Loans and notes receivable, net	18,111				18,111
Other assets		403			403
Leases receivable		36,806	76		36,882
Capital assets not being depreciated		37,847	206		38,053
Capital assets being depreciated, net	32	16,969	267	16	17,284
Total assets	2,025,294	115,843	5,954	1,351	2,148,442
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources - pensions		421	222		643
Total deferred outflows of resources		421	222		643
LIABILITIES					
Accounts payable and accrued liabilities	39,651	647	51		40,349
Due to primary government	10,942				10,942
Unearned revenue	3,101	766			3,867
Obligations under securities lending collateral of State Treasurer	3,570				3,570
Assets held for others	5				5
Long-term obligations:					
Due within one year	107,540	1,737			109,277
Due subsequent to one year	1,734,142	26,310	73		1,760,525
Total liabilities	1,898,951	29,460	124		1,928,535
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - leases		34,944	188		35,132
Deferred inflows of resources - pensions		335	110		445
Total deferred inflows of resources		35,279	298		35,577
NET POSITION					
Net investment in capital assets	14	41,299	473	16	41,802
Restricted for:					
Other expendable purposes	62,419				62,419
Unrestricted	63,910	10,226	5,281	1,335	80,752
Total net position	\$ 126,343	\$ 51,525	\$ 5,754	\$ 1,351	\$ 184,973

State of Illinois

Combining Statement of Activities

Component Units - Other Authorities

For the Year Ended June 30, 2023 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues		Net (expense) revenue
		Charges for services	Capital grants and contributions	
Illinois Finance Authority	\$ 46,004	\$ 23,677		\$ (22,327)
Illinois Medical District Commission	12,190	7,096	\$ 1,040	(4,054)
Southwestern Illinois Development Authority	594	289		(305)
Upper Illinois River Valley Development Authority	318	670		352
Total	<u>\$ 59,106</u>	<u>\$ 31,732</u>	<u>\$ 1,040</u>	<u>\$ (26,334)</u>

General revenues						
Interest and investment income	Other	Total general revenues	Change in net position	Net position, July 1, 2022	Net position, June 30, 2023	
\$ 24,799	\$ 38	\$ 24,837	\$ 2,510	\$ 123,833	\$ 126,343	
816		816	(3,238)	54,763	51,525	
62	41	103	(202)	5,956	5,754	
			352	999	1,351	
<u>\$ 25,677</u>	<u>\$ 79</u>	<u>\$ 25,756</u>	<u>\$ (578)</u>	<u>\$ 185,551</u>	<u>\$ 184,973</u>	

State of Illinois

Combining Statement of Net Position

Component Units - Other Universities

June 30, 2023 (Expressed in Thousands)

	Chicago State University	Eastern Illinois University	Governors State University	Northeastern Illinois University
ASSETS				
Cash equity with State Treasurer	\$ 132			
Cash and cash equivalents	7,753	\$ 61,622	\$ 14,118	\$ 85,513
Securities lending collateral of State Treasurer	24			
Investments		2,851	44,666	3,840
Receivables, net:				
Intergovernmental			3,772	9,354
Other	17,790	17,541	4,832	11,648
Due from component units	84	39		18
Due from primary government	373	646	1,054	915
Inventories	10	1,374	196	13
Prepaid expenses	864	780	1,092	1,958
Unamortized bond insurance costs		1	578	
Loans and notes receivable, net	165	3,662	468	176
Restricted assets:				
Cash and cash equivalents	4,132	29,057	1,682	4,092
Investments	7,727	113,719	2,418	14,664
Other receivables, net		3,351		548
Other assets				
Other assets		455		244
Leases receivable		881		
Capital assets not being depreciated	50,049	6,545	4,892	39,389
Capital assets being depreciated, net	110,265	211,954	114,674	132,733
Total assets	199,368	454,478	194,442	305,105
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - unamortized deferred amounts on bond refundings			93	
Deferred outflows of resources - unamortized deferred amounts on certificates of participation refundings				
Deferred outflows of resources - pensions	209	183	268	619
Deferred outflows of resources - OPEB	1,747	9,166	3,748	704
Total deferred outflows of resources	1,956	9,349	4,109	1,323
LIABILITIES				
Accounts payable and accrued liabilities	7,750	8,513	9,244	18,410
Intergovernmental payables	272		1,652	
Due to component units	49			10
Due to primary government				
Unearned revenue	2,778	7,233	5,281	3,781
Obligations under securities lending collateral of State Treasurer	24			
Assets held for others				13
Other liabilities		3,387		152
Long-term obligations:				
Due within one year	3,658	7,620	4,347	5,812
Due subsequent to one year	9,311	69,330	42,615	54,065
Total liabilities	23,842	96,083	63,139	82,243
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - unamortized deferred amounts on bond refundings			4	
Deferred inflows of resources - irrevocable split-interest agreements		477		
Deferred inflows of resources - service concession arrangements				27,278
Deferred inflows of resources - leases		848		
Deferred inflows of resources - OPEB	3,893	9,188	7,050	22,793
Total deferred inflows of resources	3,893	10,513	7,054	50,071
NET POSITION				
Net investment in capital assets	154,324	157,628	83,567	100,780
Restricted for:				
Debt service		3,261	1,545	2,615
Capital projects	434			
Nonexpendable purposes	5,127	74,043	3,640	14,820
Other expendable purposes	3,582	74,941	2,735	8,789
Unrestricted	10,122	47,358	36,871	47,110
Total net position	\$ 173,589	\$ 357,231	\$ 128,358	\$ 174,114

Western Illinois University		Total
	\$	132
\$ 7,122		176,128
		24
12,086		63,443
		13,126
14,874		66,685
37		178
1,481		4,469
2,498		4,091
360		5,054
604		1,183
381		4,852
24,491		63,454
79,830		218,358
		3,899
5,199		5,199
784		1,483
677		1,558
41,331		142,206
157,308		726,934
349,063		1,502,456
143		236
83		83
446		1,725
5,636		21,001
6,308		23,045
16,946		60,863
		1,924
154		213
330		330
6,454		25,527
		24
		13
984		4,523
8,622		30,059
52,818		228,139
86,308		351,615
		4
		477
		27,278
648		1,496
11,569		54,493
12,217		83,748
154,049		650,348
		7,421
		434
41,247		138,877
75,958		166,005
(14,408)		127,053
\$ 256,846	\$	1,090,138

State of Illinois

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

For the Year Ended June 30, 2023 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues		Net (expense) revenue
		Charges for services	Operating grants and contributions	
Chicago State University	\$ 101,221	\$ 23,659	\$ 19,202	\$ (58,360)
Eastern Illinois University	163,430	75,099	35,088	\$ (53,235)
Governors State University	111,461	39,270	24,773	1,421 (45,997)
Northeastern Illinois University	138,838	41,788	42,115	(54,935)
Western Illinois University	206,356	70,810	48,968	(86,578)
Total	<u>\$ 721,306</u>	<u>\$ 250,626</u>	<u>\$ 170,146</u>	<u>\$ (299,105)</u>

General revenues				Additions to permanent endowments	Total general revenues and additions to permanent endowments	Change in net position	Net position, July 1, 2022	Net position, June 30, 2023
Pension and OPEB revenue recognized	State appropriations	Interest and investment income	Other					
\$ 11,235	\$ 52,822	\$ 1,078			\$ 65,135	\$ 6,775	\$ 166,814	\$ 173,589
12,498	45,948	12,252	\$ 1,491	\$ 3,245	75,434	22,199	335,032	357,231
11,752	25,809	2,122	402	276	40,361	(5,636)	133,994	128,358
18,804	40,328	4,681	857		64,670	9,735	164,379	174,114
15,453	77,639	7,944	682	2,283	104,001	17,423	239,423	256,846
<u>\$ 69,742</u>	<u>\$ 242,546</u>	<u>\$ 28,077</u>	<u>\$ 3,432</u>	<u>\$ 5,804</u>	<u>\$ 349,601</u>	<u>\$ 50,496</u>	<u>\$ 1,039,642</u>	<u>\$ 1,090,138</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 Pension Stabilization Fund County Provider Trust Fund Long-Term Care Provider Fund Hospital Provider Fund Public Transportation Fund Drug Rebate Fund Healthcare Provider Relief Fund Large Business Attraction Fund and 60 funds included as other special state funds Debt Service Funds: Capital Projects Fund Federal Trust Funds: State CURE Fund Local CURE Fund and 1 fund included as other federal trust funds State Trust Funds: Public Assistance Recoveries Trust Fund and 9 funds included as 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, 2023 (Expressed in Thousands)

	General Funds			Highway Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes	\$ 26,847,000	\$ 29,577,554	\$ 2,730,554			
Sales taxes	9,909,000	10,451,458	542,458		\$ 484,244	\$ 484,244
Motor fuel taxes				\$ 2,509,940	2,564,772	54,832
Public utility taxes	720,000	750,721	30,721			
Federal government	4,015,000	3,711,052	(303,948)	1,836,226	2,002,908	166,682
Other	2,399,000	2,877,270	478,270	2,546,445	2,354,536	(191,909)
Less:						
Refunds	1,069	1,029	(40)	47,566	39,187	(8,379)
Total revenues	43,888,931	47,367,026	3,478,095	6,845,045	7,367,273	522,228
EXPENDITURES:						
Current:						
Health and social services	17,353,700	16,786,004	(567,696)			
Education	20,258,753	20,226,765	(31,988)			
General government	4,524,155	4,460,687	(63,468)	197,873	166,610	(31,263)
Employment and economic development	2,077,017	2,036,250	(40,767)	4,000	4,000	-
Transportation				5,049,805	4,954,147	(95,658)
Public protection and justice	3,134,473	2,993,655	(140,818)			
Environment and business regulation	119,372	112,072	(7,300)	23,000	22,999	(1)
Debt service:						
Principal						
Interest						
Capital outlays	28,730	24,860	(3,870)	230,532	73,943	(156,589)
Total expenditures	47,496,200	46,640,293	(855,907)	5,505,210	5,221,699	(283,511)
Excess (deficiency) of revenues over (under) expenditures	(3,607,269)	726,733	4,334,002	1,339,835	2,145,574	805,739
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	15,431,224	15,431,224	-	1,999,618	1,999,618	-
Operating transfers-out	(13,868,207)	(13,868,207)	-	(2,806,113)	(2,806,113)	-
Total other sources (uses) of financial resources	1,563,017	1,563,017	-	(806,495)	(806,495)	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts						
	(2,044,252)	2,289,750	4,334,002	533,340	1,339,079	805,739
Budgetary fund balances (deficits), July 1, 2022, as previously reported						
	(63,613)	(63,613)	-	3,238,201	3,238,201	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2022, as reclassified						
	(63,613)	(63,613)	-	3,238,201	3,238,201	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (2,107,865)	\$ 2,226,137	\$ 4,334,002	\$ 3,771,541	\$ 4,577,280	\$ 805,739

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)
\$ 8,586,759	\$ 10,581,557	\$ 1,994,798						
2,080,511	2,264,293	183,782				\$ 67,505	\$ 67,505	\$ -
68,056		(68,056)						
661,847	692,730	30,883						
16,015,361	18,121,218	2,105,857				37,288	36,608	(680)
14,774,761	15,710,834	936,073	\$ 178	\$ 178	\$ -	1,711,134	1,747,748	36,614
4,710,139	4,698,952	(11,187)						
37,477,156	42,671,680	5,194,524	178	178	-	1,815,927	1,851,861	35,934
30,056,541	26,387,137	(3,669,404)						
613,907	464,543	(149,364)	155,290	155,290	-			
15,464,433	13,231,067	(2,233,366)	397,972	316,826	(81,146)			
2,280,233	890,191	(1,390,042)	359,869	219,157	(140,712)			
1,116,524	892,010	(224,514)	872,351	816,149	(56,202)			
854,573	415,976	(438,597)						
1,429,199	1,014,331	(414,868)	71,566	69,740	(1,826)			
455,000		(455,000)				5,220,859	5,165,371	(55,488)
						44,487	44,487	-
34,351	25,000	(9,351)	625,493	625,473	(20)			
52,304,761	43,320,255	(8,984,506)	2,482,541	2,202,635	(279,906)	5,265,346	5,209,858	(55,488)
(14,827,605)	(648,575)	14,179,030	(2,482,363)	(2,202,457)	279,906	(3,449,419)	(3,357,997)	91,422
176,979	176,979	-	2,128,844	2,128,844	-	1,239,054	1,239,054	-
4,598,529	4,598,529	-	439,600	439,600	-	3,309,981	3,309,981	-
(5,590,153)	(5,590,153)	-	(15,823)	(15,823)	-	(1,127,918)	(1,127,918)	-
(814,645)	(814,645)	-	2,552,621	2,552,621	-	3,421,117	3,421,117	-
(154,074)	(154,074)	-						
(15,796,324)	(1,617,294)	14,179,030	70,258	350,164	279,906	(28,302)	63,120	91,422
9,056,590	9,056,590	-	2,070,747	2,070,747	-	1,947,519	1,947,519	-
9,056,590	9,056,590	-	2,070,747	2,070,747	-	1,947,519	1,947,519	-
\$ (6,739,734)	\$ 7,439,296	\$ 14,179,030	\$ 2,141,005	\$ 2,420,911	\$ 279,906	\$ 1,919,217	\$ 2,010,639	\$ 91,422

(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, 2023 (Expressed in Thousands)

(continued)

	Federal Trust Funds			Revolving Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government	\$ 10,391,748	\$ 9,437,728	\$ (954,020)	\$ 730	\$ 667	\$ (63)
Other	614,991	603,440	(11,551)	779,044	996,842	217,798
Less:						
Refunds	320		(320)			
Total revenues	11,006,419	10,041,168	(965,251)	779,774	997,509	217,735
EXPENDITURES:						
Current:						
Health and social services	8,153,363	3,428,782	(4,724,581)			
Education	10,892,444	4,992,135	(5,900,309)			
General government	553,246	543,969	(9,277)	1,318,940	1,140,292	(178,648)
Employment and economic development	2,157,331	1,012,774	(1,144,557)			
Transportation	129,242	129,242	-	51		(51)
Public protection and justice	794,884	329,725	(465,159)			
Environment and business regulation	1,659,625	410,355	(1,249,270)			
Debt service:						
Principal						
Interest						
Capital outlays	7,075	483	(6,592)			
Total expenditures	24,347,210	10,847,465	(13,499,745)	1,318,991	1,140,292	(178,699)
Excess (deficiency) of revenues over (under) expenditures	(13,340,791)	(806,297)	12,534,494	(539,217)	(142,783)	396,434
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	2,174,588	2,174,588	-	120,057	120,057	-
Operating transfers-out	(3,704,709)	(3,704,709)	-	(2,543)	(2,543)	-
Total other sources (uses) of financial resources	(1,530,121)	(1,530,121)	-	117,514	117,514	-
Budgetary funds-nonbudgeted accounts	(4,770)	(4,770)	-			
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(14,875,682)	(2,341,188)	12,534,494	(421,703)	(25,269)	396,434
Budgetary fund balances (deficits), July 1, 2022, as previously reported	2,820,668	2,820,668	-	(44,632)	(44,632)	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2022, as reclassified	2,820,668	2,820,668	-	(44,632)	(44,632)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (12,055,014)	\$ 479,480	\$ 12,534,494	\$ (466,335)	\$ (69,901)	\$ 396,434

State Trust Funds			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 12,475	\$ 12,475	\$ -	\$ 35,433,759	\$ 40,159,111	\$ 4,725,352
4,456	4,456	-	12,069,491	13,279,975	1,210,484
351	113,675	113,324	2,582,452	2,569,228	(13,224)
453,526	376,219	(77,307)	1,382,198	1,557,126	174,928
4,365,365	6,280,527	1,915,162	32,749,879	33,686,400	936,521
			27,190,918	30,571,375	3,380,457
312	122	(190)	4,759,406	4,739,290	(20,116)
4,835,861	6,787,230	1,951,369	106,649,291	117,083,925	10,434,634
815,573	500,455	(315,118)	56,379,177	47,102,378	(9,276,799)
20,744	7,863	(12,881)	31,941,138	25,846,596	(6,094,542)
171,452	103,676	(67,776)	22,628,071	19,963,127	(2,664,944)
361,553	16,204	(345,349)	7,240,003	4,178,576	(3,061,427)
			7,167,973	6,791,548	(376,425)
636,300	156,065	(480,235)	5,420,230	3,895,421	(1,524,809)
37,175	6,804	(30,371)	3,339,937	1,636,301	(1,703,636)
			5,675,859	5,165,371	(510,488)
			44,487	44,487	-
12,256	11,374	(882)	938,437	761,133	(177,304)
2,055,053	802,441	(1,252,612)	140,775,312	115,384,938	(25,390,374)
2,780,808	5,984,789	3,203,981	(34,126,021)	1,698,987	35,825,008
			3,544,877	3,544,877	-
208,026	208,026	-	28,281,623	28,281,623	-
(986,254)	(986,254)	-	(28,101,720)	(28,101,720)	-
(778,228)	(778,228)	-	3,724,780	3,724,780	-
(5,576,683)	(5,576,683)	-	(5,735,527)	(5,735,527)	-
(3,574,103)	(370,122)	3,203,981	(36,136,768)	(311,760)	35,825,008
1,585,266	1,585,266	-	20,610,746	20,610,746	-
111	111	-	111	111	-
1,585,377	1,585,377	-	20,610,857	20,610,857	-
\$ (1,988,726)	\$ 1,215,255	\$ 3,203,981	\$ (15,525,911)	\$ 20,299,097	\$ 35,825,008

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, 2023 (Expressed in Thousands)

	General Revenue			Common School Special Account		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes	\$ 23,200,000	\$ 25,560,066	\$ 2,360,066			
Sales taxes	7,293,000	7,692,616	399,616	\$ 2,616,000	\$ 2,758,842	\$ 142,842
Public utility taxes	676,000	704,395	28,395			
Federal government	4,015,000	3,711,052	(303,948)			
Other	2,302,000	2,780,183	478,183			
Less:						
Refunds	1,069	1,029	(40)			
Total revenues	37,484,931	40,447,283	2,962,352	2,616,000	2,758,842	142,842
EXPENDITURES:						
Current:						
Health and social services	16,320,940	15,775,670	(545,270)			
Education	7,281,214	7,257,552	(23,662)			
General government	4,524,150	4,460,682	(63,468)			
Employment and economic development	2,077,017	2,036,250	(40,767)			
Public protection and justice	3,134,473	2,993,655	(140,818)			
Environment and business regulation	119,372	112,072	(7,300)			
Capital outlays	28,227	24,357	(3,870)			
Total expenditures	33,485,393	32,660,238	(825,155)			
Excess (deficiency) of revenues over (under) expenditures	3,999,538	7,787,045	3,787,507	2,616,000	2,758,842	142,842
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	4,848,644	4,848,644	-			
Operating transfers-out	(11,217,266)	(11,217,266)	-	(2,644,133)	(2,644,133)	-
Total other sources (uses) of financial resources	(6,368,622)	(6,368,622)	-	(2,644,133)	(2,644,133)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(2,369,084)	1,418,423	3,787,507	(28,133)	114,709	142,842
Budgetary fund balances (deficits), July 1, 2022	(1,878,212)	(1,878,212)	-	83,880	83,880	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (4,247,296)	\$ (459,789)	\$ 3,787,507	\$ 55,747	\$ 198,589	\$ 142,842

Education Assistance			Common School			Advancement of Education		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 2,091,000	\$ 2,304,384	\$ 213,384				\$ 778,000	\$ 856,552	\$ 78,552
			\$ 44,000	\$ 46,326	\$ 2,326			
	381	381	63,000	63,035	35			
2,091,000	2,304,765	213,765	107,000	109,361	2,361	778,000	856,552	78,552
2,722,717	2,720,442	(2,275)	9,315,821	9,310,628	(5,193)	939,001	938,143	(858)
503	503	-						
2,723,220	2,720,945	(2,275)	9,315,821	9,310,628	(5,193)	939,001	938,143	(858)
(632,220)	(416,180)	216,040	(9,208,821)	(9,201,267)	7,554	(161,001)	(81,591)	79,410
157,467	157,467	-	9,270,434	9,270,434	-	1	1	-
(6,206)	(6,206)	-	(446)	(446)	-	(45)	(45)	-
151,261	151,261	-	9,269,988	9,269,988	-	(44)	(44)	-
(480,959)	(264,919)	216,040	61,167	68,721	7,554	(161,045)	(81,635)	79,410
524,409	524,409	-	2,218	2,218	-	214,747	214,747	-
\$ 43,450	\$ 259,490	\$ 216,040	\$ 63,385	\$ 70,939	\$ 7,554	\$ 53,702	\$ 133,112	\$ 79,410

(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, 2023 (Expressed in Thousands)

(continued)

	Commitment to Human Services			Budget Stabilization		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes	\$ 778,000	\$ 856,552	\$ 78,552			
Sales taxes						
Public utility taxes						
Federal government						
Other				\$ 34,000	\$ 33,671	\$ (329)
Less:						
Refunds						
Total revenues	778,000	856,552	78,552	34,000	33,671	(329)
EXPENDITURES:						
Current:						
Health and social services	1,032,760	1,010,334	(22,426)			
Education						
General government				5	5	-
Employment and economic development						
Public protection and justice						
Environment and business regulation						
Capital outlays						
Total expenditures	1,032,760	1,010,334	(22,426)	5	5	-
Excess (deficiency) of revenues over (under) expenditures	(254,760)	(153,782)	100,978	33,995	33,666	(329)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				1,154,678	1,154,678	-
Operating transfers-out	(111)	(111)	-			
Total other sources (uses) of financial resources	(111)	(111)	-	1,154,678	1,154,678	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(254,871)	(153,893)	100,978	1,188,673	1,188,344	(329)
Budgetary fund balances (deficits), July 1, 2022	237,626	237,626	-	751,719	751,719	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (17,245)	\$ 83,733	\$ 100,978	\$ 1,940,392	\$ 1,940,063	\$ (329)

Total		
Final Budget	Actual	Variance Over (Under)
\$ 26,847,000	\$ 29,577,554	\$ 2,730,554
9,909,000	10,451,458	542,458
720,000	750,721	30,721
4,015,000	3,711,052	(303,948)
2,399,000	2,877,270	478,270
1,069	1,029	(40)
43,888,931	47,367,026	3,478,095
17,353,700	16,786,004	(567,696)
20,258,753	20,226,765	(31,988)
4,524,155	4,460,687	(63,468)
2,077,017	2,036,250	(40,767)
3,134,473	2,993,655	(140,818)
119,372	112,072	(7,300)
28,730	24,860	(3,870)
47,496,200	46,640,293	(855,907)
(3,607,269)	726,733	4,334,002
15,431,224	15,431,224	-
(13,868,207)	(13,868,207)	-
1,563,017	1,563,017	-
(2,044,252)	2,289,750	4,334,002
(63,613)	(63,613)	-
\$ (2,107,865)	\$ 2,226,137	\$ 4,334,002

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, 2023 (Expressed in Thousands)

	Transportation Road			Transportation Motor Fuel Tax - State		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Sales taxes		\$ 484,244	\$ 484,244			
Motor fuel taxes				\$ 1,270,967	\$ 1,235,389	\$ (35,578)
Public utility taxes						
Federal government	\$ 1,836,226	2,002,908	166,682			
Other	2,016,488	1,780,895	(235,593)	1,319	1,282	(37)
Less:						
Refunds	2,566	1,707	(859)	45,000	37,480	(7,520)
Total revenues	3,850,148	4,266,340	416,192	1,227,286	1,199,191	(28,095)
EXPENDITURES:						
Current:						
General government	112,668	112,063	(605)	85,205	54,547	(30,658)
Employment and economic development	4,000	4,000	-			
Transportation	2,928,942	2,925,012	(3,930)	22,219	17,197	(5,022)
Environment and business regulation				23,000	22,999	(1)
Capital outlays	230,485	73,927	(156,558)	47	16	(31)
Total expenditures	3,276,095	3,115,002	(161,093)	130,471	94,759	(35,712)
Excess (deficiency) of revenues over (under) expenditures	574,053	1,151,338	577,285	1,096,815	1,104,432	7,617
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	348,726	348,726	-	5,533	5,533	-
Operating transfers-out	(801,186)	(801,186)	-	(1,109,724)	(1,109,724)	-
Total other sources (uses) of financial resources	(452,460)	(452,460)	-	(1,104,191)	(1,104,191)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	121,593	698,878	577,285	(7,376)	241	7,617
Budgetary fund balances (deficits), July 1, 2022	1,381,016	1,381,016	-	119,111	119,111	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ 1,502,609	\$ 2,079,894	\$ 577,285	\$ 111,735	\$ 119,352	\$ 7,617

Transportation Motor Fuel Tax - Municipalities			Transportation State Construction Account			Transportation Transportation Renewal		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 1,238,973	\$ 1,329,383	\$ 90,410
			\$ 528,638	\$ 572,359	\$ 43,721			
			528,638	572,359	43,721	1,238,973	1,329,383	90,410
\$ 287,256	\$ 252,829	\$ (34,427)	881,312	881,067	(245)	435,164	425,404	(9,760)
287,256	252,829	(34,427)	881,312	881,067	(245)	435,164	425,404	(9,760)
(287,256)	(252,829)	34,427	(352,674)	(308,708)	43,966	803,809	903,979	100,170
253,216	253,216	-	826,025	826,025	-			
			(196)	(196)	-	(889,505)	(889,505)	-
253,216	253,216	-	825,829	825,829	-	(889,505)	(889,505)	-
(34,040)	387	34,427	473,155	517,121	43,966	(85,696)	14,474	100,170
(22,706)	(22,706)	-	1,166,869	1,166,869	-	70,272	70,272	-
\$ (56,746)	\$ (22,319)	\$ 34,427	\$ 1,640,024	\$ 1,683,990	\$ 43,966	\$ (15,424)	\$ 84,746	\$ 100,170

(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, 2023 (Expressed in Thousands)

(continued)

	Other			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Sales taxes					\$ 484,244	\$ 484,244
Motor fuel taxes				\$ 2,509,940	2,564,772	54,832
Public utility taxes						
Federal government				1,836,226	2,002,908	166,682
Other				2,546,445	2,354,536	(191,909)
Less:						
Refunds				47,566	39,187	(8,379)
Total revenues				6,845,045	7,367,273	522,228
EXPENDITURES:						
Current:						
General government				197,873	166,610	(31,263)
Employment and economic development				4,000	4,000	-
Transportation	\$ 494,912	\$ 452,638	\$ (42,274)	5,049,805	4,954,147	(95,658)
Environment and business regulation				23,000	22,999	(1)
Capital outlays				230,532	73,943	(156,589)
Total expenditures	494,912	452,638	(42,274)	5,505,210	5,221,699	(283,511)
Excess (deficiency) of revenues over (under) expenditures	(494,912)	(452,638)	42,274	1,339,835	2,145,574	805,739
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	566,118	566,118	-	1,999,618	1,999,618	-
Operating transfers-out	(5,502)	(5,502)	-	(2,806,113)	(2,806,113)	-
Total other sources (uses) of financial resources	560,616	560,616	-	(806,495)	(806,495)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	65,704	107,978	42,274	533,340	1,339,079	805,739
Budgetary fund balances (deficits), July 1, 2022	523,639	523,639	-	3,238,201	3,238,201	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ 589,343	\$ 631,617	\$ 42,274	\$ 3,771,541	\$ 4,577,280	\$ 805,739

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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, 2023 (Expressed in Thousands)

	Comptroller			Treasurer		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government				\$ 114,052	\$ 119,936	\$ 5,884
Other				121,960	184,532	62,572
Less:						
Refunds						
Total revenues				236,012	304,468	68,456
EXPENDITURES:						
Current:						
Health and social services				264,429	259,277	(5,152)
Education						
General government	\$ 400,000	\$ 400,000	\$ -	81	81	-
Employment and economic development						
Transportation						
Public protection and justice						
Environment and business regulation						
Debt service:						
Principal				455,000		(455,000)
Capital outlays						
Total expenditures	400,000	400,000	-	719,510	259,358	(460,152)
Excess (deficiency) of revenues over (under) expenditures	(400,000)	(400,000)	-	(483,498)	45,110	528,608
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	400,000	400,000	-	2	2	-
Operating transfers-out				(5)	(5)	-
Total other sources (uses) of financial resources	400,000	400,000	-	(3)	(3)	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	-	-	-	(483,501)	45,107	528,608
Budgetary fund balances (deficits), July 1, 2022				594,395	594,395	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ -	\$ -	\$ -	\$ 110,894	\$ 639,502	\$ 528,608

Central Management Services			Children and Family Services			Commerce and Economic Opportunity		
Health Insurance Reserve			DCFS Children's Services			Large Business Attraction		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 9,933	\$ 3,068	\$ (6,865)	\$ 389,316	\$ 457,885	\$ 68,569			
2,955,014	2,999,757	44,743	3,025	9,074	6,049	\$ 1	\$ 512	\$ 511
2,964,947	3,002,825	37,878	392,341	466,959	74,618	1	512	511
			466,802	277,731	(189,071)			
3,700,001	3,002,285	(697,716)	5,796	5,767	(29)	500,500		(500,500)
3,700,001	3,002,285	(697,716)	472,598	283,498	(189,100)	500,500		(500,500)
(735,054)	540	735,594	(80,257)	183,461	263,718	(500,499)	512	501,011
						400,000	400,000	-
			(770)	(770)	-			
			(770)	(770)	-	400,000	400,000	-
(735,054)	540	735,594	(81,027)	182,691	263,718	(100,499)	400,512	501,011
(81,239)	(81,239)	-	268,150	268,150	-	367	367	-
\$ (816,293)	\$ (80,699)	\$ 735,594	\$ 187,123	\$ 450,841	\$ 263,718	\$ (100,132)	\$ 400,879	\$ 501,011

(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

For the Year Ended June 30, 2023 (Expressed in Thousands)

(continued)

	Lottery			Healthcare and Family Services		
	State Lottery Fund			County Provider Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government				\$ 2,091,041	\$ 1,878,719	\$ (212,322)
Other	\$ 1,517,212	\$ 2,313,726	\$ 796,514	1,025,234	1,067,924	42,690
Less:						
Refunds	100	16	(84)	1,000		(1,000)
Total revenues	1,517,112	2,313,710	796,598	3,115,275	2,946,643	(168,632)
EXPENDITURES:						
Current:						
Health and social services				3,425,000	2,954,973	(470,027)
Education						
General government	2,229,201	1,398,758	(830,443)			
Employment and economic development						
Transportation						
Public protection and justice						
Environment and business regulation						
Debt service:						
Principal						
Capital outlays	8	8	-			
Total expenditures	2,229,209	1,398,766	(830,443)	3,425,000	2,954,973	(470,027)
Excess (deficiency) of revenues over (under) expenditures	(712,097)	914,944	1,627,041	(309,725)	(8,330)	301,395
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	48	48	-			
Operating transfers-out	(726,162)	(726,162)	-			
Total other sources (uses) of financial resources	(726,114)	(726,114)	-			
Budgetary funds-nonbudgeted accounts	(137,795)	(137,795)	-			
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(1,576,006)	51,035	1,627,041	(309,725)	(8,330)	301,395
Budgetary fund balances (deficits), July 1, 2022	3,918	3,918	-	(36,780)	(36,780)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (1,572,088)	\$ 54,953	\$ 1,627,041	\$ (346,505)	\$ (45,110)	\$ 301,395

Healthcare and Family Services Long Term Care Provider			Healthcare and Family Services Hospital Provider			Healthcare and Family Services Drug Rebate Fund		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 451,472	\$ 445,399	\$ (6,073)	\$ 2,230,301	\$ 2,893,052	\$ 662,751	\$ 568,111	\$ 1,626,937	\$ 1,058,826
406,537	308,950	(97,587)	1,752,393	1,856,308	103,915	615	3,804	3,189
2,750		(2,750)	5,000	2,430	(2,570)			
855,259	754,349	(100,910)	3,977,694	4,746,930	769,236	568,726	1,630,741	1,062,015
958,395	686,022	(272,373)	4,500,200	4,416,016	(84,184)	2,700,201	2,687,959	(12,242)
24	24	-						
958,419	686,046	(272,373)	4,500,200	4,416,016	(84,184)	2,700,201	2,687,959	(12,242)
(103,160)	68,303	171,463	(522,506)	330,914	853,420	(2,131,475)	(1,057,218)	1,074,257
30,001	30,001	-	3	3	-	833,064	833,064	-
(20,006)	(20,006)	-	(415,063)	(415,063)	-	(23)	(23)	-
9,995	9,995	-	(415,060)	(415,060)	-	833,041	833,041	-
(93,165)	78,298	171,463	(937,566)	(84,146)	853,420	(1,298,434)	(224,177)	1,074,257
(1,996)	(1,996)	-	274,809	274,809	-	182,201	182,201	-
\$ (95,161)	\$ 76,302	\$ 171,463	\$ (662,757)	\$ 190,663	\$ 853,420	\$ (1,116,233)	\$ (41,976)	\$ 1,074,257

(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

For the Year Ended June 30, 2023 (Expressed in Thousands)

(continued)

	Healthcare and Family Services			Revenue		
	Healthcare Provider Relief			State and Local Sales Tax Reform		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes				\$ 504,345	\$ 658,086	\$ 153,741
Motor fuel taxes						
Public utility taxes						
Federal government	\$ 8,853,775	\$ 9,256,242	\$ 402,467			
Other	3,657,358	3,798,265	140,907			
Less:						
Refunds						
Total revenues	12,511,133	13,054,507	543,374	504,345	658,086	153,741
EXPENDITURES:						
Current:						
Health and social services	15,594,112	13,896,504	(1,697,608)			
Education						
General government	2,161	2,161	-	198,000	134,435	(63,565)
Employment and economic development						
Transportation						
Public protection and justice						
Environment and business regulation						
Debt service:						
Principal						
Capital outlays						
Total expenditures	15,596,273	13,898,665	(1,697,608)	198,000	134,435	(63,565)
Excess (deficiency) of revenues over (under) expenditures	(3,085,140)	(844,158)	2,240,982	306,345	523,651	217,306
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	463,880	463,880	-	3,395	3,395	-
Operating transfers-out	(185)	(185)	-	(515,553)	(515,553)	-
Total other sources (uses) of financial resources	463,695	463,695	-	(512,158)	(512,158)	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(2,621,445)	(380,463)	2,240,982	(205,813)	11,493	217,306
Budgetary fund balances (deficits), July 1, 2022	87,657	87,657	-	128,532	128,532	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (2,533,788)	\$ (292,806)	\$ 2,240,982	\$ (77,281)	\$ 140,025	\$ 217,306

Revenue			Revenue			Revenue		
Income Tax Refund			Local Government Distributive			Personal Property Tax Replacement		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 4,358,727	\$ 4,365,245	\$ 6,518		\$ 1,987,797	\$ 1,987,797	\$ 4,225,039	\$ 4,225,039	\$ -
						208,967	276,667	67,700
88,402	88,402	-						
46,039	46,039	-	\$ 45,731		(45,731)	6,545	8,666	2,121
4,679,455	4,679,455	-						
(186,287)	(179,769)	6,518	45,731	1,987,797	1,942,066	4,440,551	4,510,372	69,821
						19,099	19,021	(78)
						138,720	137,831	(889)
			2,616,525	2,431,621	(184,904)	4,719,342	4,711,207	(8,135)
						2,470	2,324	(146)
								-
						35	22	(13)
			2,616,525	2,431,621	(184,904)	4,879,666	4,870,405	(9,261)
(186,287)	(179,769)	6,518	(2,570,794)	(443,824)	2,126,970	(439,115)	(360,033)	79,082
50,000	50,000	-	432,510	432,510	-	359,088	359,088	-
(1,840,220)	(1,840,220)	-	(154)	(154)	-	(203)	(203)	-
(1,790,220)	(1,790,220)	-	432,356	432,356	-	358,885	358,885	-
(1,976,507)	(1,969,989)	6,518	(2,138,438)	(11,468)	2,126,970	(80,230)	(1,148)	79,082
2,635,894	2,635,894	-	142,794	142,794	-	746,980	746,980	-
\$ 659,387	\$ 665,905	\$ 6,518	\$ (1,995,644)	\$ 131,326	\$ 2,126,970	\$ 666,750	\$ 745,832	\$ 79,082

(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

For the Year Ended June 30, 2023 (Expressed in Thousands)

(continued)

	Revenue			Revenue		
	Cannabis Regulation			Build Illinois		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes				\$ 616,705	\$ 680,023	\$ 63,318
Motor fuel taxes						
Public utility taxes						
Federal government						
Other	\$ 354,594	\$ 262,868	\$ (91,726)	176,585	194,715	18,130
Less:						
Refunds						
Total revenues	354,594	262,868	(91,726)	793,290	874,738	81,448
EXPENDITURES:						
Current:						
Health and social services	500		(500)			
Education						
General government	1,507	1,507	-			
Employment and economic development	300	295	(5)			
Transportation						
Public protection and justice	5,000	2,050	(2,950)			
Environment and business regulation	36,034	13,096	(22,938)			
Debt service:						
Principal						
Capital outlays						
Total expenditures	43,341	16,948	(26,393)			
Excess (deficiency) of revenues over (under) expenditures	311,253	245,920	(65,333)	793,290	874,738	81,448
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in				39,466	39,466	-
Operating transfers-out	(249,625)	(249,625)	-	(914,205)	(914,205)	-
Total other sources (uses) of financial resources	(249,625)	(249,625)	-	(874,739)	(874,739)	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	61,628	(3,705)	(65,333)	(81,449)	(1)	81,448
Budgetary fund balances (deficits), July 1, 2022	22,639	22,639	-	1	1	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ 84,267	\$ 18,934	\$ (65,333)	\$ (81,448)	\$ -	\$ 81,448

Transportation			Transportation			Environmental Protection Agency		
Public Transportation			Downstate Public Transportation			Water Revolving Fund		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 320,000	\$ 358,713	\$ 38,713	\$ 268,000	\$ 295,045	\$ 27,045			
						\$ 100,429	\$ 77,915	\$ (22,514)
						446,680	139,922	(306,758)
320,000	358,713	38,713	268,000	295,045	27,045	547,109	217,837	(329,272)
1,611	1,211	(400)				1	1	-
631,965	631,554	(411)	458,254	235,833	(222,421)			
						475,577	429,320	(46,257)
633,576	632,765	(811)	458,254	235,833	(222,421)	475,578	429,321	(46,257)
(313,576)	(274,052)	39,524	(190,254)	59,212	249,466	71,531	(211,484)	(283,015)
271,595	271,595	-				176,979	176,979	-
(77)	(77)	-	(31)	(31)	-	(556)	(556)	-
271,518	271,518	-	(31)	(31)	-	176,423	176,423	-
(42,058)	(2,534)	39,524	(190,285)	59,181	249,466	247,954	(35,061)	(283,015)
44,128	44,128	-	195,816	195,816	-	403,532	403,532	-
\$ 2,070	\$ 41,594	\$ 39,524	\$ 5,531	\$ 254,997	\$ 249,466	\$ 651,486	\$ 368,471	\$ (283,015)

(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

For the Year Ended June 30, 2023 (Expressed in Thousands)

(continued)	Housing Development Authority Affordable Housing Trust			Gaming State Gaming		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government						
Other	\$ 75,699	\$ 73,844	\$ (1,855)	\$ 387,800	\$ 388,319	\$ 519
Less:						
Refunds				50		(50)
Total revenues	75,699	73,844	(1,855)	387,750	388,319	569
EXPENDITURES:						
Current:						
Health and social services	213,624	67,238	(146,386)	10,000	7,754	(2,246)
Education						
General government	489,532	407,212	(82,320)	229,039	154,660	(74,379)
Employment and economic development						
Transportation						
Public protection and justice						
Environment and business regulation						
Debt service:						
Principal						
Capital outlays				50	25	(25)
Total expenditures	703,156	474,450	(228,706)	239,089	162,439	(76,650)
Excess (deficiency) of revenues over (under) expenditures	(627,457)	(400,606)	226,851	148,661	225,880	77,219
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	284,262	284,262	-			
Operating transfers-out	(5)	(5)	-	(227,191)	(227,191)	-
Total other sources (uses) of financial resources	284,257	284,257	-	(227,191)	(227,191)	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(343,200)	(116,349)	226,851	(78,530)	(1,311)	77,219
Budgetary fund balances (deficits), July 1, 2022	158,904	158,904	-	10,320	10,320	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (184,296)	\$ 42,555	\$ 226,851	\$ (68,210)	\$ 9,009	\$ 77,219

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 2,993	\$ 3,476	\$ 483	\$ 8,586,759	\$ 10,581,557	\$ 1,994,798
371,461	272,426	(99,035)	2,080,511	2,264,293	183,782
68,056		(68,056)	68,056	-	(68,056)
452,880	416,063	(36,817)	661,847	692,730	30,883
1,118,529	1,273,663	155,134	16,015,361	18,121,218	2,105,857
1,795,739	2,053,609	257,870	14,774,761	15,710,834	936,073
21,784	17,051	(4,733)	4,710,139	4,698,952	(11,187)
3,787,874	4,002,186	214,312	37,477,156	42,671,680	5,194,524
1,904,179	1,114,642	(789,537)	30,056,541	26,387,137	(3,669,404)
475,187	326,712	(148,475)	613,907	464,543	(149,364)
871,612	580,137	(291,475)	15,464,433	13,231,067	(2,233,366)
1,779,433	889,896	(889,537)	2,280,233	890,191	(1,390,042)
26,305	24,623	(1,682)	1,116,524	892,010	(224,514)
847,103	411,602	(435,501)	854,573	415,976	(438,597)
917,588	571,915	(345,673)	1,429,199	1,014,331	(414,868)
			455,000	-	(455,000)
34,258	24,945	(9,313)	34,351	25,000	(9,351)
6,855,665	3,944,472	(2,911,193)	52,304,761	43,320,255	(8,984,506)
(3,067,791)	57,714	3,125,505	(14,827,605)	(648,575)	14,179,030
			176,979	176,979	-
1,031,215	1,031,215	-	4,598,529	4,598,529	-
(680,119)	(680,119)	-	(5,590,153)	(5,590,153)	-
351,096	351,096	-	(814,645)	(814,645)	-
(16,279)	(16,279)	-	(154,074)	(154,074)	-
(2,732,974)	392,531	3,125,505	(15,796,324)	(1,617,294)	14,179,030
3,275,568	3,275,568	-	9,056,590	9,056,590	-
\$ 542,594	\$ 3,668,099	\$ 3,125,505	\$ (6,739,734)	\$ 7,439,296	\$ 14,179,030

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Bond Financed Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Comptroller			Department of Commerce and Economic Opportunity		
	Pension Obligation Acceleration Bond Fund			Build Illinois Bond Fund		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Other				\$ 178	\$ 178	\$ -
Total revenues				178	178	-
EXPENDITURES:						
Current:						
Education	\$ 153,290	\$ 153,290	\$ -	2,000	2,000	-
General government	128,099	128,099	-	150,754	71,984	(78,770)
Employment and economic development				359,116	218,404	(140,712)
Transportation						
Environment and business regulation				26,853	26,853	-
Capital outlays				8,752	8,752	-
Total expenditures	281,389	281,389	-	547,475	327,993	(219,482)
Excess (deficiency) of revenues over (under) expenditures	(281,389)	(281,389)	-	(547,297)	(327,815)	219,482
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general obligation bond issues	347,807	347,807	-			-
Operating transfers-in				424,000	424,000	-
Operating transfers-out						
Total other sources (uses) of financial resources	347,807	347,807	-	424,000	424,000	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	66,418	66,418	-	(123,297)	96,185	219,482
Budgetary fund balances, July 1, 2022	140,301	140,301	-	553,603	553,603	-
BUDGETARY FUND BALANCES, JUNE 30, 2023	\$ 206,719	\$ 206,719	\$ -	\$ 430,306	\$ 649,788	\$ 219,482

Department of Transportation Transportation Bond, Series A			Department of Transportation Multimodal Transportation Bond			Capital Development Board Capital Development Fund		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 114,410	\$ 112,034	\$ (2,376)
						753	753	-
\$ 486,294	\$ 486,292	\$ (2)	\$ 321,884	\$ 265,684	\$ (56,200)	17,427	15,673	(1,754)
						616,741	616,721	(20)
486,294	486,292	(2)	321,884	265,684	(56,200)	749,331	745,181	(4,150)
(486,294)	(486,292)	2	(321,884)	(265,684)	56,200	(749,331)	(745,181)	4,150
235,482	235,482	-	310,321	310,321	-	1,155,685	1,155,685	-
						(15,823)	(15,823)	-
235,482	235,482	-	310,321	310,321	-	1,139,862	1,139,862	-
(250,812)	(250,810)	2	(11,563)	44,637	56,200	390,531	394,681	4,150
405,469	405,469	-	275,167	275,167	-	372,748	372,748	-
\$ 154,657	\$ 154,659	\$ 2	\$ 263,604	\$ 319,804	\$ 56,200	\$ 763,279	\$ 767,429	\$ 4,150

(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)
Bond Financed Funds**

For the Year Ended June 30, 2023 (Expressed in Thousands)

(continued)

	Other			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Other				\$ 178	\$ 178	\$ -
Total revenues				178	178	-
EXPENDITURES:						
Current:						
Education				155,290	155,290	-
General government	\$ 4,709	\$ 4,709	\$ -	397,972	316,826	(81,146)
Employment and economic development				359,869	219,157	(140,712)
Transportation	64,173	64,173	-	872,351	816,149	(56,202)
Environment and business regulation	27,286	27,214	(72)	71,566	69,740	(1,826)
Capital outlays				625,493	625,473	(20)
Total expenditures	96,168	96,096	(72)	2,482,541	2,202,635	(279,906)
Excess (deficiency) of revenues over (under) expenditures	(96,168)	(96,096)	72	(2,482,363)	(2,202,457)	279,906
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general obligation bond issues	79,549	79,549	-	2,128,844	2,128,844	-
Operating transfers-in	15,600	15,600	-	439,600	439,600	-
Operating transfers-out				(15,823)	(15,823)	-
Total other sources (uses) of financial resources	95,149	95,149	-	2,552,621	2,552,621	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(1,019)	(947)	72	70,258	350,164	279,906
Budgetary fund balances, July 1, 2022	323,459	323,459	-	2,070,747	2,070,747	-
BUDGETARY FUND BALANCES, JUNE 30, 2023	\$ 322,440	\$ 322,512	\$ 72	\$ 2,141,005	\$ 2,420,911	\$ 279,906

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State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Debt Service Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Treasurer			Treasurer		
	General Obligation			Capital Projects		
	Bond, Retirement, and Interest					
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Sales taxes				\$ 67,505	\$ 67,505	\$ -
Federal government	\$ 37,288	\$ 36,608	\$ (680)			
Other	44,391	80,518	36,127	1,666,701	1,666,701	-
Total revenues	81,679	117,126	35,447	1,734,206	1,734,206	-
EXPENDITURES:						
Debt service:						
Principal	4,575,159	4,575,159	-			
Interest	44,487	44,487	-			
Total expenditures	4,619,646	4,619,646	-			
Excess (deficiency) of revenues over (under) expenditures	(4,537,967)	(4,502,520)	35,447	1,734,206	1,734,206	-
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general obligation bond issues	1,239,054	1,239,054	-			
Operating transfers-in	2,578,125	2,578,125	-	142,607	142,607	-
Operating transfers-out				(1,127,918)	(1,127,918)	-
Total other sources (uses) of financial resources	3,817,179	3,817,179	-	(985,311)	(985,311)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(720,788)	(685,341)	35,447	748,895	748,895	-
Budgetary fund balances (deficits), July 1, 2022	2,776,751	2,776,751	-	(840,742)	(840,742)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ 2,055,963	\$ 2,091,410	\$ 35,447	\$ (91,847)	\$ (91,847)	\$ -

Governor's Office of Management and Budget					
Build Illinois					
Bond, Retirement, and Interest			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 67,505	\$ 67,505	\$ -
			37,288	36,608	(680)
\$ 42	\$ 529	\$ 487	1,711,134	1,747,748	36,614
42	529	487	1,815,927	1,851,861	35,934
645,700	590,212	(55,488)	5,220,859	5,165,371	(55,488)
			44,487	44,487	-
645,700	590,212	(55,488)	5,265,346	5,209,858	(55,488)
(645,658)	(589,683)	55,975	(3,449,419)	(3,357,997)	91,422
			1,239,054	1,239,054	-
589,249	589,249	-	3,309,981	3,309,981	-
			(1,127,918)	(1,127,918)	-
589,249	589,249	-	3,421,117	3,421,117	-
(56,409)	(434)	55,975	(28,302)	63,120	91,422
11,510	11,510	-	1,947,519	1,947,519	-
\$ (44,899)	\$ 11,076	\$ 55,975	\$ 1,919,217	\$ 2,010,639	\$ 91,422

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, 2023 (Expressed in Thousands)

	Illinois Commerce and Community Affairs			Employment Security		
	Local CURE			Federal Title III Social Security and Employment		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 371,090	\$ 371,090	\$ -	\$ 215,500	\$ 250,775	\$ 35,275
Other				352	3,883	3,531
Less:						
Refunds						
Total revenues	371,090	371,090	-	215,852	254,658	38,806
EXPENDITURES:						
Current:						
Health and social services						
Education						
General government	371,100	371,090	(10)	517	425	(92)
Employment and economic development				443,188	254,184	(189,004)
Transportation						
Public protection and justice						
Environment and business regulation						
Capital outlays						
Total expenditures	371,100	371,090	(10)	443,705	254,609	(189,096)
Excess (deficiency) of revenues over (under) expenditures	(10)	-	10	(227,853)	49	227,902
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				10,000	10,000	-
Operating transfers-out	(10,211)	(10,211)	-	(356)	(356)	-
Total other sources (uses) of financial resources	(10,211)	(10,211)	-	9,644	9,644	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(10,221)	(10,211)	10	(218,209)	9,693	227,902
Budgetary fund balances (deficits), July 1, 2022	10,211	10,211	-	53,328	53,328	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (10)	\$ -	\$ 10	\$ (164,881)	\$ 63,021	\$ 227,902

Human Services			Healthcare and Family Services			Public Health		
Employment and Training			Low Income Home Energy Block Grant			Public Health Services		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 580,000	\$ 1,233,129	\$ 653,129	\$ 268,025	\$ 290,086	\$ 22,061	\$ 748,904	\$ 330,755	\$ (418,149)
510,000	375,000	(135,000)				36,542	33,546	(2,996)
						75		(75)
1,090,000	1,608,129	518,129	268,025	290,086	22,061	785,371	364,301	(421,070)
3,024,399	1,600,558	(1,423,841)				2,368,485	313,321	(2,055,164)
						8,836	8,836	-
			479,999	281,865	(198,134)			
						2,522	150	(2,372)
3,024,399	1,600,558	(1,423,841)	479,999	281,865	(198,134)	2,379,843	322,307	(2,057,536)
(1,934,399)	7,571	1,941,970	(211,974)	8,221	220,195	(1,594,472)	41,994	1,636,466
			(2,041)	(2,041)	-	(12)	(12)	-
			(2,041)	(2,041)	-	(12)	(12)	-
(1,934,399)	7,571	1,941,970	(214,015)	6,180	220,195	(1,594,484)	41,982	1,636,466
(15,351)	(15,351)	-	(10,205)	(10,205)	-	(76,592)	(76,592)	-
\$ (1,949,750)	\$ (7,780)	\$ 1,941,970	\$ (224,220)	\$ (4,025)	\$ 220,195	\$ (1,671,076)	\$ (34,610)	\$ 1,636,466

(continued)

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

(continued)

	State Board of Education			State Board of Education		
	S.B.E. Federal Department of Agriculture			S.B.E. Federal Department of Education		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 864,879	\$ 1,005,154	\$ 140,275	\$ 4,734,244	\$ 3,814,803	\$ (919,441)
Other						
Less:						
Refunds						
Total revenues	864,879	1,005,154	140,275	4,734,244	3,814,803	(919,441)
EXPENDITURES:						
Current:						
Health and social services						
Education	1,082,405	1,030,365	(52,040)	9,274,501	3,784,979	(5,489,522)
General government	3	3	-	66	66	-
Employment and economic development						
Transportation						
Public protection and justice						
Environment and business regulation						
Capital outlays						
Total expenditures	1,082,408	1,030,368	(52,040)	9,274,567	3,785,045	(5,489,522)
Excess (deficiency) of revenues over (under) expenditures	(217,529)	(25,214)	192,315	(4,540,323)	29,758	4,570,081
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in						
Operating transfers-out				(18,133)	(18,133)	-
Total other sources (uses) of financial resources				(18,133)	(18,133)	-
Budgetary funds-nonbudgeted accounts	(2,905)	(2,905)	-	(1,185)	(1,185)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(220,434)	(28,119)	192,315	(4,559,641)	10,440	4,570,081
Budgetary fund balances (deficits), July 1, 2022	(11,275)	(11,275)	-	(742,942)	(742,942)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (231,709)	\$ (39,394)	\$ 192,315	\$ (5,302,583)	\$ (732,502)	\$ 4,570,081

Illinois Emergency Management Agency and Office of Homeland Security State CURE			Illinois Emergency Management Agency and Office of Homeland Security Federal Aid Disaster			Illinois Emergency Management Agency and Office of Homeland Security Essential Government Services Support		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 289,834	\$ 289,834	\$ -	\$ 858,651	\$ 313,019	\$ (545,632)			
289,834	289,834	-	858,651	313,019	(545,632)			
761,725	518,290	(243,435)						
26,060	12,574	(13,486)						
151,411	151,359	(52)						
337,723	230,104	(107,619)						
515,523	190,112	(325,411)						
			1,075,099	268,770	(806,329)			
1,792,442	1,102,439	(690,003)	1,075,099	268,770	(806,329)			
(1,502,608)	(812,605)	690,003	(216,448)	44,249	260,697			
1,306,100	1,306,100	-				\$ 800,315	\$ 800,315	\$ -
(2,595,353)	(2,595,353)	-				(1,064,194)	(1,064,194)	-
(1,289,253)	(1,289,253)	-				(263,879)	(263,879)	-
(2,791,861)	(2,101,858)	690,003	(216,448)	44,249	260,697	(263,879)	(263,879)	-
3,267,449	3,267,449	-	(68,793)	(68,793)	-	263,879	263,879	-
\$ 475,588	\$ 1,165,591	\$ 690,003	\$ (285,241)	\$ (24,544)	\$ 260,697	\$ -	\$ -	\$ -

(continued)

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

(continued)

	Other			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 1,460,621	\$ 1,539,083	\$ 78,462	\$ 10,391,748	\$ 9,437,728	\$ (954,020)
Other	68,097	191,011	122,914	614,991	603,440	(11,551)
Less:						
Refunds	245		(245)	320		(320)
Total revenues	1,528,473	1,730,094	201,621	11,006,419	10,041,168	(965,251)
EXPENDITURES:						
Current:						
Health and social services	1,998,754	996,613	(1,002,141)	8,153,363	3,428,782	(4,724,581)
Education	509,478	164,217	(345,261)	10,892,444	4,992,135	(5,900,309)
General government	21,313	12,190	(9,123)	553,246	543,969	(9,277)
Employment and economic development	896,421	246,621	(649,800)	2,157,331	1,012,774	(1,144,557)
Transportation	129,242	129,242	-	129,242	129,242	-
Public protection and justice	279,361	139,613	(139,748)	794,884	329,725	(465,159)
Environment and business regulation	584,526	141,585	(442,941)	1,659,625	410,355	(1,249,270)
Capital outlays	4,553	333	(4,220)	7,075	483	(6,592)
Total expenditures	4,423,648	1,830,414	(2,593,234)	24,347,210	10,847,465	(13,499,745)
Excess (deficiency) of revenues over (under) expenditures	(2,895,175)	(100,320)	2,794,855	(13,340,791)	(806,297)	12,534,494
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	58,173	58,173	-	2,174,588	2,174,588	-
Operating transfers-out	(14,409)	(14,409)	-	(3,704,709)	(3,704,709)	-
Total other sources (uses) of financial resources	43,764	43,764	-	(1,530,121)	(1,530,121)	-
Budgetary funds-nonbudgeted accounts	(680)	(680)	-	(4,770)	(4,770)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(2,852,091)	(57,236)	2,794,855	(14,875,682)	(2,341,188)	12,534,494
Budgetary fund balances (deficits), July 1, 2022	150,959	150,959	-	2,820,668	2,820,668	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (2,701,132)	\$ 93,723	\$ 2,794,855	\$ (12,055,014)	\$ 479,480	\$ 12,534,494

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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) Revolving Funds

For the Year Ended June 30, 2023 (Expressed in Thousands)

	Central Management Services Facilities Management Revolving Fund			Department of Innovation and Technology Technology Management Revolving Fund		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 314	\$ 314	\$ -	\$ 416	\$ 353	\$ (63)
Other	222,025	282,257	60,232	498,504	651,874	153,370
Less:						
Refunds						
Total revenues	222,339	282,571	60,232	498,920	652,227	153,307
EXPENDITURES:						
Current:						
General government	293,460	270,523	(22,937)	750,676	651,430	(99,246)
Transportation						
Total expenditures	293,460	270,523	(22,937)	750,676	651,430	(99,246)
Excess (deficiency) of revenues over (under) expenditures	(71,121)	12,048	83,169	(251,756)	797	252,553
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	2	2	-	12,882	12,882	-
Operating transfers-out	(879)	(879)	-	(1,013)	(1,013)	-
Total other sources (uses) of financial resources	(877)	(877)	-	11,869	11,869	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(71,998)	11,171	83,169	(239,887)	12,666	252,553
Budgetary fund balances (deficits), July 1, 2022	29,929	29,929	-	(222,802)	(222,802)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (42,069)	\$ 41,100	\$ 83,169	\$ (462,689)	\$ (210,136)	\$ 252,553

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 58,515	\$ 62,711	\$ 4,196	\$ 730 779,044	\$ 667 996,842	\$ (63) 217,798
58,515	62,711	4,196	779,774	997,509	217,735
274,804	218,339	(56,465)	1,318,940	1,140,292	(178,648)
51		(51)	51	-	(51)
274,855	218,339	(56,516)	1,318,991	1,140,292	(178,699)
(216,340)	(155,628)	60,712	(539,217)	(142,783)	396,434
107,173	107,173	-	120,057	120,057	-
(651)	(651)	-	(2,543)	(2,543)	-
106,522	106,522	-	117,514	117,514	-
(109,818)	(49,106)	60,712	(421,703)	(25,269)	396,434
148,241	148,241	-	(44,632)	(44,632)	-
\$ 38,423	\$ 99,135	\$ 60,712	\$ (466,335)	\$ (69,901)	\$ 396,434

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, 2023 (Expressed in Thousands)

	Central Management Services			Healthcare and Family Services		
	State Employees Deferred Compensation Plan		Variance Over (Under)	Public Aid Recoveries Trust		Variance Over (Under)
	Final Budget	Actual		Final Budget	Actual	
REVENUES:						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government				\$ 102,902	\$ 162,042	\$ 59,140
Other	\$ 342	\$ 267,728	\$ 267,386	556,406	2,136,583	1,580,177
Less:						
Refunds						
Total revenues	342	267,728	267,386	659,308	2,298,625	1,639,317
EXPENDITURES:						
Current:						
Health and social services				193,132	139,304	(53,828)
Education						
General government	1,401	781	(620)	19	19	-
Employment and economic development						
Public protection and justice						
Environment and business regulation						
Capital outlays				936	54	(882)
Total expenditures	1,401	781	(620)	194,087	139,377	(54,710)
Excess (deficiency) of revenues over (under) expenditures	(1,059)	266,947	268,006	465,221	2,159,248	1,694,027
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in						
Operating transfers-out				(934,494)	(934,494)	-
Total other sources (uses) of financial resources				(934,494)	(934,494)	-
Budgetary funds-nonbudgeted accounts	(270,322)	(270,322)	-	(1,691,525)	(1,691,525)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(271,381)	(3,375)	268,006	(2,160,798)	(466,771)	1,694,027
Budgetary fund balances (deficits), July 1, 2022, as previously reported	6,238	6,238	-	728,098	728,098	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2022, as reclassified	6,238	6,238	-	728,098	728,098	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2023	\$ (265,143)	\$ 2,863	\$ 268,006	\$ (1,432,700)	\$ 261,327	\$ 1,694,027

State Employees' Retirement System			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 12,475	\$ 12,475	\$ -	\$ 12,475	\$ 12,475	\$ -
			4,456	4,456	-	4,456	4,456	-
			351	113,675	113,324	351	113,675	113,324
			350,624	214,177	(136,447)	453,526	376,219	(77,307)
\$ 3,280,150	\$ 3,283,756	\$ 3,606	528,467	592,460	63,993	4,365,365	6,280,527	1,915,162
			312	122	(190)	312	122	(190)
3,280,150	3,283,756	3,606	896,061	937,121	41,060	4,835,861	6,787,230	1,951,369
			622,441	361,151	(261,290)	815,573	500,455	(315,118)
			20,744	7,863	(12,881)	20,744	7,863	(12,881)
			170,032	102,876	(67,156)	171,452	103,676	(67,776)
			361,553	16,204	(345,349)	361,553	16,204	(345,349)
			636,300	156,065	(480,235)	636,300	156,065	(480,235)
			37,175	6,804	(30,371)	37,175	6,804	(30,371)
			11,320	11,320	-	12,256	11,374	(882)
			1,859,565	662,283	(1,197,282)	2,055,053	802,441	(1,252,612)
3,280,150	3,283,756	3,606	(963,504)	274,838	1,238,342	2,780,808	5,984,789	3,203,981
			208,026	208,026	-	208,026	208,026	-
(132)	(132)	-	(51,628)	(51,628)	-	(986,254)	(986,254)	-
(132)	(132)	-	156,398	156,398	-	(778,228)	(778,228)	-
(3,327,586)	(3,327,586)	-	(287,250)	(287,250)	-	(5,576,683)	(5,576,683)	-
(47,568)	(43,962)	3,606	(1,094,356)	143,986	1,238,342	(3,574,103)	(370,122)	3,203,981
330,376	330,376	-	520,554	520,554	-	1,585,266	1,585,266	-
			111	111	-	111	111	-
330,376	330,376	-	520,665	520,665	-	1,585,377	1,585,377	-
\$ 282,808	\$ 286,414	\$ 3,606	\$ (573,691)	\$ 664,651	\$ 1,238,342	\$ (1,988,726)	\$ 1,215,255	\$ 3,203,981

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Statistical Section

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STATISTICAL SECTION

This part of the Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

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These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.	338
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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.	348
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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.	354
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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.	362
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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.	364
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Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive 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				
	2023	2022	2021	2020	2019
Governmental Activities					
Net investment in capital assets	\$ 17,690,604	\$ 16,758,303	\$ 16,014,180	\$ 16,024,087	\$ 16,161,889
Restricted	7,445,919	6,291,209	4,753,216	4,633,662	4,304,948
Unrestricted	(195,340,104)	(207,860,890)	(220,013,529)	(218,410,590)	(213,546,660)
Total governmental activities net position	<u>(170,203,581)</u>	<u>(184,811,378)</u>	<u>(199,246,133)</u>	<u>(197,752,841)</u>	<u>(193,079,823)</u>
Business-type Activities					
Net investment in capital assets	669	3,420	2,731	2,907	3,210
Restricted	5,983,816	3,871,140	4,086,779	4,326,417	6,384,660
Unrestricted	(82,619)	(227,124)	(3,748,627)	(955,969)	(999,847)
Total business-type activities net position	<u>5,901,866</u>	<u>3,647,436</u>	<u>340,883</u>	<u>3,373,355</u>	<u>5,388,023</u>
Primary Government					
Net investment in capital assets	17,691,273	16,761,723	16,016,911	16,026,994	16,165,099
Restricted	13,429,735	10,162,349	8,839,995	8,960,079	10,689,608
Unrestricted	(195,422,723)	(208,088,014)	(223,762,156)	(219,366,559)	(214,546,507)
Total primary government net position	<u>\$ (164,301,715)</u>	<u>\$ (181,163,942)</u>	<u>\$ (198,905,250)</u>	<u>\$ (194,379,486)</u>	<u>\$ (187,691,800)</u>

Certain balances in 2014 have been restated for prior period adjustments and corrections.

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,				
2018	2017	2016	2015	2014
\$ 16,205,052	\$ 15,992,970	\$ 15,583,035	\$ 15,180,555	\$ 15,097,043
4,658,844	3,585,489	3,436,636	3,440,869	4,142,084
(209,932,970)	(161,239,415)	(150,588,893)	(143,928,601)	(68,297,390)
(189,069,074)	(141,660,956)	(131,569,222)	(125,307,177)	(49,058,263)
3,651	4,205	4,803	5,748	6,532
5,705,891	5,450,934	5,371,256	5,240,507	4,911,161
(654,207)	(381,994)	(533,887)	(921,900)	(1,094,605)
5,055,335	5,073,145	4,842,172	4,324,355	3,823,088
16,208,703	15,997,175	15,587,838	15,186,303	15,103,575
10,364,735	9,036,423	8,807,892	8,681,376	9,053,245
(210,587,177)	(161,621,409)	(151,122,780)	(144,850,501)	(69,391,995)
<u>\$ (184,013,739)</u>	<u>\$ (136,587,811)</u>	<u>\$ (126,727,050)</u>	<u>\$ (120,982,822)</u>	<u>\$ (45,235,175)</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				
	2023	2022	2021	2020	2019
General fund (per GASB 54)					
Nonspendable	\$ 78,483	\$ 257,460	\$ 246,418	\$ 130,364	\$ 23,221
Restricted	246,480	379,213	34,941	38,958	69,038
Committed	4,926,744	4,049,290	3,962,683	2,992,426	2,537,792
Unassigned	(2,742,588)	(3,206,168)	(7,300,760)	(9,585,958)	(10,146,648)
Total general fund	<u>2,509,119</u>	<u>1,479,795</u>	<u>(3,056,718)</u>	<u>(6,424,210)</u>	<u>(7,516,597)</u>
All other governmental funds (per GASB 54)					
Nonspendable	200,557	168,240	177,116	172,455	161,091
Restricted	6,115,554	5,346,600	4,394,120	4,330,132	3,989,269
Committed	8,551,341	7,429,741	5,001,273	3,829,565	3,369,048
Assigned	135,684	606	-	2,170	-
Unassigned	(305,039)	(597,394)	(667,422)	(659,161)	(743,877)
Total all other governmental funds	<u>14,698,097</u>	<u>12,347,793</u>	<u>8,905,087</u>	<u>7,675,161</u>	<u>6,775,531</u>
Total governmental funds	<u>\$ 17,207,216</u>	<u>\$ 13,827,588</u>	<u>\$ 5,848,369</u>	<u>\$ 1,250,951</u>	<u>\$ (741,066)</u>

Schedule 2

Ended June 30,				
2018	2017	2016	2015	2014
\$ 27,948	\$ 26,718	\$ 28,074	\$ 28,301	\$ 30,567
89,798	52,233	79,294	45,569	58,852
1,923,096	1,946,730	1,139,048	1,311,460	1,138,836
<u>(9,804,135)</u>	<u>(16,637,294)</u>	<u>(10,837,635)</u>	<u>(8,238,260)</u>	<u>(7,906,594)</u>
<u>(7,763,293)</u>	<u>(14,611,613)</u>	<u>(9,591,219)</u>	<u>(6,852,930)</u>	<u>(6,678,339)</u>
149,962	134,400	121,976	120,025	101,255
4,316,394	3,160,928	3,570,351	2,987,518	3,623,415
3,432,121	3,753,708	2,958,892	3,110,300	5,480,900
-	1,658	9,835	1,227	10,007
<u>(867,408)</u>	<u>(1,159,331)</u>	<u>(1,370,410)</u>	<u>(1,374,629)</u>	<u>(1,230,375)</u>
<u>7,031,069</u>	<u>5,891,363</u>	<u>5,290,644</u>	<u>4,844,441</u>	<u>7,985,202</u>
<u>\$ (732,224)</u>	<u>\$ (8,720,250)</u>	<u>\$ (4,300,575)</u>	<u>\$ (2,008,489)</u>	<u>\$ 1,306,863</u>

State of Illinois

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year				
	2023	2022	2021	2020	2019
Governmental Activities:					
Expenses					
Health and social services	\$ 49,021,843	\$ 44,595,896	\$ 42,468,748	\$ 34,058,246	\$ 31,068,488
Education	22,624,293	24,543,250	28,503,120	28,454,084	24,238,730
General government	4,077,921	3,804,935	3,712,603	3,425,080	3,202,284
Employment and economic development	2,037,504	2,343,176	2,156,871	843,447	906,153
Transportation	4,253,896	4,505,250	5,800,134	5,110,682	4,496,926
Public protection and justice	2,284,157	3,386,451	4,222,784	4,523,648	4,281,070
Environment and business regulation	956,479	1,090,662	1,183,335	772,169	1,000,741
Intergovernmental-revenue sharing	11,546,959	11,107,543	7,967,694	6,823,515	6,357,667
Interest	1,327,293	1,418,600	1,500,226	1,564,664	1,771,247
Total governmental activities expenses	98,130,345	96,795,763	97,515,515	85,575,535	77,323,306
Program revenues					
Charges for services:					
Health and social services	1,284,092	304,980	246,222	459,695	152,953
Education	10,650	9,705	7,867	8,283	10,391
General government	2,964,791	2,952,861	2,899,651	2,412,267	2,272,405
Employment and economic development	47,926	24,572	27,262	31,088	24,584
Transportation	111,062	93,983	27,288	44,513	54,189
Public protection and justice	195,552	148,076	164,868	141,387	151,038
Environment and business regulation	400,273	491,441	562,997	453,856	421,971
Operating grants and contributions	37,177,785	37,500,295	35,223,708	26,120,240	21,612,198
Capital grants and contributions	2,062,948	1,675,637	1,843,946	1,628,823	1,272,045
Total governmental activities program revenues	44,255,079	43,201,550	41,003,809	31,300,152	25,971,774
Total governmental activities net program expense	(53,875,266)	(53,594,213)	(56,511,706)	(54,275,383)	(51,351,532)
General revenues and other changes in net position					
Taxes					
Income taxes	36,865,248	36,575,223	28,302,904	25,379,740	24,923,946
Sales taxes	15,810,832	15,284,938	13,657,777	12,102,446	12,242,861
Motor fuel taxes	2,539,429	2,486,017	2,361,884	2,343,071	1,317,925
Public utility taxes	1,483,768	1,421,425	1,359,622	1,385,989	1,470,176
Riverboat taxes	380,121	345,808	200,378	329,163	453,985
Medical providers assessment taxes	3,682,957	3,113,765	3,167,711	2,930,665	1,720,775
Other taxes	4,261,170	4,425,343	3,719,046	2,892,250	3,047,878
Operating grants and contributions	2,922,776	5,531,275	-	-	-
Interest and investment income	714,271	(218,259)	63,846	243,579	396,133
Other revenues	1,073,556	1,367,393	1,256,047	1,277,786	990,304
Special items	-	-	-	-	-
Transfers	(485,958)	(2,397,653)	718,842	717,676	776,800
Total general revenues and other changes in net position	69,248,170	67,935,275	54,808,057	49,602,365	47,340,783
Total governmental activities change in net position	15,372,904	14,341,062	(1,703,649)	(4,673,018)	(4,010,749)

Certain balances in 2014 have been restated for prior period adjustments and corrections.

Revenue from income taxes decreased significantly beginning in 2016 as the individual income tax rate dropped from 5.00% to 3.75% and the corporate income tax rate dropped from 7.00% 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 7.00%.

Revenue from income taxes increased significantly in 2022 as income tax revenue is especially susceptible to changes in the economy and thus, can fluctuate year over year.

Revenue from operating grants and contributions increased significantly in 2020 through 2023 due to the receipt of Federal Cares Act Funds. In FY 2022 and FY 2023, a portion of this revenue has been reported as general revenues.

Schedule 3

Ended June 30,				
2018	2017	2016	2015	2014
\$ 29,207,200	\$ 30,271,727	\$ 28,910,642	\$ 29,744,877	\$ 27,341,750
25,359,053	22,330,561	19,277,492	19,302,465	19,049,547
2,892,134	2,907,779	2,826,077	2,717,269	2,449,947
756,026	962,010	834,844	1,251,097	1,271,862
4,625,352	5,282,459	4,702,430	5,132,636	5,103,505
4,416,348	4,522,776	3,931,125	3,600,577	3,394,190
778,045	927,409	801,393	1,104,370	1,050,615
5,917,915	6,145,598	5,905,841	5,956,535	5,669,666
1,986,119	1,872,321	1,761,607	1,709,219	1,783,172
<u>75,938,192</u>	<u>75,222,640</u>	<u>68,951,451</u>	<u>70,519,045</u>	<u>67,114,254</u>
144,921	515,062	332,674	236,140	402,880
10,726	10,599	10,156	9,446	8,251
2,233,439	2,243,389	2,150,695	2,170,928	2,110,376
17,959	31,282	76,595	27,622	13,046
52,404	110,920	53,133	16,082	124,869
147,209	148,115	154,511	145,548	146,781
460,043	431,116	437,622	416,124	441,445
21,347,390	23,176,771	20,956,206	21,882,386	19,928,670
1,302,747	1,503,916	1,531,259	1,524,107	1,673,267
<u>25,716,838</u>	<u>28,171,170</u>	<u>25,702,851</u>	<u>26,428,383</u>	<u>24,849,585</u>
<u>(50,221,354)</u>	<u>(47,051,470)</u>	<u>(43,248,600)</u>	<u>(44,090,662)</u>	<u>(42,264,669)</u>
22,431,277	16,427,074	16,897,452	19,881,531	20,992,371
11,850,090	11,332,134	11,165,310	10,997,205	10,585,448
1,323,577	1,303,773	1,322,372	1,292,178	1,272,818
1,443,513	1,439,332	1,427,368	1,460,558	1,469,128
469,363	475,299	485,024	498,309	521,092
1,562,007	1,565,845	1,376,128	1,400,813	1,672,787
2,967,862	2,803,658	2,742,805	2,843,428	2,306,427
-	-	-	-	-
123,627	96,389	72,294	64,104	61,354
880,645	759,553	762,820	777,298	1,342,507
-	-	-	-	-
749,264	756,679	734,982	779,330	834,412
<u>43,801,225</u>	<u>36,959,736</u>	<u>36,986,555</u>	<u>39,994,754</u>	<u>41,058,344</u>
<u>(6,420,129)</u>	<u>(10,091,734)</u>	<u>(6,262,045)</u>	<u>(4,095,908)</u>	<u>(1,206,325)</u>

State of Illinois

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting, Amounts in Thousands)

(continued)

	For the Fiscal Year				
	2023	2022	2021	2020	2019
Business-Type Activities:					
Expenses					
Unemployment compensation trust	1,028,686	5,233,847	24,015,851	9,830,805	1,656,403
Water revolving	109,620	119,705	119,705	109,407	69,517
Prepaid tuition program	10,662	(1)	14,127	36,862	47,674
Lottery	2,740,677	2,580,344	2,687,677	2,159,808	2,238,331
Other	98,413	161,965	132,962	157,010	199,016
Total business-type activities expenses	3,988,058	8,095,860	26,970,322	12,293,892	4,210,941
Program revenues					
Charges for services:					
Unemployment compensation trust	1,629,442	1,829,342	2,404,472	1,570,873	1,776,554
Water revolving	99,993	82,181	83,506	80,934	77,487
Prepaid tuition program	36,111	(48,515)	89,705	9,988	33,052
Lottery	3,614,761	3,401,169	3,454,549	2,848,534	2,981,315
Other	118,090	106,080	112,188	125,152	139,396
Operating grants and contributions	237,909	3,164,356	18,480,607	6,281,734	237,338
Total business-type activities program revenues	5,736,306	8,534,613	24,625,027	10,917,215	5,245,142
Total business-type activities net program revenue (expense)	1,748,248	438,753	(2,345,295)	(1,376,677)	1,034,201
General revenues and other changes in net position					
Interest and investment income	20,224	(23,469)	(3,748)	79,685	75,287
Transfers	485,958	2,397,653	(718,842)	(717,676)	(776,800)
Total business-type activities general revenues and other changes in net position	506,182	2,374,184	(722,590)	(637,991)	(701,513)
Total business-type activities change in net position	2,254,430	2,812,937	(3,067,885)	(2,014,668)	332,688
Total primary government change in net position	\$ 17,627,334	\$ 17,153,999	\$ (4,771,534)	\$ (6,687,686)	\$ (3,678,061)

Certain balances in 2014 have been restated for prior period adjustments and corrections.

Program revenues and expenses increased significantly in 2020 and 2021 as a result of a significant increase in unemployment compensation claims due to the COVID-19 pandemic.

Schedule 3

Ended June 30,				
2018	2017	2016	2015	2014
1,727,817	1,846,247	1,904,271	1,842,424	2,758,692
63,234	46,947	39,200	43,880	37,355
43,558	157,576	57,776	27,931	25,595
2,280,857	2,129,455	2,150,110	2,138,677	2,084,750
260,832	254,396	251,148	258,693	289,529
<u>4,376,298</u>	<u>4,434,621</u>	<u>4,402,505</u>	<u>4,311,605</u>	<u>5,195,921</u>
1,899,802	1,987,231	2,206,079	2,397,199	2,643,598
70,908	61,059	51,881	46,568	43,823
49,622	86,303	60,993	67,762	138,703
2,932,921	2,850,445	2,862,056	2,850,711	2,868,500
145,016	148,633	153,663	148,010	156,047
181,675	262,654	238,119	270,208	943,403
<u>5,279,944</u>	<u>5,396,325</u>	<u>5,572,791</u>	<u>5,780,458</u>	<u>6,794,074</u>
<u>903,646</u>	<u>961,704</u>	<u>1,170,286</u>	<u>1,468,853</u>	<u>1,598,153</u>
37,092	25,948	64,737	50,713	34,563
<u>(749,264)</u>	<u>(756,679)</u>	<u>(734,982)</u>	<u>(779,330)</u>	<u>(834,412)</u>
<u>(712,172)</u>	<u>(730,731)</u>	<u>(670,245)</u>	<u>(728,617)</u>	<u>(799,849)</u>
<u>191,474</u>	<u>230,973</u>	<u>500,041</u>	<u>740,236</u>	<u>798,304</u>
<u>\$ (6,228,655)</u>	<u>\$ (9,860,761)</u>	<u>\$ (5,762,004)</u>	<u>\$ (3,355,672)</u>	<u>\$ (408,021)</u>

State of Illinois

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year				
	2023	2022	2021	2020	2019
Revenues					
Income taxes	\$ 36,860,284	\$ 36,490,827	\$ 28,246,002	\$ 25,372,708	\$ 25,006,384
Sales taxes	15,810,832	15,284,938	13,657,777	12,102,446	12,244,809
Motor fuel taxes	2,539,455	2,485,991	2,362,025	2,343,101	1,318,993
Public utility taxes	1,483,771	1,441,919	1,366,383	1,392,449	1,478,828
Riverboat taxes	380,121	345,808	200,378	329,163	453,985
Medical providers assessment taxes	3,621,665	3,093,737	3,114,957	2,956,445	1,694,988
Other taxes	4,325,647	4,292,789	3,605,736	2,991,645	3,076,520
Federal government	40,710,575	42,646,779	36,397,836	26,362,599	21,372,784
Licenses and fees	3,508,260	3,519,015	3,555,383	2,984,000	2,788,424
Interest and other investment income	701,999	(217,041)	62,897	240,217	390,624
Other revenues	2,931,587	3,050,992	2,363,123	3,004,121	2,484,373
Total revenues	112,874,196	112,435,754	94,932,497	80,078,894	72,310,712
Expenditures					
Health and social services	50,047,824	44,722,134	42,028,459	34,309,200	29,970,452
Education	26,628,918	25,597,267	22,887,502	21,619,742	20,059,454
General government	4,410,846	4,125,625	3,547,229	2,994,165	2,909,113
Employment and economic development	2,126,795	2,184,667	2,185,550	901,340	855,666
Transportation	3,527,503	3,461,323	4,427,391	3,626,310	3,385,476
Public protection and justice	3,220,377	4,139,955	3,992,352	4,127,599	3,376,858
Environment and business regulation	1,136,575	1,108,590	1,063,178	825,453	848,982
Debt service:					
Principal	2,401,672	3,269,186	3,060,899	2,011,542	2,884,108
Interest	1,473,679	1,556,339	1,595,861	1,569,297	1,681,940
Capital outlay	3,727,126	2,552,719	2,358,196	1,721,339	1,344,935
Intergovernmental	11,546,959	11,107,543	7,967,694	6,823,515	6,357,667
Total expenditures	110,248,274	103,825,348	95,114,311	80,529,502	73,674,651
Deficiency of revenues (under) expenditures	2,625,922	8,610,406	(181,814)	(450,608)	(1,363,939)
Other Financing Sources (Uses)					
General and special obligation and revenue bonds issued	2,050,000	1,675,000	1,850,000	1,550,000	550,000
Premiums on general and special obligation and revenue bonds issued	88,311	137,798	198,114	64,759	12,206
Discounts on general obligation bonds issued	(1,497)	-	(8,629)	(12,599)	(418)
General and special obligation and revenue refunding bonds issued	1,161,210	856,120	257,960	-	1,106,050
Premiums on general and special obligation and revenue refunding bonds issued	82,411	58,989	16,959	-	67,449
General obligation notes issued	-	-	2,000,000	-	-
Transfers-in	8,213,576	9,413,807	7,449,680	6,317,766	6,770,458
Transfers-out	(8,771,420)	(11,886,960)	(6,831,141)	(5,600,890)	(5,994,458)
Payment to refunded bond escrow agent	(1,239,054)	(929,624)	(273,987)	-	(1,168,591)
Financing of leases, subscription-based information technology arrangements and financed purchases	86,801	34,254	7,520	3,894	5,857
Total other financing sources (uses)	1,670,338	(640,616)	4,666,476	2,322,930	1,348,553
Net change in fund balances	\$ 4,296,260	\$ 7,969,790	\$ 4,484,662	\$ 1,872,322	\$ (15,386)
Debt service as a percentage of noncapital expenditures	3.64%	4.76%	5.02%	4.54%	6.31%

Revenue from income taxes decreased significantly beginning in 2016 as the individual income tax rate dropped from 5.00% to 3.75% and the corporate income tax rate dropped from 7.00% 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 7.00%.

Revenue from income taxes increased significantly in 2022 as income tax revenue is especially susceptible to changes in the economy and thus, can fluctuate year over year.

Revenue from operating grants and contributions increased significantly in 2020 through 2023 due to the receipt of Federal Cares Act Funds.

Schedule 4

Ended June 30,				
2018	2017	2016	2015	2014
\$ 22,386,421	\$ 16,428,810	\$ 16,907,923	\$ 19,909,259	\$ 20,948,992
11,850,683	11,354,547	11,162,605	11,006,405	10,602,973
1,322,392	1,304,523	1,322,727	1,291,139	1,273,009
1,414,502	1,443,797	1,431,179	1,461,807	1,472,798
469,363	475,299	485,024	498,309	521,092
1,586,240	1,545,511	1,375,891	1,412,493	1,677,667
2,911,995	2,790,400	2,782,600	2,756,193	2,346,081
23,314,354	21,921,955	21,763,831	21,981,451	20,573,411
2,767,206	2,809,879	2,737,014	2,706,962	2,649,213
118,206	93,372	70,194	62,298	59,328
2,093,230	2,623,837	2,216,198	2,284,297	2,873,794
<u>70,234,592</u>	<u>62,791,930</u>	<u>62,255,186</u>	<u>65,370,613</u>	<u>64,998,358</u>
28,835,515	29,299,969	28,274,261	29,029,974	27,024,378
20,176,344	16,929,930	16,361,980	17,159,014	17,424,910
2,531,734	2,351,867	2,479,319	2,375,648	2,286,984
770,706	882,272	762,998	1,223,773	1,291,102
3,158,258	3,812,951	3,341,966	3,807,979	3,830,329
3,374,279	3,199,854	3,070,350	3,062,535	2,966,836
753,444	761,369	739,662	956,821	948,652
2,337,107	2,322,844	1,999,951	2,405,138	2,038,117
1,612,438	1,523,395	1,576,845	1,677,217	1,608,331
1,365,606	1,504,609	1,867,445	1,829,993	1,776,463
5,917,915	6,145,598	5,905,841	5,956,535	5,669,666
<u>70,833,346</u>	<u>68,734,658</u>	<u>66,380,618</u>	<u>69,484,627</u>	<u>66,865,768</u>
<u>(598,754)</u>	<u>(5,942,728)</u>	<u>(4,125,432)</u>	<u>(4,114,014)</u>	<u>(1,867,410)</u>
7,250,000	690,035	1,030,000	-	4,077,000
559,670	54,443	60,939	-	169,216
-	-	-	-	-
670,965	1,641,900	-	-	-
90,805	152,800	-	-	-
-	-	-	-	-
7,000,154	6,100,888	6,011,305	7,182,740	5,844,706
(6,251,374)	(5,344,060)	(5,273,483)	(6,403,418)	(5,010,303)
(756,954)	(1,782,885)	-	-	-
9,283	1,757	3,181	3,451	2,006
<u>8,572,549</u>	<u>1,514,878</u>	<u>1,831,942</u>	<u>782,773</u>	<u>5,082,625</u>
<u>\$ 7,973,795</u>	<u>\$ (4,427,850)</u>	<u>\$ (2,293,490)</u>	<u>\$ (3,331,241)</u>	<u>\$ 3,215,215</u>
<u>5.69%</u>	<u>5.72%</u>	<u>5.54%</u>	<u>6.03%</u>	<u>5.60%</u>

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

	For the Calendar Year				
	2022	2021	2020	2019	2018
Farm earnings	\$ 9,030,011	\$ 7,859,832	\$ 3,867,913	\$ 2,111,568	\$ 3,107,168
Agricultural/forestry, fishing, and other	631,358	618,612	583,863	472,319	434,786
Mining	1,069,634	991,436	940,308	1,247,162	1,196,601
Construction/utilities	34,885,769	33,476,774	31,554,487	31,534,560	29,952,120
Manufacturing	63,494,721	58,357,631	57,025,742	57,673,902	56,861,915
Transportation and public utilities	31,222,858	29,493,849	26,730,623	27,509,057	25,628,517
Wholesale trade	38,310,438	34,835,064	33,232,976	32,629,155	32,048,229
Retail trade	30,940,442	29,718,251	27,325,545	26,536,500	25,585,308
Finance, insurance, and real estate	56,202,900	65,114,968	62,210,008	61,183,171	58,478,839
Services	262,706,969	245,027,145	223,784,000	227,759,638	220,863,139
Federal, civilian	10,252,959	9,848,800	9,599,975	9,167,437	9,140,851
Military	3,431,768	3,644,512	3,318,316	3,036,563	2,848,476
State and local government	64,381,819	63,426,354	61,291,958	60,524,631	59,249,515
Other	244,681,443	271,107,716	246,022,070	200,331,568	197,291,110
Total personal income	\$ 851,243,089	\$ 853,520,944	\$ 787,487,784	\$ 741,717,231	\$ 722,686,574
Tax liability	\$ 20,473,890	\$ 20,861,604	\$ 17,840,098	\$ 17,306,764	\$ 17,163,176
Average effective rate	2.41%	2.44%	2.27%	2.33%	2.37%

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

Ended December 31,				
2017	2016	2015	2014	2013
\$ 2,310,305	\$ 2,698,961	\$ 278,111	\$ 3,552,756	\$ 7,957,882
450,566	460,654	460,004	406,425	334,976
1,022,992	844,067	1,043,414	1,355,675	1,293,675
29,734,887	28,173,738	28,143,021	26,259,508	24,252,907
54,044,780	52,335,057	53,172,370	52,097,516	51,183,891
23,000,688	22,463,663	23,501,796	23,263,866	22,732,471
31,590,255	30,375,873	30,472,389	29,506,185	28,917,961
24,733,640	24,537,249	24,863,210	24,079,150	23,654,974
54,666,529	54,004,990	52,146,866	46,146,378	38,924,400
212,603,409	206,244,403	201,823,671	193,852,649	186,011,316
8,840,189	8,688,804	8,602,460	8,338,715	8,182,682
2,965,016	2,736,799	2,336,641	2,350,601	2,489,144
57,980,681	57,462,135	58,514,598	58,275,940	57,768,484
188,951,940	182,664,558	180,131,538	167,794,599	153,966,612
<u>\$ 692,895,877</u>	<u>\$ 673,690,951</u>	<u>\$ 665,490,089</u>	<u>\$ 637,279,963</u>	<u>\$ 607,671,375</u>
<u>\$ 14,232,641</u>	<u>\$ 11,531,400</u>	<u>\$ 11,758,489</u>	<u>\$ 15,532,205</u>	<u>\$ 14,701,925</u>
<u>2.05%</u>	<u>1.71%</u>	<u>1.77%</u>	<u>2.44%</u>	<u>2.42%</u>

State of Illinois**Taxable Sales by Industry
Last Ten Fiscal Years
(Amounts in Thousands)**

	For the Fiscal Year				
	2023	2022	2021	2020	2019
General merchandise	\$ 25,039,615	\$ 24,681,946	\$ 23,318,798	\$ 22,677,715	\$ 22,718,473
Food	26,997,652	26,289,432	24,643,222	24,291,922	23,013,962
Drinking and eating places	29,987,568	27,115,675	21,274,093	22,865,211	25,957,118
Apparel	9,950,934	9,997,903	8,765,722	7,411,912	8,374,492
Furniture, household, and radio	13,664,773	13,198,903	12,206,749	10,500,398	10,412,402
Lumber, building, and hardware	14,525,427	14,146,637	13,799,122	11,867,005	10,903,988
Automotive and filling stations	52,656,672	51,782,998	48,897,370	41,687,382	43,765,261
Drugs and other retail	64,597,416	62,243,782	56,461,413	45,487,346	40,199,756
Agriculture and extractives	46,670,973	43,836,162	38,119,885	34,488,828	33,571,231
Manufacturing	10,309,677	9,176,721	8,091,754	6,904,828	7,141,907
Total	\$ 294,400,707	\$ 282,470,159	\$ 255,578,128	\$ 228,182,547	\$ 226,058,590
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

Ended June 30,				
2018	2017	2016	2015	2014
\$ 22,784,722	\$ 21,555,470	\$ 18,840,242	\$ 20,525,330	\$ 20,909,371
22,436,327	21,355,215	22,385,459	21,908,129	20,659,706
25,000,446	24,041,077	21,770,507	22,062,665	20,728,370
8,075,480	7,966,678	7,130,282	7,420,636	7,001,093
10,557,835	10,294,696	9,681,795	9,641,594	9,327,989
10,707,149	10,026,817	9,415,743	9,462,798	8,976,058
43,036,870	40,559,261	39,773,435	40,196,438	34,835,154
37,771,600	36,526,231	30,733,251	29,927,521	28,062,832
30,754,927	28,195,889	25,603,217	27,431,997	26,517,679
6,515,236	6,238,983	5,693,816	5,476,697	4,772,007
<u>\$ 217,640,592</u>	<u>\$ 206,760,317</u>	<u>\$ 191,027,747</u>	<u>\$ 194,053,805</u>	<u>\$ 181,790,259</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 2022 and 2013
(Amounts in Thousands)

For the Calendar Year Ended December 31, 2022

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$500,001 and higher	83,802	1.53%	\$ 5,241,588	25.60%
\$100,001 - \$500,000	1,371,783	25.11%	9,408,028	45.95%
\$50,001 - \$100,000	1,394,785	25.54%	3,628,278	17.72%
\$25,001 - \$50,000	1,208,670	22.13%	1,658,114	8.10%
\$25,000 and less	1,403,089	25.69%	537,882	2.63%
Total	5,462,129	100.00%	\$ 20,473,890	100.00%

For the Calendar Year Ended December 31, 2013

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$500,001 and higher	44,302	0.79%	\$ 2,718,718	18.49%
\$100,001 - \$500,000	928,633	16.66%	6,209,974	42.24%
\$50,001 - \$100,000	1,301,228	23.35%	3,376,173	22.96%
\$25,001 - \$50,000	1,251,011	22.45%	1,639,400	11.15%
\$25,000 and less	2,047,464	36.75%	757,660	5.16%
Total	5,572,638	100.00%	\$ 14,701,925	100.00%

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 \$2,100 for calendar year 2013 and \$2,425 for calendar year 2022. 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 2023 and 2014
(Amounts in Thousands)

	For the Fiscal Year Ended June 30, 2023			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
General merchandise	3,351	0.28%	\$ 1,636,551	7.94%
Food	6,252	0.53%	1,232,652	5.98%
Drinking and eating places	29,592	2.50%	2,675,861	12.98%
Apparel	13,924	1.18%	815,891	3.96%
Furniture, household, and radio	10,813	0.91%	1,100,760	5.34%
Lumber, building, and hardware	11,760	0.99%	1,252,245	6.07%
Automotive and filling stations	943,642	79.66%	3,747,376	18.17%
Drugs and other retail	75,029	6.33%	4,042,992	19.60%
Agriculture and extractives	73,080	6.17%	3,311,546	16.06%
Manufacturing	17,161	1.45%	804,074	3.90%
Total	1,184,604	100.00%	\$ 20,619,948	100.00%

	For the Fiscal Year Ended June 30, 2014			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
General merchandise	1,921	0.16%	\$ 1,317,017	10.54%
Food	7,096	0.58%	862,390	6.90%
Drinking and eating places	26,016	2.14%	1,722,632	13.79%
Apparel	7,771	0.64%	577,940	4.63%
Furniture, household, and radio	12,411	1.02%	738,970	5.91%
Lumber, building, and hardware	11,918	0.98%	742,375	5.94%
Automotive and filling stations	1,014,956	83.55%	2,475,085	19.81%
Drugs and other retail	52,827	4.35%	1,641,442	13.14%
Agriculture and extractives	66,708	5.49%	2,002,704	16.03%
Manufacturing	13,197	1.09%	413,933	3.31%
Total	1,214,821	100.00%	\$ 12,494,488	100.00%

Note: Due to confidentiality, 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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>For the Fiscal 2019</u>
Governmental activities					
General obligation bonds	\$ 27,824,994	\$ 27,860,513	\$ 28,485,556	\$ 28,373,752	\$ 28,598,365
Special obligation bonds	1,939,823	2,145,877	2,011,305	2,198,777	2,427,260
Revenue bonds	491,910	612,887	731,259	844,113	951,869
General obligation note payable	-	-	1,015,255	-	-
Notes payable	-	10,033	20,065	30,097	-
Leases	466,407	505,712	11,166	9,854	10,356
Subscription-based information technology arrangements	193,924	-	-	-	-
Financed purchases	155	-	-	-	1,572
Certificates of participation	-	-	-	-	2,745
Total governmental activities	<u>30,917,213</u>	<u>31,135,022</u>	<u>32,274,606</u>	<u>31,456,593</u>	<u>31,992,167</u>
Business-type activities					
Revenue bonds	49,386	77,171	97,060	115,253	137,620
Leases	5,520	843	-	17	37
Subscription-based information technology arrangements	1,024	-	-	-	-
Total business-type activities	<u>55,930</u>	<u>78,014</u>	<u>97,060</u>	<u>115,270</u>	<u>137,657</u>
Total primary government	<u>\$ 30,973,143</u>	<u>\$ 31,213,036</u>	<u>\$ 32,371,666</u>	<u>\$ 31,571,863</u>	<u>\$ 32,129,824</u>
Total primary government debt as a percentage of personal income	<u>3.64%</u>	<u>3.66%</u>	<u>4.11%</u>	<u>4.26%</u>	<u>4.45%</u>
Total amount of primary government debt per capita	<u>\$ 2.462</u>	<u>\$ 2.460</u>	<u>\$ 2.532</u>	<u>\$ 2.457</u>	<u>\$ 2.493</u>

Notes: Details regarding the State's debt can be found in Notes 9 through 13 and Note 19 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.

Year Ended June 30,

	2018	2017	2016	2015	2014
\$	30,926,818	\$ 25,230,528	\$ 26,795,531	\$ 27,421,318	\$ 29,543,582
	2,409,970	2,658,088	2,650,435	2,912,003	3,181,684
	1,054,679	1,071,621	1,156,699	1,237,731	1,314,929
	-	-	-	-	-
	-	-	-	-	-
	9,614	5,862	7,580	7,244	6,073
	-	-	-	-	-
	-	-	36	442	808
	5,335	15,150	24,370	33,060	41,265
	<u>34,406,416</u>	<u>28,981,249</u>	<u>30,634,651</u>	<u>31,611,798</u>	<u>34,088,341</u>
	161,391	192,133	622,017	925,265	1,457,745
	57	9	26	26	-
	-	-	-	-	-
	<u>161,448</u>	<u>192,142</u>	<u>622,043</u>	<u>925,291</u>	<u>1,457,745</u>
\$	<u>34,567,864</u>	<u>29,173,391</u>	<u>31,256,694</u>	<u>32,537,089</u>	<u>35,546,086</u>
	<u>4.99%</u>	<u>4.33%</u>	<u>4.70%</u>	<u>5.11%</u>	<u>5.85%</u>
\$	<u>2.674</u>	<u>2.275</u>	<u>2.431</u>	<u>2.525</u>	<u>2.757</u>

State of Illinois

Ratios of General Bonded Debt Outstanding and Debt Limitations
Last Ten Fiscal Years
(Amounts in Thousands)

	2023	2022	2021	2020	For the Fiscal 2019
General bonded debt					
General obligation bonds	\$ 27,824,994	\$ 27,860,513	\$ 28,485,556	\$ 28,373,752	\$ 28,598,365
Special obligation bonds	1,939,823	2,145,877	2,011,305	2,198,777	2,427,260
	<u>29,764,817</u>	<u>30,006,390</u>	<u>30,496,861</u>	<u>30,572,529</u>	<u>31,025,625</u>
Less: Amounts restricted for debt service	2,000,712	2,030,010	1,625,235	1,383,517	1,384,033
Net total general bonded debt	<u>\$ 27,764,105</u>	<u>\$ 27,976,380</u>	<u>\$ 28,871,626</u>	<u>\$ 29,189,012</u>	<u>\$ 29,641,592</u>
Total general bonded debt as a percentage of personal income	<u>3.26%</u>	<u>3.28%</u>	<u>3.67%</u>	<u>3.94%</u>	<u>4.10%</u>
Total general bonded debt as a percentage of taxable sales	<u>9.43%</u>	<u>9.90%</u>	<u>11.30%</u>	<u>12.79%</u>	<u>13.11%</u>
Total amount of general obligation debt per capita	<u>\$ 2.207</u>	<u>\$ 2.205</u>	<u>\$ 2.258</u>	<u>\$ 2.272</u>	<u>\$ 2.300</u>
Authorized general bonded debt					
General obligation bonds	\$ 87,794,865	\$ 87,794,865	\$ 86,794,865	\$ 86,794,865	\$ 86,794,865
Special obligation bonds	9,484,681	9,484,681	9,484,681	9,684,681	9,684,681
Total authorized general bonded debt	<u>\$ 97,279,546</u>	<u>\$ 97,279,546</u>	<u>\$ 96,279,546</u>	<u>\$ 96,479,546</u>	<u>\$ 96,479,546</u>
Issued general bonded debt					
General obligation bonds	\$ 74,784,786	\$ 71,573,576	\$ 69,535,201	\$ 67,427,241	\$ 65,877,241
Special obligation bonds	9,298,106	9,298,106	8,805,361	9,153,362	9,153,362
Total issued general bonded debt	<u>\$ 84,082,892</u>	<u>\$ 80,871,682</u>	<u>\$ 78,340,562</u>	<u>\$ 76,580,603</u>	<u>\$ 75,030,603</u>
General bonded debt margin (Authorized but unissued debt)					
General obligation bonds	\$ 21,786,274	\$ 24,527,584	\$ 24,926,299	\$ 26,394,514	\$ 27,554,824
Special obligation bonds	3,333,939	3,333,939	3,683,939	3,878,534	3,872,431
Total general bonded debt margin	<u>\$ 25,120,213</u>	<u>\$ 27,861,523</u>	<u>\$ 28,610,238</u>	<u>\$ 30,273,048</u>	<u>\$ 31,427,255</u>
Issued bonded debt to authorized bonded debt ratio					
General obligation bonds	85.18%	81.52%	80.11%	77.69%	75.90%
Special obligation bonds	98.03%	98.03%	92.84%	94.51%	94.51%
Total issued bonded debt to authorized bonded debt ratio	86.43%	83.13%	81.37%	79.37%	77.77%

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.

The State's authorized bonded debt limits are established by the General Obligation Bond Act (30 ILCS 330) and the Build Illinois Bond Act (30 ILCS 425).

Year Ended June 30,				
2018	2017	2016	2015	2014
\$ 30,926,818	\$ 25,230,528	\$ 26,795,531	\$ 27,421,318	\$ 29,543,582
2,409,970	2,658,088	2,650,435	2,912,003	3,181,684
33,336,788	27,888,616	29,445,966	30,333,321	32,725,266
1,750,450	1,398,090	1,513,092	1,407,540	1,804,967
<u>\$ 31,586,338</u>	<u>\$ 26,490,526</u>	<u>\$ 27,932,874</u>	<u>\$ 28,925,781</u>	<u>\$ 30,920,299</u>
4.56%	3.93%	4.20%	4.54%	5.09%
14.51%	12.81%	14.62%	14.91%	17.01%
\$ 2,444	\$ 2,066	\$ 2,172	\$ 2,245	\$ 2,398
\$ 65,255,951	\$ 58,455,951	\$ 58,455,951	\$ 57,855,951	\$ 57,855,951
6,446,009	6,446,009	6,446,009	6,446,009	6,446,009
<u>\$ 71,701,960</u>	<u>\$ 64,901,960</u>	<u>\$ 64,901,960</u>	<u>\$ 64,301,960</u>	<u>\$ 64,301,960</u>
\$ 64,471,191	\$ 57,221,190	\$ 55,438,046	\$ 54,408,046	\$ 54,408,046
5,722,228	5,722,228	5,512,193	5,512,193	5,512,193
<u>\$ 70,193,419</u>	<u>\$ 62,943,418</u>	<u>\$ 60,950,239</u>	<u>\$ 59,920,239</u>	<u>\$ 59,920,239</u>
\$ 6,990,234	\$ 7,011,954	\$ 8,397,243	\$ 9,013,252	\$ 7,981,693
877,884	872,215	1,076,761	1,072,806	1,069,091
<u>\$ 7,868,118</u>	<u>\$ 7,884,169</u>	<u>\$ 9,474,004</u>	<u>\$ 10,086,058</u>	<u>\$ 9,050,784</u>
98.80%	97.89%	94.84%	94.04%	94.04%
88.77%	88.77%	85.51%	85.51%	85.51%
97.90%	96.98%	93.91%	93.19%	93.19%

Pledged Revenue Coverage

Last Ten Fiscal Years

(Amounts in Thousands)

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
PRIMARY GOVERNMENT							
Build Illinois Bond Fund - Pledged revenue of portion of sales tax collections							
2023	\$ 906,673	\$ -	\$ 906,673	\$ 187,885	\$ 84,141	\$ 272,026	3.33
2022	794,879	-	794,879	199,175	87,835	287,010	2.77
2021	645,204	-	645,204	167,710	90,965	258,675	2.49
2020	621,145	-	621,145	198,570	99,421	297,991	2.08
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
Civic Center Bond Fund - Pledged revenue of portion of sales tax collections (a)							
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2022	-	-	-	-	-	-	-
2021	-	-	-	5,405	169	5,574	-
2020	19,000	-	19,000	13,935	496	14,431	1.32
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
Illinois Student Assistance Commission - Pledged revenue of loans receivable repayments							
2023	\$ 12,677	\$ 5,724	\$ 6,953	\$ 27,993	\$ 2,917	\$ 30,910	0.22
2022	9,627	1,578	8,049	20,097	1,032	21,129	0.38
2021	10,958	4,425	6,533	18,401	1,532	19,933	0.33
2020	14,615	6,141	8,474	22,576	4,206	26,782	0.32
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
Railsplitter Tobacco Settlement Authority - Pledged revenue of tobacco settlement funds							
2023	\$ 310,845	\$ 168,969	\$ 141,876	\$ 112,260	\$ 28,065	\$ 140,325	1.01
2022	539,193	451,050	88,143	109,655	33,548	143,203	0.62
2021	291,959	144,917	147,042	103,900	39,035	142,935	1.03
2020	259,593	123,458	136,135	98,565	44,210	142,775	0.95
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

(a) Illinois compiled statute 30 ILCS 355/15 was repealed on June 17, 2021.

Pledged Revenue Coverage

Last Ten Fiscal Years

(Amounts in Thousands)

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
MAJOR COMPONENT UNITS							
Illinois Housing Development Authority - Pledged revenue of loans receivable repayments							
2023	\$ 110,288	\$ 13,796	\$ 96,492	\$ 145,476	\$ 66,766	\$ 212,242	0.45
2022	69,079	13,194	55,885	364,541	42,655	407,196	0.14
2021	60,638	10,262	50,376	284,346	38,948	323,294	0.16
2020	114,314	9,766	104,548	151,027	39,216	190,243	0.55
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
Illinois State Toll Highway Authority - Pledged revenue of toll fees (b)							
2022	\$ 1,593,815	\$ 367,771	\$ 1,226,044	\$ 145,415	\$ 337,803	\$ 483,218	2.54
2021	1,478,602	358,782	1,119,820	136,505	318,230	454,735	2.46
2020	1,288,288	380,679	907,609	129,260	290,198	419,458	2.16
2019	1,537,894	394,143	1,143,751	118,780	316,796	435,576	2.63
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
Illinois State University - Pledged revenue of usage fees and rental income							
2023	\$ 104,990	\$ 88,510	\$ 16,480	\$ 9,325	\$ 4,716	\$ 14,041	1.17
2022	96,995	83,200	13,795	7,740	5,022	12,762	1.08
2021	90,137	78,800	11,337	7,625	5,156	12,781	0.89
2020	92,149	69,824	22,325	6,160	5,074	11,234	1.99
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
Northern Illinois University - Pledged revenue of usage fees and rental income							
2023	\$ 63,270	\$ 57,075	\$ 6,195	\$ 1,340	\$ 10,881	\$ 12,221	0.51
2022	77,007	57,039	19,968	1,275	9,164	10,439	1.91
2021	50,273	54,031	(3,758)	1,220	6,146	7,366	(0.51)
2020	61,781	57,147	4,634	4,480	12,713	17,193	0.27
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

(b) The Illinois State Toll Highway Authority fiscal year is from January 1 to December 31.

Pledged Revenue Coverage

Last Ten Fiscal Years

(Amounts in Thousands)

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
Southern Illinois University - Pledged revenue of usage fees, rental income, and medical fees							
2023	\$ 140,433	\$ 115,761	\$ 24,672	\$ 37,410	\$ 4,843	\$ 42,253	0.58
2022	131,945	101,733	30,212	17,375	4,651	22,026	1.37
2021	120,301	91,103	29,198	76,065	6,924	82,989	0.35
2020	120,545	96,633	23,912	20,110	7,077	27,187	0.88
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
University of Illinois - Pledged revenue of usage fees, rental income, and medical fees							
2023	\$ 1,803,187	\$ 1,593,981	\$ 209,206	\$ 51,125	\$ 49,560	\$ 100,685	2.08
2022	1,842,073	1,658,743	183,330	68,695	53,242	121,937	1.50
2021	1,793,234	1,643,908	149,326	65,070	54,910	119,980	1.24
2020	1,455,903	1,444,830	11,073	61,485	55,424	116,909	0.09
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

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State of Illinois

Demographic and Economic Statistics

Last Ten Calendar Years

(Amounts in Thousands)

	For the Calendar				
	2022	2021	2020	2019	2018
Population*					
State	12,582	12,686	12,787	12,850	12,889
Percentage change	-0.82%	-0.79%	-0.49%	-0.30%	-0.28%
National	333,288	332,032	331,512	330,233	328,542
Percentage change	0.38%	0.16%	0.39%	0.51%	0.59%
Total Personal Income					
State	\$ 851,243,089	\$ 853,520,944	\$ 787,487,784	\$ 741,717,231	\$ 722,686,574
Percentage change	-0.27%	8.39%	6.17%	2.63%	4.30%
National	\$ 21,820,248,000	\$ 21,392,812,000	\$ 19,609,985,000	\$ 18,343,601,000	\$ 17,514,402,000
Percentage change	2.00%	9.09%	6.90%	4.73%	4.02%
Per Capita Personal Income					
State	\$ 67,655	\$ 67,278	\$ 61,587	\$ 57,721	\$ 56,072
Percentage change	0.56%	9.24%	6.70%	2.94%	4.59%
National	\$ 65,470	\$ 64,430	\$ 59,153	\$ 55,547	\$ 53,309
Percentage change	1.61%	8.92%	6.49%	4.20%	3.41%
Labor Force					
State labor force	6,473	6,366	6,350	6,550	6,557
Employed	6,177	5,980	5,759	6,290	6,271
Unemployed	296	386	591	261	287
Unemployment rate	4.57%	6.06%	9.31%	3.98%	4.38%

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

* Population totals for 2018-2021 updated in 2022 due to new methodology used by the U.S. Bureau of Economic Analysis (BEA). BEA produced intercensal annual state population statistics for 2010 to 2019 that are tied to the Census Bureau decennial counts for 2010 and 2020. BEA developed intercensal population statistics because this data was not published when Census released state population data for 2020 through 2022, which are based on the 2020 decennial counts. BEA used the Census Bureau Das Gupta method, modified to account for an extra leap year day, to produce the intercensal population figures that will be used until Census releases its official intercensal population data.

Year Ended,				
2017	2016	2015	2014	2013
12,925	12,822	12,859	12,884	12,895
0.80%	-0.29%	-0.19%	-0.09%	0.19%
326,623	323,072	320,635	318,301	315,994
1.10%	0.76%	0.73%	0.73%	0.64%
\$ 692,895,877	\$ 673,690,951	\$ 665,490,089	\$ 637,279,963	\$ 607,671,375
2.85%	1.23%	4.43%	4.87%	3.42%
\$ 16,837,337,000	\$ 16,092,713,000	\$ 15,717,140,000	\$ 14,982,715,000	\$ 14,175,503,000
4.63%	2.39%	4.90%	5.69%	1.95%
\$ 53,611	\$ 52,543	\$ 51,753	\$ 49,444	\$ 47,160
2.03%	1.53%	4.67%	4.84%	3.30%
\$ 51,550	\$ 49,812	\$ 49,019	\$ 47,058	\$ 44,826
3.49%	1.62%	4.17%	4.98%	1.23%
6,562	6,559	6,506	6,514	6,549
6,238	6,173	6,118	6,052	5,957
324	386	388	462	592
4.94%	5.89%	5.96%	7.09%	9.04%

Principal Employers

Fiscal Years 2023 and 2014

Employer	2023	
	Employees	Percentage of Total State Employment
State of Illinois	63,541	1.03%
U.S. Government	53,000	0.86%
Chicago School Board	42,844	0.69%
McDonald's Corporation	36,582	0.59%
City of Chicago	36,383	0.59%
Ascension Health Alliance	33,864	0.55%
University of Illinois	32,496	0.53%
Walgreens Boots Alliance, Inc.	31,010	0.50%
County of Cook	30,201	0.49%
Albertsons Companies, Inc.	29,191	0.47%
Total	389,112	6.30%

Employer	2014	
	Employees	Percentage of Total State Employment
State of Illinois	64,055	1.08%
Sears Holding Corp	63,078	1.06%
U.S. Government	51,400	0.86%
Wal-Mart	49,397	0.83%
AB Acquisitions LLC	43,503	0.73%
Chicago School Board	39,094	0.66%
Walgreen Co.	30,755	0.52%
City of Chicago	30,340	0.51%
University of Illinois	29,638	0.50%
U.S. Postal Service	28,200	0.47%
Total	429,460	7.22%

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**

	2023	2022	2021	2020	Employees as of 2019
Health and social services	20,982	20,752	21,181	21,041	20,429
Education	789	778	776	730	709
General government	11,793	11,489	11,190	11,269	11,133
Employment and economic development	2,064	1,998	2,024	1,794	1,939
Transportation	6,497	6,512	6,664	6,722	6,808
Public protection and justice	17,910	18,129	18,654	19,187	19,758
Environment and business regulation	3,506	3,457	3,460	3,464	3,527
Total	<u>63,541</u>	<u>63,115</u>	<u>63,949</u>	<u>64,207</u>	<u>64,303</u>

Schedule 14

June 30,				
2018	2017	2016	2015	2014
20,121	20,013	20,550	20,939	20,466
683	653	671	696	724
10,920	10,665	10,777	11,233	11,476
2,039	2,118	2,084	2,204	2,305
6,874	6,745	6,715	7,122	7,351
18,749	18,313	18,233	18,313	17,675
3,641	3,574	3,689	3,963	4,058
<u>63,027</u>	<u>62,081</u>	<u>62,719</u>	<u>64,470</u>	<u>64,055</u>

State of Illinois

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	For the Fiscal Year				
	2023	2022	2021	2020	2019
Health and Social Services					
Child abuse and neglect					
Calls to abuse/neglect hotline	231,527	216,644	200,607	249,260	268,406
Children investigated	94,522	94,699	146,127	134,526	143,042
Medical programs					
Number of children enrolled in medical programs	1,540,086	1,498,601	1,495,871	1,405,373	1,376,539
Number of non-senior adults enrolled in medical programs*	2,053,065	1,854,511	1,724,775	1,463,160	1,353,782
Child support					
Number of child support cases with orders	295,483	309,160	337,679	352,572	373,371
Persons with disabilities receiving in-home services to prevent institutionalization	24,335	23,781	22,382	23,831	23,336
General government					
Taxes					
Number of individual income tax returns processed	6,425,475	6,210,374	7,175,744	5,531,946	6,382,045
Percent of individual income tax returns filed electronically	89%	90%	88%	89%	85%
Total number of payments processed through State Treasury	14,600,711	11,202,763	11,748,540	14,174,018	14,562,306
Education					
Elementary and secondary education					
Public school enrollment	1,857,790	1,833,221	1,887,316	1,957,018	2,070,434
Graduation rate	87.8%	86.8%	86.0%	88.0%	85.9%
Dropout rate	2.9%	2.5%	2.6%	3.5%	4.2%
Higher education					
Enrollment	Not available	679,335	683,125	680,004	720,215
Transportation					
Miles of pavement maintained/improved	926	1,032	1,314	1,385	469
Number of bridges maintained/improved	123	75	70	61	78
Employment and economic development					
Unemployment insurance **					
Number of claims***	505,527	1,595,984	2,916,151	503,579	500,233
Average duration (weeks)	14.95	18.86	15.54	16.20	16.52
State Fair					
State Fair attendees ****	707,613	636,700	472,000	N/A	508,901
DuQuoin State Fair attendees ****	166,733	171,120	150,816	N/A	123,562
Tourism					
Historic site attendance (in thousands)	1,633	1,510	1,209	1,274	1,669
Public protection and justice					
Crime Rates					
Violent crime rates per 100,000 in population ** (a)	1,315	758	426	407	404
Property crime rates per 100,000 in population ** (a)	2,531	1,343	1,559	1,847	1,933
Total crime rates per 100,000 in population	3,846	2,101	1,985	2,254	2,337
Forensic services					
Number of original crime scenes processed	4,390	4,397	4,099	3,422	3,616
Number of Deoxyribonucleic Acid (DNA) cases worked	13,980	13,807	18,045	15,888	10,801
Total number of forensic cases worked	64,681	64,557	71,050	64,543	63,074
Number of DNA offender samples worked	7,956	6,146	10,878	16,217	21,110
Environment and business regulation					
Professional Regulation					
Professional complaints received	11,105	12,229	7,403	10,406	11,574
Licenses placed on probation	198	187	203	289	370

* 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.

*** The number of claims for unemployment insurance increased significantly in calendar year 2020 due to the COVID-19 pandemic.

**** Statistics for State fair attendees are based on calendar year. Due to the COVID-19 pandemic, both the Illinois State Fair and DuQuoin State Fair were canceled for 2020.

(a) In 2021, The National Incident-Based Reporting System, or NIBRS, was implemented to improve the overall quality of crime data collected by law enforcement. It captures details on each single crime incident—as well as on separate offenses within the same incident. The historic Summary Reporting System (SRS) data collection, which collected more limited information than the more robust NIBRS, was phased out.

Schedule 15

Ended or as of June 30,				
2018	2017	2016	2015	2014
276,538	252,388	245,388	222,719	231,536
133,564	120,815	127,249	110,079	109,769
1,447,134	1,473,581	1,490,290	1,504,802	1,546,091
1,485,564	1,236,537	1,244,883	1,247,553	1,027,702
387,653	392,473	392,500	392,331	404,918
29,057	29,379	29,325	29,595	30,357
6,237,589	6,253,542	6,143,475	6,185,708	6,143,408
85%	84%	82%	81%	79%
14,827,574	14,482,761	14,085,085	14,992,358	15,209,821
2,005,153	2,028,162	2,041,779	2,054,556	2,073,480
87.6%	87.0%	85.5%	85.6%	86.0%
2.1%	2.1%	2.0%	2.3%	2.2%
744,161	764,502	751,942	771,886	806,467
577	513	674	1,379	894
92	88	66	188	222
532,495	585,207	607,139	630,594	725,979
17.25	17.06	16.72	17.99	17.92
369,144	401,648	357,409	411,547	847,690
100,800	109,305	105,622	315,808	350,000
1,835	1,886	1,671	2,100	1,915
439	436	383	370	373
2,011	2,049	1,989	2,076	2,274
<u>2,450</u>	<u>2,485</u>	<u>2,372</u>	<u>2,446</u>	<u>2,647</u>
3,849	3,961	3,930	3,630	3,736
6,394	4,322	5,450	5,704	6,086
66,126	67,049	83,157	83,594	91,878
26,445	19,978	28,993	31,992	33,901
12,080	11,358	9,214	8,893	10,875
1,839	346	418	440	446

State of Illinois

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

	For the Fiscal Year				
	2023	2022	2021	2020	2019
Health and social services					
Mental health facilities	14	14	14	14	14
Veterans homes	5	5	4	4	4
Transportation					
Highway miles	15,903	15,905	15,908	15,908	15,911
Bridges	7,871	7,870	7,871	7,861	7,856
Public protection and justice					
Adult correctional facilities	25	25	25	25	25
Juvenile correctional facilities	5	5	5	5	5
Environment and business regulation					
State park acreage	497,495	496,820	491,797	491,797	491,508
Protected natural area acreage	119,024	118,769	116,733	114,269	113,710

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

Schedule 16

Ended or as of June 30,

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
14	14	14	14	14
4	4	4	4	4
15,908	15,919	15,969	17,085	15,989
7,852	7,835	7,847	7,823	7,770
25	25	25	25	25
5	5	6	6	6
484,688	479,115	478,832	475,304	469,870
112,809	110,766	108,880	108,343	106,741