

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD**

**FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 2012
AND
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2012**

Performed as Special Assistant Auditors
For the Auditor General, State of Illinois



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 2012
AND
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2012**

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**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD**

AGENCY OFFICIALS

Executive Director	(03/18/11 to present) (01/01/11 to 03/17/11) (05/13/08 to 12/31/10)	James Underwood Gevan Behnke* James Riemer
Deputy Director of Construction	(07/22/11 to present) (03/18/11 to 07/21/11) (09/02/08 to 03/17/11)	Josh Weger Vacant** James Underwood
Deputy Director of Operations	(06/16/11 to present) (11/01/09 to 06/15/11)	Mike Wilson Vacant
Administrator of the Office of Fiscal Management		Gevan Behnke
Legal Counsel	(11/01/11 to present) (10/01/11 to 10/31/11) (08/16/10 to 09/30/11) (05/22/10 to 08/15/10)	Thomas Klein Vacant Chris Flynn Vacant

* “Acting” official during the dates indicated.

** Starting March 17, 2011, the Construction Department has been under the supervision of the Executive Director.

Agency Office is located at:

300 William G. Stratton Building
401 South Spring Street
Springfield, Illinois 62706



CAPITAL
Development
BOARD

Building a Better Illinois

JIM UNDERWOOD • Executive Director

January 18, 2013

Board Members

Peter J. O'Brien, Sr.
Chairman

Glyn M. Ramage

Michael Y. Chin

Stewart A. Muñoz

Miles W. Beatty, III

Anthony J. Garippo

E. C. Ortiz & Co., LLP
333 S. Des Plaines Street, Suite 2-N
Chicago, Illinois 60661

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Capital Development Board (CDB). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements, except as disclosed to the auditors during the engagement. We have performed an evaluation of the CDB's compliance with the following assertions during the two-years ended June 30, 2012. Based on this evaluation, we assert that during the years ended June 30, 2012 and June 30, 2011, the CDB has materially complied with the assertions below.

- A. The CDB has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The CDB has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The CDB has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the CDB are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the CDB on behalf of the State or held in trust by the CDB have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Wm. G. Stratton Building
401 South Spring Street
Third Floor
Springfield, Illinois
62706-4050

James R. Thompson Center
100 West Randolph Street
Suite 14-600
Chicago, Illinois
60601-3283

Dunn-Richmond
Economic Development Center
1740 Innovation Drive
Suite 258
Carbondale, Illinois
62903-6102

IDOT District 3 Headquarters
700 East Norris Drive
Second Floor
Ottawa, Illinois
61350-0697

Yours very truly,

Capital Development Board


James Underwood
Executive Director


Gevan Behnke
Administrator of the Office of
Fiscal Management


Thomas Klein
Legal Counsel

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPLIANCE REPORT**

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORTS

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	Current Report	Prior Report
Findings	9	7
Repeated findings	6	3
Prior recommendations implemented or not repeated	2	3

SCHEDULE OF FINDINGS

Item No.	Page	Description	Finding Type
<i>FINDING (GOVERNMENT AUDITING STANDARDS)</i>			
12-1	10	Inadequate Controls Over Approval of Contracts	Significant Deficiency and Noncompliance
<i>FINDINGS (STATE COMPLIANCE)</i>			
12-2	12	Inadequate Control Over Revenue and Receipts	Noncompliance and Significant Deficiency
12-3	14	Failure to Publish Required Procurement Information	Noncompliance and Significant Deficiency
12-4	17	Performance Evaluations Not Completed	Noncompliance and Significant Deficiency
12-5	19	Failure to File Required Affidavits with the Auditor General	Noncompliance and Significant Deficiency
12-6	21	Noncompliance with the Capital Development Board Act	Noncompliance and Significant Deficiency
12-7	22	Untimely Approval and Payment of Vouchers	Noncompliance and Significant Deficiency
12-8	24	Noncompliance with the State Finance Act	Noncompliance and Significant Deficiency

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPLIANCE REPORT**

SCHEDULE OF FINDINGS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE) (CONTINUED)			
12-9	26	Failure to Comply with the Identity Protection Act	Noncompliance

In addition, the following finding which is reported as a current finding relating to *Government Auditing Standards* also met the reporting requirements for State Compliance.

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
12-1	10	Inadequate Controls Over Approval of Contracts	Noncompliance and Significant Deficiency

PRIOR FINDINGS NOT REPEATED

A	27	Reappropriated Projects' Accounts Payable Understated
B	27	Inaccurate and Inadequate Property Records

EXIT CONFERENCE

The Capital Development Board opted not to have an exit conference during the financial audit for the year ended June 30, 2012 and compliance examination for the two years ended June 30, 2012. Responses to the recommendations were provided by Paula Sorensen, Chief Internal Auditor, in a letter dated December 20, 2012.



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable William G. Holland
Auditor General
State of Illinois

and

Board Members
Capital Development Board

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois Capital Development Board's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2012. The management of the State of Illinois Capital Development Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Capital Development Board's compliance based on our examination.

- A. The State of Illinois Capital Development Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois Capital Development Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The State of Illinois Capital Development Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois Capital Development Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois Capital Development Board on behalf of the State or held in trust by the State of Illinois Capital Development Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Capital Development Board's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois Capital Development Board's compliance with specified requirements.

In our opinion, the State of Illinois Capital Development Board complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2012. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 12-1, 12-2, 12-3, 12-4, 12-5, 12-6, 12-7, 12-8, and 12-9.

Internal Control

Management of the State of Illinois Capital Development Board is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois Capital Development Board's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Capital Development Board's internal control over compliance.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in an entity's internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal

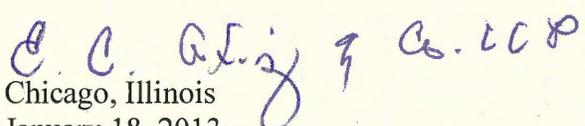
control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings as items 12-1, 12-2, 12-3, 12-4, 12-5, 12-6, 12-7, and 12-8. A *significant deficiency in an entity's internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Additionally, the results of our procedures disclosed other matter involving internal control over compliance, which is required to be reported in accordance with criteria established by the Audit Guide issued by the Illinois Office of the Auditor General and which is described in the accompanying schedule of findings as item 12-9.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

The State of Illinois Capital Development Board's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois Capital Development Board's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Board management, Board members and audit committee members of the State of Illinois Capital Development Board, and is not intended to be and should not be used by anyone other than these specified parties.


Chicago, Illinois
January 18, 2013



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable William G. Holland
Auditor General
State of Illinois

and

Board Members
Capital Development Board

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois Capital Development Board, as of and for the year ended June 30, 2012, which collectively comprise the State of Illinois Capital Development Board's basic financial statements and have issued our report thereon dated January 18, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the State of Illinois Capital Development Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the State of Illinois Capital Development Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois Capital Development Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Capital Development Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or

material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings as item 12-1 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois Capital Development Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

The State of Illinois Capital Development Board's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the State of Illinois Capital Development Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Board management, Board members and audit committee members of the State of Illinois Capital Development Board, and is not intended to be and should not be used by anyone other than these specified parties.

E. C. Glez & Co. LLP
Chicago, Illinois
January 18, 2013

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDING - *GOVERNMENT AUDITING STANDARDS*

Finding No. 12-1 - Inadequate Controls Over Approval of Contracts

The Capital Development Board (CDB) had not established adequate controls over approval of contracts prior to the performance of services and resolution of outstanding procurement issues.

Due to the lack of controls governing the interactions between CDB and the Chief Procurement Officer (CPO), we noted 3 of 100 (3%) FY 2012 vouchers reviewed for contracts, modifications, and change orders, totaling \$855,879, represented improper payments for services performed prior to a properly executed contract. Contracts related to these vouchers were approved by the CPO 13 to 223 days after the contract start date.

The Illinois Procurement Code (30 ILCS 500/20-80 (d)) states, "No voucher shall be submitted to the Comptroller for a warrant to be drawn for the payment of money from the State treasury or from other funds held by the State Treasurer on account of any contract unless the contract is reduced to writing before the services are performed and filed with the Comptroller. Vendors shall not be paid for any goods that were received or services that were rendered before the contract was reduced to writing and signed by all necessary parties. A chief procurement officer may request an exception to this subsection by submitting a written statement to the Comptroller and Treasurer setting forth the circumstances and reasons why the contract could not be reduced to writing before the supplies were received or services performed."

In FY 2011, the CPO issued three "CDB CPO Notices" stating the CPO was required to approve all contracts, contract extensions/modifications, and emergency procurements. In addition, CDB worked with the CPO's office in developing procedures to ensure that contracts are executed and approved before work begins.

According to CDB management, exceptions were due to oversight. A new process was instituted in FY 12 requiring certification from the vendors and project managers that no work started prior to the execution of the contract, change order or modification. Staff must include review of starting dates for those contract activities when payments are presented.

Failure to fully execute a contract prior to commencement of services leaves CDB vulnerable to unnecessary liabilities and potential legal issues. In addition, failure to obtain approval of all necessary parties prior to performance and completion of services results in noncompliance with the Illinois Procurement Code. (Finding Code Nos. 12-1 and 11-1)

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDING - *GOVERNMENT AUDITING STANDARDS* (CONTINUED)

Finding No. 12-1 - Inadequate Controls Over Approval of Contracts (Continued)

Recommendation:

We recommend CDB to continue working with the CPO to implement procedures to ensure all contracts are executed and approved prior to the start of the services.

Board Response:

The Board agrees with the finding and recommendation. Procedures have been developed and implemented to ensure contracts are executed and approved prior to the start of services.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE

Finding No. 12-2 - Inadequate Controls Over Revenue and Receipts

The Capital Development Board (CDB) did not have adequate controls over its revenue and receipts.

During our review of 60 receipts totaling \$25,524,021, we noted the following:

- Receipts for 12 contract administration fees (CAF) were more than 3% of contract amount and the excess totaled \$519,849.
- Supporting documentation for 1 CAF was not found, receipt amounted to \$1,162,500.
- Three Receipt Deposit Transmittal (RDT) forms (C-64) for receipts totaling \$1,117,246 were not properly completed by not indicating the code for the type of deposit instrument.
- Two receipts totaling \$258,504 were deposited 1 day late.

The Capital Development Board Act (20 ILCS 3105/9.02a) states that CAF shall not exceed 3% of the contract amount. Effective June 30, 2012, this section of the Capital Development Board Act, which requires CAF, was repealed. The conditions in bullet points one and two above are addressed through this change in the law.

Procedure 25.20.10 of the Statewide Accounting Management System provides instructions for the completion of RDTs. In all cases, except deposits of interest income by the State Treasurer, a list of instrument types and numbers must either be cited on the transmittal or on an attached list.

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2(a)) requires each State agency to deposit into the State Treasury individual receipts or refunds exceeding \$10,000 in the same day received, an accumulation of receipts of \$10,000 or more within 24 hours, receipts valued between \$500 and \$10,000 within 48 hours, and cumulative receipts valued up to \$500 on the next first or fifteenth day of the month after receipt. This Act also requires each State agency to keep a detailed itemized account of money received, including the date of receipt.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Agency to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that funds, property and other assets be safeguarded against waste, loss,

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-2 - Inadequate Controls Over Revenue and Receipts (Continued)

unauthorized use, and misappropriation. Effective internal controls should include procedures to ensure adequate documentation of actual check receipt, statutory requirements are followed, and checks are timely deposited.

According to CDB management, noncompliance with the 3% CAF statutory limit was due to CDB's current policies on CAF computation. CDB's current policies and procedures on CAF require all contracts entered after July 1, 2004, to assess a CAF equal to a) 3% of the basic design fee for architectural firm work, and b) 3% of the total estimated contract award that was used at the time the bid proposal was accepted regardless of the actual amount awarded by CDB for all contractor work (3% of the base bid estimate plus alternates). Other exceptions noted were due to oversight.

Failure to properly compute contract administration fee exposes CDB to possible claims by vendors. Also, failure to maintain support of CAF revenue increases the potential of loss, theft or non-accountability of State's resources. Improper completion of RDT forms C-64 results to noncompliance with SAMS procedures. In addition, failure to deposit collections on a timely manner may result in lost interest revenue and increases the risk of misappropriation of funds. (Finding Code No. 12-2)

Recommendation:

We recommend the CDB strengthen its controls over revenue and cash receipts to ensure fees are collected and deposited in accordance with State statutes. Deposits should also be made on a timely basis to maximize interest earned. We also recommend CDB submit RDTs to the Office of the State Comptroller in accordance with SAMS procedures.

Board Response:

The Board agrees with the finding and recommendation. CDB has introduced a bill to the legislature to reinstate the CAF and is working with the industry to clarify how the fee should be calculated. CDB will strengthen controls over revenue and cash receipts to ensure deposits are made on a timely basis and that RDT's are submitted to the Office of the State Comptroller in accordance with SAMS procedures.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-3 - Failure to Publish Required Procurement Information

The Capital Development Board (CDB) did not fully comply with the Illinois Procurement Code's provisions for publishing procurement information in the Illinois Procurement Bulletin (the Bulletin).

CDB is responsible for publishing its volumes of the Bulletin, which is available electronically. The Bulletin shall contain notices and other information required by the Illinois Procurement Code (the Code) or by rules promulgated under the Code to be published in the Bulletin (30 ILCS 500/15-1, 15-10). Based on our review of procurement information on CDB's website, the following were noted:

- Invitation for bids with revised bid dates and rebids did not include information about the responsible State purchasing officer, the method of source selection, and encouragement to prospective vendors to hire qualified veterans and Illinois residents discharged from any Illinois adult correctional center.
- Contracts let or awarded did not include information about the location where offers were submitted.
- Nineteen of 21 (90%) emergency purchases reviewed, totaling \$5,366,780, were published in the Bulletin 175 to 782 days after the award date. Final cost totaling \$4,929,232 for 18 (86%) emergency purchases were published in the Bulletin 194 to 782 days after the determination of final cost. Further, 1 (5%) emergency purchase amounting to \$59,948 and final cost of 1 (5%) emergency purchase amounting to \$27,457 were not published in the Bulletin.
- Four notices for hearing for emergency contract extension were not published in the Bulletin.

The Code (30 ILCS 500/15-25 (a, b, and c)) states that the Bulletin's content will be as follows:

- Invitation for bids - Notice of each and every contract that is offered shall be published in the Bulletin and must include the date first offered, the date submission of offers is due, the location that offers are to be submitted to, the purchasing State agency, the responsible State purchasing officer, the method of source selection, information on how to obtain a comprehensive purchase description and any disclosure and contract forms,

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-3 - Failure to Publish Required Procurement Information (Continued)

and encouragement to prospective vendors to hire qualified veterans, as defined by Section 45-67 of the Code, and qualified Illinois minorities, women, persons with disabilities, and residents discharged from any Illinois adult correctional center.

- Contracts let - Notice of each and every contract that is let shall be issued electronically to those bidders or offerors submitting responses to the solicitations, inclusive of the unsuccessful bidders, immediately upon contract let. The apparent low bidder's award and all other bids from bidders responding to solicitations shall be posted on the Agency's website the next business day.
- Contracts awarded - Notice of each and every contract that is awarded shall be issued electronically to the successful responsible bidder or offeror, posted on the Agency's website the next business day, and published in the next available subsequent Bulletin and must include at least all of the information specified in the invitation for bids, as well as certain details related to the procurement and contract. This notice must be posted in the online electronic Bulletin prior to execution of the contract.
- Emergency purchase - Any chief procurement officer (CPO) or State purchasing officer exercising emergency purchase authority under this Code shall publish a written description and reasons and the total cost, if known, or an estimate if unknown and the name of the responsible chief procurement officer and State purchasing officer, and the business or person contracted with for all emergency purchases in the next timely, practicable Bulletin. This notice must be posted in the online electronic Bulletin no later than 3 business days after the contract is awarded. Notice of a hearing to extend an emergency contract must be posted in the online electronic Procurement Bulletin no later than 5 business days prior to the hearing.

The Code (30 ILCS 500/20-30 (b)) also states when the actual total cost of an emergency contract is determined, it shall also be published in the Bulletin before the 10th day of the next succeeding month.

According to CDB management, revised dates for bids and for rebids were posted however, the template for initial postings was not used, which contains the required information. Emergency purchases and other information not posted in the Bulletin was due to new emergency contract procedures and filing responsibilities which were not fully in place until late in FY 2012.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-3 - Failure to Publish Required Procurement Information (Continued)

Failure to comply with the Code's procurement information provisions reduces accountability and transparency of government decisions and results in noncompliance with the statutory requirements. (Finding Code Nos.12-3, 10-2, and 08-2)

Recommendation:

We recommend CDB to work with the CPO in implementing procedures to ensure complete and consistent procurement information is published as required by the Code.

Board Response:

The Board agrees with the finding and recommendation. Procedures have been reviewed and processes implemented to ensure that complete and consistent procurement information is published as required.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-4 - Performance Evaluations Not Completed

The Capital Development Board (CDB) did not timely complete employee performance evaluations.

During our review of 40 employee personnel files, we noted 35 performance evaluations were not current or timely, as follows:

- Eleven of 40 (28%) employees tested for FY 2011 and 16 of 40 (40%) employees tested for FY 2012 did not have a performance evaluation.
- Eight of 40 (20%) employees tested did not have a performance evaluation at the end of the probationary period nor within the previous twelve months.

In addition, we noted CDB Personnel Policies and Procedure Manual did not have procedures regarding the submission due dates of performance evaluation. Twenty-one performance evaluations reviewed were submitted between 1 to 299 days after the last day of the employee's performance review period.

CDB Personnel Policies and Procedures Manual IX.B.2 requires performance evaluations to be completed on an annual basis in order to evaluate the employee's performance within the last year and to set performance objectives for the upcoming year. It also states that new non-code employees serving a probationary period of six months or more will receive an appraisal at the end of the probationary period. Per CDB Personnel Policies and Procedures Manual I.A.3, non-code employees are employees who are exempt from all jurisdictions of the Personnel Code administered by the Department of Central Management Services and collective bargaining agreements. In addition, it is prudent business practice to complete performance evaluations on a regular and timely basis.

According to CDB management, the delays were due to supervisors not responding timely to protocol reminder notices sent by CDB Human Resources department during the monitoring process. CDB did not deem it necessary to include evaluation submission due dates in the Personnel Policies and Procedures Manual since employees are evaluated on or near their employment anniversary dates.

Employee performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Without timely completion of an employee performance evaluation, the employee would not be provided with formal feedback or assessment of his or her performance, and areas for

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-4 - Performance Evaluation Not Completed (Continued)

improvements and current year's performance goals and objectives may not be identified and communicated in a timely manner. Further, employee performance evaluations should serve as a foundation for salary adjustments, promotions, demotions, discharges, layoff, recall, or reinstatement decisions. (Finding Code Nos. 12-4, 10-3, 08-3, and 06-6)

Recommendation:

We recommend CDB management evaluate its procedures for monitoring performance evaluations to ensure that performance appraisals are timely completed. Further, CDB should follow-up with supervisors to ensure compliance with these procedures.

Board Response:

The Board agrees with the finding and recommendation. CDB Human Resources Department will continue to send out monthly reminders along with follow-up reminders to ensure compliance with these procedures.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-5 - Failure to File Required Affidavits with the Auditor General

The Capital Development Board (CDB) did not comply with the Illinois Procurement Code (Code).

The CDB failed to provide the Auditor General affidavits that the waiver of the application of the requirements of Section 30-30 of the Code for 5 single prime construction projects tested totaling \$155 million, is in the best interest of the State. Also affidavits for 11 of 21 (52%) emergency purchases were not filed with the Auditor General within 10 days of awarding the contracts, wherein 5 of 11 were filed 5 to 13 days late and 6 of 11 were not filed at all. These emergency purchases consisted of 8 projects for the Department of Corrections, 2 projects for the Historic Preservation Agency, and 1 project for Office of the Secretary of State, totaling \$2,855,965.

The Code (30 ILCS 500/30-30) states that the Board shall provide to the Auditor General an affidavit that the waiver of the application of multiple-prime bidding requirements is in the best interest of the State. The Emergency Purchases Section (c) Affidavits of the Code (30 ILCS 500/20-30) states a chief procurement officer (CPO) shall file affidavits with the Procurement Policy Board and the Auditor General within 10 days after the procurement stating the amount expended, the name of the contractor involved, and the conditions and circumstances requiring the emergency procurement. When only an estimate of the cost is available within 10 days after the procurement, the actual cost shall be reported immediately after it is determined.

According to CDB management, the Board was not able to appoint a specific staff to complete and file the affidavits for single prime contracts. Additionally, on July 1, 2010, the CPO and duties came in to law. CDB worked with that Office to develop emergency contract procedures and filing responsibilities. Those were not fully in place until late in FY 2012.

Failure to file affidavits to the Auditor General reduces accountability and transparency of government decisions and constitutes noncompliance with the law. (Finding Code Nos. 12-5 and 10-4)

Recommendation:

We recommend CDB implement controls to ensure compliance with the Code requirements in filing of necessary affidavits with the Auditor General timely.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-5 - Failure to File Required Affidavits with the Auditor General (Continued)

Board Response:

The Board agrees with the finding and recommendation. However, CDB received direction from the CPO's office on September 15, 2010 (CPO Notice #3) that "CDB shall provide to the CPO an affidavit meeting the requirements of Section 20-30(c) in order to permit the CPO to file the affidavit with the Procurement Policy Board and the Auditor General within 10 days after the procurement." CDB will continue to work with the CPO's office to ensure timely filing of affidavits with the Auditor General. In addition, CDB will develop and implement procedures to ensure that affidavits are filed with the Auditor General's office waiving requirements of Section 30-30 of the Code for any single prime construction projects.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-6 - Noncompliance with the Capital Development Board Act

The Capital Development Board (CDB) did not have the mandated seven members.

The Board was composed of six members as of June 30, 2012. The vacancy was caused by the resignation of a member on March 27, 2011. The Office of the Governor has not appointed a new member to the Board.

The Capital Development Board Act (20 ILCS 3105/5) requires that the Board shall consist of seven members all of whom shall be appointed by the Governor, by and with the consent of the Senate. Any vacancy occurring on the Board, whether by death, resignation or otherwise, shall be filled by appointment by the Governor in the same manner as original appointments.

According to CDB management, they have been constantly communicating with the Office of the Governor informing and reminding them of the vacancy on the Board.

The vacancy on the Board limits the input provided to set policy for the Board, approve the awarding of contracts to professional design firms, and consider major changes to construction contracts and operation and management of the Board. (Finding Code Nos. 12-6 and 10-5)

Recommendation:

We recommend CDB management continue to communicate with the Governor to request the vacant position be filled.

Board Response:

The Board agrees with the finding and recommendation. CDB will continue to communicate the Board vacancy to the Office of the Governor.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-7 - Untimely Approval and Payment of Vouchers

The Capital Development Board (CDB) did not timely process vouchers and pay required interest.

During our review of 312 voucher payments totaling \$278,061,296, we noted the following:

- Nineteen (6%) vouchers totaling \$688,844 were approved for payment 1 to 74 days late.
- Two (less than 1%) vouchers tested totaling \$29,584 were not stamped received by the requesting department. In these cases, invoice dates were used to determine timely approval and payment.
- CDB did not approve for payment of vendor interest charges totaling \$145 on 4 of 4 (100%) vouchers tested where interest charges were required to be automatically calculated and paid by the CDB. In these instances, the invoices were not paid by the Illinois Office of the Comptroller within 60 or 90 days of receipt.

The Illinois Administrative Code (74 Ill. Adm. Code 900.70) requires CDB to review each vendor's invoice and either deny the bill in whole or in part, ask for more information necessary to review the bill; or approve the voucher in whole or in part, within 30 days after the receipt of the bill. In addition, the State Prompt Payment Act (30 ILCS 540/3-2) requires State agencies to determine whether interest is due and to automatically pay the interest to the appropriate vendor when payment is not issued within 60 days after receipt of a proper bill. The CDB is responsible for paying interest amounting to \$50 or more to the appropriate vendor. Effective July 1, 2010, Public Act 96-959 requires interest less than \$50 shall not be paid but shall be accrued until all interest due the vendor for all similar warrants exceeds \$50, at which time the accrued interest shall be payable and interest will begin accruing again, except that interest accrued as of the end of the fiscal year that does not exceed \$50 shall be payable at that time. Amounts due for interest should be measured and paid in accordance with the law that was in effect on the day the State of Illinois issued payment. Through FY 2011, interest shall begin accruing on the 61st day after receipt of a proper bill and shall continue to accrue until the bill is paid by the Comptroller's Office. Effective July 1, 2011, Public Act 97-72 requires interest shall begin accruing on the 91st day after the proper bill date. Interest is calculated at a rate of 1% per month.

The Illinois Administrative Code (74 Ill. Adm. Code 900.30) requires the CDB to maintain written or electronic records reflecting the date or dates on which the proper bill was received and approval for payment of the bill was made.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-7 - Untimely Approval and Payment of Vouchers (Continued)

According to CDB management, the delays in payment were due to lack of available funding at the time of receipt of invoices and vouchers. Invoices were not date stamped due to oversight. Regarding unpaid interest charges, CDB management stated that the majority of voucher approvals were submitted to the Comptroller within 30 days, but payment was delayed at the Comptroller's Office.

Late approval of vouchers, failure to approve payment of required interest, and inadequate documentation of invoice receipt and voucher payment date result in noncompliance with the Illinois Administrative Code and State Prompt Payment Act. Untimely processing and approval of vouchers may result in the CDB incurring unnecessary interest charges. (Finding Code Nos. 12-7 and 10-7)

Recommendation:

We recommend the CDB strengthen its controls over voucher processing to ensure documentation of invoice receipt and voucher payment date and timely approval of vouchers, including interest as required.

Board Response:

The Board agrees with the finding and recommendation. CDB will strengthen controls over voucher processing to ensure timely approval and adequate documentation.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-8 - Noncompliance with the State Finance Act

The Capital Development Board (CDB) did not comply with the requirements of the State Finance Act (Act).

During our review of 40 State grant awards for capital construction costs amounting to \$250,000 or more we noted the following:

- Twenty-two (55%) grants totaling \$336,605,568 did not have written certification that the grant recipient complied with the business enterprise program practices for minority-owned businesses, female-owned businesses, and businesses owned by persons with disabilities of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575) and the equal employment practices section 2-105 of the Illinois Human Rights Act (775 ILCS 5/2-105).
- Ten (25%) grants totaling \$166,670,706 did not submit business enterprise program plan timely. Submission was made after the grant agreement was signed.
- Twelve (30%) grants totaling \$169,934,862 did not submit business enterprise program plan at all.

The Act (30 ILCS 105/45) states that each award by grant or loan of State funds of \$250,000 or more for capital construction costs or professional services is conditioned upon the recipient's written certification that the recipient shall comply with the business enterprise program practices for minority-owned businesses, female-owned businesses, and businesses owned by persons with disabilities of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575) and the equal employment practices of Section 2-105 of the Illinois Human Rights Act (775 ILCS 5/2-105). The Act also states that each recipient shall submit the written certification and business enterprise program plan for minority-owned businesses, female-owned businesses, and businesses owned by persons with disabilities before signing the relevant grant or loan agreement.

According to CDB management, CDB staff worked to develop forms and reporting procedures for construction grants during FY 2011 and FY 2012. During that working period, grants were issued. It was CDB's hope to catch up with the business enterprise plan requirements later. Procedures are now in place and being followed for any grants issued by the CDB.

Failure to obtain written certification and business enterprise program plan results in noncompliance with the Act. (Finding Code No. 12-8)

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-8 - Noncompliance with the State Finance Act (Continued)

Recommendation:

We recommend the CDB implement its controls over State grant/loan awards for capital construction costs of \$250,000 or more to ensure compliance with all certification and other requirements of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act, and the Illinois Human Rights Act, as required by the State Finance Act.

Board Response:

The Board agrees with the finding and recommendation. CDB has developed and implemented procedures to comply with the applicable requirements of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act, and the Illinois Human Rights Act, as required by the State Finance Act.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

CURRENT FINDINGS - STATE COMPLIANCE (CONTINUED)

Finding No. 12-9 - Failure to Comply with the Identity Protection Act

The Capital Development Board (CDB) failed to implement the provisions of the Identity Protection Act (Act).

The Identity Protection Act (5 ILCS 179) required the CDB to draft and approve an identity-protection policy by June 1, 2011. Per the Act, the Policy must:

- Identify the Act.
- Require all employees identified as having access to social security numbers in the course of performing their duties to be trained to protect the confidentiality of social security numbers.
- Direct that only employees who are required to use or handle information or documents that contain social security numbers have access to such information or documents.
- Require that social security numbers requested from an individual be placed in a manner that makes the social security number easily redacted if required to be released as part of a public records request.
- Require that, when collecting a social security number or upon request by the individual, a statement of the purpose or purposes for which the agency is collecting and using the social security number be provided.

During our testing we noted that the CDB had not issued an identity-protection policy.

According to CDB management, due to limited resources and staffing, procedures have not been developed.

Failure to implement provisions of the Act results in noncompliance with the Act, does not promote the security and control of social security numbers, and increases the likelihood of identity theft. (Finding Code No. 12-9)

Recommendation:

We recommend the CDB develop and approve an identity-protection policy as required in the Identity Protection Act.

Board Response:

The Board agrees with the finding and recommendation. CDB will devote resources as necessary to develop and approve an identity-protection policy as required in the Identity Protection Act.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF PRIOR FINDINGS NOT REPEATED
FOR THE TWO YEARS ENDED JUNE 30, 2012**

A. Reappropriated Projects' Accounts Payable Understated

In the prior examination, the Capital Development Board's (CDB) process for the estimation of reappropriated projects' accounts payable underestimated the unexpended appropriation in their financial statements.

During the current examination, fewer grants were processed and CDB used a higher multiplier for its multi-year estimation methodology. Also, beginning FY 2011, vendor invoices billed at or after fiscal year end for work completed both before and after June 30th were included as reappropriated projects' accounts payable, proportionately allocated based on number of service days rendered in each fiscal year. In prior years, if the majority of service days were performed before June 30th, the expenditure is included in reappropriated projects' accounts payable. Thus, the resulting understatement of reappropriated projects' accounts payable recorded in the financial statements was considered insignificant. (Finding Code Nos. 10-1 and 09-1)

B. Inaccurate and Inadequate Property Records

In the prior examination, the Capital Development Board's (CDB) did not maintain accurate and adequate property records as noted during the review of the Common System Inventory, Annual Certification of Inventory and Agency Report of State Property (C-15).

During the current examination, no significant exceptions were noted in relation to our review of CDB's property records. (Finding Code No. 10-6)

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FINANCIAL STATEMENT REPORT**

SUMMARY

The audit of the accompanying financial statements of the State of Illinois, Capital Development Board (CDB) was performed by E. C. Ortiz & Co., LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Board's basic financial statements.

SUMMARY OF FINDING

The auditors identified a matter involving the CDB's internal control over financial reporting that they considered to be a significant deficiency. The significant deficiency is described in the accompanying schedule of findings listed in the table of contents as finding 12-1, *Inadequate Controls Over Approval of Contracts*.

EXIT CONFERENCE

The CDB opted not to have an exit conference during the financial audit for the year ended June 30, 2012 and compliance examination for the two years ended June 30, 2012. Responses to the recommendations were provided by Paula Sorensen, Chief Internal Auditor, in a letter dated December 20, 2012.



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

and

Board Members
Capital Development Board

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Capital Development Board, as of and for the year ended June 30, 2012, which collectively comprise the State of Illinois, Capital Development Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Illinois, Capital Development Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the financial statements of the State of Illinois, Capital Development Board are intended to present the financial position and changes in financial position of only that portion of the governmental activities, the major fund, and the aggregate remaining fund information of the State that is attributable to the transactions of the State of Illinois, Capital Development Board. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2012 and its changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Capital Development Board, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 18, 2013 on our consideration of the State of Illinois, Capital Development Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management has omitted management's discussion and analysis and budgetary comparison information for the General Revenue Fund that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Illinois, Capital Development Board's basic financial statements. The accompanying supplementary information for the year ended June 30 2012, in the combining and individual nonmajor fund financial statements, and State Compliance Schedules 1 through 24 is presented for purposes of additional analysis and is 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 accompanying supplementary information for the year ended June 30, 2012, in the combining and individual nonmajor fund financial statements, and State Compliance Schedules 1 through 24 have 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. In our opinion, the accompanying supplementary information for the year ended June 30, 2012, in the combining and individual nonmajor fund financial statements, and State Compliance Schedules 1 through 24 is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the State of Illinois, Capital Development Board's basic financial statements for the year ended June 30, 2011, and have issued our reports thereon dated February 10, 2012, which contained unqualified opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information. The accompanying supplementary information for the year ended June 30, 2011 in the State Compliance Schedules 2, 4, 6, 8, and 10 through 24 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare

the 2011 financial statements. The accompanying supplementary information for the year ended June 30, 2011 in the State Compliance Schedules 2, 4, 6, 8, and 10 through 24 has been subjected to the auditing procedures applied in the audit of the 2011 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2011 in the State Compliance Schedules 2, 4, 6, 8, and 10 through 24 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the State of Illinois, Capital Development Board's basic financial statements for the year ended June 30, 2010, and have issued our reports thereon dated February 13, 2011, which expressed qualified opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information. The accompanying supplementary information for the year ended June 30, 2010 in the State Compliance Schedules 11 through 16 and 20 through 22 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2010 financial statements. The accompanying supplementary information for the year ended June 30, 2010 in the State Compliance Schedules 11 through 16 and 20 through 22 has been subjected to the auditing procedures applied in the audit of the 2010 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2010 in the State Compliance Schedules 11 through 16 and 20 through 22 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

The accompanying supplementary information in the Analysis of Operations Section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Comptroller, Board management, and Board members and audit committee members of the State of Illinois, Capital Development Board, and is not intended to be and should not be used by anyone other than these specified parties.

E. C. G. & Co. LLP
Chicago, Illinois
January 18, 2013

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
STATEMENT OF NET ASSETS
JUNE 30, 2012
(Expressed in Thousands)**

	Governmental Activities
ASSETS	
Unexpended appropriations	\$ 31,718
Cash equity with State Treasurer	8,592
Cash and cash equivalents	10,400
Intergovernmental receivables	1,002
Due from other State funds	42,258
Other receivables	853
Capital assets not being depreciated	39,187
Capital assets being depreciated, net	83
TOTAL ASSETS	134,093
LIABILITIES	
Accounts payable and accrued expenses	42,565
Intergovernmental payables	5,143
Due to other State funds	114
Deferred revenues	1,301
Compensated absences, short-term	126
Compensated absences, long-term	1,136
TOTAL LIABILITIES	50,385
NET ASSETS	
Invested in capital assets, net of related debt	39,270
Unrestricted	44,438
TOTAL NET ASSETS	\$ 83,708

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(Expressed in Thousands)**

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets
		Charges for Services	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS				
GOVERNMENTAL ACTIVITIES				
Education	\$ 467,437	\$ 14,088	\$ 23,916	\$ (429,433)
General government	23,803	-	-	(23,803)
Total governmental activities	\$ 491,240	\$ 14,088	\$ 23,916	\$ (453,236)
GENERAL REVENUES				
Appropriations from State resources				4,156,223
Reappropriation to future year(s)				(3,604,535)
Lapsed appropriations				(658)
Net change in liabilities for reappropriated accounts				4,130
TRANSFERS				
Receipts collected and transmitted to State Treasury				(282)
Capital transfers to other State agencies				(51,870)
Operating transfers to other State agencies				(163)
Total general revenues and transfers				502,845
CHANGE IN NET ASSETS				49,609
NET ASSETS, JULY 1, 2011				34,099
NET ASSETS, JUNE 30, 2012				\$ 83,708

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2012
(Expressed in Thousands)**

	General Revenue Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Unexpended appropriations	\$ -	\$ 31,718	\$ 31,718
Cash equity with State Treasurer	-	8,592	8,592
Cash and cash equivalents	-	10,400	10,400
Intergovernmental receivables	-	1,002	1,002
Due from other State funds	-	42,258	42,258
Other receivables	-	853	853
TOTAL ASSETS	-	94,823	94,823
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	-	42,565	42,565
Intergovernmental payables	-	5,143	5,143
Due to other State funds	-	114	114
Unavailable revenues	-	537	537
Deferred revenues	-	1,301	1,301
Total liabilities	-	49,660	49,660
FUND BALANCES			
Committed	-	45,163	45,163
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 94,823	\$ 94,823

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012
(Expressed in Thousands)**

Total fund balances - governmental funds	\$ 45,163
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	39,270
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the governmental funds.	537
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and therefore, are not reported as liabilities in governmental funds. These activities consist of compensated absences.	<u>(1,262)</u>
Net assets of governmental activities	<u><u>\$ 83,708</u></u>

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012
(Expressed in Thousands)**

	General Revenue Fund	Nonmajor Funds	Total Governmental Funds
REVENUES			
Federal capital grants	\$ -	\$ 23,916	\$ 23,916
Licenses and fees	-	8,869	8,869
Other charges for services	-	5,320	5,320
Total revenues	-	38,105	38,105
EXPENDITURES			
Education	-	467,437	467,437
General government	-	23,677	23,677
Capital outlays	-	64,972	64,972
Total expenditures	-	556,086	556,086
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	(517,981)	(517,981)
OTHER SOURCES (USES)			
Appropriations from State resources	-	4,156,223	4,156,223
Reappropriations to future year(s)	-	(3,604,535)	(3,604,535)
Lapsed appropriations	-	(658)	(658)
Receipts collected and transmitted to State Treasury	-	(282)	(282)
Net change in liabilities for reappropriated accounts	-	4,130	4,130
Operating transfers out	-	(163)	(163)
Total other sources	-	554,715	554,715
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	36,734	36,734
FUND BALANCES, JULY 1, 2011	-	8,429	8,429
FUND BALANCES, JUNE 30, 2012	\$ -	\$ 45,163	\$ 45,163

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(Expressed in Thousands)**

Net change in fund balances \$ 36,734

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 64,972	
Depreciation expense	<u>(23)</u>	64,949

Some capital assets were transferred out to other State agencies and, therefore, were removed from fund balance without any corresponding proceeds. (51,870)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. This amount represents the decrease in unavailable revenue over the prior year. (101)

Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds. These activities consist of compensated absences.

Increase in compensated absences		<u>(103)</u>
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Change in net assets of governmental activities \$ 49,609

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - ORGANIZATION

The Capital Development Board (CDB) is a part of the executive branch of government of the State of Illinois (State) and operates under the authority of and review by the Illinois General Assembly. The CDB operates under a budget approved by the General Assembly in which resources primarily from the Capital Development Fund and the School Construction Fund are appropriated for the use of the CDB. Activities of the CDB are subject to the authority of the Office of the Governor, the State's chief executive officer, and other departments of the executive and legislative branches of government (such as the Department of Central Management Services, the Governor's Office of Management and Budget, the State Treasurer's Office, and the State Comptroller's Office) as defined by the Illinois General Assembly. All funds appropriated to the CDB and all other cash received are under the custody and control of the State Treasurer with the exception of locally held retainage accounts as authorized by State law.

The CDB's principal statutory functions and responsibilities are:

- To build or otherwise provide capital facilities and improvements for which money has been appropriated by the General Assembly.
- To conduct continuous studies into the costs of building or otherwise providing capital facilities.
- To conduct research for improvements in choice of materials and systems and in construction methods for reducing construction costs and operating and maintenance costs of capital expenditure plans.
- To review and recommend periodic revisions in establishing building and construction codes, to promote public safety, energy efficiency and economy, including the use of solar energy, and reduce construction costs and operating and maintenance costs of capital facilities.
- To advise State agencies and units of local government, on request, on any matter related to the purpose of CDB and to assist State agencies in the preparation of their annual long-range capital expenditure plans.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the CDB have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Governmental Accounting Standards Board (GASB). To facilitate the understanding of data included in the financial statements, summarized below are the more significant accounting policies.

A. Financial Reporting Entity

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board and either (a) the primary government's ability to impose its will, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Based upon the required criteria, the CDB has no component units and is not a component unit of any other entity. However, because the CDB is not legally separate from the State of Illinois, the financial statements of the CDB are included in the financial statements of the State of Illinois. The State of Illinois' Comprehensive Annual Financial Report (CAFR) may be obtained by writing to the State Comptroller's Office, Financial Reporting Department, 325 West Adams Street, Springfield, Illinois 62704-1871.

B. Basis of Presentation

The financial statements of the CDB are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund of the State of Illinois, and the aggregate remaining fund information of the State of Illinois that is attributable to the transactions of the CDB. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2012, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial activities of the CDB, which consist only of governmental activities, are reported under the general government and education functions in the CAFR. A brief description of the CDB's government-wide and fund financial statements is as follows:

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Government-Wide Statements

The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the CDB. Eliminations have been made to minimize the double-counting of internal activities of the CDB.

The Statement of Net Assets presents the assets and liabilities of the CDB's governmental activities with the difference being reported as net assets. The assets and liabilities are presented in order of their relative liquidity by class of asset or liability with liabilities whose average maturities are greater than one year reported in two components - the amount due within one year and the amount due in more than one year.

The Statement of Activities presents a comparison between direct expenses and program revenues for the general government and education functions of the CDB's governmental activities. Direct expenses are those that are clearly identifiable with a specific 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 CDB's funds. The emphasis of fund financial statements is on major governmental fund, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The CDB administers the following major governmental fund (or portion thereof in the case of shared funds - see Note 2 (D)) of the State:

General Fund - This is the State's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the CDB and accounted for in the general fund include, among others, general government and education.

The General Fund, as presented in these CDB's financial statements, is the portion of the State of Illinois General Revenue Fund financial resources obtained and used by the CDB and is included only to present the financial position and operations of the CDB in its entirety.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Nonmajor funds consist of Special Revenue and Capital Projects.

Special Revenue Funds - Transactions to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes pursuant to the Capital Development Board Revolving Fund Act, the Asbestos Abatement Act, the School Infrastructure Fund Act, and the Tobacco Settlement Recovery Fund are accounted for in the special revenue fund. All the special revenue funds in the report are held in the State Treasury and, except, Fund 170 CDB Special Projects which is nonappropriated, all are appropriated. The special revenue fund type includes the following funds:

CDB Special Projects Fund (170) is a non-shared fund that accounts for the receipts of grant funds from other State agencies and is governed by the Capital Development Board Act.

CDB Revolving Fund (215) is a non-shared fund that accounts for a three (3) percent contract administration fee assessed on most CDB contracts in order to fund the internal operations of the CDB.

Asbestos Abatement Fund (224) is a shared fund that accounts for recoveries from lawsuits filed by the Attorney General for the State and CDB to use for statewide asbestos survey programs.

School Infrastructure Fund (568) is a shared fund that is funded through the General Revenue Fund for the purpose of paying and discharging annually the principal and interest on bonded indebtedness for the construction of school improvements under the School Construction Law. Annual surplus in the fund is to be used for scheduled payments to the School Technology Revolving Fund, costs incurred by the State Board of Education and CDB to administer the programs under the School Construction Law, and to pay for grants due under the School Construction Law.

Capital Projects Funds - Transactions related to resources obtained and used for the acquisition or construction of major capital facilities, including those provided to political subdivisions and other public organizations, are accounted for in capital projects funds. Such resources are derived principally from proceeds of general obligation bond issues, federal grants, public school district contributions, and operating transfers from general funds of the State. All the capital projects funds in the report are held in the State Treasury with the exception of retention trust balances which are held in local bank accounts as retainage due to contractors. Capital expenditures from the capital projects funds, except Fund 617 CDB Contributory

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Trust Fund which is nonappropriated, are appropriated for projects extending beyond the current budget year. The capital projects fund type includes the following funds:

Capital Development Fund (141) is a shared fund that receives general obligation bond proceeds in order to build capital facilities for the State and is governed by the General Obligation Bond Act.

School Construction Fund (143) is a shared fund that receives general obligation bond proceeds in order to build elementary and secondary schools in the State and is governed by the General Obligation Bond Act.

CDB Contributory Trust Fund (617) is a non-shared fund that receives reimbursements from other State agencies for projects financed under various federal programs, public school district contributions, insurance proceeds, and settlements in order to build capital facilities in the State and is governed by the State Finance Act.

Build Illinois Bond Fund (971) is a shared fund that receives Build Illinois Bond proceeds in order to build capital facilities for State universities and local units of government in the State and is governed by the Build Illinois Bond Act.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions in which the CDB gives (or receives) value without receiving (or giving) equal value in exchange include intergovernmental grants. 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 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 collectible 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, (1) principal and interest on formal debt issues, such as bonds and capital leases, are recorded only when payment is due and (2) compensated absences and claims and judgments are recorded when they are expected to be liquidated with expendable available financial resources. Capital

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Significant revenue sources which are susceptible to accrual include fees, charges for services, and intergovernmental grants. All other revenue sources are considered to be measurable and available when cash is received.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

D. Shared Fund Presentation

The financial statement presentation for the General Revenue Fund, Capital Development Fund, School Construction Fund, Asbestos Abatement Fund, School Infrastructure Fund, and Build Illinois Bond Fund represents only the portion of certain shared funds that can be directly attributed to the operations of the CDB. Financial statements for total fund operations of the shared State funds are presented in the CAFR.

In presenting these financial statements, certain unique accounts are used for the presentation of shared funds. The following accounts are used in these financial statements to present the CDB's portion of shared funds:

Unexpended Appropriations

This "asset" account represents lapse period warrants issued between July and August annually in accordance with the Statewide Accounting Management System (SAMS) records plus any liabilities relating to obligations reappropriated to the subsequent fiscal year.

Appropriations from State Resources

This "other financing source" account represents the final legally adopted appropriation according to SAMS records. The amounts reported are net of any reappropriations to subsequent years and the difference between current and prior year liabilities for reappropriated accounts.

Reappropriation to Future Year(s)

This contra revenue account reduces current year appropriations by the amount of the reappropriation to reflect the State's realignment of the budgetary needs to the subsequent year and avoid double counting of a portion of the appropriation in more than one fiscal year.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Lapsed Appropriations

Lapsed appropriations are the legally adopted appropriations less net warrants issued for the 14 month period from July to August of the following year and reappropriations to subsequent years according to SAMS records.

Receipts Collected and Transmitted to State Treasury

This “other financing use” account represents all cash receipts received during the fiscal year from SAMS records.

Net Change in Liabilities for Reappropriated Accounts

This account reflects the amount which should be added to or subtracted from the current year appropriation for shared funds to reflect the increase or decrease from prior year to current year for amounts included in obligations for reappropriated accounts which are liabilities at June 30 of the prior year and June 30 of the current year.

E. Eliminations

Eliminations have been made in the government-wide Statement of Net Assets to minimize the “grossing-up” effect on assets and liabilities within the governmental activities column of the CDB. As a result, amounts reported in the governmental funds balance sheet as interdepartmental interfund receivables and payables have been eliminated in the government-wide Statement of Net Assets.

F. Cash Equity With State Treasurer

Cash equity with State Treasurer consists of deposits held in the State Treasury.

G. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with maturities of less than 90 days at the time of purchase. Cash and cash equivalents consist principally of cash held in local bank accounts as retainage due to contractors.

H. Interfund Transactions and Transactions with State of Illinois Component Units

The CDB has the following types of interfund transactions between CDB funds and funds of other State agencies:

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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 are reported as interfund receivables and payables in the governmental funds Balance Sheet or the government-wide Statements of Net Assets.

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) 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.

The CDB also has activity with various component units of the State of Illinois for capital programs appropriated by the General Assembly.

I. Capital Assets

Capital assets, which include construction in progress and equipment, are reported at cost. Contributed assets are reported at estimated fair value at the time received. Capital assets are depreciated using the straight-line method. Construction in progress is capitalized as project costs are incurred and is transferred to the administering State agency upon substantial completion.

Capitalization thresholds and the estimated useful lives are as follows:

<u>Capital Asset Category</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Life (In Years)</u>
Construction in progress	\$ 25,000	N/A
Equipment	5,000	3-25

J. Compensated Absences

The liability for compensated absences reported in the government-wide Statement of Net Assets consists of unpaid, accumulated vacation and sick leave balances for CDB employees. A liability for these amounts is reported in governmental funds only if they have 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 currently are eligible to receive termination payments and other employees who are expected

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

to become eligible in the future to receive such payments upon termination 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 taxes).

Legislation that become effective January 1, 1998 capped the paid sick leave for all State Employees' Retirement System (SERS) 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 percent 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.

K. Governmental Fund Balances

In the fund financial statements, governmental funds report fund balances in the following categories:

Nonspendable - This consists of amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. There were no nonspendable fund balances as of June 30, 2012.

Restricted - This consists of amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. There were no restricted fund balances as of June 30, 2012.

Committed - This consists of amounts with self-imposed constraints or limitations that have been placed at the highest level of decision making. The following funds comprise committed fund balances as of June 30, 2012: CDB Special Projects Fund (170), CDB Revolving Fund (215), Asbestos Abatement Fund (224), School Infrastructure Fund (558), Capital Development Fund (141), School Construction Fund (143), CDB Contributory Trust Fund (617) and Build Illinois Bond Fund (971). These funds are restricted through enabling legislations but have been subject to fund sweeps in previous years and therefore are classified as committed. These committed funds cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for used in satisfying those contractual requirements.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Assigned - This consists of net amounts that are constrained by the CDB's intent to be used for specific purposes, but that are neither restricted nor committed. There were no assigned fund balances as of June 30, 2012.

Unassigned - This consists of amounts that are available financial resources and are not designated for a specific purpose. There were no unassigned fund balances as of June 30, 2012.

L. Net Assets

In the governmental-wide financial statements, equity is displayed in the components as follows:

Invested in Capital Assets, Net of Related Debt - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The CDB has no capital related debt as of June 30, 2012.

Restricted - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the CDB's policy to use restricted funds first, then unrestricted resources when they are needed. There were no restricted net assets as of June 30, 2012.

Unrestricted - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

M. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - DEPOSITS AND INVESTMENTS

The State Treasurer is the custodian of the State's deposit and investments for funds maintained in the State Treasury. 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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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 money market mutual funds invested in the U.S. government or its agencies. The CDB independently manages cash and cash equivalents maintained outside the State Treasury that are held in trust agreements for the retention of a percentage of construction contract prices.

Cash on deposit for locally held funds has a carrying amount and bank balance of \$10.4 million at June 30, 2012. Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. Prior to July 1, 2007, CDB did not have a deposit policy for custodial credit risk. Retention accounts opened subsequent to June 30, 2007 are required to be insured or fully collateralized. Of the total bank balance, \$396 thousand was exposed to custodial credit risk as uninsured with collateral held by the pledging financial institutions in the State's name, and \$7.196 million was exposed to custodial credit risk as uninsured with collateral held by the pledging financial institution's trust department not in the State's name.

Deposits in the custody of the State Treasurer, or in transit, totaled \$8.592 million at June 30, 2012. These deposits are pooled and invested with other State funds in accordance with the Deposit of State Moneys Act of the Illinois Compiled Statutes (15 ILCS 520/11). Funds held by the State Treasurer have not been categorized as to credit risk because the CDB does not own individual securities. Details on the nature of these deposits and investments are available within the CAFR.

NOTE 4 - INTERFUND BALANCES AND ACTIVITIES

A. Due From Other State Funds

The following balance (amount expressed in thousands) at June 30, 2012 represents amounts due from other CDB and State of Illinois funds:

<u>Fund</u>	<u>Due From Other State Funds</u>	<u>Description/Purpose</u>
Nonmajor governmental funds	\$ 42,258	Due from nonmajor governmental funds for capital project grants and contracts and for short-term borrowings.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

B. Due to Other State Funds

The following balance (amount expressed in thousands) at June 30, 2012 represents amounts due to other CDB and State of Illinois funds:

Fund	Due To Other State Funds	Description/Purpose
Nonmajor governmental funds	\$ 114	Due to internal service funds of the State for purchases of services and goods, reimbursements of capital grant to outside entities and for costs incurred, and overpayment of construction costs.

C. Transfers To/From Other Funds

Interfund transfers out (amount expressed in thousands) for the year ended June 30, 2012 were as follows:

Fund	Transfer Out to Other Funds	Description/Purpose
Nonmajor governmental funds	\$ 163	Transfers for awarding grants and debt service payments.

NOTE 5 - LOANS RECEIVABLE

Loans receivable in the General Fund are comprised of \$14,968 (amount expressed in thousands) receivable from the Illinois International Port District (Port District).

The loan agreement between the Port District and CDB requires payments to CDB based on percentages of Port District income or gross receipts, as defined in the agreements. As to the status of collections, the Port District's gross receipts, as defined by the loan agreement, have been insufficient to cause any payments to be made to CDB. While the loan agreement is not technically in default, the ultimate collectibility of the receivable is dependent upon the achievement of sufficient gross receipts levels, as defined; accordingly, CDB has reserved the entire remaining amount of the Port District receivable as uncollectible as of June 30, 2012.

Should the Port District ultimately default on this obligation, no future or present cash outlay by CDB or the State would be required as the receivables represent previous outlays.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 6 - CAPITAL ASSETS

Capital asset activities (amounts expressed in thousands) for the year ended June 30, 2012 were as follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Balance June 30, 2012</u>
Governmental activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 26,085	\$ 64,972	\$ -	(\$51,870)	\$ 39,187
Capital assets being depreciated:					
Equipment	900	-	-	-	900
Less accumulated depreciation	794	23	-	-	817
Capital assets being depreciated, net	106	(23)	-	-	83
Governmental activity capital assets, net	<u>\$ 26,191</u>	<u>\$ 64,949</u>	<u>\$ -</u>	<u>(\$51,870)</u>	<u>\$ 39,270</u>

Depreciation expense charged to governmental activities - general government totaled \$23 (amount expressed in thousands) for the year.

NOTE 7 - LONG-TERM OBLIGATIONS

Changes in long-term obligations (amounts expressed in thousands) for the year ended June 30, 2012 were as follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>	<u>Amount Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 1,159	\$ 796	\$ 693	\$ 1,262	\$ 126

Compensated absences have been liquidated by the applicable governmental funds that account for the salaries and wages of the related employees.

NOTE 8 - PENSION PLAN

Substantially all of the CDB's full-time employees who are not eligible for participation in another State-sponsored retirement plan participate in the SERS, which is a pension trust fund in the State of Illinois reporting entity. The SERS is a single-employer defined benefit Public Employee Retirement System (PERS) in which State employees participate, except those

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems. The financial position and results of operations of the SERS for fiscal year 2012 are included in the State of Illinois' CAFR for the year ended June 30, 2012. The SERS issues a separate CAFR that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois 62794-9255.

A summary of SERS benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the SERS' CAFR. Also included is a discussion of employer and employee obligations to contribute and the authority under which those obligations are established.

The CDB pays employer retirement contributions based upon an actuarially determined percentage of their payrolls. For fiscal year 2012, the employer contribution rate was 34.190%. Effective for pay periods beginning after December 31, 1991, the State opted to pay the employee portion retirement for most State agencies (including the CDB) with employees covered by the State Employees' and Teachers' Retirement Systems. However, effective with the fiscal year 2004 budget, the State opted to stop paying the portion or a part of the portion of retirement for many State agencies (including the CDB) for certain classes of employees covered by the State Employees' and Teachers' Retirement Systems. The pickup, when applicable, is subject to sufficient annual appropriations and those employees covered may vary across employee groups and State agencies.

NOTE 9 - POST-EMPLOYMENT BENEFITS

The State provides health, dental, and life insurance benefits for certain retirees and their dependents in a program administered by the Department of Healthcare and Family Services along with the Department of Central Management Services. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, 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 in the SERS do not contribute towards health, dental, 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, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

The total cost of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expenditure by the State in the Illinois' CAFR. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents.

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Healthcare and Family Services. A copy of the financial statements of the Department of Healthcare and Family Services may be obtained by writing to the Department of Healthcare and Family Services, 201 South Grand Ave., Springfield, Illinois, 62763-3838.

NOTE 10 - RISK MANAGEMENT

The CDB is exposed to various risks of loss related to torts; thefts 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).

The CDB's risk management activities for 2012 are financed through appropriations to the Illinois Department of Central Management Services and are accounted for in the general fund of the State. The claims are not considered to be a liability of the CDB and, accordingly, have not been reported in the CDB's financial statements for the year ended June 30, 2012. There have been no settlements that exceeded insurance coverage during the last three fiscal years.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

A. Operating Leases

The CDB leases equipment and office space under the terms of noncancelable operating lease agreements not extending past the end of the fiscal year, that require the CDB to make minimum lease payments plus pay a pro rata share of certain operation costs. Rent expense under operating leases was \$168 (amount expressed in thousands) for the year ended June 30, 2012.

B. Construction Commitments

The CDB has outstanding construction projects for State and other facilities in which it has entered into future commitments. The amount of CDB's commitment which includes

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

amounts related to projects for State's component units was \$622.90 million at June 30, 2012.

Components of Construction in Progress

Project	As of June 30, 2012 (Expressed in Thousands)			
	Project Authorization	Expended Through June 30	Committed at June 30	Available Authorization
Chicago Veterans' Home - Cook County	\$ 65,500	\$ 2,439	\$ 7,198	\$ 55,863
Supreme Court Building	15,955	887	1,330	13,738
Metro East Forensic Laboratory - Belleville	41,693	7,134	22,062	12,497
Lincoln's Challenge Academy - Military Affairs Rantoul	38,140	417	3,485	34,238
Camp Lincoln Military Affairs	15,148	2,339	12,424	385
Others (less than \$10,000)	271,944	25,971	39,084	206,889
Total	\$ 448,380	\$ 39,187	\$ 85,583	\$ 323,610

C. Litigation

The CDB is routinely involved in a number of legal proceedings and claims that cover a wide range of matters. In the opinion of management, the outcome of these additional matters is not expected to have a material effect on the financial position or results of operations of the CDB.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEETS
 JUNE 30, 2012
 (Expressed in Thousands)

	Special Revenue	Capital Projects	Total (Memorandum Only)
ASSETS			
Unexpended appropriations	\$ -	\$ 31,718	\$ 31,718
Cash equity with State Treasurer	6,631	1,961	8,592
Cash and cash equivalents	-	10,400	10,400
Intergovernmental receivables	-	1,002	1,002
Due from other State funds	2,560	39,698	42,258
Other receivables	853	-	853
TOTAL ASSETS	10,044	84,779	94,823
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	119	42,446	42,565
Intergovernmental payables	-	5,143	5,143
Due to other State funds	51	63	114
Unavailable revenues	537	-	537
Deferred revenues	-	1,301	1,301
Total liabilities	707	48,953	49,660
FUND BALANCES			
Committed	9,337	35,826	45,163
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,044	\$ 84,779	\$ 94,823

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012
(Expressed in Thousands)**

	Special Revenue	Capital Projects	Total (Memorandum Only)
REVENUES			
Federal capital grants	\$ -	\$ 23,916	\$ 23,916
Licenses and fees	8,869	-	8,869
Other charges for services	-	5,320	5,320
Total revenues	<u>8,869</u>	<u>29,236</u>	<u>38,105</u>
EXPENDITURES			
Education	-	467,437	467,437
General government	7,217	16,460	23,677
Capital outlays	-	64,972	64,972
Total expenditures	<u>7,217</u>	<u>548,869</u>	<u>556,086</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,652	(519,633)	(517,981)
OTHER SOURCES (USES)			
Appropriations from State resources	734	4,155,489	4,156,223
Reappropriations to future year(s)	(132)	(3,604,403)	(3,604,535)
Lapsed appropriations	(130)	(528)	(658)
Receipts collected and transmitted to State Treasury	-	(282)	(282)
Net change in liabilities for reappropriated accounts	-	4,130	4,130
Operating transfers out	-	(163)	(163)
Total other sources	<u>472</u>	<u>554,243</u>	<u>554,715</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	2,124	34,610	36,734
FUND BALANCES, JULY 1, 2011	<u>7,213</u>	<u>1,216</u>	<u>8,429</u>
FUND BALANCES, JUNE 30, 2012	<u>\$ 9,337</u>	<u>\$ 35,826</u>	<u>\$ 45,163</u>

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2012
(Expressed in Thousands)**

	CDB Special Projects Fund 170	CDB Revolving 215	Asbestos Abatement 224	School Infrastructure 568	Total Memorandum Only
ASSETS					
Cash equity with State Treasurer	\$ -	\$ 6,631	\$ -	\$ -	\$ 6,631
Due from other State funds	9	2,551	-	-	2,560
Other receivables	-	853	-	-	853
TOTAL ASSETS	9	10,035	-	-	10,044
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	9	110	-	-	119
Due to other State funds	-	51	-	-	51
Unavailable revenues	-	537	-	-	537
Total liabilities	9	698	-	-	707
FUND BALANCES					
Committed	-	9,337	-	-	9,337
TOTAL LIABILITIES AND FUND BALANCES	9	10,035	\$ -	\$ -	\$ 10,044

**STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2012
 (Expressed in Thousands)**

	CDB Special Projects Fund 170	CDB Revolving 215	Asbestos Abatement 224	School Infrastructure 568	Total Memorandum Only
REVENUES					
Licenses and fees	-	\$ 8,869	\$ -	\$ -	\$ 8,869
EXPENDITURES					
General government	-	6,745	1	471	7,217
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	2,124	(1)	(471)	1,652
OTHER SOURCES (USES)					
Appropriations from State resources	-	-	134	600	734
Reappropriations to future year(s)	-	-	(132)	-	(132)
Lapsed appropriations	-	-	(1)	(129)	(130)
Total other sources	-	-	1	471	472
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	2,124	-	-	2,124
FUND BALANCES, JULY 1, 2011	-	7,213	-	-	7,213
FUND BALANCES, JUNE 30, 2012	-	\$ 9,337	\$ -	\$ -	\$ 9,337

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2012
(Expressed in Thousands)**

	Capital Development 141	School Construction 143	CDB			Total (Memorandum Only)
			Contributory Trust 617	Build Illinois Bond 971		
ASSETS						
Unexpended appropriations	\$ 26,094	\$ 5,143	\$ -	\$ 481	\$	31,718
Cash equity with State Treasurer	-	-	1,961	-	-	1,961
Cash and cash equivalents	10,400	-	-	-	-	10,400
Intergovernmental receivables	-	-	1,002	-	-	1,002
Due from other State funds	10,000	-	4,302	25,396	-	39,698
TOTAL ASSETS	46,494	5,143	7,265	25,877		84,779

LIABILITIES AND FUND BALANCES

LIABILITIES						
Accounts payable and accrued expenses	36,431	-	5,534	481	-	42,446
Intergovernmental payables	-	5,143	-	-	-	5,143
Due to other State funds	63	-	-	-	-	63
Deferred revenues	-	-	1,301	-	-	1,301
Total liabilities	36,494	5,143	6,835	481		48,953
FUND BALANCES						
Committed	10,000	-	430	25,396	-	35,826
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,494	\$ 5,143	\$ 7,265	\$ 25,877	\$	84,779

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
CAPITAL PROJECTS FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012
(Expressed in Thousands)**

	Capital Development 141	School Construction 143	CDB		Build Illinois Bond 971	Total (Memorandum Only)
			Contributory Trust 617			
REVENUES						
Federal capital grants	\$ -	\$ -	\$ 23,916	\$ -	\$ -	\$ 23,916
Other charges for services	-	-	5,320	-	-	5,320
Total revenues	-	-	29,236	-	-	29,236
EXPENDITURES						
Education	145,433	263,437	4,935	53,632		467,437
General government	16,106	-	352	2		16,460
Capital outlays	40,779	-	23,828	365		64,972
Total expenditures	202,318	263,437	29,115	53,999		548,869
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(202,318)	(263,437)	121	(53,999)		(519,633)
OTHER SOURCES (USES)						
Appropriations from State resources	2,329,529	1,384,717	-	441,243		4,155,489
Reappropriations to future year(s)	(2,122,367)	(1,119,375)	-	(362,661)		(3,604,403)
Lapsed appropriations	(528)	-	-	-		(528)
Receipts collected and transmitted to State Treasury	(225)	-	-	(57)		(282)
Net change in liabilities for reappropriated accounts	5,908	(1,905)	-	127		4,130
Operating transfers out	-	-	(163)	-		(163)
Total other sources (uses)	212,317	263,437	(163)	78,652		554,243
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES (USES) OVER EXPENDITURES	9,999	-	(42)	24,653		34,610
FUND BALANCES, JULY 1, 2011	1	-	472	743		1,216
FUND BALANCES, JUNE 30, 2012	\$ 10,000	\$ -	\$ 430	\$ 25,396	\$ -	\$ 35,826

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

SUMMARY

Supplementary information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis

- Schedule of Appropriations, Expenditures, and Lapsed Balances -
Administrative Activities

- Schedules of Appropriations, Reappropriations, Expenditures, and
Lapsed Balances - Total Activity by Fund

- Schedules of Appropriations, Reappropriations, Expenditures, and
Lapsed Balances - Construction Activities by Agency

- Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances -
Administrative Activities

- Comparative Schedule of Net Appropriations, Reappropriations, and Expenditures -
Construction Activities by Fund

- Schedule of Changes in State Property and Equipment

- Comparative Schedule of Cash Receipts by Detail Source

- Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller

- Summary of Operations

- Administrative Expenditures

- Explanation of Significant Variations in Expenditures

- Explanation of Significant Variations in Receipts

- Analysis of Significant Lapse Period Spending

- Analysis of Significant Account Balances

- Analysis of Loans and Various Accounts Receivable

- Analysis of Operations (Unaudited)

- Agency Functions and Planning Program (Unaudited)

- Average Number of Employees (Unaudited)

- Emergency Purchases (Unaudited)

- Illinois First Projects/Awards (Unaudited)

- Member Initiatives Projects/Awards (Unaudited)

- Change Orders by Reason (Unaudited)

- Performance Indicators (Unaudited)

- Service Efforts and Accomplishments (Unaudited)

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

SUMMARY (CONTINUED)

The accountants' report that covers the Supplementary Information for State Compliance Purposes, Schedules 1 through 24, presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditors' opinion, it is fairly stated in all material aspects in relation to the basic financial statements as a whole from which it has been derived. The accountants' report also stated the Analysis of Operations section, Schedules 25 through 32, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, they do not express an opinion or provide any assurance on it.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT FUND - 141 (b)
FISCAL YEAR ENDED JUNE 30, 2012**

	Appropriations Net of Transfers (a)	Expenditures Through June 30, 2012 (d)	Approximate Lapse Period Expenditures July 1, 2012 Through August 31, 2012 (e)	Approximate Total Expenditures 14 Months Ended August 31, 2012 (e)	Approximate Balance Lapsed August 31, 2012 (e)
PUBLIC ACT 97-0064					
For general office operations:					
Personal services	\$ 5,780,000	\$ 5,564,656	\$ (2,448)	\$ 5,562,208	\$ 217,792
Employee retirement contributions	1,976,200	1,903,575	-	1,903,575	72,625
State contribution to Social Security	415,600	413,790	-	413,790	1,810
Group insurance	1,235,100	1,149,341	-	1,149,341	85,759
Contractual services	189,000	158,925	14,259	173,184	15,816
Commodities	14,500	13,102	-	13,102	1,398
Telecommunications	71,500	71,270	-	71,270	230
Operation of auto equipment	24,100	22,595	-	22,595	1,505
Operational expenses	400,000	268,519	-	268,519	131,481
TOTAL ADMINISTRATIVE ACTIVITIES (c)	\$ 10,106,000	\$ 9,565,773	\$ 11,811	\$ 9,577,584	\$ 528,416

Notes:

- (a) Appropriation transfers were approved by the Governor and the State Comptroller.
- (b) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
- (c) The Schedule of Appropriations, Expenditures, and Lapsed Balances - Administrative Activities - Capital Development Fund provides, for the Capital Development Fund, a detail of actual administrative expenditures directly attributable to the operations of the CDB only.
- (d) Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
- (e) Approximate lapse period expenditures do not include interest payments approved for payment by CDB and submitted to the State Comptroller for payment after August.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT FUND - 141 (b)
FISCAL YEAR ENDED JUNE 30, 2011

	Appropriations Net of Transfers (a)	Lapse Period		Total Expenditures 18 Months Ended December 31, 2011	Balance Lapsed December 31, 2011
		Expenditures Through June 30, 2011 (d)	Expenditures July 1, 2011 Through December 31, 2011		
PUBLIC ACT 96-0956					
For general office operations:					
Personal services	\$ 4,902,800	\$ 4,900,265	\$ -	\$ 4,900,265	\$ 2,535
Employee retirement contributions	1,483,244	1,372,029	-	1,372,029	111,215
State contribution to Social Security	365,000	364,198	-	364,198	802
Group insurance	934,000	933,343	-	933,343	657
Contractual services	192,000	188,925	1,332	190,257	1,743
Commodities	14,500	14,490	-	14,490	10
Telecommunications	71,500	71,304	-	71,304	196
Operation of auto equipment	24,100	23,304	-	23,304	796
Operational expenses	342,200	307,582	27,719	335,301	6,899
TOTAL ADMINISTRATIVE ACTIVITIES (c)	\$ 8,329,344	\$ 8,175,440	\$ 29,051	\$ 8,204,491	\$ 124,853

Notes:

- (a) Appropriation transfers were approved by the Governor and the State Comptroller.
- (b) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
- (c) The Schedule of Appropriations, Expenditures, and Lapsed Balances - Administrative Activities - Capital Development Fund provides, for the Capital Development Fund, a detail of actual administrative expenditures directly attributable to the operations of the CDB only.
- (d) Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT BOARD REVOLVING FUND - 215 (b)
FISCAL YEAR ENDED JUNE 30, 2012**

	Appropriations Net of Transfers (a)	Expenditures Through June 30, 2012 (d)	Approximate Lapse Period Expenditures July 1, 2012 Through August 31, 2012 (e)	Approximate Total Expenditures 14 Months Ended August 31, 2012 (e)	Approximate Balance Lapsed August 31, 2012 (e)
PUBLIC ACT 97-0064					
For general office operations:					
Personal services	\$ 3,900,000	\$ 3,504,661	\$ -	\$ 3,504,661	\$ 395,339
Employee retirement contributions	1,333,500	1,199,431	-	1,199,431	134,069
State contribution to Social Security	288,600	258,971	-	258,971	29,629
Group insurance	895,000	855,376	-	855,376	39,624
Contractual services	282,500	221,151	18,291	239,442	43,058
Travel	157,700	104,247	19,145	123,392	34,308
Commodities	11,400	8,042	1,555	9,597	1,803
Printing	14,500	2,580	424	3,004	11,496
Equipment	10,000	5,617	131	5,748	4,252
Electronic data processing	285,200	112,182	78,736	190,918	94,282
Telecommunications	92,100	44,183	40,100	84,283	7,817
Operational expenses	310,000	267,405	2,369	269,774	40,226
TOTAL ADMINISTRATIVE ACTIVITIES (c)	\$ 7,580,500	\$ 6,583,846	\$ 160,751	\$ 6,744,597	\$ 835,903

Notes:

- (a) Appropriation transfers were approved by the Governor and the State Comptroller.
- (b) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
- (c) The Schedule of Appropriations, Expenditures, and Lapsed Balances - Administrative Activities - Capital Development Board Revolving Fund provides, for the Capital Development Board Revolving Fund, a detail of actual administrative expenditures directly attributable to the operations of the CDB only.
- (d) Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
- (e) Approximate lapse period expenditures do not include interest payments approved for payment by CDB and submitted to the State Comptroller for payment after August.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT BOARD REVOLVING FUND - 215 (b)
 FISCAL YEAR ENDED JUNE 30, 2011

	Appropriations Net of Transfers (a)	Expenditures Through June 30, 2011 (d)	Lapse Period		Total Expenditures 18 Months Ended December 31, 2011	Balance Lapsed December 31, 2011
			Expenditures July 1, 2011 Through December 31, 2011	Expenditures Through December 31, 2011		
PUBLIC ACT 96-0956						
For general office operations:						
Personal services	\$ 3,541,900	\$ 3,412,124	-	\$ -	\$ 3,412,124	\$ 129,776
Employee retirement contributions	1,071,531	954,453	-	-	954,453	117,078
State contribution to Social Security	275,800	249,546	-	-	249,546	26,254
Group insurance	736,000	733,343	-	-	733,343	2,657
Contractual services	282,850	195,292	26,879	26,879	222,171	60,679
Travel	117,700	81,893	11,931	11,931	93,824	23,876
Commodities	11,400	4,525	1,101	1,101	5,626	5,774
Printing	14,500	4,545	9,737	9,737	14,282	218
Equipment	10,000	1,961	883	883	2,844	7,156
Electronic data processing	185,200	62,957	13,820	13,820	76,777	108,423
Telecommunications	92,043	74,015	17,706	17,706	91,721	322
Operational Expenses	308,275	217,243	5,028	5,028	222,271	86,004
TOTAL ADMINISTRATIVE ACTIVITIES (c)	\$ 6,647,199	\$ 5,991,897	\$ 87,085	\$ 87,085	\$ 6,078,982	\$ 568,217

Notes:

- (a) Appropriation transfers were approved by the Governor and the State Comptroller.
- (b) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
- (c) The Schedule of Appropriations, Expenditures, and Lapsed Balances - Administrative Activities - Capital Development Board Revolving Fund provides, for the Capital Development Board Revolving Fund, a detail of actual administrative expenditures directly attributable to the operations of the CDB only.
- (d) Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 ADMINISTRATIVE ACTIVITIES - SCHOOL INFRASTRUCTURE FUND - 568 (b)
 FISCAL YEAR ENDED JUNE 30, 2012

Appropriations Net of Transfers (a)	Expenditures Through June 30, 2012 (d)	Approximate Lapse Period Expenditures July 1, 2012 Through August 31, 2012 (e)	Approximate Total Expenditures 14 Months Ended August 31, 2012 (e)	Approximate Balance Lapsed August 31, 2012 (e)
\$ 600,000	\$ 470,983	-	\$ 470,983	\$ 129,017
PUBLIC ACT 97-0064				
For general office operations:				
School infrastructure purposes				
\$ 600,000	\$ 470,983	-	\$ 470,983	\$ 129,017
TOTAL ADMINISTRATIVE ACTIVITIES (c)				

Notes:

- (a) Appropriation transfers were approved by the Governor and the State Comptroller.
- (b) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
- (c) The Schedule of Appropriations, Expenditures, and Lapsed Balances - Administrative Activities - School Infrastructure Fund provides, for the School Infrastructure Fund, a detail of actual administrative expenditures directly attributable to the operations of the CDB only.
- (d) Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
- (e) Approximate lapse period expenditures do not include interest payments approved for payment by CDB and submitted to the State Comptroller for payment after August.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 ADMINISTRATIVE ACTIVITIES - SCHOOL INFRASTRUCTURE FUND - 568 (b)
 FISCAL YEAR ENDED JUNE 30, 2011

Appropriations Net of Transfers (a)	Expenditures Through June 30, 2011 (d)	Lapse Period Expenditures		Total Expenditures 18 Months Ended December 31, 2011	Balance Lapsed December 31, 2011
		July 1, 2011 Through December 31, 2011	December 31, 2011		
\$ 500,000	\$ 491,892	\$ -	\$ -	491,892	\$ 8,108
\$ 500,000	\$ 491,892	\$ -	\$ -	491,892	\$ 8,108

PUBLIC ACT 96-0956

For general office operations:
 School infrastructure purposes

Notes:

- (a) Appropriation transfers were approved by the Governor and the State Comptroller.
- (b) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
- (c) The Schedule of Appropriations, Expenditures, and Lapsed Balances - Administrative Activities - School Infrastructure Fund provides, for the School Infrastructure Fund, a detail of actual administrative expenditures directly attributable to the operations of the CDB only.
- (d) Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 TOTAL ACTIVITY BY FUND (a)
 FISCAL YEAR ENDED JUNE 30, 2012

	Appropriations Net of Transfers	Expenditures Through June 30, 2012 (c)	Approximate Lapse Period Expenditures July 1, 2012 Through August 31, 2012 (d)	Approximate Total Expenditures 14 Months Ended August 31, 2012 (d)	Balance Reappropriated July 1, 2012	Approximate Balance Lapsed August 31, 2012 (b)
PUBLIC ACT 97-0064						
Administration - Appropriated Funds						
Capital Development Fund - 141	\$ 10,106,000	\$ 9,565,773	\$ 11,811	\$ 9,577,584	\$ -	\$ 528,416
Capital Development Board						
Revolving Fund - 215	7,580,500	6,583,846	160,751	6,744,597	-	835,903
School Infrastructure Fund - 568	600,000	470,983	-	470,983	-	129,017
Total Administration - Appropriated Funds	18,286,500	16,620,602	172,562	16,793,164	-	1,493,336
Construction - Appropriated Funds						
Capital Development Fund - 141	2,319,422,790	197,055,242	-	197,055,242	2,122,367,548	-
School Construction Fund - 143	1,384,717,254	265,341,604	-	265,341,604	1,119,375,650	-
Asbestos Abatement Fund - 224	133,540	1,262	-	1,262	132,278	-
Build Illinois Bond Fund - 971	441,242,816	78,582,213	-	78,582,213	362,660,603	-
Total Construction - Appropriated Funds	4,145,516,400	540,980,321	-	540,980,321	3,604,536,079	-
TOTAL - ALL APPROPRIATED FUNDS	\$ 4,163,802,900	\$ 557,600,923	\$ 172,562	\$ 557,773,485	\$ 3,604,536,079	\$ 1,493,336

Notes:
 (a) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
 (b) This column represents lapsed appropriations less reappropriations to subsequent fiscal years for the CDB.
 (c) Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
 (d) Approximate lapse period expenditures do not include interest payments approved for payment by CDB and submitted to the State Comptroller for payment after August.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 TOTAL ACTIVITY BY FUND (a)
 FISCAL YEAR ENDED JUNE 30, 2011

	Appropriations Net of Transfers	Lapse Period		Total Expenditures 18 Months Ended December 31, 2011	Balance Reappropriated July 1, 2011	Balance Lapsed December 31, 2011 (b)
		Expenditures Through June 30, 2011 (c)	Expenditures July 1, 2011 Through December 31, 2011			
PUBLIC ACT 96-0956						
Administration - Appropriated Funds						
Capital Development Fund - 141	\$ 8,329,344	\$ 8,175,440	\$ 29,051	\$ 8,204,491	\$ -	\$ 124,853
Capital Development Board						
Revolving Fund - 215	6,647,199	5,991,897	87,085	6,078,982	-	568,217
School Infrastructure Fund - 568	500,000	491,892	-	491,892	-	8,108
Total Administration - Appropriated Funds	15,476,543	14,659,229	116,136	14,775,365	-	701,178
Construction - Appropriated Funds						
Capital Development Fund - 141	2,750,011,282	121,958,548	7,768	121,966,316	2,319,422,075	308,622,891
School Construction Fund - 143	1,513,759,600	129,042,352	-	129,042,352	1,384,717,254	(6)
Asbestos Abatement Fund - 224	358,462	224,923	-	224,923	133,531	8
Build Illinois Bond Fund - 971	482,442,742	41,199,923	-	41,199,923	441,242,732	87
Total Construction - Appropriated Funds	4,746,572,086	292,425,746	7,768	292,433,514	4,145,515,592	308,622,980
TOTAL - ALL APPROPRIATED FUNDS	\$ 4,762,048,629	\$ 307,084,975	\$ 123,904	\$ 307,208,879	\$ 4,145,515,592	\$ 309,324,158

Notes:
 (a) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
 (b) This column represents lapsed appropriations less reappropriations to subsequent fiscal years for the CDB.
 (c) Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
CONSTRUCTION ACTIVITIES BY AGENCY (a)
FISCAL YEAR ENDED JUNE 30, 2012

	Appropriations (d)		Reappropriations (d)		Expenditures Through		Approximate Lapse Period Expenditures		Approximate Total Expenditures		Balances		Approximate Balance Lapsed	
		\$		\$	June 30, 2012 (e)	August 31, 2012 (f)	July 1, 2012	Through August 31, 2012 (a)	14 Months Ended August 31, 2012 (c)	Reappropriated July 1, 2012	July 1, 2012	August 31, 2012 (b)		
PUBLIC ACT 97-0064														
Office of the Architect of the Capital	\$	-	\$	865,185	230	-	-	230	230	864,955	\$	-		
Supreme Court		-		15,705,262	443,619	-	-	443,619	443,619	15,261,643		-		
Appellate Courts		-		60,518	-	-	-	-	-	60,518		-		
Department of Agriculture		-		7,027,611	2,962,087	-	-	2,962,087	2,962,087	4,065,524		-		
Department of Veteran's Affairs		-		74,918,240	3,800,859	-	-	3,800,859	3,800,859	71,117,381		-		
Department of Natural Resources		-		22,000,832	3,484,152	-	-	3,484,152	3,484,152	18,516,680		-		
Historic Preservation		-		14,337,275	3,850,573	-	-	3,850,573	3,850,573	10,486,702		-		
Department of Corrections		-		204,662,811	10,997,329	-	-	10,997,329	10,997,329	193,665,482		-		
Department of Juvenile Justice		-		8,329,845	852,378	-	-	852,378	852,378	7,477,467		-		
Department of Central Management Services		-		27,237,932	6,143,596	-	-	6,143,596	6,143,596	21,094,336		-		
Department of State Police		-		47,717,212	5,571,594	-	-	5,571,594	5,571,594	42,145,618		-		
Department of Human Services		-		75,873,893	6,268,682	-	-	6,268,682	6,268,682	69,605,211		-		
Department of Military Affairs		-		81,007,755	16,260,791	-	-	16,260,791	16,260,791	64,746,964		-		
Department of Public Health		-		18,033,367	-	-	-	-	-	18,033,367		-		
Department of Revenue		-		11,275,691	93,646	-	-	93,646	93,646	11,182,045		-		
Department of Transportation		-		23,575	20,702	-	-	20,702	20,702	2,873		-		
Capital Development Board		-		405,968,885	10,623,096	-	-	10,623,096	10,623,096	395,345,789		-		
Emergency Management		-		387,559	2,423	-	-	2,423	2,423	385,136		-		
Medical Center Comm. Complex		-		864,038	3,357	-	-	3,357	3,357	860,681		-		
Attorney General		-		1,585,717	33,120	-	-	33,120	33,120	1,552,597		-		
Secretary of State		-		7,513,131	1,725,510	-	-	1,725,510	1,725,510	5,787,621		-		
School Construction Program		-		1,101,415,131	265,341,604	-	-	265,341,604	265,341,604	836,073,527		-		
Illinois State Board of Education		-		23,258,699	-	-	-	-	-	23,258,699		-		
Early Childhood (ISBE)		-		45,000,000	-	-	-	-	-	45,000,000		-		
Community Health Center		-		29,976,059	6,440,409	-	-	6,440,409	6,440,409	23,535,650		-		
Board of Higher Education		-		275,020,956	75,006,875	-	-	75,006,875	75,006,875	200,014,081		-		
Illinois Community College Board		-		528,544,534	32,593,462	-	-	32,593,462	32,593,462	495,951,072		-		
Chicago State University		-		75,059,695	1,852,248	-	-	1,852,248	1,852,248	73,207,447		-		
Eastern Illinois University		-		12,970,241	652,327	-	-	652,327	652,327	12,317,914		-		
Governor's State University		-		25,420,345	2,646,328	-	-	2,646,328	2,646,328	22,774,017		-		
Northeastern Illinois University		-		86,044,208	-	-	-	-	-	86,044,208		-		
Western Illinois University		-		125,756,384	10,136,516	-	-	10,136,516	10,136,516	115,619,868		-		

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
CONSTRUCTION ACTIVITIES BY AGENCY (a)
FISCAL YEAR ENDED JUNE 30, 2012

	Appropriations (d)	Expenditures		Approximate Lapse Period Expenditures		Approximate Total Expenditures		Balances		Approximate Balance Lapsed August 31, 2012 (b)
		Through June 30, 2012 (e)	Through August 31, 2012 (f)	July 1, 2012	Through August 31, 2012 (f)	14 Months Ended August 31, 2012 (c)	Reappropriated July 1, 2012	August 31, 2012		
PUBLIC ACT 97-0064										
Illinois State University	-	63,768,329	73,167	(100)		73,067		63,695,262	-	
Northern Illinois University	-	45,983,989	4,122,677	-		4,122,677		41,861,312	-	
Southern Illinois University	-	134,154,104	59,502,833	-		59,502,833		74,651,271	-	
University of Illinois	-	249,282,126	32,550,765	-		32,550,765		216,731,361	-	
Local Government Facilities	-	24,529,900	6,534,900	-		6,534,900		17,995,000	-	
Asbestos Abatement	-	40,252	-	-		-		40,252	-	
Total activity by agency	-	3,871,621,286	570,591,855	(100)		570,591,755		3,301,029,531	-	
Reconciliation:										
Lapse expenditure reclass	-	-	(100)	100		-		-	-	
CDB Special Project - Fund 143	-	358,302,940	-	-		-		358,302,940	-	
Nonappropriated funds:										
Fund 617	-	(84,407,826)	(29,611,434)	-		(29,611,434)		(54,796,392)	-	
TOTAL ACTIVITY BY FUND	\$ -	\$ 4,145,516,400	\$ 540,980,321	\$ -	\$ -	\$ 540,980,321	\$ 3,604,536,079	\$ -	\$ -	

Notes:

(a) This schedule includes amounts for appropriated and nonappropriated projects. Reappropriations include budgeted amounts for nonappropriated projects. Expenditures include both appropriated and nonappropriated projects.

(b) This column represents lapsed appropriations not originally appropriated for the CDB.

(c) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.

(d) Included in the appropriation and reappropriation columns are amounts contributed from local sources that CDB includes for budgetary purposes.

(e) Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.

(f) Approximate lapse period expenditures do not include interest payments approved for payment by CDB and submitted to the State Comptroller for payment after August.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
CONSTRUCTION ACTIVITIES BY AGENCY (a)
FISCAL YEAR ENDED JUNE 30, 2011

	Appropriations (d)	Reappropriations (d)	Lapse Period		Total	Balances		Balance Lapsed
			Expenditures Through June 30, 2011 (e)	Expenditures July 1, 2011 Through December 31, 2011		Reappropriated July 1, 2011	December 31, 2011 (b)	
PUBLIC ACT 96-0956								
Office of the Architect of the Capital	\$ -	\$ -	\$ 1,964,935	\$ -	\$ 1,964,935	\$ 865,091	\$ 43,671,242	
Supreme Court	-	-	443,492	-	443,492	15,705,262	-	
Appellate Courts	-	78,422	17,904	-	17,904	60,518	-	
Department of Agriculture	-	7,537,396	1,593,332	-	1,593,332	5,944,064	-	
Department of Veteran's Affairs	-	80,107,220	5,323,789	-	5,323,789	74,783,431	-	
Department of Natural Resources	-	24,005,119	2,493,238	-	2,493,238	21,511,438	-	
Historic Preservation	-	13,361,294	1,363,928	-	1,363,928	11,989,453	443	
Department of Corrections	-	209,954,615	7,120,815	-	7,120,815	202,812,544	21,256	
Department of Juvenile Justice	-	7,426,268	244,519	-	244,519	7,181,749	-	
Department of Central Management Services	-	28,208,722	3,228,675	-	3,228,675	24,980,047	-	
Department of State Police	-	46,107,180	571,506	-	571,506	45,517,722	17,952	
Department of Human Services	-	79,347,511	3,765,970	-	3,765,970	75,577,128	4,413	
Department of Military Affairs	-	88,498,527	25,184,694	-	25,184,694	63,313,315	518	
Department of Public Health	-	50,009,425	2,000,000	-	2,000,000	48,009,425	-	
Department of Revenue	-	11,498,846	228,071	-	228,071	11,270,775	-	
Department of Transportation	-	41,194	38,320	-	38,320	2,874	-	
Capital Development Board	-	419,378,427	3,749,319	-	3,749,319	415,628,293	815	
Emergency Management	-	213,791	37,232	-	37,232	176,559	-	
Medical Center Comm. Complex	-	864,038	-	-	-	864,038	-	
Governor's Office	-	25,873	25,873	-	25,873	-	-	
Attorney General	-	1,593,116	15,307	-	15,307	1,577,809	-	
Secretary of State	-	273,821,032	1,484,891	-	1,484,891	7,438,412	264,897,729	
State Board of Education	-	49,999,999	26,741,303	-	26,741,303	23,258,696	-	
School Construction Program	-	657,277,883	129,042,351	-	129,042,351	528,235,532	-	
Early Childhood (ISBE)	-	45,000,000	-	-	-	45,000,000	-	
Board of Higher Education	-	310,193,496	35,000,000	-	35,000,000	275,193,496	-	
Illinois Community College Board	-	538,001,514	23,866,570	(22,394)	23,844,176	514,157,338	-	
Chicago State University	-	78,390,604	3,323,479	-	3,323,479	75,066,839	286	
Eastern Illinois University	-	12,903,870	199,471	-	199,471	12,704,399	-	
Governor's State University	-	25,702,945	282,600	-	282,600	25,420,345	-	
Northeastern Illinois University	-	86,055,103	10,896	-	10,896	86,044,207	-	
Western Illinois University	-	136,496,617	10,740,232	-	10,740,232	125,756,385	-	

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
CONSTRUCTION ACTIVITIES BY AGENCY (a)
FISCAL YEAR ENDED JUNE 30, 2011

	Appropriations (d)	Lapse Period Expenditures		Total Expenditures 18 Months Ended December 31, 2011 (c)	Balances		Balance Lapsed December 31, 2011 (b)
		Expenditures Through June 30, 2011 (e)	Expenditures July 1, 2011 Through December 31, 2011		Reappropriated July 1, 2011	December 31, 2011	
PUBLIC ACT 96-0956							
Illinois State University	-	64,486,567	-	709,630	63,776,937	-	-
Northern Illinois University	-	47,073,562	7,767	1,089,160	45,983,989	413	413
Southern Illinois University	-	158,760,828	(10,841)	24,417,061	134,343,767	-	-
University of Illinois	-	269,540,196	-	20,155,075	249,385,121	-	-
Local government facilities	-	27,045,000	-	2,575,000	24,470,000	-	-
Asbestos abatement	-	58,000	-	17,748	40,252	-	-
Total activity by agency	-	3,911,714,222	(25,468)	339,043,992	3,264,047,250	308,622,980	308,622,980
Reconciliation:							
Lapse expenditure reclass	-	-	33,236	-	-	-	-
CDB Special Project - Fund 143	-	931,482,538	-	-	931,482,538	-	-
Nonappropriated funds:							
Fund - 170	-	(105,515)	-	(105,515)	-	-	-
Fund - 617	-	(96,519,159)	-	(46,504,963)	(50,014,196)	-	-
TOTAL ACTIVITY BY FUND	\$ -	\$ 4,746,572,086	\$ 7,768	\$ 292,433,514	\$ 4,145,515,592	\$ 308,622,980	\$ 308,622,980

Notes:
(a) This schedule includes amounts for appropriated and nonappropriated projects. Reappropriations include budgeted amounts for nonappropriated projects. Expenditures include both appropriated and nonappropriated projects.
(b) This column represents lapsed appropriations not originally appropriated for the CDB.
(c) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
(d) Included in the appropriation and reappropriation columns are amounts contributed from local sources that CDB includes for budgetary purposes.
(e) Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT FUND - 141 (a)
FISCAL YEARS ENDED JUNE 30, 2012, 2011, AND 2010

	Fiscal Year		
	2012	2011	2010
	PA 97-0064 (b)	PA 96-0956	PA 96-0046 and PA 96-0039 (b)
APPROPRIATIONS	\$ 10,106,000	\$ 8,329,344	\$ 13,931,200
EXPENDITURES			
Personal services	5,562,208	4,900,265	7,939,101
Employee retirement contributions	1,903,575	1,372,029	2,256,324
State contribution to Social Security	413,790	364,198	584,542
Group insurance	1,149,341	933,343	1,559,315
Contractual services	173,184	190,257	525,319
Travel	-	-	89,046
Commodities	13,102	14,490	24,194
Printing	-	-	13,896
Equipment	-	-	5,020
Electronic Data Processing	-	-	167,347
Telecommunications	71,270	71,304	184,653
Operation of auto equipment	22,595	23,304	23,112
Operational expenses	268,519	335,301	335,811
Total expenditures	9,577,584	8,204,491	13,707,680
LAPSED BALANCES	\$ 528,416	\$ 124,853	\$ 223,520

Notes:

- (a) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
- (b) Expenditures and related lapsed balances do not reflect any interest payments approved for payment by CDB and submitted to the State Comptroller for payment after August.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT BOARD REVOLVING FUND - 215 (a)
FISCAL YEARS ENDED JUNE 30, 2012, 2011, AND 2010**

	Fiscal Year		
	2012 PA 97-0064 (b)	2011 PA 96-0956	2010 PA 96-0046 and PA 96-0039 (b)
APPROPRIATIONS	\$ 7,580,500	\$ 6,647,199	\$ -
EXPENDITURES			
Personal services	3,504,661	3,412,124	-
Employee retirement contributions	1,199,431	954,453	-
State contribution to Social Security	258,971	249,546	-
Group insurance	855,376	733,343	-
Contractual services	239,442	222,171	-
Travel	123,392	93,824	-
Commodities	9,597	5,626	-
Printing	3,004	14,282	-
Equipment	5,748	2,844	-
Electronic data processing	190,918	76,777	-
Telecommunications	84,283	91,721	-
Operational expenses	269,774	222,271	-
Total expenditures	6,744,597	6,078,982	-
LAPSED BALANCES	\$ 835,903	\$ 568,217	\$ -

Notes:

- (a) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
- (b) Expenditures and related lapsed balances do not reflect any interest payments approved for payment by CDB and submitted to the State Comptroller for payment after August.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - SCHOOL INFRASTRUCTURE FUND - 568 (a)
FISCAL YEARS ENDED JUNE 30, 2012, 2011, AND 2010

	Fiscal Year		
	2012 PA 97-0064 (b)	2011 PA 96-0956	2010 PA 96-0046 and PA 96-0039 (b)
APPROPRIATIONS	\$ 600,000	\$ 500,000	\$ 500,000
EXPENDITURES			
School infrastructure purposes	470,983	491,892	498,680
LAPSED BALANCES	\$ 129,017	\$ 8,108	\$ 1,320

Notes:

- (a) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
- (b) Expenditures and related lapsed balances do not reflect any interest payments approved for payment by CDB and submitted to the State Comptroller for payment after August.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
REAPPROPRIATIONS, AND EXPENDITURES
CONSTRUCTION ACTIVITIES BY FUND (a) (b)
FISCAL YEARS ENDED JUNE 30, 2012, 2011, AND 2010**

	Fiscal Year		
	2012 PA 97-0064 (c)	2011 PA 96-0956	2010 PA 96-0046 and PA 96-0039 (c)
CAPITAL DEVELOPMENT FUND - 141			
Appropriations and Reappropriations	\$ 2,319,422,790	\$ 2,750,011,282	\$ 2,858,958,994
Expenditures	197,055,242	121,966,316	101,079,788
SCHOOL CONSTRUCTION FUND - 143			
Appropriations and Reappropriations	1,384,717,254	1,513,759,600	1,532,225,368
Expenditures	265,341,604	129,042,352	18,465,769
SPECIAL PROJECT FUND - 170			
Appropriations and Reappropriations	-	-	-
Expenditures	-	105,515	187,649
ASBESTOS ABATEMENT FUND - 224			
Appropriations and Reappropriations	133,540	358,462	797,238
Expenditures	1,262	224,923	438,778
CDB CONTRIBUTORY TRUST FUND - 617			
Appropriations and Reappropriations	-	-	-
Expenditures	29,611,434	46,504,963	59,004,513
BUILD ILLINOIS BOND FUND - 971			
Appropriations and Reappropriations	441,242,816	482,442,742	494,540,064
Expenditures	78,582,213	41,199,923	12,097,326
TOTAL			
Appropriations and Reappropriations	4,145,516,400	4,746,572,086	4,886,521,664
Expenditures	570,591,755	339,043,992	191,273,823

Notes:

- (a) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.
- (b) The data in this schedule represents appropriations, reappropriations, and expenditures for ongoing capital projects and are presented for informational purposes only. Because these projects require continuing appropriation and reappropriation of funds to be expended over several years, a comparison of amounts from year to year is not meaningful.
- (c) Expenditures and related lapsed balances do not reflect any interest payments approved for payment by CDB and submitted to the State Comptroller for payment after August.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY AND EQUIPMENT
FISCAL YEARS ENDED JUNE 30, 2012, 2011, AND 2010**

	Equipment	Construction in Progress	Total
BALANCE, JULY 1, 2010	\$ 1,915,250	\$ 16,985,466	\$ 18,900,716
Additions	24,382	55,153,153	55,177,535
Deletions and transfers	(31,017)	(58,079,080)	(58,110,097)
BALANCE, JUNE 30, 2011	1,908,615	14,059,539	15,968,154
Additions	35,837	62,511,290	62,547,127
Deletions and transfers	(149,815)	(51,883,119)	(52,032,934)
BALANCE, JUNE 30, 2012	<u>\$ 1,794,637</u>	<u>\$ 24,687,710</u>	<u>\$ 26,482,347</u>

Notes:

- (1) The information reflected in this schedule was taken from the CDB's records and reconciled to property reports (C-15 Agency Report of State Property) submitted to the State Comptroller.
- (2) Transfers from construction in progress represent the transfer of costs incurred for capital projects to the agencies for which the capital projects were undertaken.
- (3) This summary schedule was prepared using State property records required by the Illinois Administrative Code. The capitalization policy in the Code is different than the capitalization policy established by the State Comptroller for financial reporting in accordance with generally accepted accounting principles.
- (4) The Statement of Net Assets reflects reporting differences for equipment and construction in progress of \$1.712 million and \$14.499 million, respectively. These differences represent capital assets not subject to the same capitalization policy and basis of accounting established by the State Comptroller for financial reporting in accordance with generally accepted accounting principles.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS BY DETAIL SOURCE (a)
FISCAL YEARS ENDED JUNE 30, 2012, 2011, AND 2010**

Fund/Receipt Source	2012	2011	2010
GENERAL REVENUE FUND - 001			
Miscellaneous	\$ 787	\$ 25	\$ 340
Total General Revenue Fund	787	25	340
CDB SPECIAL PROJECTS FUND - 170			
IEPA	-	-	165,400
Veteran's Affairs	-	-	114,424
Total CDB Special Projects Fund	-	-	279,824
CAPITAL DEVELOPMENT BOARD REVOLVING FUND - 215			
Copying fees	-	111	-
Contract administration fees	8,991,060	6,448,025	6,092,080
Total Capital Development Board Revolving Fund	8,991,060	6,448,136	6,092,080
CDB CONTRIBUTORY TRUST FUND - 617			
Junior colleges	6,459,739	17,497,238	25,792,353
Federal monies via other Illinois State agencies	16,400,980	25,581,691	29,620,193
Damage claim recovery	34,736	342,167	104,687
Federal stimulus package	7,202,325	2,985,943	1,543,315
Miscellaneous	352,000	26,712	50,179
Total Capital Development Board Contributory Trust Fund	30,449,780	46,433,751	57,110,727
TOTAL ALL FUNDS	\$ 39,441,627	\$ 52,881,912	\$ 63,482,971

Note:

(a) The information reflected in this schedule was taken from the CDB's records and reconciled to the State Comptroller's records.

SCHEDULE 17

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	General Revenue 001	Capital Development 141	CDB Revolving 215	CDB Contributory Trust 617	Build Illinois Bond 971	Total
TOTAL RECEIPTS PER AGENCY RECORDS, FY 2011	\$ 25	\$ -	\$ 6,448,136	\$ 46,433,751	\$ -	\$ 52,881,912
Add:						
Deposits in transit at June 30, 2010	-	-	1,414,700	464,638	-	1,879,338
Other reconciling items (a)	-	-	32	-	-	32
Less:						
Deposits in transit at June 30, 2011	17	-	165,460	-	-	165,477
TOTAL RECEIPTS PER THE STATE COMPTROLLER, FY 2011	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 7,697,408</u>	<u>\$ 46,898,389</u>	<u>\$ -</u>	<u>\$ 54,595,805</u>
TOTAL RECEIPTS PER AGENCY RECORDS, FY 2012	\$ 787	\$ -	\$ 8,991,060	\$ 30,449,780	\$ -	\$ 39,441,627
Add:						
Deposits in transit at June 30, 2011	17	-	165,460	-	-	165,477
Other reconciling items (a)	-	225,146	-	-	57,713	282,859
Less:						
Deposits in transit at June 30, 2012	-	-	716,700	-	-	716,700
TOTAL RECEIPTS PER THE STATE COMPTROLLER, FY 2012	<u>\$ 804</u>	<u>\$ 225,146</u>	<u>\$ 8,439,820</u>	<u>\$ 30,449,780</u>	<u>\$ 57,713</u>	<u>\$ 39,173,263</u>

Note:

(a) The other reconciling items are refunds for overpayments that are related to prior year expenditures.

SCHEDULE 18

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FOR THE TWO YEARS ENDED JUNE 30, 2012**

SUMMARY OF OPERATIONS

The General Assembly appropriated \$4,163,802,900 in fiscal year (FY) 2012 and \$4,762,048,629 in FY 2011 to the Capital Development Board (CDB) to address the permanent improvement needs of Illinois' citizens and other State agencies. These funds and other funds appropriated to other State agencies for projects administered by CDB were used to finance the ongoing construction of approximately 1,134 projects in FY 2012 and 1,260 projects in FY 2011. Approximately 98% percent of the funds for these projects were appropriated directly to CDB for FY 2012 and FY 2011. Of these projects in process, 116 were brought to completion during FY 2012 and 130 were brought to completion in FY 2011.

CDB awarded 276 contractor contracts and 109 professional contracts in FY 2012. In FY 2011, 311 contractor contracts and 113 professional contracts were awarded. Total funds obligated by these awards were \$627,902,061 and \$541,229,478 in FY 2012 and FY 2011, respectively.

Overall, projects activity resulted in the processing of 2,526 project vouchers in FY 2012 and 2,705 project vouchers in FY 2011, for a total of \$570,591,757 and \$339,043,991, respectively. Included are nonappropriated construction project expenditures of \$29,611,434 and \$46,610,478 in FY 2012 and FY 2011, respectively. This includes user agency funds of \$28,659,624 and \$17,745,362 that were expended in FY 2012 and FY 2011, respectively.

SCHEDULE 19

ADMINISTRATIVE EXPENDITURES

The following is a comparison of administrative expenditures and project expenditures for the fiscal years under audit (dollars in thousands):

	<u>2012</u>		<u>2011</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Appropriated:				
Administrative	\$ 16,793	3	\$ 14,775	4
Project	<u>540,980</u>	92	<u>292,434</u>	83
Total appropriated expenditures	557,773		307,209	
Nonappropriated:				
Project	<u>29,611</u>	<u>5</u>	<u>46,610</u>	<u>13</u>
Total expenditures	<u><u>\$ 587,384</u></u>	<u><u>100</u></u>	<u><u>\$ 353,819</u></u>	<u><u>100</u></u>

Administrative expenditures increased by \$2,018 in FY 2012. The increase in both years was due to increase in union salaries, insurance rates and retirement rate.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FOR THE TWO YEARS ENDED JUNE 30, 2012**

EXPLANATION OF SIGNIFICANT VARIATIONS IN EXPENDITURES

Pages 74 through 76 present comparative schedules of appropriations, expenditures, and lapsed balances for administrative activities in the Capital Development, Capital Development Board Revolving, and School Infrastructure Funds. Page 77 presents a comparative schedule of appropriations and expenditures for construction activities by fund. The CDB's explanation for significant fluctuations (greater than or equal to 20 percent and \$200,000) in expenditures is as follows:

Capital Development Fund - 141

Expenditures for personal services decreased by \$3,038,863 in FY 2011 due to no funds being appropriated to Fund 215 during FY 2010 which resulted in higher expenditures in Fund 141 during FY 2010.

Expenditures for employee retirement contribution increased by \$531,546 in FY 2012 because of an increase in the calculated contribution rate from 27.988% in FY 2011 to 34.190% in FY 2012. The expenditure decreased by \$884,295 in FY 2011 due to no funds being appropriated to Fund 215 during FY 2010 which resulted in higher expenditures in Fund 141 during FY 2010.

Expenditures for State contribution to Social Security decreased by \$220,344 in FY 2011 due to no funds being appropriated to Fund 215 during FY 2010 which resulted in higher expenditures in Fund 141 during FY 2010.

Expenditures for group insurance increased by \$215,998 in FY 2012 due to a higher insurance rate. The expenditure decreased by \$625,972 in FY 2011 due to no funds being appropriated to Fund 215 during FY 2010 which resulted in higher expenditures in Fund 141 during FY 2010.

Expenditures for contractual services decreased by \$335,062 in FY 2011 due to no funds being appropriated to Fund 215 during FY 2010 which resulted in higher expenditures in Fund 141 during FY 2010.

Capital Development Board Revolving Fund - 215

There were no appropriations and expenditures made out of the Capital Development Board Revolving Fund - 215 during FY 2010.

Expenditures for employee retirement contributions increased by \$224,978 in FY 2012 because of an increase in the calculated contribution rate from 27.988% in FY 2011 to 34.190% in FY 2012.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FOR THE TWO YEARS ENDED JUNE 30, 2012**

EXPLANATION OF SIGNIFICANT VARIATIONS IN EXPENDITURES (CONTINUED)

Construction Activities by Fund

Expenditures for the Capital Development Fund - 141 increased \$75,088,926 from FY 2011 to FY 2012 and \$20,886,528 from FY 2010 to FY 2011 due to fluctuations on level of funding and number of construction projects.

Expenditures for the School Construction Fund - 143 increased \$136,299,252 from FY 2011 to FY 2012 and \$110,576,583 from FY 2010 to FY 2011 due to fluctuations in funding of school construction projects from State resources.

Expenditures for the Asbestos Abatement Fund - 224 decreased by \$223,661 and \$213,885 in FY 2012 and FY 2011, respectively. In FY 2011, expenditures went down because seven asbestos projects were completed and paid out in FY 2010. In FY 2012, there was only one project that incurred expenditures.

Expenditures for the CDB Contributory Trust Fund - 617 decreased \$16,893,529 from FY 2011 to FY 2012 due to decrease spending on two large projects. Truman City College Student Service Center had payments in FY 2011 amounting to \$9.6 million compared to only \$2.8 million in FY 2012. Joliet Junior College Construct Facility Services and Central Shipping had payments in FY 2011 amounting to \$6.1 million compared to only \$61 thousand in FY 2012. The expenditure decreased \$12,499,550 from FY 2010 to FY 2011 due to the decrease in spending for the two projects above.

Expenditures for Build Illinois Bond Fund - 971 increased \$37,382,290 from FY 2011 to FY 2012 and \$29,102,597 from FY 2010 to FY 2011 due to the expended portion of the \$75 million grant to the Illinois Board of Higher Education.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FOR THE TWO YEARS ENDED JUNE 30, 2012**

EXPLANATION OF SIGNIFICANT VARIATIONS IN RECEIPTS

Page 79 presents a comparative schedule of cash receipts by detail source for all funds. The CDB's explanations for significant fluctuations of over 20 percent and \$200,000 in receipts are as follows:

Capital Development Board Revolving Fund - 215

Receipts from contract administration fees increased \$2,543,035 from FY 2011 to FY 2012 due to new large projects administered in FY 2012 which included a \$2.1 million Computer Engineering Building project at the University of Illinois at Urbana-Champaign.

Capital Development Board Contributory Trust Fund - 617

Receipts from Junior Colleges decreased \$11,037,499 and \$8,295,115 in FY 2012 and FY 2011, respectively due to fewer construction projects involving Junior Colleges' funds. The fluctuations were dependent on the number of projects awarded.

Receipts from Federal monies via other Illinois State agencies decreased \$9,180,711 in FY 2012 due to funding decisions made by the funding sources.

Receipts related to damage claim recovery decreased \$307,431 from FY 2011 to FY 2012 and increased \$237,480 from FY 2010 to FY 2011 due to damage claim recovery revenue being highly dependent on the volume and severity of claims and can vary greatly from year to year. During FY 2011, there was one settlement claim of about \$300 thousand.

Receipts for project funded by the American Recovery and Reinvestment Act (ARRA) of 2009 - Federal Stimulus Package increased \$4,216,382 and \$1,442,628 in FY 2012 and FY 2011, respectively due to increase in payments for contracts related to ARRA work.

Miscellaneous receipts increased \$325,288 from FY 2011 to FY 2012 due to contribution received for the Synthetic Natural Gas project.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FOR THE TWO YEARS ENDED JUNE 30, 2012**

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

Pages 62 through 67 present lapse period expenditures from administrative activities of the Capital Development, Capital Development Board Revolving, and School Infrastructure Funds. There were no significant (greater than 20 percent of total expenditures for the 14 months ended August 31 and \$200,000) lapse period expenditures during FY 2012 and FY 2011.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FOR THE TWO YEARS ENDED JUNE 30, 2012**

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES (EXPRESSED IN THOUSANDS)

Significant fluctuations in accounts receivable and an analysis of the aging of accounts receivable are presented in the following section. Other significant accounts with fluctuations greater than \$2,000 are cash equity with the State Treasurer, cash and cash equivalents, due from other State funds, capital assets not being depreciated, accounts payable and accrued expenses, net assets - invested in capital assets, net of related debt, and net assets - unrestricted.

Cash equity with State Treasurer increased by \$5,583 in FY 2012. This is due to the increase in construction activities in FY 2012, which resulted to an increase in construction administration fees collected.

Cash and cash equivalents increased by \$5,699 from FY 2011 to FY 2012 due to the increase of projects with retention trust accounts. Projects with retention trust accounts consist of 15 accounts in FY 2011 and 19 accounts in FY 2012.

Due from other State funds increased by \$32,397 from FY 2011 to FY 2012 due to the unexpended portion of the \$75 million grant to Illinois Board of Higher Education amounting to \$23 million and grant to Department of Commerce and Economic Opportunity amounting to \$10 million.

Capital assets not being depreciated increased by \$13,102 from FY 2011 to FY 2012. This account is the construction in progress (CIP) amount at June 30, 2012. The increase in the CIP balance is a result of increase in CIP additions and decrease CIP transfers during FY 2012. CIP additions amounted to \$64 million and \$56 million in FY 2012 and FY 2011, respectively, while CIP transfers amounted to \$51 million and \$58 million in FY 2012 and FY 2011, respectively.

Accounts payable and accrued expenses increased by \$11,390 from FY 2011 to FY 2012 due to increase in retention trust account by 120% or \$6 million and increase in construction activities during the year.

Net assets - invested in capital assets, net of related debt and net assets - unrestricted increased by \$13,079 and \$36,530, respectively from FY 2011 to FY 2012 due to increase in construction activities and receivable from other State agencies.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FOR THE TWO YEARS ENDED JUNE 30, 2012**

ANALYSIS OF LOANS AND VARIOUS ACCOUNTS RECEIVABLE

The CDB's receivable balances consist of loans receivable from a port district, intergovernmental receivables (from other State agencies, colleges and universities, and school districts), due from other State funds, and other receivables for construction reimbursements and contract administration fees. When needed, CDB uses the internal offset system to collect receivables.

The following is a schedule of receivable balances (expressed in thousands) at June 30, 2012 and 2011, respectively, and an aging of "other receivables":

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Loans receivable	\$ 14,968	\$ 14,968
Less allowance for uncollectible	<u>(14,968)</u>	<u>(14,968)</u>
Net loans receivable	-	-
Intergovernmental receivables	1,002	1,626
Due from other State funds	42,258	9,861
Other receivables	<u>853</u>	<u>1,076</u>
Total receivables	<u>\$ 44,113</u>	<u>\$ 12,563</u>
Aging of other receivables:		
Current	\$ 813	\$ 941
1 - 30 days past due	37	131
31 - 90 days past due	<u>3</u>	<u>4</u>
Total other receivables	<u>\$ 853</u>	<u>\$ 1,076</u>

Loans receivable consist of loans made to the Illinois International Port District (Port District) amounting to \$14,968 (expressed in thousands) which have no established repayment schedule and payments are due as the Port District makes a profit from its certain specific operations. The Port District has not reported any profits from these operations and the entire loan receivable balance has been reserved as uncollectible.

Due from other State funds consists of receivables of federal funds for construction to be remitted to the CDB from other State agencies. This balance is a function of the volume of construction activity for other State agencies that is financed in part with federal funds. As such, these amounts are considered fully collectible.

Other receivables, consisting of contract administration fees, are a function of the volume of construction activity in progress at June 30. The fee is approximately three (3) percent of the contract amount for architect/engineer and construction contracts and is payable before the second payment is made under the contract. Contract administration fees are considered fully collectible.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2012
(UNAUDITED)**

AGENCY FUNCTIONS AND PLANNING PROGRAM

Functions

The Capital Development Board was created by the Illinois General Assembly in 1972 to serve as the nonroad, construction management arm of the Illinois government. The Agency, which is responsible for overseeing the State-funded capital program, provides a central agency dedicated to the professional supervision of the State's building construction and renovation projects. The philosophy of the Capital Development Board is "...to serve as an effective, efficient, construction facilitator; ever mindful of the needs of our clients (the citizens of Illinois, other State agencies, the Illinois General Assembly and the Governor) and our private sector partners." This philosophy is the cornerstone of the Agency's mission "...to provide quality services and facilitate the timely and successful completion of each of the state's construction and renovation projects."

According to 20 ILCS 3105/4.01 through 4.05, the purposes of the Capital Development Board are as follows:

- To build or otherwise provide hospital, housing, penitentiary, administrative, recreational, educational, laboratory, parking, environmental equipment, and other capital improvements for which money has been appropriated or authorized by the General Assembly.
- To conduct continuous studies into the costs of building or otherwise providing the facilities described above.
- To conduct research on improvements in choice and use of materials, energy systems, including solar energy systems, and in construction methods for reducing construction costs and operating and maintenance costs of the facilities described above.
- To review and recommend periodic revisions in established building and construction codes to promote public safety, energy efficiency and economy, including the use of solar energy, and reduce construction costs and operating and maintenance costs of the facilities described above.
- To advise State agencies and units of local government, on request, on any matter related to the purpose of this Act and to assist State agencies in the preparation of their annual long-range capital expenditures plans.

It is the vision of the Capital Development Board "...to become the most respected and responsive agency in both the construction community and in state government; promoting quality service and the use of innovative technologies, recognizing and rewarding both

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2012
(UNAUDITED)**

AGENCY FUNCTIONS AND PLANNING PROGRAM (CONTINUED)

Functions (Continued)

individual and team accomplishments and fostering a harmonious environment.” To achieve this vision, the Agency is committed to accomplishing several goals. These goals are as follows:

- provide for and enhance staff training and development
- improve internal and external communication
- better identification of customer needs
- improve project quality and delivery
- improve contractor quality
- improve architect/engineer quality
- expand and integrate electronic databases
- complete agency mandates

In addition to its obvious functions, the Capital Development Board is also responsible for the identification and removal of asbestos in State facilities, serves as a liaison between the State and the Illinois’ design and construction industries, and actively pursues recovery of assets through litigation of projects found to have design and construction defects. Other duties include serving as a forum to suggest resolution of conflicts between State agencies, or between a State agency and another entity that consents to the resolution forum, concerning State building requirements, and reviewing proposed State building requirement amendments and proposed legislation for conflicts with current State law or building requirements and makes recommendations concerning those amendments or laws to the proper authorities.

The Executive Director of the Capital Development Board is Jim Underwood. The Agency has offices located on the 3rd floor of the William G. Stratton Building at 401 South Spring Street in Springfield, on the 14th floor of the James R. Thompson Center at 100 West Randolph Street in Chicago, and at Office #258 in Carbondale at 150 Pleasant Hill Road.

Agency Planning

The CDB operated a program called the Quality Management Program. This program allowed for a Quality Steering Committee, which identified areas of weakness within the Agency. When a weakness was identified, the Steering Committee defined a mission statement to address the area. The mission statement was then passed on to a Quality Review Team, who investigated the weakness and made recommendations to address those weaknesses.

Senior staff has replaced standing committees to develop strategies to encourage better performance. Senior staff has met repeatedly to discuss and refine procedures and improve

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2012
(UNAUDITED)**

AGENCY FUNCTIONS AND PLANNING PROGRAM (CONTINUED)

Agency Planning (Continued)

processes related to each performance measure. They make recommendations concerning changes in policy, hardware and software, new system implementation, legislation, protocol, and other areas. Top management uses these recommendations to plan activities, make headcount changes, initiate legislation, and other areas.

Employees Paid From Bond Proceeds

A portion of CDB's FY 2011 and FY 2012 operational expenditures for personal services were paid from the Capital Development Fund (141), which receives its funding from bond proceeds. In accordance with the FY 2011 and FY 2012 appropriation bill, 62 and 61 CDB employees assigned to work directly with construction projects were paid \$4,900,265 and \$5,562,208, respectively, from Fund 141.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2012
(UNAUDITED)**

AVERAGE NUMBER OF EMPLOYEES

The following schedule presents the average number of Agency personnel by section on a comparative basis.

The following summary is an average based on the full year for fiscal years 2012, 2011, and 2010.

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Executive:			
Staff	8	8	8
Administrative Services	2	2	2
Art-in Architecture	1	1	1
Capital Programs	15	15	15
Fair Employment Practices Division	6	6	5
Fiscal	4	5	5
Information Systems	9	9	9
Legislative Affairs	1	1	1
Personnel	2	2	2
Quality Based Selection	-	-	2
School Construction	-	-	1
Total Executive	<u>48</u>	<u>49</u>	<u>51</u>
Contract Administration - Staff	<u>10</u>	<u>10</u>	<u>6</u>
Construction Administration:			
Staff	2	2	4
Professional Services	17	17	17
Regions (3)	38	39	39
Total Construction Administration	<u>57</u>	<u>58</u>	<u>60</u>
Legal Counsel - Staff	<u>5</u>	<u>5</u>	<u>5</u>
Agency Total	<u><u>120</u></u>	<u><u>122</u></u>	<u><u>122</u></u>

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 EMERGENCY PURCHASES
 FISCAL YEAR ENDED JUNE 30, 2012
 (UNAUDITED)

The initial affidavit for an emergency purchase is filed by the user agency unless it pertains to an open CDB project. CDB determines whether the purchase meets emergency purchase guidelines and, if so, awards and administers the contract(s) and the project.

The Agency had the following emergency purchases during FY 2012:

Project Number	Contract Number	Facility/Agency	Award	Expenditures	Total Estimated		Explanation of Emergency	
					Costs			
120-175-126	12EM0181	Menard Correctional Center - Randolph County	\$ 1,057,098	\$ 1,093,785	\$ 1,000,000		Repair Upper Slope and Relocate Utilities	
039-060-046	12EM0285	DuQuoin State Fairgrounds - Perry County	15,574	15,574	87,640		Emergency Storm Damage Repairs	
039-060-046	12EM0384	DuQuoin State Fairgrounds - Perry County	31,437	31,437	87,640		Emergency Storm Damage Repairs	
120-175-126	12EM0485	Menard Correctional Center - Randolph County	127,853	127,853	1,000,000		Repair Upper Slope and Relocate Utilities	
120-275-007	12EM0584	Du Quoin Work Camp - Perry County	27,457	27,457	57,900		Emergency Storm Damage Repairs	
125-110-006	12EM0681	Illinois Youth Center - St. Charles	74,830	74,830	90,000		Emergency - Replace Roofing - Kennedy/King	
125-110-005	12EM0781	Illinois Youth Center - St. Charles	75,980	75,890	75,000		Emergency - Replace Roofing - Owens/Robinson	
039-150-167	12EM0881	Illinois State Fairgrounds - Springfield	607,256	630,449	50,000		Canopy Repairs and Replacement - Multipurpose Arena	
TOTALS					\$ 2,017,485	\$ 2,077,275	\$ 2,448,180	

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
EMERGENCY PURCHASES
FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

The initial affidavit for an emergency purchase is filed by the user agency unless it pertains to an open CDB project. CDB determines whether the purchase meets emergency purchase guidelines and, if so, awards and administers the contract(s) and the project.

The Agency had the following emergency purchases during FY 2011:

Project Number	Contract Number	Facility/Agency	Award	Expenditures	Total Estimated Costs	Explanation of Emergency
104-148-009	11EM0181	Lincoln-Herndon Law Office - Springfield	\$ 254,700	\$ 264,620	\$ 259,800	Emergency Roof Repairs
120-175-123	11EM0281	Menard Correctional Center - Randolph County	254,258	174,621	367,698	Emergency - Replace Roofing Systems
750-100-003	11EM0481	Motor Vehicle Services Facility - Springfield	522,199	529,284	615,980	Emergency Roof Replacement
104-122-005	11EM0581	Jubilee College State Memorial - Brimfield	59,948	63,973	51,460	Emergency Roof and Eave Repairs
120-255-023	11EM0683	Shawnee Correctional Center - Johnson County	35,400	36,443	32,500	Emergency Repair of Coolers & Freezers
039-060-042	11EM0781	DuQuoin State Fairgrounds - Perry County	28,311	2,832	450,000	Emergency Grandstand Roof Replacement
120-295-003	11EM0885	Lawrence Correctional Center - Lawrence County	4,846	4,846	63,782	Emergency Roof Repairs
120-295-003	11EM0981	Lawrence Correctional Center - Lawrence County	31,565	31,565	200,000	Emergency Roof Repairs
120-295-003	11EM1081	Lawrence Correctional Center - Lawrence County	27,371	27,371	200,000	Emergency Roof Repairs
120-200-118	11EM1183	Pontiac Correctional Center - Livingston County	470,040	470,040	875,000	Replace Condensate Tank & Equipment
750-040-011	11EM1281	Capitol Building	65,534	65,534	350,000	Emergency Sprinkler Line Repair
750-040-011	11EM1381	Capitol Building	14,045	14,045	350,000	Emergency Sprinkler Line Repair
750-040-011	11EM1481	Capitol Building	182,003	182,003	350,000	Emergency Sprinkler Line Repair
750-040-011	11EM1581	Capitol Building	34,866	34,866	350,000	Emergency Sprinkler Line Repair
120-200-118	11EM1683	Pontiac Correctional Center - Livingston County	1,200,000	1,085,875	875,000	Replace Condensate Tank & Equipment
120-085-077	11EM1782	Dwight Correctional Center - Livingston County	350,146	198,632	108,200	Emergency Waste Water Treatment Plant Repairs
TOTALS			\$ 3,535,232	\$ 3,186,550	\$ 5,499,420	

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ILLINOIS FIRST PROJECTS/AWARDS INITIATED IN
FISCAL YEARS ENDED JUNE 30, 2002 AND 2001
(UNAUDITED)

The Agency determined that projects not funded by their initial budget proposal but subsequently approved and funded were designated as Illinois First projects. In addition, some projects received additional funding through the Illinois First programs. According to the information provided by the Agency, the following is a description of the Illinois First portion of those projects which had expenditures, lapsed balances or reappropriations in FY 2011 or FY 2012.

Project ID.	Project Location	Project Description	Award/Grant Amount	Prior Year Expenditures	FY 2011 Expenditures	FY 2012 Expenditures	Lapsed	Reappropriated
810-020-006	Richard J. Daley College - Cook County	Industrial Technology Center	\$ 413,000	\$ -	\$ -	\$ -	\$ -	\$ 413,000
810-050-018	Kankakee Community College	Construct fine art and applied technology facility at Kankakee	3,947,537	3,868,993	57,938	19,284	-	1,322
810-056-017	Lake County	Plan and construct technology building at College of Lake County	23,991,116	20,802,448	209,370	-	2,979,298	-
810-063-001	Lincoln Land Community College at Taylorville	Expand Regional Center at Taylorville	150,000	-	-	-	-	150,000
810-080-010	Rock Valley College - Rockford	New instructional building	800,000	459,754	328,797	5,350	6,099	-
900-097-002	City of North Chicago	Grant to Foss Park District	500,000	225,000	-	-	-	275,000
Total Illinois First Grants			\$ 29,801,653	\$ 25,356,195	\$ 596,105	\$ 24,634	\$ 2,985,397	\$ 839,322

SCHEDULE 28
(CONTINUED)

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ILLINOIS FIRST PROJECTS/AWARDS INITIATED IN
FISCAL YEAR ENDED JUNE 30, 2000
(UNAUDITED)

Project I.D.	Project Location	Project Description	Award/Grant Amount	Prior Year Expenditures	FY 2011 Expenditures	FY 2012 Expenditures	Lapsed	Reappropriated
817-010-047	NEIU - Chicago	For upgrade science building HVAC systems	\$ 2,021,400	-	-	-	-	\$ 2,021,400

SCHEDULE 29

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 MEMBER INITIATIVE PROJECTS/AWARDS INITIATED IN
 FISCAL YEARS ENDED JUNE 30, 2008 AND 2007
 (UNAUDITED)

Project I.D.	Project Description	Fiscal Year	Award Amount	Prior Year		FY 2011		FY 2012		Lapse	Reappropriation
				Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures		
900-010-287	Grant to Alexian Brothers	2008	\$ 1,000,000	\$ 450,000	\$ 550,000	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
CHANGE ORDERS BY REASON
FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

Reason	Total Amount	Dollar Percentage	No. Issued	Count Percentage
Architect/Engineer error	\$ 723,247	12.68%	62	10.84%
Architect/Engineer omission	864,717	15.16%	111	19.41%
User request	1,936,504	33.95%	125	21.85%
Phase construction	397,654	6.97%	5	0.87%
Undisclosed condition	2,231,300	39.12%	185	32.34%
Time extension	30,147	0.53%	3	0.52%
Substitution	64,968	1.14%	8	1.40%
Reimbursable	58,117	1.02%	2	0.35%
Soil condition	112,771	1.98%	5	0.87%
Credit	(727,512)	-12.76%	63	11.02%
Code change	5,432	0.09%	2	0.35%
Alternate accepted	6,900	0.12%	1	0.18%
TOTALS	\$ 5,704,245	100%	572	100%

**SCHEDULE 30
(CONTINUED)**

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
CHANGE ORDERS BY REASON
FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

Reason	Total Amount	Dollar Percentage	No. Issued	Count Percentage
Architect/Engineer error	\$ 447,368	6.96%	67	11.96%
Architect/Engineer omission	767,915	11.94%	110	19.64%
User request	2,084,022	32.40%	133	23.75%
Phase construction	736,019	11.44%	10	1.79%
Undisclosed condition	2,377,946	36.97%	157	28.04%
User funded	67,516	1.05%	11	1.96%
Time extension	-	0.00%	2	0.36%
Assignment fee	5,187	0.08%	4	0.71%
Substitution	9,353	0.15%	6	1.07%
Reimbursable	30,995	0.48%	3	0.54%
Soil condition	175,867	2.73%	6	1.07%
Construction Manager error	6,297	0.10%	2	0.36%
Credit	(308,527)	-4.80%	43	7.68%
Code change	32,070	0.50%	6	1.07%
TOTALS	\$ 6,432,028	100%	560	100%

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
PERFORMANCE INDICATORS
FISCAL YEARS ENDED JUNE 30, 2012, 2011, AND 2010
(UNAUDITED)**

The following is a listing of various performance indicators and other statistics:

	2012	2011	2010
Construction expenditures	\$ 570,591,755	\$ 339,043,992	\$ 191,273,823
Personnel expenditures	9,066,869	8,312,388	7,939,101
Administrative expenditures	7,725,360	6,462,995	6,267,259
TOTAL EXPENDITURES	\$ 587,383,984	\$ 353,819,375	\$ 205,480,183
Disbursement of federal funds received from agency grants	\$ 23,775,119	\$ 28,834,369	\$ 30,820,967
Total receipts	\$ 39,441,627	\$ 52,881,912	\$ 63,482,971
Construction appropriations and reappropriations*	\$ 4,020,740,353	\$ 4,014,983,779	\$ 5,028,521,664
Total number of projects	1,134	1,260	1,059
Average appropriation per project	\$ 3,545,626	\$ 3,186,495	\$ 4,748,368
Average expenditures per project	\$ 503,167	\$ 269,083	\$ 180,617
Number of project managers	27	30	29
Average projects per manager	42	42	37
Average number of employees	121	116	122
Average personnel cost	\$ 74,933	\$ 71,659	\$ 65,075
Number of construction vouchers processed	2,526	2,705	2,592
Average construction voucher amount	\$ 225,887	\$ 125,340	\$ 73,794
Number of receipts processed	658	910	855
Average receipt amount	\$ 59,942	\$ 58,112	\$ 74,249
Number of projects awarded	248	233	199
Professional contracts awarded	109	113	67
Contractor contracts awarded	276	311	277
Administrative costs per project	\$ 6,812	\$ 5,129	\$ 5,918
Personnel costs per project	\$ 7,995	\$ 6,597	\$ 7,497

* Included in the amounts are contributions from local sources and other agencies not appropriated to CDB, but CDB includes for project budget purposes.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEARS ENDED JUNE 30, 2012, 2011, AND 2010
(UNAUDITED)**

CONSTRUCTION ADMINISTRATION

Mission Statement: CDB's mission is to manage the design and construction of capital projects for the State in a timely, effective, and fiscally responsible manner, while spreading opportunities among qualified industry partners.

Program Goals:

Objectives:

1. Develop cost saving initiatives:
 - a. Reduce spending on changes that are proposed after all parties have agreed to the budget and the solution.
2. Deliver projects on schedule:
 - a. Implement steps to increase compliance with the design schedule.
 - b. Implement steps to increase compliance with the construction schedule.
3. Provide accountable project management:
 - a. Ensure that poor industry performance leads to meaningful actions.
4. Provide work opportunities for varied industry partners:
 - a. Provide opportunities for minorities and females to obtain work.
 - b. Initiate project labor agreements.
5. Support the State's Economic Development Plan:
 - a. Monitor Opportunity Returns projects announced by the Governor.

Funds: Capital Development Fund, Capital Development Board Revolving Fund, Asbestos Abatement Fund, Tobacco Settlement Recovery Fund, Build Illinois Bond Fund (Statutory Authority: 20 ILCS 3105)

	<u>Actual</u>		FY 2012	FY 2012	FY 2013
	FY 2010	FY 2011	Target		Target
			(Projected)	Actual	(Projected)
Input Indicators:					
Total expenditures - all sources (in thousands)	\$ 13,705.9	\$ 14,283.5	\$ 17,686.5	\$ 16,321.2	\$ 21,659.6
Total expenditures - State appropriated funds (in thousands)	\$ 13,705.9	\$ 14,283.5	\$ 17,686.5	\$ 16,321.2	\$ 21,659.6
Average monthly full-time equivalents	115.0	110.8	117.0	116.5	140.0

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEARS ENDED JUNE 30, 2012, 2011, AND 2010
(UNAUDITED)**

CONSTRUCTION ADMINISTRATION (CONTINUED)

	Actual		FY 2012 Target	FY 2012	FY 2013
	FY 2010	FY 2011	(Projected)	Actual	Target (Projected)
Outcome Indicators:					
Average variation from planned schedule for construction phase	5.63%	14.80%	15.00%	19.41%	15.00%
Percent of labor hours that are minority or female	14.05%	14.80%	15.00%	21.24%	15.00%
Percent of total dollars contracted to MBE/FBE firms (a)	12.90%	18.20%	15.00%	18.10%	15.00%

Note:

(a) MBE/FBE firms are Minority Business Enterprise and Female Business Enterprise firms.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEARS ENDED JUNE 30, 2012, 2011, AND 2010
(UNAUDITED)**

SCHOOL CONSTRUCTION GRANTS

Mission Statement: The mission of CDB's School Construction Grant Program is to work from the entitled and prioritized list compiled by the Illinois State Board of Education to provide school construction grants, up to the funding limits. The professional staff visits sites, develops project descriptions, educates school and community representatives, and provides technical assistance to expedite the process and enhance the quality of Illinois school buildings.

Program Goals:

Objectives:

1. Educate school districts about how to obtain a grant and how their State share is determined:
 - a. By June 1 each year, measure school district satisfaction with CDB's ability to educate them about the grant process.

2. Provide effective, accountable, and responsive service related to the design and construction of school buildings:
 - a. By June 1 each year, measure school district satisfaction with CDB's timeliness.

Funds: School Construction Fund, School Infrastructure Fund (Statutory Authority: 30 ILCS 390, 105 ILCS 230)

	<u>Actual</u>		<u>FY 2012</u>	<u>FY 2012</u>	<u>FY 2013</u>
	<u>FY 2010</u>	<u>FY 2011</u>	<u>Target</u>	<u>Actual</u>	<u>Target</u>
			<u>(Projected)</u>		<u>(Projected)</u>
Input Indicators:					
Total expenditures - all sources (in thousands)	\$ 498.7	\$ 491.9	\$ 600.0	\$ 471.0	\$ 600.0
Total expenditures - State appropriated funds (in thousands)	\$ 498.7	\$ 491.9	\$ 600.0	\$ 471.0	\$ 600.0
Average monthly full-time equivalents	5.0	4.0	4.0	4.0	4.0