



ADELFA LLC
CERTIFIED PUBLIC ACCOUNTANTS

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**State of Illinois
CAPITAL DEVELOPMENT BOARD**

**FINANCIAL AUDIT
For the Year Ended June 30, 2014 and
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014**

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FINANCIAL AUDIT
For the Year Ended June 30, 2014 and
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014**

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AGENCY OFFICIALS

Executive Director		James Underwood
Deputy Director of Construction		Josh Weger
Deputy Director of Operations		Mike Wilson
Administrator of the Office of Fiscal Management		Gevan Behnke
Legal Counsel		Thomas Klein
Chief Internal Auditor	(09/17/12 to present) (05/16/12 to 09/16/12) (09/01/10 to 05/15/12)	Paula Sorensen Vacant Doug Tinch
Chief of Staff	(06/01/14 to present) (04/02/14 to 05/31/14) (02/22/11 to 04/01/14)	Marva Boyd Vacant Gilbert Villegas
Information Services Administrator	(12/02/13 to present)	Lisa Garrett

Agency Office is located at:

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



CAPITAL
Development
BOARD

JIM UNDERWOOD • Executive Director

Building a Better Illinois

Board Members January 30, 2015

Peter J. O'Brien, Sr.
Chairman
Adelfia LLC
400 East Randolph Street
Suite 705
Chicago, Illinois 60601

Glyn M. Ramage
Michael Y. Chin
Stewart A. Muñoz
Miles W. Beatty, III
Anthony J. Garippo
William A. Lowry, Sr.

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

**East St. Louis
Community College Center**
601 James R. Thompson Blvd.
Building B, Suite 1025
E. St. Louis, Illinois
62201-1129

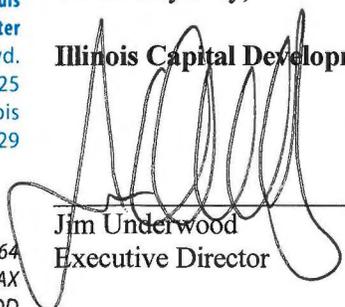
Ladies and Gentlemen:

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 State of Illinois, Illinois Capital Development Board (CDB). We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of CDB's compliance with the following assertions during the two-year period ended June 30, 2014. Based on this evaluation, we assert that during the years ended June 30, 2013 and June 30, 2014, CDB has materially complied with the assertions below.

- A. 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. 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. 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 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 CDB on behalf of the State or held in trust by CDB have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois Capital Development Board



Jim Underwood
Executive Director



Gevan Behnke
Administrator of the Office of
Fiscal Management



Thomas Klein
Chief Legal Counsel

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**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FINANCIAL AUDIT
For the Year Ended June 30, 2014 and
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For the Two Years Ended June 30, 2014**

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.

ACCOUNTANT'S REPORTS

The Independent Accountant's 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

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	Report	Report
Findings	7	9
Repeated findings	5	6
Prior recommendations implemented or not repeated	4	2

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2014-001	11	Inadequate Control over Revenue and Receipts	Noncompliance and Significant Deficiency
2014-002	13	Failure to Publish Required Procurement Information	Noncompliance and Significant Deficiency

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COMPLIANCE REPORT

SCHEDULE OF FINDINGS (CONTINUED)

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2014-003	15	Inadequate Control over Property and Equipment	Noncompliance and Significant Deficiency
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2014-005	20	Untimely Approval and Payment of Vouchers	Noncompliance and Significant Deficiency
2014-006	21	Inaccurate Payroll Processing	Noncompliance and Significant Deficiency
2014-007	23	Failure to File Required Affidavits with the Auditor General for Single Prime Construction Projects	Noncompliance and Significant Deficiency
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A	24	Inadequate Controls Over Approval of Contracts	
B	24	Noncompliance with the Capital Development Board Act	
C	24	Noncompliance with the State Finance Act	
D	25	Failure to Comply with the Identity Protection Act	

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COMPLIANCE REPORT

EXIT CONFERENCE

The Capital Development Board opted not to have an exit conference during the financial audit for the year ended June 30, 2014 and compliance examination for the two years ended June 30, 2014. The responses to the recommendations were provided by Paula Sorensen, Chief Internal Auditor in a letter dated January 29, 2015.



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INDEPENDENT ACCOUNTANT'S 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, 2014. 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. The 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, 2014. 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 2014-001 through 2014-007.

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 to determine the examination procedures that are appropriate in the circumstances 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 the State of Illinois Capital Development Board's 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. *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.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 as described in the accompanying schedule of findings as items 2014-001 through 2014-007, that we considered to be significant deficiencies.

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, agency 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.

Adelfia LLC

Chicago, Illinois
January 30, 2015



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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S 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, in accordance with the 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, the financial statements of the governmental activities, each 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, 2014, and the related notes to the financial statements, which collectively comprise State of Illinois Capital Development Board's basic financial statements, and have issued our report thereon dated December 17, 2014.

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 (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Capital Development Board's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois Capital Development Board's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Illinois Capital Development Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois Capital Development Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Adelfia LLC

Chicago, Illinois
December 17, 2014

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-001. **FINDING** (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 80 receipts totaling \$32,021,453, we noted the following:

- Receipts for 19 contract administration fees (CAF) were more than 3% of the contract amount and the excess totaled \$296,069.

The Capital Development Board Act (20 ILCS 3105/9.02a) states that CAF shall not exceed 3% of the contract amount.

- Five (6%) receipts totaling \$293,000 were deposited 1 day late.

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.

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, unauthorized use, and misappropriation. Effective internal controls should include procedures to ensure statutory requirements are followed and checks are timely deposited.

According to CDB management, noncompliance with the 3% CAF statutory limit was due to the method for calculation. The 3% was based on the estimated contract amount prior to bid. However, in January 2014, CDB changed the method for calculating the CAF and is currently based on the actual contract amount at the time the Notice of Award is sent to the contractor. The late deposits were due to oversight.

Failure to properly compute contract administration fees exposes CDB to possible claims by vendors. In addition, failure to deposit collections in a timely manner may result in lost interest revenue and increases the risk of misappropriation of funds. (Finding Code No. 2014-001, 12-2)

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-001. **FINDING** (Inadequate Controls over Revenue and Receipts) (Continued)

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.

CDB RESPONSE

The Capital Development Board agrees with the finding and recommendation. CDB has changed the method for calculating the CAF to ensure compliance with the statutory limit. Also, CDB continues to make every effort to ensure that deposits are made on a timely basis.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-002. **FINDING** (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).

Based on our review of procurement information on CDB's website, we noted annual Business Enterprise Program reports were not posted on the online electronic Bulletin within 10 business days after submission of the report to the Business Enterprise Council for Minorities, Females, and Persons with Disabilities during fiscal years 2013 and 2014. The reports were posted 227 and 549 days late.

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).

The Code (30 ILCS 500/15-25 (c-5)) states that the Bulletin's content will be as follows:

- Business Enterprise Program (BEP) report. Each purchasing agency shall, with the assistance of the applicable chief procurement officer, post in the online electronic Bulletin a copy of its annual report of utilization of businesses owned by minorities, females, and persons with disabilities as submitted to the Business Enterprise Council for Minorities, Females, and Persons with Disabilities pursuant to Section 6(c) of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act within 10 business days after its submission of its report to the Council.

CDB management stated that it was their understanding that the Chief Procurement Office was responsible for posting the BEP report in the online electronic Bulletin. As a result of this observation, on July 17, 2014, CDB posted the reports onto CDB's electronic Bulletin.

Failure to comply with the Code's procurement information provisions reduces accountability and transparency of government decisions and results in noncompliance with statutory requirements. (Finding Code No. 2014-002, 12-3, 10-2, 08-2)

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-002. **FINDING** (Failure to Publish Required Procurement Information)

RECOMMENDATION

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

CDB RESPONSE

The Capital Development Board agrees with the finding and recommendation. The BEP reports have been posted onto CDB's electronic Bulletin. CDB will continue to work with the CPO to ensure the reports are posted as required.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-003. **FINDING** (Inadequate Controls over Property and Equipment)

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

During our examination of CDB FY 2013 and FY 2014 property records, we noted the following:

- The FY 2013 Annual Certification of Inventory did not include the supporting details of all equipment items costing over \$500 which are required to be reported to the Department of Central Management Services (DCMS). Additionally, we noted 61 equipment items totaling \$12,347 with acquisition costs under \$500 but are highly subject to theft that were not identified and reported on the FY 2013 and FY 2014 Annual Certifications of Inventory.

The Illinois Administrative Code (44 Ill. Adm. Code 5010.220) requires all items of equipment with an acquisition value of \$500 or more are subject to being reported to DCMS by the holding agency. In addition, all items of equipment with an acquisition value of under \$500 are not required to be reported to DCMS, except that all firearms, cameras, calculators, antiques, and other items subject to theft must be reported regardless of acquisition cost.

- During our review of 25 equipment deletions made during FY 2013 and FY 2014, we noted the following:
 - 12 (48%) equipment items sampled with a total value of \$44,648 were deleted from the Common System Inventory (CDB's property records) 9 to 157 days prior to approval from DCMS.

The Illinois Administrative Code (44 Ill. Adm. Code 5010.310) requires that all deletions from agency property records (except transfers within and outside the agency) be approved by the Property Control Division prior to completing the transaction.

- Four (16%) sampled equipment items which were traded in totaling \$506,160 were not reported to and approved by DCMS.

The State Property Control Act (30 ILCS 605/7) describes an agency's reporting responsibilities to the DCMS. Agencies shall report the trade-in and replacement to the DCMS on forms furnished by the DCMS.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-003. **FINDING** (Inadequate Controls over Property and Equipment) (Continued)

The Illinois Administrative Code (44 Ill. Adm. Code 5010.690) requires that all agencies wishing to trade-in transferable equipment must notify DCMS' Property Control Division of their intentions in writing. The written notification must contain: (1) a full description of the equipment to be traded in, including the date purchased, the inventory number, and serial number, if applicable; (2) a full description of the new equipment the agency is seeking to obtain; (3) the name of the person or business accepting the trade-in; (4) the cost of the new item; and (5) the value allowed on the trade-in. The Property Control Division shall then approve or disapprove the request. Approval will be granted when the requested trade-in is economically advantageous to the State. If the trade-in is approved, the agency making the trade-in shall submit a completed Property Change Report Form to the Property Control Division, noting a transaction code 34.

- One (4%) sampled equipment item amounting to \$1,525 for surplus was not properly reported to DCMS.

The Statewide Accounting Management System (SAMS) (Procedure 03.30.30) provides guidance on determining the reporting agency for capital assets. When an asset is transferred from one agency to another, the legal title to the asset should be assigned to the receiving agency.

- One (4%) sampled equipment item which was transferred out amounting to \$7,945 did not have the necessary information (historical cost, purchase price and date) reported to the receiving agency.

The Illinois Administrative Code (44 Ill. Adm. Code 5010.620) requires that transferable equipment shall be reported to DCMS' Property Control Division by submitting a property change report to the Property Control Division for equipment listed on the reporting agency's inventory.

- One (4%) of 25 equipment additions reviewed for FY 2014 and FY 2013 erroneously included rental charges amounting to \$1,898 in the value of the property reported on the Common Inventory System and Quarterly Agency Report of State Property (C-15). CDB Management subsequently updated the property records.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-003. **FINDING** (Inadequate Controls over Property and Equipment) (Continued)

SAMS (Procedure 03.30.20) states that capital assets should be reported at historical cost. Historical cost includes the amount paid for the asset. In addition, generally accepted accounting principles (GAAP) require that capital assets be reported based on the invoiced cost plus any applicable transportation and installation charges necessary to make the capital asset ready for its intended use.

CDB management stated that the responsibility for maintaining property and equipment records was shifted to another employee as a result of a retirement. Subsequently, the noted errors were due to unfamiliarity with the DCMS Property Control Rules.

Failure to submit the complete inventory of equipment is noncompliance with DCMS Property Control Rules. Inadequate controls over property and equipment results in inaccurate and incomplete property records. It could also result in incorrect accounting information and could cause unnecessary equipment expenditures and inaccurate financial reporting. In addition, inaccurate property reporting reduces the reliability of CDB capital asset information. Loss of property and equipment may not be detected timely or remain undetected without an accurate property inventory listing and/or strict compliance with property control procedures. Failure to properly complete the quarterly C-15 Reports is noncompliance with the State's property reporting requirements. (Finding Code No. 2014-003)

RECOMMENDATION

We recommend the CDB Management ensure submission of a complete inventory of equipment with DCMS. We also recommend the CDB Management adhere to its procedures to ensure that property and equipment records are accurately maintained and updated. Periodic physical inventories should be conducted to ensure existence of equipment, and property records should be updated with the results of the inventory. In addition, the CDB Management should ensure proper completion of the quarterly C-15 Reports.

CDB RESPONSE

The Capital Development Board agrees with the finding and recommendation. CDB will strengthen controls to ensure the submission of a complete inventory of equipment with DCMS, to ensure that property and equipment records are accurately maintained and updated, and to ensure proper completion of the quarterly C-15 Reports.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-004. **FINDING** (Performance Evaluations Not Completed)

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

During our review of 25 employee personnel files, we noted 20 performance evaluations were not current or timely, as follows:

- One of 25 (4%) employees tested for FY 2013 and five of 25 (20%) employees tested for FY 2014 did not have a performance evaluation.
- Fourteen of 25 (56%) employees tested either did not have a performance evaluation during and at the end of the probationary period, or 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 evaluations. Fourteen performance evaluations reviewed were submitted between 1 to 399 days after the last day of the employee's performance review period.

CDB Personnel Policies and Procedures Manual 16 (replaces Chapter IX) requires that evaluations must take place no less than every twelve (12) months. For employees serving a six (6) month probationary period, the supervisor must prepare and submit two evaluations to Personnel; one at the end of the third (3) month of the employee's probationary period and another fifteen (15) days before the conclusion of the probationary period. For employees serving a four (4) month probationary period, the supervisor must prepare and submit to Personnel an evaluation form three and one half (3 ½) months after the commencement of the probationary period.

The Illinois Administrative Code (Code) (80 Ill. Adm. Code 302.270) requires performance records to include an evaluation of employee performance prepared by each agency with such evaluation performed not less often than annually. Further, the Code requires that for any employee serving a six month probationary period, the Agency shall prepare and submit to the Department of Central Management Services two evaluations, one at the end of the third month of the employee's probationary period and another 15 days before the conclusion thereof. For an employee serving a four month probationary period, the agency shall prepare and submit to the Department an evaluation form three and one half months after the commencement of the probationary period. In addition, it is prudent business practice to complete performance evaluations on a regular and timely basis.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-004. **FINDING** (Performance Evaluations Not Completed) (Continued)

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 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, layoffs, recalls, or reinstatement decisions. (Finding Code Nos. 2014-004, 12-4, 10-3, 08-3, 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.

CDB RESPONSE

The Capital Development Board agrees with the finding and recommendation. CDB has cleared up the vast majority of the backlog. CDB Human Resources Department continues 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, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-005. **FINDING** (Untimely Approval and Payment of Vouchers)

The Capital Development Board (CDB) did not timely process vouchers.

During our review of 355 voucher payments totaling \$428,643,075, we noted the following:

- 44 (12%) vouchers totaling \$93,573 were approved for payment from 3 to 70 days late.
- 27 (8%) vouchers tested totaling \$6,424,298 were not stamped “received” by the requesting department. In these cases, invoice dates were used to determine timely approval and payment. 10 of these 27 vouchers totaling \$859,640 were approved from 4 to 95 days late. The remaining 17 vouchers totaling \$5,564,658 were approved for payment timely.

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.

The Illinois Administrative Code (74 Ill. Adm. Code 900.30) requires 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.

According to CDB management, the deficiencies noted above were due to oversight.

Late approval of vouchers and inadequate documentation of invoice receipt date result in noncompliance with the Illinois Administrative Code. Untimely processing and approval of vouchers may result in CDB incurring unnecessary interest charges. (Finding Code Nos. 2014-005, 12-7, 10-7)

RECOMMENDATION

We recommend CDB strengthen its controls over voucher processing to ensure documentation of invoice receipt date and timely approval of vouchers.

CDB RESPONSE

The Capital Development Board agrees with the finding and recommendation. CDB will strengthen its controls over voucher processing to ensure documentation of invoice receipt date and timely approval of vouchers.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-006. **FINDING** (Inaccurate Calculation of Specialized Skill Payroll)

The Capital Development Board (CDB) did not process payroll accurately for employees who qualified for specialized skill pay.

Certain CDB employees with specialized skills are qualified to receive 5% of their monthly base salary in addition to their current rate of pay as set forth in a Memorandum of Understanding (MOU) with the Union. Commencing with the January 1, 2012 pay period, CDB began calculating the base salary for 5 employees with specialized skills differently than it had in the past. Rather than treating specialized skill pay as an add-on to base pay, CDB increased each employee's base pay amount by the amount of specialized skill pay given in prior periods. This higher base pay amount then became the base used in calculating future specialized skill pay. This resulted in employees receiving an additional \$84,938 during FY13 and FY14. In FY12 the employees received an additional \$14,110. Further, in FY15 the employees received an additional \$11,897.

Upon notification by the auditors, CDB personnel performed a recalculation of base pay for the 5 current and former employees receiving specialized skill pay and determined there were overpayments. CDB personnel corrected base pay and specialized skill pay in the Central Payroll System and are working with the affected current and former employees to develop repayment agreements.

The Comptroller's Statewide Accounting Management System (SAMS) (Procedure 23.10.30) indicates that the agencies are responsible for completing the payroll voucher each pay period and attesting to the employee's rate of pay, gross earnings, deductions, net pay, and other required information on the voucher and tape. In addition, good internal controls require that the CDB management review the payroll voucher for proper calculation and completion.

CDB management stated the change in the calculated base pay for each employee was due to inadvertent error.

Consistent definition and accurate calculation of "base pay" is critical for ensuring the integrity of payroll expenditures. Failure to review completed payroll vouchers for accuracy increases the risk that the CDB management could overpay or underpay employees. (Finding Code No. 2014-006)

RECOMMENDATION

We recommend CDB process payroll accurately.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-006. **FINDING** (Inaccurate Calculation of Specialized Skill Payroll) (Continued)

CDB RESPONSE

The Capital Development Board agrees with the finding and recommendation. A process will be implemented to have the Fiscal Unit review the payroll calculations for all changes in employees' earnings prior to their effective dates. Also, CDB has taken steps to address the overpayments noted.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2014**

CURRENT FINDINGS - STATE COMPLIANCE

2014-007. **FINDING** (Failure to File Required Affidavits with the Auditor General for Single Prime Construction Projects)

The Capital Development Board (CDB) did not file affidavits with the Auditor General as required by the Illinois Procurement Code (Code).

We reviewed eight single prime construction projects and noted two of the projects in fiscal year 2014 were not awarded contracts. For the remaining six projects, with a total contract award of \$142 million, CDB was required to provide the Auditor General with affidavits stating the waiver of the application of the requirements of Section 30-30 of the Code is in the best interest of the State. CDB failed to provide the Auditor General with 6 of 6 (100%) of the required affidavits.

The Illinois Procurement 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.

CDB management stated the exceptions noted were due to the lack of written guidelines regarding the requirements for filing the affidavit with the Auditor General's Office.

Failure to file affidavits to the Auditor General reduces accountability and transparency of government decisions and constitutes noncompliance with the law. (Finding Code No. 2014-007, 12-5)

RECOMMENDATION

We recommend CDB implement controls to ensure affidavits are filed with the Auditor General as required by the Code.

CDB RESPONSE

The Capital Development Board agrees with the finding and recommendation. Construction will continue to work with management to 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 PRIOR FINDINGS NOT REPEATED
FOR THE TWO YEARS ENDED JUNE 30, 2014**

A. **FINDING** (Inadequate Controls over Approval of Contracts)

In the prior examination, 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.

During the current examination, our sample testing indicated CDB has developed enhanced procedures to require contracts to be executed and approved prior to the start of services. Although there were still minor exceptions noted and reported in the CDB's Report of Immaterial Findings, this finding is not repeated. (Finding Code No. 12-1, 11-1)

B. **FINDING** (Noncompliance with the Capital Development Board Act)

In the prior examination, 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 had not appointed a new member to the Board.

During the current examination, our testing results showed that the Governor temporarily appointed a member of the Board subject to the consent of the Senate. This person will serve for the remainder of the unexpired term of the member that resigned. (Finding Code No. 12-6, 10-5)

C. **FINDING** (Noncompliance with the State Finance Act)

In the prior examination, the Capital Development Board (CDB) did not comply with the requirements of the State Finance Act (Act). CDB failed to obtain written certification and business enterprise program plan results in noncompliance with the Act.

During the current examination, our sample testing did not identify any exceptions. (Finding Code No. 12-8)

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF PRIOR FINDINGS NOT REPEATED
FOR THE TWO YEARS ENDED JUNE 30, 2014**

D. **FINDING** (Failure to Comply with the Identity Protection Act)

In the prior examination, the Capital Development Board (CDB) failed to implement provisions of the Identity Protection Act, including the development of a Policy.

During the current examination, our testing indicated CDB developed and implemented an identity protection policy as required by the Identity Protection Act. (Finding Code No. 12-9)

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FINANCIAL AUDIT
For the Year Ended June 30, 2014 and
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014**

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying financial statements of the State of Illinois, Capital Development Board (CDB) was performed by Adelfia LLC.

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



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INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

and

Board Members
Capital Development Board

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the State of Illinois, Capital Development Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, 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 for the State of Illinois Capital Development Board, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements of the State of Illinois, Capital Development Board are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each 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, 2014, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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.

Other Information

Our audit for the year ended June 30, 2014 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 2014, in the combining General Fund, individual nonmajor fund financial statements, and the State Compliance Schedules 1 through 24, and the Analysis of Operations Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information for the year ended June 30, 2014, in the combining and individual nonmajor fund financial statements and the State Compliance Schedules 1 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 basic financial statements. The accompanying supplementary information for the year ended June 30, 2014, in the combining and individual nonmajor fund financial statements and the State Compliance Schedules 1 through 24 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2013, in the combining and individual nonmajor fund financial statements and the State Compliance Schedules 1 through 24 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We 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 as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated October 30, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying supplementary information for the year ended June 30, 2013 in Schedules 2,4,6,8, and 10 through 17 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2013 financial statements. The accompanying supplementary information for the year ended June 30, 2013 in Schedules 2,4,6,8, and 10 through 17 has been subjected to the auditing procedures applied in the audit of the June 30, 2013 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 basic financial statements or to those 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, 2013 in Schedules 2,4,6,8,

and 10 through 17 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

The State of Illinois Capital Development Board's basic financial statements as of and for the year ended June 30, 2012 (not presented herein), were audited by other auditors whose report thereon dated January 18, 2013 expressed unmodified opinions on the respective basic financial statements.

The report of the other auditors dated January 18, 2013, stated that the supplementary information for the year ended June 30, 2012 in the State Compliance Schedules 1 through 24 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in their opinion, was fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying supplementary information in the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2014 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, and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois Capital Development Board's internal control over financial reporting and compliance.

Restricted Use of this Auditor's Report

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, agency 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.

Adelfia LLC

Chicago, Illinois
December 17, 2014, except for State Compliance
Schedules 1 through 24 for which the date is
January 30, 2015

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
STATEMENT OF NET POSITION
JUNE 30, 2014
(Expressed in Thousands)**

	Governmental Activities
	<hr/>
ASSETS	
Unexpended appropriations	\$ 48,337
Cash equity with State Treasurer	25,563
Cash and cash equivalents	14,798
Intergovernmental receivables, net	3,537
Other receivables, net	5,134
Due from other State funds	23,779
Capital assets not being depreciated	94,691
Capital assets being depreciated, net	110
TOTAL ASSETS	<hr/> 215,949 <hr/>
LIABILITIES	
Accounts payable and accrued liabilities	72,134
Due to other State funds	8,588
Unearned revenue	1,159
Compensated Absences	
Due within one year	137
Due subsequent to one year	1,240
TOTAL LIABILITIES	<hr/> 83,258 <hr/>
NET POSITION	
Invested in capital assets, net of related debt	94,801
Unrestricted net position	37,890
TOTAL NET POSITION	<hr/> \$ 132,691 <hr/>

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
(Expressed in Thousands)**

		Program Revenues		
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Capital Grants and Contributions	Net (Expense) Revenue
GOVERNMENTAL ACTIVITIES				
Education	\$ 582,028	\$ 30,031	\$ 31,851	\$ (520,146)
General government	26,580	-	-	(26,580)
Total governmental activities	\$ 608,608	\$ 30,031	\$ 31,851	(546,726)
 GENERAL REVENUES				
Appropriations from State Resources				3,287,279
Reappropriation to future year(s)				(2,558,959)
Lapsed appropriations				(70,271)
Net change in liabilities for reappropriated accounts				12,254
 TRANSFERS				
Receipts collected and transmitted to State Treasury				(919)
Capital transfers to other State Agencies				(75,801)
Total general revenues and transfers				593,583
 CHANGE IN NET POSITION				46,857
 NET POSITION, JULY 1, 2013				85,834
 NET POSITION, JUNE 30, 2014				\$ 132,691

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

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014
 (Expressed in Thousands)

	<u>General Fund</u>	<u>Nonmajor funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Unexpended appropriations	\$ 16	\$ 48,321	\$ 48,337
Cash equity with State Treasurer	-	25,563	25,563
Cash and cash equivalents	-	14,798	14,798
Intergovernmental receivables, net	-	3,537	3,537
Other receivables, net	-	5,134	5,134
Due from other State funds	-	23,779	23,779
TOTAL ASSETS	<u>\$ 16</u>	<u>\$ 121,132</u>	<u>\$ 121,148</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 13	\$ 72,121	\$ 72,134
Due to other State funds	3	8,585	8,588
Unearned revenue	-	1,159	1,159
Total liabilities	<u>16</u>	<u>81,865</u>	<u>81,881</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	2,998	2,998
Total deferred inflows of resources	<u>-</u>	<u>2,998</u>	<u>2,998</u>
FUND BALANCES			
Committed	-	36,269	36,269
Total fund balances	<u>-</u>	<u>36,269</u>	<u>36,269</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 16</u>	<u>\$ 121,132</u>	<u>\$ 121,148</u>

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

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2014
 (Expressed in Thousands)

Total fund balances-governmental funds	\$ 36,269
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	94,801
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.	2,998
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 liabilities consist of compensated absences	<u>(1,377)</u>
Net position of governmental activities	<u><u>\$ 132,691</u></u>

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

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014
(Expressed in Thousands)

	<u>General Fund</u>	<u>Nonmajor funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Federal capital grants	\$ -	\$ 31,851	\$ 31,851
Licenses and fees	-	6,677	6,677
Other charges for services	-	21,638	21,638
Total revenues	<u>-</u>	<u>60,166</u>	<u>60,166</u>
EXPENDITURES			
Education	31,672	550,356	582,028
General government	571	25,902	26,473
Capital outlays	-	109,856	109,856
Total expenditures	<u>32,243</u>	<u>686,114</u>	<u>718,357</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(32,243)</u>	<u>(625,948)</u>	<u>(658,191)</u>
OTHER SOURCES (USES)			
Appropriations from State resources	100,600	3,186,679	3,287,279
Reappropriation to future year(s)	-	(2,558,959)	(2,558,959)
Lapsed appropriations	(68,357)	(1,914)	(70,271)
Receipts collected and transmitted to State Treasury	-	(919)	(919)
Net change in liabilities for reappropriated accounts	-	12,254	12,254
Total other sources	<u>32,243</u>	<u>637,141</u>	<u>669,384</u>
DEFICIENCY OF REVENUES AND OTHER OVER EXPENDITURES AND OTHER USES	-	11,193	11,193
FUND BALANCES, JULY 1, 2013	<u>-</u>	<u>25,076</u>	<u>25,076</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ -</u>	<u>\$ 36,269</u>	<u>\$ 36,269</u>

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
(Expressed in Thousands)**

Net change in fund balances \$ 11,193

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period. 109,825

Some capital assets were transferred out to other State agencies and, therefore, were removed from fund balance without any corresponding proceeds. (75,801)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the increase in unavailable revenue over the prior year. 1,716

Loss from disposal of capital assets. This is the salvage value of capital assets, which were disposed of. (15)

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. Below are such activities.

Decrease in compensated absences obligation (61)

Change in net position of governmental activities \$ 46,857

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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 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 Governmental Accounting Standards Board (GASB). To facilitate the understanding of data

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014, 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, 2014**

Government-Wide Statements

The government-wide Statement of Net Position 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 Position presents the assets and liabilities of the CDB's governmental activities with the difference being reported as Net Position. 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 (001) 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.

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The General Fund type also includes the following fund:

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.

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.

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

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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 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

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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 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.

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.

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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 Position 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 Position.

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:

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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 Position.

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

Transfers - flows of assets (such as cash or goods) 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 Position 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

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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, 2014.

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, 2014.

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, 2014: CDB Special Projects Fund (170), CDB Revolving Fund (215), Asbestos Abatement Fund (224), School Infrastructure Fund (568), 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 use in satisfying those contractual requirements.

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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, 2014.

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, 2014.

L. Net Position

In the government-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, 2014.

Restricted - This consists of Net Position that is 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 was no restricted Net Position as of June 30, 2014.

Unrestricted - This consists of Net Position 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.

N. Adoption of Governmental Accounting Standards Board (GASB) Statements

Effective for the year ended June 30, 2014, CDB adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and

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recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. CDB reported unavailable revenues as deferred inflows of resources in the financial statements.

Effective for the year ended June 30, 2014, CDB adopted GASB Statement No. 66, Technical Corrections-2012- An Amendment of GASB Statements No. 10 and No. 62. The objective of this Statement is to improve accounting and financial reporting for a government financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. There was no significant impact on CDB's financial statements as a result of adopting this Statement.

Effective for the year ended June 30, 2014, CDB adopted GASB Statement No. 67, Financial Reporting for Pension Plans- an Amendment of GASB Statement No. 25. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. There was no significant impact on CDB's financial statements as a result of adopting this Statement.

Effective for the year ended June 30, 2014, CDB adopted GASB statement No. 70, Accounting and Financial Reporting for Non exchange financial Guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. It also requires a government that issues an obligation guarantee in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. It also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. There was no significant impact on CDB's financial statements as a result of adopting this Statement.

O. Future Adoption of Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 68, Accounting and Financial Reporting for Pensions- an Amendment of GASB Statement No. 27, will be effective for CDB with its year ending June 30, 2015. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and

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local governmental employers about financial support for pensions that is provided by other entities.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, will be effective for CDB within its year ending June 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

GASB statement No. 71, Pension Transition for Contributions Made Subsequent to the measurement Date-an amendment of GASB Statement No. 68, will be effective for CDB within its year ending June 30, 2015. This statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. As amended, Statement 68 continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources be reported at transition only if it is practical to determine all such amounts.

Management has not determined the total impact these Statements may have on its financial statements.

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 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 corporation's 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 \$14.798 million at June 30, 2014. 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, \$0 was exposed to custodial credit risk as uninsured with collateral held by the pledging financial institutions in the

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State's name, and \$3.238 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 \$25.563 million at June 30, 2014. 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, 2014 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	\$ 23,779	Due from nonmajor governmental funds for capital project grants and contracts and for short-term borrowings.

B. Due to Other State Funds

The following balance (amount expressed in thousands) at June 30, 2014 represents amounts due to other CDB and State of Illinois funds:

<u>Fund</u>	<u>Due To Other State Funds</u>	<u>Description/Purpose</u>
Nonmajor governmental funds	\$ 8,588	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, 2014 were as follows:

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

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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 agreement. 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, 2014.

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.

NOTE 6 - CAPITAL ASSETS

Capital asset activities (amounts expressed in thousands) for the year ended June 30, 2014 were as follows:

	Balance July 1, 2013	Additions	Deletions	Net Transfers	Balance June 30, 2014
Governmental activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 60,744	\$ 109,748	\$ -	(\$75,801)	\$ 94,691
Capital assets being depreciated:					
Equipment	381	108	(210)	-	279
Less accumulated depreciation	333	31	(195)	-	169
Capital assets being depreciated, net	48	77	(15)	-	110
Governmental activity capital assets, net	\$ 60,792	\$ 109,825	\$ (15)	(\$75,801)	\$ 94,801

Depreciation expense charged to governmental activities - general government totaled \$31 (amount expressed in thousands) for the year.

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NOTE 7 - LONG-TERM OBLIGATIONS

Changes in long-term obligations (amounts expressed in thousands) for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Amount Due Within One Year
Governmental activities:					
Compensated absences	\$ 1,316	\$ 883	\$ 822	\$ 1,377	\$ 137

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 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 2014 are included in the State of Illinois' CAFR for the year ended June 30, 2014. 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 2014, the employer contribution rate was 40.312%. 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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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 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 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.

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 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 Central Management Services. A copy of the financial statements of the Department of Central Management Services may be obtained by writing to the Department of Central Management Services, 715 Stratton Building, 401 South Spring Street, Springfield, Illinois, 62606-4100.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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 2014 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, 2014. 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 \$182 (amount expressed in thousands) for the year ended June 30, 2014.

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 amounts related to projects for the State's component units was \$605.3 million at June 30, 2014.

Components of Construction in Progress

Project	As of June 30, 2014 (Expressed in Thousands)			
	Project Authorization	Expended Through June 30	Committed at June 30	Available Authorization
Chicago Veterans' Home - Cook County	\$ 70,500	\$ 4,663	\$ 6,062	\$ 59,775
Supreme Court Building	16,171	12,618	2,885	668
Metro East Forensic Laboratory - Belleville	41,693	27,874	7,405	6,414
Lincoln's Challenge Academy - Military Affairs Rantoul	38,540	2144	33,995	2,401

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

<i>(Continued)</i> Project	As of June 30, 2014 (Expressed in Thousands)			
	Project Authorization	Expended Through June 30	Committed at June 30	Available Authorization
Construct Army Aviation Support Facility-Kankakee	13,760	3,532	2,580	7,648
Construct Readiness Center/Maneuver Enhancement	19,923	14,083	3,327	2,513
Renovate & Upgrade Facility – IYC Joliet	10,000	144	1,285	8,571
Others (less than \$10,000)	188,698	29,633	58,515	100,550
Total	<u>\$ 399,285</u>	<u>\$ 94,691</u>	<u>\$ 116,054</u>	<u>\$ 188,540</u>

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.

SUPPLEMENTARY INFORMATION

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2014
 (Expressed in Thousands)

	General Fund 001	School Infrastructure 568	Total (Memorandum Only)
ASSETS			
Unexpended appropriations	\$ -	\$ 16	\$ 16
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 16</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ 13	\$ 13
Due to other State funds	-	3	3
Total liabilities	<u>-</u>	<u>16</u>	<u>16</u>
FUND BALANCES			
Committed	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 16</u>

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2014
 (Expressed in Thousands)

	General Fund 001	School Infrastructure 568	Total (Memorandum Only)
REVENUES			
Federal capital grants	\$ -	\$ -	\$ -
Licenses and fees	-	-	-
Other charges for services	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Education	-	31,672	31,672
General government	-	571	571
Capital outlays	-	-	-
Total expenditures	<u>-</u>	<u>32,243</u>	<u>32,243</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	(32,243)	(32,243)
OTHER SOURCES (USES)			
Appropriations from State resources	-	100,600	100,600
Lapsed appropriations	-	(68,357)	(68,357)
Total other sources	<u>-</u>	<u>32,243</u>	<u>32,243</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-
FUND BALANCES, JULY 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 COMBINING BALANCE SHEETS
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014
 (Expressed in Thousands)

	Special Revenue	Capital Projects	Total (Memorandum Only)
ASSETS			
Unexpended appropriations	\$ -	\$ 48,321	\$ 48,321
Cash equity with State Treasurer	12,383	13,180	25,563
Cash and cash equivalents	-	14,798	14,798
Intergovernmental receivables, net	-	3,537	3,537
Other receivables, net	5,134	-	5,134
Due from other State funds	15	23,764	23,779
TOTAL ASSETS	<u>\$ 17,532</u>	<u>\$ 103,600</u>	<u>\$ 121,132</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 939	\$ 71,182	\$ 72,121
Due to other State funds	7,220	1,365	8,585
Unearned revenue	-	1,159	1,159
Total liabilities	<u>8,159</u>	<u>73,706</u>	<u>81,865</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	2,998	-	2,998
Total deferred inflows of resources	<u>2,998</u>	<u>-</u>	<u>2,998</u>
FUND BALANCES			
Committed	6,375	29,894	36,269
Total fund balances	<u>6,375</u>	<u>29,894</u>	<u>36,269</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 17,532</u>	<u>\$ 103,600</u>	<u>\$ 121,132</u>

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014
 (Expressed in Thousands)

	Special Revenue	Capital Projects	Total (Memorandum Only)
REVENUES			
Federal capital grants	\$ -	\$ 31,851	\$ 31,851
Licenses and fees	6,677	-	6,677
Other charges for services	3,755	17,883	21,638
Total revenues	<u>10,432</u>	<u>49,734</u>	<u>60,166</u>
EXPENDITURES			
Education	-	550,356	550,356
General government	7,802	18,100	25,902
Capital outlays	3,922	105,934	109,856
Total expenditures	<u>11,724</u>	<u>674,390</u>	<u>686,114</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,292)	(624,656)	(625,948)
OTHER SOURCES (USES)			
Appropriations from State resources	119	3,186,560	3,186,679
Reappropriation to future year(s)	(115)	(2,558,844)	(2,558,959)
Lapsed appropriations	-	(1,914)	(1,914)
Receipts collected and transmitted to State Treasury	-	(919)	(919)
Net change in liabilities for reappropriated accounts	-	12,254	12,254
Total other sources	<u>4</u>	<u>637,137</u>	<u>637,141</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,288)	12,481	11,193
FUND BALANCES, JULY 1, 2013	<u>7,663</u>	<u>17,413</u>	<u>25,076</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ 6,375</u>	<u>\$ 29,894</u>	<u>\$ 36,269</u>

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 COMBINING BALANCE SHEETS
 SPECIAL REVENUE FUNDS
 JUNE 30, 2014
 (Expressed in Thousands)

	CDB Special Projects Fund 170	CDB Revolving 215	Asbestos Abatement 224	Total (Memorandum Only)
ASSETS				
Cash equity with State Treasurer	\$ 7,954	\$ 4,429	\$ -	\$ 12,383
Other receivables, net	-	5,134	-	5,134
Due from other State funds	15	-	-	15
TOTAL ASSETS	\$ 7,969	\$ 9,563	\$ -	\$ 17,532
LIABILITIES				
Accounts payable and accrued liabilities	\$ 797	\$ 142	\$ -	\$ 939
Due to other State funds	7,172	48	-	7,220
Total liabilities	7,969	190	-	8,159
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	2,998	-	2,998
Total deferred inflows of resources	-	2,998	-	2,998
FUND BALANCES				
Committed	-	6,375	-	6,375
Total fund balances	-	6,375	-	6,375
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 7,969	\$ 9,563	\$ -	\$ 17,532

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014
 (Expressed in Thousands)

	CDB Special Projects Fund 170	CDB Revolving 215	Asbestos Abatement 224	Total (Memorandum Only)
REVENUES				
Licenses and fees	\$ -	\$ 6,677	\$ -	\$ 6,677
Other charges for services	3,755	-	-	3,755
Total revenues	<u>3,755</u>	<u>6,677</u>	<u>-</u>	<u>10,432</u>
EXPENDITURES				
General government	-	7,798	4	7,802
Capital outlays	3,755	167	-	3,922
Total expenditures	<u>3,755</u>	<u>7,965</u>	<u>4</u>	<u>11,724</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	(1,288)	(4)	(1,292)
OTHER SOURCES (USES)				
Appropriations from State resources	-	-	119	119
Reappropriation to future year(s)	-	-	(115)	(115)
Total other sources	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(1,288)	-	(1,288)
FUND BALANCES, JULY 1, 2013	<u>-</u>	<u>7,663</u>	<u>-</u>	<u>7,663</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ -</u>	<u>\$ 6,375</u>	<u>\$ -</u>	<u>\$ 6,375</u>

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 COMBINING BALANCE SHEETS
 CAPITAL PROJECTS FUNDS
 JUNE 30, 2014
 (Expressed in Thousands)

	Capital Development 141	School Construction 143	CDB Contributory Trust 617	Build Illinois Bond 971	Total (Memorandum Only)
ASSETS					
Unexpended appropriations	\$ 48,185	\$ -	\$ -	\$ 136	\$ 48,321
Cash equity with State Treasurer	-	-	13,180	-	13,180
Cash and cash equivalents	14,798	-	-	-	14,798
Intergovernmental receivables, net	-	-	3,537	-	3,537
Due from other State funds	13,000	-	5,555	5,209	23,764
TOTAL ASSETS	\$ 75,983	\$ -	\$ 22,272	\$ 5,345	\$ 103,600
LIABILITIES					
Accounts payable and accrued liabilities	\$ 61,619	\$ -	\$ 9,427	\$ 136	\$ 71,182
Due to other State funds	1,364	-	1	-	1,365
Unearned revenue	-	-	1,159	-	1,159
Total liabilities	62,983	-	10,587	136	73,706
FUND BALANCES					
Committed	13,000	-	11,685	5,209	29,894
Total fund balances	13,000	-	11,685	5,209	29,894
TOTAL LIABILITIES AND FUND BALANCES	\$ 75,983	\$ -	\$ 22,272	\$ 5,345	\$ 103,600

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014
 (Expressed in Thousands)

	Capital Development 141	School Construction 143	CDB Contributory Trust 617	Build Illinois Bond 971	Total (Memorandum Only)
REVENUES					
Federal capital grants	\$ -	\$ -	\$ 31,851	\$ -	\$ 31,851
Other charges for services	-	-	17,883	-	17,883
Total revenues	-	-	49,734	-	49,734
EXPENDITURES					
Education	136,218	294,368	16,995	102,775	550,356
General government	17,600	-	-	500	18,100
Capital outlays	83,760	-	21,857	317	105,934
Total expenditures	237,578	294,368	38,852	103,592	674,390
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(237,578)	(294,368)	10,882	(103,592)	(624,656)
OTHER SOURCES (USES)					
Appropriations from State resources	1,967,582	864,334	-	354,644	3,186,560
Reappropriation to future year(s)	(1,737,150)	(569,888)	-	(251,806)	(2,558,844)
Lapsed appropriations	(1,914)	-	-	-	(1,914)
Receipts collected and transmitted to State Treasury	(841)	(78)	-	-	(919)
Net change in liabilities for reappropriated accounts	12,458	-	-	(204)	12,254
Total other sources (uses)	240,135	294,368	-	102,634	637,137
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES (USES) OVER EXPENDITURES	2,557	-	10,882	(958)	12,481
FUND BALANCES, JULY 1, 2013	10,443	-	803	6,167	17,413
FUND BALANCES, JUNE 30, 2014	\$ 13,000	\$ -	\$ 11,685	\$ 5,209	\$ 29,894

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FINANCIAL AUDIT
For the Year Ended June 30, 2014 and
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014**

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FINANCIAL AUDIT
For the Year Ended June 30, 2014 and
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014**

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY (Continued)

- Analysis of Operations (Unaudited)
 - Agency Functions and Planning Program (Unaudited)
 - Average Number of Employees (Unaudited)
 - Emergency Purchases (Unaudited)
 - Illinois First Projects/Awards (Unaudited)
 - Change Orders by Reason (Unaudited)
 - Performance Indicators (Unaudited)
 - Service Efforts and Accomplishments (Unaudited)

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 states the Analysis of Operations section 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
 FISCAL YEAR ENDED JUNE 30, 2014

FOURTEEN MONTHS ENDED AUGUST 31, 2014

	Appropriations Net of Transfers	Expenditures Through June 30, 2014	Lapse Period Expenditures July 1, 2014 Through August 31, 2014	Total Expenditures	Balances Lapsed
PUBLIC ACT 98-0050					
For general office operations:					
Personal services	\$ 6,752,700	\$ 6,505,540	\$ 2,845	6,508,385	\$ 244,315
Employee retirement contributions	2,722,200	2,628,095	1,147	2,629,242	92,958
State contribution to Social Security	535,400	477,480	218	477,698	57,702
Group insurance	1,866,300	1,586,164	-	1,586,164	280,136
Contractual services	200,000	177,675	-	177,675	22,325
Commodities	14,500	14,283	-	14,283	217
Telecommunications	71,500	71,428	-	71,428	72
Operation of auto equipment	24,100	16,431	-	16,431	7,669
Operational expenses	400,000	305,387	13,563	318,950	81,050
Facilities conditions assessments and analysis	600,000	-	-	-	600,000
Project management tracking	500,000	-	-	-	500,000
TOTAL ADMINISTRATIVE ACTIVITIES	\$ 13,686,700	\$ 11,782,483	\$ 17,773	\$ 11,800,256	\$ 1,886,444

Notes:

The information reflected in this schedule was taken from the State Comptroller's records.

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

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.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT FUND - 141
 FISCAL YEAR ENDED JUNE 30, 2013

FOURTEEN MONTHS ENDED AUGUST 31, 2013

	Appropriations Net of Transfers	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1, 2013 Through August 31, 2013	Total Expenditures	Balances Lapsed
PUBLIC ACT 97-0731					
For general office operations:					
Personal services	\$ 6,572,700	\$ 6,161,735	\$ -	\$ 6,161,735	\$ 410,965
Employee retirement contributions	2,496,800	2,343,810	-	2,343,810	152,990
State contribution to Social Security	522,000	458,053	-	458,053	63,947
Group insurance	1,797,900	1,628,839	-	1,628,839	169,061
Contractual services	200,000	135,780	1,322	137,102	62,898
Commodities	14,500	14,407	-	14,407	93
Telecommunications	71,500	66,059	5,262	71,321	179
Operation of auto equipment	24,100	18,174	2,074	20,248	3,852
Operational expenses	400,000	275,695	46,394	322,089	77,911
Facilities conditions assessments and analysis	900,000	-	-	-	900,000
Project management tracking	500,000	-	-	-	500,000
TOTAL ADMINISTRATIVE ACTIVITIES	\$ 13,499,500	\$ 11,102,552	\$ 55,052	\$ 11,157,604	\$ 2,341,896

Notes:

The information reflected in this schedule was taken from the State Comptroller's records.

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

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.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT BOARD REVOLVING FUND - 215
 FISCAL YEAR ENDED JUNE 30, 2014

FOURTEEN MONTHS ENDED AUGUST 31, 2014

	Appropriations Net of Transfers	Expenditures Through June 30, 2014	Lapse Period Expenditures July 1, 2014 Through August 31, 2014	Total Expenditures	Balances Lapsed
PUBLIC ACT 98-0050					
For general office operations:					
Personal services	\$ 4,723,300	\$ 4,039,925	\$ -	\$ 4,039,925	\$ 683,375
Employee retirement contributions	1,904,100	1,630,082	-	1,630,082	274,018
State contribution to Social Security	370,600	296,699	-	296,699	73,901
Group insurance	1,307,200	992,866	-	992,866	314,334
Contractual services	282,500	206,780	17,070	223,850	58,650
Travel	157,700	138,583	19,093	157,676	24
Commodities	11,400	9,403	1,951	11,354	46
Printing	14,500	12,534	1,154	13,688	812
Equipment	10,000	7,928	1,552	9,480	520
Electronic data processing	285,200	119,248	106,658	225,906	59,294
Telecommunications	92,100	64,616	26,837	91,453	647
Operational expenses	310,000	263,535	16,634	280,169	29,831
TOTAL ADMINISTRATIVE ACTIVITIES	\$ 9,468,600	\$ 7,782,199	\$ 190,949	\$ 7,973,148	\$ 1,495,452

Notes:

The information reflected in this schedule was taken from the State Comptroller's records.

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

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.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT BOARD REVOLVING FUND - 215
FISCAL YEAR ENDED JUNE 30, 2013**

FOURTEEN MONTHS ENDED AUGUST 31, 2013

	Appropriations Net of Transfers	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1, 2013 Through August 31, 2013	Total Expenditures	Balances Lapsed
PUBLIC ACT 97-0731					
For general office operations:					
Personal services	\$ 3,900,000	\$ 3,598,927	\$ -	\$ 3,598,927	\$ 301,073
Employee retirement contributions	1,481,500	1,368,755	-	1,368,755	112,745
State contribution to Social Security	308,000	268,474	-	268,474	39,526
Group insurance	1,307,200	1,119,090	-	1,119,090	188,110
Contractual services	282,500	239,768	9,593	249,361	33,139
Travel	157,700	129,294	17,167	146,461	11,239
Commodities	11,400	8,805	2,577	11,382	18
Printing	14,500	12,233	1,720	13,953	547
Equipment	10,000	8,646	1,100	9,746	254
Electronic data processing	285,200	190,612	52,654	243,266	41,934
Telecommunications	92,100	54,168	34,085	88,253	3,847
Operational expenses	310,000	174,266	9,137	183,403	126,597
TOTAL ADMINISTRATIVE ACTIVITIES	\$ 8,160,100	\$ 7,173,038	\$ 128,033	\$ 7,301,071	\$ 859,029

Notes:

The information reflected in this schedule was taken from the State Comptroller's records.

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

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.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 ADMINISTRATIVE ACTIVITIES - SCHOOL INFRASTRUCTURE FUND - 568
 FISCAL YEAR ENDED JUNE 30, 2014

FOURTEEN MONTHS ENDED AUGUST 31, 2014

	Appropriations Net of Transfers	Expenditures Through June 30, 2014	Lapse Period Expenditures July 1, 2014 Through August 31, 2014	Total Expenditures	Balances Lapsed
PUBLIC ACT 98-0050					
For general office operations:					
Lump Sum, Operations	\$ 600,000	\$ 555,028	\$ 16,060	\$ 571,088	\$ 28,912
TOTAL ADMINISTRATIVE ACTIVITIES	\$ 600,000	\$ 555,028	\$ 16,060	\$ 571,088	\$ 28,912

Notes:

The information reflected in this schedule was taken from the State Comptroller's records.

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

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.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 ADMINISTRATIVE ACTIVITIES - SCHOOL INFRASTRUCTURE FUND - 568
 APPROPRIATIONS FOR FISCAL YEAR ENDED JUNE 30, 2013

FOURTEEN MONTHS ENDED AUGUST 31, 2013

	Appropriations Net of Transfers	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1, 2013 Through August 31, 2013	Total Expenditures	Balances Lapsed
PUBLIC ACT 97-0731					
For general office operations:					
Lump Sum, Operations	\$ 600,000	\$ 531,949	\$ -	\$ 531,949	\$ 68,051
TOTAL ADMINISTRATIVE ACTIVITIES	\$ 600,000	\$ 531,949	\$ -	\$ 531,949	\$ 68,051

Notes:

The information reflected in this schedule was taken from the State Comptroller's records.

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

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.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 TOTAL ACTIVITY BY FUND
 FISCAL YEAR ENDED JUNE 30, 2014

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	Appropriations Net of Transfers	Expenditures Through June 30, 2014	Lapse Period Expenditures July 1, 2014 Through August 31, 2014	Total Expenditures	Balances Reappropriated July 1, 2014	Balances Lapsed
PUBLIC ACT 98-0050						
Administration - Appropriated Funds						
Capital Development Fund - 141	\$ 13,686,700	\$ 11,782,483	\$ 17,773	\$ 11,800,256	\$ -	\$ 1,886,444
Capital Development Board						
Revolving Fund - 215	9,468,600	7,782,199	190,949	7,973,148	-	1,495,452
School Infrastructure Fund - 568	600,000	555,028	16,060	571,088	-	28,912
Total Administration - Appropriated Funds	23,755,300	20,119,710	224,782	20,344,492	-	3,410,808
Construction - Appropriated Funds						
Capital Development Fund - 141	1,953,895,389	216,716,799	-	216,716,799	1,737,151,218	27,372
School Construction Fund - 143	864,333,705	294,445,568	-	294,445,568	569,888,134	3
Asbestos Abatement Fund - 224	118,675	3,562	-	3,562	115,113	-
Build Illinois Bond Fund - 971	354,643,815	102,837,854	-	102,837,854	251,805,959	2
Total Construction - Appropriated Funds	3,172,991,584	614,003,783	-	614,003,783	2,558,960,424	27,377
TOTAL - ALL APPROPRIATED FUNDS	\$ 3,196,746,884	\$ 634,123,493	\$ 224,782	\$ 634,348,275	\$ 2,558,960,424	\$ 3,438,185

Notes:

The information reflected in this schedule was taken from the State Comptroller's records.
 Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
 Balances lapsed represents lapsed appropriations less reappropriations to subsequent fiscal years for the CDB.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 TOTAL ACTIVITY BY FUND
 FISCAL YEAR ENDED JUNE 30, 2013

	Appropriations Net of Transfers	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1, 2013 Through August 31, 2013	Total Expenditures	Balances Reappropriated July 1, 2013	Balances Lapsed
PUBLIC ACT 97-0731						
Administration - Appropriated Funds						
Capital Development Fund - 141	\$ 13,499,500	\$ 11,102,552	\$ 55,052	\$ 11,157,604	\$ -	\$ 2,341,896
Capital Development Board						
Revolving Fund - 215	8,160,100	7,173,038	128,033	7,301,071	-	859,029
School Infrastructure Fund - 568	600,000	531,949	-	531,949	-	68,051
Total Administration - Appropriated Funds	22,259,600	18,807,539	183,085	18,990,624	-	3,268,976
Construction - Appropriated Funds						
Capital Development Fund - 141	2,128,867,600	168,336,353	35,530	168,371,883	1,953,895,389	6,600,328
School Construction Fund - 143	1,119,375,642	255,037,018	-	255,037,018	864,333,705	4,919
Asbestos Abatement Fund - 224	132,279	13,604	-	13,604	118,675	-
Build Illinois Bond Fund - 971	362,660,605	13,016,790	-	13,016,790	349,643,815	-
Total Construction - Appropriated Funds	3,611,036,126	436,403,765	35,530	436,439,295	3,167,991,584	6,605,247
TOTAL - ALL APPROPRIATED FUNDS	\$ 3,633,295,726	\$ 455,211,304	\$ 218,615	\$ 455,429,919	\$ 3,167,991,584	\$ 9,874,223

Notes:

The information reflected in this schedule was taken from the State Comptroller's records.

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

Balances lapsed represents lapsed appropriations less reappropriations to subsequent fiscal years for the CDB.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
CONSTRUCTION ACTIVITIES BY AGENCY
FISCAL YEAR ENDED JUNE 30, 2014**

	Appropriations	Reappropriations	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1, 2013 Through August 31, 2013	Total Expenditures 14 Months Ended August 31, 2013	Balances Reappropriated July 1, 2013	Approximate Balance Lapsed August 31, 2013
PUBLIC ACT 98-0050							
Appropriated Funds:							
Capital Development Board	\$ 5,000,000	\$ 460,845,933	\$ 49,595,674	\$ -	\$ 49,595,674	\$ 416,222,885	\$ 27,374
Department of Central Management Services	-	15,277,658	1,153,978	-	1,153,978	14,123,680	-
Department of Agriculture	-	2,513,778	398,494	-	398,494	2,115,284	-
Chicago State University	-	53,082,292	1,439,169	-	1,439,169	51,643,123	-
Eastern Illinois University	-	10,098,501	88,081	-	88,081	10,010,420	-
Governor's State University	-	10,865,904	6,316,652	-	6,316,652	4,549,252	-
Northeastern Illinois University	-	84,544,224	118,837	-	118,837	84,425,387	-
Department of Natural Resources	-	15,918,538	690,908	-	690,908	15,227,630	-
Department of Juvenile Justice	-	2,433,826	635,784	-	635,784	1,798,042	-
Department of Corrections	-	255,033,609	12,949,572	-	12,949,572	242,084,037	-
Western Illinois University	-	109,341,298	24,181,532	-	24,181,532	85,159,766	-
Secretary of State	-	4,269,997	1,354,998	-	1,354,998	2,914,999	-
Illinois State University	-	62,448,318	818,316	-	818,316	61,630,002	-
Attorney General	-	1,195,862	320,939	-	320,939	874,923	-
Historic Preservation	-	9,044,537	479,213	-	479,213	8,565,324	-
Department of Human Services	-	62,892,299	5,459,189	-	5,459,189	57,433,110	-
Northern Illinois University	-	40,396,986	2,559,157	-	2,559,157	37,837,829	-
Board of Higher Education	-	230,611,047	91,500,000	-	91,500,000	139,111,047	-
Mental Health	-	395,598	25,931	-	25,931	369,667	-
Southern Illinois University	-	54,779,786	8,237,038	-	8,237,038	46,542,748	-
Department of Military Affairs	-	46,117,661	1,557,510	-	1,557,510	44,560,151	-
Mathematics and Science Academy	-	9,968,843	335,721	-	335,721	9,633,122	-
Medical District	-	860,688	-	-	-	860,688	-
University of Illinois	-	185,049,446	15,224,040	-	15,224,040	169,825,406	-
Department of Public Health	-	160,356	-	-	-	160,356	-
Illinois Community College Board	-	427,212,868	45,798,872	-	45,798,872	381,413,996	-
Illinois State Board of Education	-	23,258,697	19,840,050	-	19,840,050	3,418,647	-
Department of Revenue	-	9,336,942	883,297	-	883,297	8,453,645	-
Department of State Police	-	32,728,198	14,926,928	-	14,926,928	17,801,270	-
Supreme Court	-	14,737,545	11,133,131	-	11,133,131	3,604,414	-
Department of Veteran's Affairs	-	68,117,969	1,531,642	-	1,531,642	66,586,327	-
School Construction Program	-	864,333,705	294,445,568	-	294,445,568	569,888,134	3
Asbestos Abatement	-	118,675	3,562	-	3,562	115,113	-
Total Construction - Appropriated Funds	5,000,000	3,167,991,584	614,003,783	-	614,003,783	2,558,960,424	27,377

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
CONSTRUCTION ACTIVITIES BY AGENCY
FISCAL YEAR ENDED JUNE 30, 2014

	Appropriations	Reappropriations	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1, 2013 Through August 31, 2013	Total Expenditures 14 Months Ended August 31, 2013	Balances Reappropriated July 1, 2013	Approximate Balance Lapsed August 31, 2013
Non-appropriated Funds:							
CDB Special Projects Fund - 170	-	-	3,502,573	-	3,502,573	-	-
School Infrastructure Fund -568	-	-	31,672,000	-	31,672,000	-	-
CDB Contributory Trust Fund - 617	-	-	36,532,221	-	36,532,221	-	-
Total Construction - Non-Appropriated Funds	-	-	71,706,794	-	71,706,794	-	-
TOTAL CONSTRUCTION ACTIVITIES BY AGENCY	\$ 5,000,000	\$ 3,167,991,584	\$ 685,710,577	\$ -	\$ 685,710,577	\$ 2,558,960,424	\$ 27,377

Notes:

The information reflected in this schedule was taken from the State Comptroller's records.
Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
Balances lapsed represents lapsed appropriations less reappropriations to subsequent fiscal years for the CDB.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
CONSTRUCTION ACTIVITIES BY AGENCY
FISCAL YEAR ENDED JUNE 30, 2013

	Appropriations	Reappropriations	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1, 2013 Through August 31, 2013	Total Expenditures 14 Months Ended August 31, 2013	Balances Reappropriated July 1, 2013	Balances Lapsed August 31, 2013
PUBLIC ACT 97-0731							
Appropriated Funds:							
Capital Development Board	\$ -	\$ 501,017,443	\$ 33,556,134	\$ 15,378	\$ 33,571,512	\$ 460,845,977	\$ 6,599,954
Department of Central Management Services	-	19,827,464	4,549,810	-	4,549,810	15,277,654	-
Department of Agriculture	-	3,860,160	1,346,275	-	1,346,275	2,513,778	107
Chicago State University	6,500,000	47,328,608	746,311	-	746,311	53,082,297	-
Eastern Illinois University	-	10,100,393	1,893	-	1,893	10,098,500	-
Governor's State University	-	22,774,023	11,908,120	-	11,908,120	10,865,903	-
Northeastern Illinois University	-	84,544,224	-	-	-	84,544,224	-
Department of Natural Resources	-	16,387,811	469,006	-	469,006	15,918,538	267
Department of Juvenile Justice	-	7,072,795	4,638,971	-	4,638,971	2,433,824	-
Department of Corrections	-	269,889,806	14,856,204	-	14,856,204	255,033,602	-
Western Illinois University	-	115,295,815	5,954,519	-	5,954,519	109,341,296	-
Secretary of State	-	5,548,999	1,279,004	-	1,279,004	4,269,995	-
Illinois State University	-	63,506,685	1,058,367	-	1,058,367	62,448,318	-
Attorney General	-	1,552,599	356,740	-	356,740	1,195,859	-
Historic Preservation	-	9,431,800	387,265	-	387,265	9,044,535	-
Department of Human Services	-	68,875,811	5,983,520	-	5,983,520	62,892,291	-
Northern Illinois University	-	41,751,491	1,354,506	-	1,354,506	40,396,985	-
Board of Higher Education	-	230,611,153	106	-	106	230,611,047	-
Mental Health	-	395,598	-	-	-	395,598	-
Southern Illinois University	-	71,547,230	16,767,446	-	16,767,446	54,779,784	-
Department of Military Affairs	-	46,769,265	631,454	20,152	651,606	46,117,659	-
Mathematics and Science Academy	-	9,968,843	-	-	-	9,968,843	-
Medical District	-	860,688	-	-	-	860,688	-
University of Illinois	-	214,687,787	29,638,342	-	29,638,342	185,049,445	-
Department of Public Health	-	160,356	-	-	-	160,356	-
Illinois Community College Board	-	460,998,108	33,785,245	-	33,785,245	427,212,863	-
Illinois State Board of Education	-	23,258,697	-	-	-	23,258,697	-
Department of Revenue	-	11,182,051	1,845,110	-	1,845,110	9,336,941	-
Department of State Police	-	39,904,842	7,176,645	-	7,176,645	32,728,197	-
Supreme Court	-	15,322,165	584,621	-	584,621	14,737,544	-
Department of Veteran's Affairs	-	70,595,495	2,477,529	-	2,477,529	68,117,966	-
School Construction Program	-	1,119,375,642	255,037,018	-	255,037,018	864,333,705	4,919
Asbestos Abatement	-	132,279	13,604	-	13,604	118,675	-
Total Construction - Appropriated Funds	6,500,000	3,604,536,126	436,403,765	35,530	436,439,295	3,167,991,584	6,605,247

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
CONSTRUCTION ACTIVITIES BY AGENCY
FISCAL YEAR ENDED JUNE 30, 2013

	Appropriations	Reappropriations	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1, 2013 Through August 31, 2013	Total Expenditures 14 Months Ended August 31, 2013	Balances Reappropriated July 1, 2013	Balances Lapsed August 31, 2013
Non-appropriated Funds:							
CDB Special Projects Fund - 170	-	-	851,683	-	851,683	-	-
CDB Contributory Trust Fund - 617	-	-	28,117,348	119,727	28,237,075	-	-
Total Construction - Non-Appropriated Funds	-	-	28,969,031	119,727	29,088,758	-	-
TOTAL CONSTRUCTION ACTIVITIES BY AGENCY	\$ 6,500,000	\$ 3,604,536,126	\$ 465,372,796	\$ 155,257	\$ 465,528,053	\$ 3,167,991,584	\$ 6,605,247

Notes:

The information reflected in this schedule was taken from the State Comptroller's records.
Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
Balances lapsed represents lapsed appropriations less reappropriations to subsequent fiscal years for the CDB.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT FUND - 141
FISCAL YEARS ENDED JUNE 30, 2014, 2013, AND 2012**

	Fiscal Year		
	2014	2013	2012
	PA 98-0050	PA 97-0731	PA 97-0064
APPROPRIATIONS	\$ 13,686,700	\$ 13,499,500	\$ 10,106,000
EXPENDITURES			
Personal services	6,508,385	6,161,735	5,562,208
Employee retirement contributions	2,629,242	2,343,810	1,903,575
State contribution to Social Security	477,698	458,053	413,790
Group insurance	1,586,164	1,628,839	1,149,341
Contractual services	177,675	137,102	173,184
Commodities	14,283	14,407	13,102
Telecommunications	71,428	71,321	71,270
Operation of auto equipment	16,431	20,248	22,595
Operational expenses	318,950	322,089	268,519
Total expenditures	11,800,256	11,157,604	9,577,584
LAPSED BALANCES	\$ 1,886,444	\$ 2,341,896	\$ 528,416

Notes:

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

Fiscal Year 2012 expenditures and lapsed balances do not reflect interest payments approved and submitted 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
FISCAL YEARS ENDED JUNE 30, 2014, 2013, AND 2012**

	Fiscal Year		
	2014 PA 98-0050	2013 PA 97-0731	2012 PA 97-0064
APPROPRIATIONS	\$ 9,468,600	\$ 8,160,100	\$ 7,580,500
EXPENDITURES			
Personal services	4,039,925	3,598,927	3,504,661
Employee retirement contributions	1,630,082	1,368,755	1,199,431
State contribution to Social Security	296,699	268,474	258,971
Group insurance	992,866	1,119,090	855,376
Contractual services	223,850	249,361	239,442
Travel	157,676	146,461	123,392
Commodities	11,354	11,382	9,597
Printing	13,688	13,953	3,004
Equipment	9,480	9,746	5,748
Electronic data processing	225,906	243,266	190,918
Telecommunications	91,453	88,253	84,283
Operational expenses	280,169	183,403	269,774
Total expenditures	7,973,148	7,301,071	6,744,597
LAPSED BALANCES	\$ 1,495,452	\$ 859,029	\$ 835,903

Notes:

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

Fiscal Year 2012 expenditures and lapsed balances do not reflect interest payments approved and submitted after August.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
 EXPENDITURES, AND LAPSED BALANCES
 ADMINISTRATIVE ACTIVITIES - SCHOOL INFRASTRUCTURE FUND - 568
 FISCAL YEARS ENDED JUNE 30, 2014, 2013, AND 2012

	Fiscal Year		
	2014	2013	2012
	PA 98-0050	PA 97-0731	PA 97-0064
APPROPRIATIONS	\$ 600,000	\$ 600,000	\$ 600,000
EXPENDITURES			
Lump Sum, Operations	571,088	531,949	470,983
Total Expenditures	571,088	531,949	470,983
LAPSED BALANCES	\$ 28,912	\$ 68,051	\$ 129,017

Notes:

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

Fiscal Year 2012 expenditures and lapsed balances do not reflect interest payments approved and submitted after August.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
REAPPROPRIATIONS, AND EXPENDITURES
CONSTRUCTION ACTIVITIES BY FUND
FISCAL YEARS ENDED JUNE 30, 2014, 2013, AND 2012

	Fiscal Year		
	2014 PA 98-0050	2013 PA 97-0731	2012 PA 97-0064
CAPITAL DEVELOPMENT FUND - 141			
Appropriations and Reappropriations	\$ 1,953,895,389	\$ 2,128,867,600	\$ 2,319,422,790
Expenditures	\$ 216,716,799	\$ 168,371,883	\$ 197,055,242
SCHOOL CONSTRUCTION FUND - 143			
Appropriations and Reappropriations	\$ 864,333,705	\$ 1,119,375,642	\$ 1,384,717,254
Expenditures	\$ 294,445,568	\$ 255,037,018	\$ 265,341,604
CDB SPECIAL PROJECTS FUND - 170			
Appropriations and Reappropriations	\$ -	\$ -	\$ -
Expenditures	\$ 3,502,573	\$ 851,683	\$ -
ASBESTOS ABATEMENT FUND - 224			
Appropriations and Reappropriations	\$ 118,675	\$ 132,279	\$ 133,540
Expenditures	\$ 3,562	\$ 13,604	\$ 1,262
SCHOOL INFRASTRUCTURE FUND - 568			
Appropriations and Reappropriations	\$ -	\$ -	\$ -
Expenditures	\$ 31,672,000	\$ -	\$ -
CAPITAL DEVELOPMENT BOARD CONTRIBUTORY TRUST FUND - 617			
Appropriations and Reappropriations	\$ -	\$ -	\$ -
Expenditures	\$ 36,532,221	\$ 28,237,075	\$ 29,611,434
BUILD ILLINOIS BOND FUND - 971			
Appropriations and Reappropriations	\$ 354,643,815	\$ 362,660,605	\$ 441,242,816
Expenditures	\$ 102,837,854	\$ 13,016,790	\$ 78,582,213
TOTAL			
Appropriations and Reappropriations	\$ 3,172,991,584	\$ 3,611,036,126	\$ 4,145,516,400
Expenditures	\$ 685,710,577	\$ 465,528,053	\$ 570,591,755

Notes:

The information reflected in this schedule was taken from the State Comptroller's records.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY AND EQUIPMENT
FISCAL YEARS ENDED JUNE 30, 2014, 2013, AND 2012**

	Equipment	Capital Lease	Construction in Progress	Total
BALANCE, JULY 1, 2012	\$ 1,794,637	\$ -	\$ 24,687,710	\$ 26,482,347
Additions	112,519	11,618	76,622,863	76,747,000
Deletions and transfers	(454,356)	-	(59,931,504)	(60,385,860)
BALANCE, JUNE 30, 2013	1,452,800	11,618	41,379,069	42,843,487
Additions	158,518	-	100,964,836	101,123,354
Deletions and transfers	(431,019)	-	(75,809,755)	(76,240,774)
BALANCE, JUNE 30, 2014	<u>\$ 1,180,299</u>	<u>\$ 11,618</u>	<u>\$ 66,534,150</u>	<u>\$ 67,726,067</u>

Notes:

- (1) The information reflected in this schedule was taken from 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.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS BY DETAIL SOURCE
FISCAL YEARS ENDED JUNE 30, 2014, 2013, AND 2012

Fund/Receipt Source	2014	2013	2012
GENERAL REVENUE FUND - 001			
Miscellaneous	\$ 17	\$ 70	\$ 787
Total General Revenue Fund	17	70	787
CDB SPECIAL PROJECTS FUND - 170			
Commerce and Economic Opportunity	4,300,000	8,008,660	-
Total CDB Special Projects Fund	4,300,000	8,008,660	-
CAPITAL DEVELOPMENT BOARD REVOLVING FUND - 215			
Copying fees	-	50	-
Attorney General - Contract administration	-	500,000	-
Contract administration fees	5,937,716	4,079,800	8,991,060
Total Capital Development Board Revolving Fund	5,937,716	4,579,850	8,991,060
CAPITAL DEVELOPMENT BOARD CONTRIBUTORY TRUST FUND - 617			
Junior colleges	16,573,952	6,105,102	6,459,739
Federal monies via other Illinois State agencies	30,555,243	21,197,514	16,400,980
Damage claim recovery	525,000	772,317	34,736
Federal stimulus package	416,793	1,077,877	7,202,325
Miscellaneous	50	-	352,000
Total Capital Development Board Contributory Trust Fund	48,071,038	29,152,810	30,449,780
TOTAL ALL FUNDS	\$ 58,308,771	\$ 41,741,390	\$ 39,441,627

Note:

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

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	General Revenue 001	Capital Development 141	School Construction 143	CDB Special Projects 170	Capital Development Board Revolving 215	Capital Development Board Contributory Trust 617	Total
TOTAL RECEIPTS PER AGENCY RECORDS, FY 2013	\$ 70	\$ -	\$ -	\$ 8,008,660	\$ 4,579,850	\$ 29,152,810	\$ 41,741,390
Add:							
Deposits in transit at June 30, 2012	-	-	-	-	716,700	-	716,700
Other reconciling items (a)	-	1,222,404	-	-	200	-	1,222,604
Less:							
Deposits in transit at June 30, 2013	-	-	-	-	119,500	-	119,500
TOTAL RECEIPTS PER THE STATE COMPTROLLER, FY 2013	<u>\$ 70</u>	<u>\$ 1,222,404</u>	<u>\$ -</u>	<u>\$ 8,008,660</u>	<u>\$ 5,177,250</u>	<u>\$ 29,152,810</u>	<u>\$ 43,561,194</u>
TOTAL RECEIPTS PER AGENCY RECORDS, FY 2014	\$ 17	\$ -	\$ -	\$ 4,300,000	\$ 5,937,716	\$ 48,071,038	\$ 58,308,771
Add:							
Deposits in transit at June 30, 2013	-	-	-	-	119,500	-	119,500
Other reconciling items (a)	-	841,433	77,922	-	15,005	-	934,360
Less:							
Deposits in transit at June 30, 2014	-	-	-	-	918,700	641,020	1,559,720
TOTAL RECEIPTS PER THE STATE COMPTROLLER, FY 2014	<u>\$ 17</u>	<u>\$ 841,433</u>	<u>\$ 77,922</u>	<u>\$ 4,300,000</u>	<u>\$ 5,153,521</u>	<u>\$ 47,430,018</u>	<u>\$ 57,802,911</u>

Note:

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
For the Two Years Ended June 30, 2014**

SUMMARY OF OPERATIONS

The General Assembly appropriated \$3,196,746,884 in fiscal year (FY) 2014 and \$3,633,295,726 in FY 2013 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 1,309 projects in FY 2014 and 1,192 projects in FY 2013. Approximately 99% percent of the funds for these projects were appropriated directly to CDB for FY 2014 and FY 2013. Of these projects in process, 163 were brought to completion during FY 2014 and 167 were brought to completion in FY 2013.

CDB awarded 400 contractor contracts and 92 professional contracts in FY 2014. In FY 2013, 320 contractor contracts and 145 professional contracts were awarded. Total funds obligated by these awards were \$206,995,170 and \$165,124,170 in FY 2014 and FY 2013, respectively.

Overall, projects activity resulted in the processing of 3,282 project vouchers in FY 2014 and 2,828 project vouchers in FY 2013, for a total of \$685,710,577 and \$465,528,053, respectively. Included are non-appropriated construction project expenditures of \$71,706,794 and \$29,088,758 in FY 2014 and FY 2013, respectively. This includes user agency funds of \$48,140,046 and \$48,977,578 that were expended in FY 2014 and FY 2013, 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):

	2014		2013	
	Amount	%	Amount	%
Appropriated:				
Administrative	\$ 20,344	3	\$ 18,991	4
Project	614,004	87	436,439	90
Total appropriated expenditures	634,348		455,430	
Nonappropriated:				
Project	71,707	10	29,089	6
Total expenditures	\$ 706,055	100	\$ 484,519	100

Total expenditures increased between years primarily due to fluctuations on the level of funding. See Schedule 20 for explanation of significant variations in expenditures.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
For the Two Years Ended June 30, 2014**

EXPLANATION OF SIGNIFICANT VARIATIONS IN EXPENDITURES

Schedule 11 through Schedule 13 present comparative schedules of appropriations, expenditures, and lapsed balances for administrative activities in the Capital Development, Capital Development Board Revolving, and School Infrastructure Funds. Schedule 14 presents a comparative schedule of appropriations and expenditures for construction activities by fund. 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 employee retirement contribution increased by \$440,235 in FY 2013 because of an increase in the calculated contribution rate from 34.190% in FY 2012 to 37.987% in FY 2013.

Expenditures for group insurance increased by \$479,498 in FY 2013 due to a higher insurance rate compared in FY 2012.

Capital Development Board Revolving Fund - 215

Expenditures for group insurance increased by \$263,714 in FY 2013 due to a higher insurance rate compared to FY 2012.

Construction Activities by Fund

Expenditures for the Capital Development Fund - 141 increased \$48,344,916 from FY 2013 to FY 2014 due to fluctuations on the level of funding and number of construction projects.

Expenditures for the CDB Special Projects Fund - 170 are related to grants and interagency agreements in accordance with the Capital Development Act. Expenditures in this fund increased by \$2,650,890 and \$851,683 in FY 2014 and FY 2013, respectively, for projects funded by the Department of Commerce and Economic Opportunity.

Expenditures for the School Infrastructure Fund - 568 of \$31,672,000 are payments to Chicago Department of Education in compliance with State mandate requiring CDB to make payments of 20% of gaming transfers into the fund to school districts with a population greater than 500,000.

Expenditures for the CDB Contributory Trust Fund - 617 increased by \$8,295,146 in FY 2014 from FY 2013 mainly due to the majority of the construction work for Parkland College Student Service Center Addition being performed in FY 2014.

Expenditures for Build Illinois Bond Fund - 971 increased \$89,821,062 from FY 2013 to FY 2014 mainly due to \$90 million grant to the Illinois Board of Higher Education, net of decreases over multiple projects. Expenditures for Build Illinois Bond Fund - 971 decreased \$65,565,421 from FY 2012 to FY 2013 due to additional grants awarded in FY 2013, net of the effect of the decrease in appropriations.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
For the Two Years Ended June 30, 2014**

EXPLANATION OF SIGNIFICANT VARIATIONS IN RECEIPTS

Schedule 16 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:

CDB Special Projects Fund - 170

Receipts for this fund are from grants and interagency agreements in accordance with the Capital Development Act. Receipts decreased by \$3,708,660 in FY 2014 from FY 2013 and increased by \$8,008,660 in FY 2013 from FY 2012. Funds received from the Department of Commerce and Economic Opportunity vary each year.

Capital Development Board Revolving Fund - 215

Receipts from contract administration fees are dependent on the projects awarded during the year, which represent approximately 3% of the contract amount. Contract administration fees increased by \$1,357,866 in FY 2014 from FY 2013. There were additional 40 projects awarded in FY 2014 compared to FY 2013. Contract administration fees decreased by \$4,411,210 in FY 2013 from FY 2012. A new project was 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 increased by \$10,468,850 in FY 2014 due to an increase in construction projects involving Junior Colleges' funds. The fluctuation was dependent on the number of projects awarded.

Receipts from Federal monies via other Illinois State agencies increased by \$9,357,729 and \$4,796,534 in FY 2014 and FY 2013, respectively, due to funding decisions made by the funding sources.

Receipts related to damage claim recovery decreased \$247,317 from FY 2013 to FY 2014 and increased \$737,581 from FY 2012 to FY 2013. Damage claim recovery receipts are highly dependent on the volume and severity of claims and can vary greatly from year to year.

Receipts for project funded by the American Recovery and Reinvestment Act (ARRA) of 2009 - Federal Stimulus Package decreased by \$661,084 and \$6,124,448 in FY 2014 and FY 2013, respectively, due to decrease in payments for contracts related to ARRA work.

Miscellaneous receipts decreased by \$352,000 from FY 2012 to FY 2013 due to contribution received for the Synthetic Natural Gas project in FY 2012 only.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
For the Two Years Ended June 30, 2014**

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

Schedule 1 through Schedule 6 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 2014 and FY 2013.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
For the Two Years Ended June 30, 2014**

**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 \$3,000 and 20% 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, intergovernmental payables, due to other State funds, net position – invested in capital assets, net of related debt, and unrestricted net position.

Cash equity with the State Treasurer increased by \$10,250 in FY 2014. In FY 2014, the legislation passed language that allows CDB to retain federal funds received as reimbursement on completed projects that were funded with State funds to be used on future projects. CDB received \$10.3 million from Veterans Affairs in FY 2014 and these funds are being retained to be used for future projects.

Cash equity with the State Treasurer increased by \$6,721 in FY 2013. In FY 2013, CDB received \$8 million in funding for a Military Affairs project.

Cash and cash equivalents increased by \$6,113 from FY 2013 to FY 2014 due to the increase of projects with retention trust accounts. Three projects with retention trust accounts increased by approximately \$6.3 million.

Due from other State funds decreased by \$20,974 from FY 2012 to FY 2013 as a result of CDB's receipt of \$25 million during FY 2013. \$19 million of \$25 million was expended in FY 2013.

Capital assets not being depreciated increased by \$33,945 from FY 2013 to FY 2014. This account is the construction in progress (CIP) amount at June 30, 2014. The increase in the CIP balance is a result of increase in CIP additions and decrease in CIP transfers during FY 2014. CIP additions amounted to \$110 million and \$81 million in FY 2014 and FY 2013, respectively, while CIP transfers amounted to \$76 million and \$60 million in FY 2014 and FY 2013, respectively.

Capital assets not being depreciated increased by \$21,559 from FY 2012 to FY 2013. This account is the construction in progress (CIP) amount at June 30, 2013. The increase in the CIP balance is a result of increase in CIP additions and decrease in CIP transfers during FY 2014. CIP additions amounted to \$81 million and \$64 million in FY 2013 and FY 2012, respectively, while CIP transfers amounted to \$60 million and \$51 million in FY 2013 and FY 2012, respectively.

Accounts payable and accrued expenses increased by \$19,492 from FY 2013 to FY 2014 due to increase in construction activities during the year. There are 10 projects comprising the increase noted in this account.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
For the Two Years Ended June 30, 2014**

**ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
(EXPRESSED IN THOUSANDS) (CONTINUED)**

Intergovernmental payables decreased by \$5,143 in FY 2013. The amount payable in FY 2012 was paid in FY 2013. There were no other intergovernmental payables in FY 2013.

Due to other State funds increased by \$6,582 in FY 2013. During FY 2013, CDB received funding from the Department of Commerce and Economic Opportunity amounting to \$8 million and \$1.3 was expended during the year.

Net position – invested in capital assets, net of related debt increased by \$21,522 in FY 2013. This is primarily due to the increase in capital assets not being depreciated, as explained above.

Unrestricted net position increased by \$12,848 from FY 2013 to FY 2014 in relation to the change in legislation that allows CDB to retain federal funds received as reimbursement on completed projects that were funded with State funds to be used on future projects. See explanation above for the increase in Cash equity with the State Treasurer in FY 2014.

Unrestricted net position decreased by \$19,396 from FY 2012 to FY 2013 primarily due to the decrease of due from other State funds, as explained above.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
For the Two Years Ended June 30, 2014**

ANALYSIS OF LOANS AND VARIOUS ACCOUNTS RECEIVABLE

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, 2014 and 2013, respectively, and an aging of "other receivables":

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Loans receivable	\$ 14,968	\$ 14,968
Less allowance for uncollectible	<u>(14,968)</u>	<u>(14,968)</u>
Net loans receivable	-	-
Intergovernmental receivables	3,537	2,882
Due from other State funds	23,779	21,285
Other receivables	<u>5,134</u>	<u>2,679</u>
Total receivables	<u>\$ 32,450</u>	<u>\$ 26,846</u>
Aging of other receivables:		
Current	\$ 4,581	\$ 2,529
1 - 30 days past due	267	29
31 - 90 days past due	264	20
91 - 180 days past due	4	97
181 days - 1 year past due	<u>18</u>	<u>4</u>
Total other receivables	<u>\$ 5,134</u>	<u>\$ 2,679</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, 2014
(UNAUDITED)**

AGENCY FUNCTIONS AND PLANNING PROGRAM

Functions

The Capital Development Board was created by the Illinois General Assembly in 1972 to serve as the non-road, 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.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2014
(UNAUDITED)**

AGENCY FUNCTIONS AND PLANNING PROGRAM (CONTINUED)

Functions (Continued)

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 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 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.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2014
(UNAUDITED)**

AGENCY FUNCTIONS AND PLANNING PROGRAM (CONTINUED)

Agency Planning

Senior staff meets twice a month to discuss and refine procedures and improve processes. 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 2013 and FY 2014 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 2013 and FY 2014 appropriation bill, 75 and 83 CDB employees assigned to work directly with construction projects were paid \$6,161,735 and \$6,508,386, respectively, from Fund 141.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2014
(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 2014, 2013, and 2012.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Executive:			
Staff	9	7	8
Administrative Services	2	2	2
Art-in Architecture	1	1	1
Capital Programs	5	5	15
Fair Employment Practices Division	5	5	6
Fiscal	6	5	4
Information Systems	11	10	9
Legislative Affairs	2	2	1
Personnel	2	2	2
Quality Based Selection	5	5	-
Total Executive	<u>48</u>	<u>44</u>	<u>48</u>
Contract Administration - Staff	<u>14</u>	<u>12</u>	<u>10</u>
Construction Administration:			
Staff	4	4	2
Professional Services	19	19	17
Regions (3)	41	44	38
Total Construction Administration	<u>64</u>	<u>67</u>	<u>57</u>
Legal Counsel - Staff	<u>7</u>	<u>6</u>	<u>5</u>
Auditing	<u>2</u>	<u>2</u>	<u>-</u>
Agency Total	<u><u>135</u></u>	<u><u>131</u></u>	<u><u>120</u></u>

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2014
(UNAUDITED)**

EMERGENCY PURCHASES

CDB reported the following emergency purchases to the Office of the Auditor General during fiscal years 2014 and 2013:

<u>Description</u>	<u>Estimated Amount</u>	<u>Actual Amount</u>
Fiscal Year 2014		
<i>4th Quarter</i>		
Program Assessment/Schematic Design on the feasibility of converting the former Illinois Youth Center – Joliet, based on an agreed order from the U.S. District Court Central District of Illinois, to a correctional facility for housing and treating inmates with mental illness disorders.	\$20,000	\$143,650
Roof repair of the center section of the Grandstand Building in the Illinois State Fairgrounds, due to water damage.	\$293,078	-
Repair of the air conditioning unit in the computer room in the Office of the Attorney General, to avoid damage to the network infrastructure.	\$15,000	-
<i>3rd Quarter</i>		
Repair of the server for the building automation system controlling the security and heating, ventilating, and air conditioning systems of Alton Mental Health Center.	\$20,000	\$15,190
Repair of the Cleveland Cottage at Illinois Youth Center - St. Charles.	\$74,866	\$33,864
Replacement of the stolen copper cabling used to supply electricity at the Education/Visitor Center at the William Powers State Fish & Wildlife area.	\$52,500	\$43,596

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2014
(UNAUDITED)**

EMERGENCY PURCHASES (CONTINUED)

Description	Estimated Amount	Actual Amount
Repair of underground piping at the Lawrence Correctional Center that serves four of the housing units that accommodate 1,200 offenders.	\$20,000	\$11,560
<i>2nd Quarter</i>		
Replacement of the membrane roof with a metal roof in the bakery building at Vandalia Correctional Center.	\$50,000	\$52,424
<i>1st Quarter</i>		
Repair of underground piping at the Danville Correctional Center that serves the Industries Building and Vehicle Maintenance Building.	\$225,000	\$208,424
Fiscal Year 2013		
<i>4th Quarter</i>		
Roof replacement in the dietary for the Illinois Youth Center - Harrisburg.	\$45,000	\$27,048
Expansion of the Rushville Treatment and Detention Facility to accommodate the increasing number of residents in compliance with State laws related to building capacity.	\$6,840,000	-
Relocation of the ice machines to protect the health and safety of the inmates and staff during the summer heat and to minimize the disruption of this critical State service at the Menard Correctional Center.	-	\$69,880
Repair of the high voltage substation resulting in a power failure in Lawrence Correctional Center.	\$50,000	\$35,130

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2014
(UNAUDITED)**

EMERGENCY PURCHASES (CONTINUED)

Description	Estimated Amount	Actual Amount
Replacement of the chiller in the 5th District Appellate Court in Mt Vernon, Illinois.	\$55,077	\$56,677
<i>3rd Quarter</i>		
Roof replacement and repair of skylights for the Lawrence Correctional Center.	-	\$24,590
Replacement of the transformer and associated wiring and accessories for the Fourth District Appellate Court Waterways.	\$50,000	\$37,660
Replacement of existing youth room furnishings, wall vents and electrical ports in four youth cottages for the Illinois Youth Center – Warrenville.	\$750,000	\$1,224,864
Roof replacement for the Lawrence Correctional Center, Housing Unit #1.	\$25,000	\$14,853
Repair of several flight pen structures, including damage to over 300 broken posts, ripped top netting and damage to several sliding gates, covering approximately 33 acres in Mt. Vernon Game Farm due to wet snowfall. The services provided by the Department of Natural Resources' (DNR) Mt. Vernon Game Farm are considered critical because operational flight pens are necessary in order to house pheasants to later be distributed to other hunting areas around the State for the upcoming hunting season.	\$250,000	\$253,216
<i>2nd Quarter</i>		
Rent of temporary freezers and coolers for the Menard Correctional Center due to the damage in the roof on the Cold Storage Building.	\$500,000	\$46,630

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2014
(UNAUDITED)**

EMERGENCY PURCHASES (CONTINUED)

Description	Estimated Amount	Actual Amount
The roofs of the Visiting Room and Records Storage building have failed and are leaking causing interior and content damage. Both of these roofs are beyond repair and requirement replacement to make them watertight and limit further interior and content damage.	\$91,000	\$92,962
<i>1st Quarter</i>		
Abatement and removal of all of the floor tile and mastic in the Adams and Lincoln cottages. The cottages suffered flooding from the youth toilets that have caused the existing vinyl floor tiles to separate and expose the asbestos adhesive mastic.	\$100,000	\$5,375
Renovation and upgrade of cottages for the Illinois Youth Center – St. Charles to relocate maximum security residents from Illinois Youth Center – Joliet due to its closure.	\$4,091,939	\$5,071,492
Repair or replacement of roofs damaged by a severe storm for 10 buildings in Dixon Correctional Center.	\$350,000	\$342,707*
Replacement of the 40-year old main sewage pipe lift station in Lincoln's New Salem State Park, exposing/creating serious environmental and public health concerns.	\$50,000	\$50,994*
Roof replacement at the Power House building at the East Moline Correctional Center.	\$300,000	\$248,829

**-from CDB website: Procurement Bulletin/Emergency Procurement Awards & Contracts*

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 2013 or FY 2014.

<u>Project I.D.</u>	<u>Project Location</u>	<u>Project Description</u>	<u>Award/Grant Amount</u>	<u>Prior Year Expenditures</u>	<u>FY 2013 Expenditures</u>	<u>FY 2014 Expenditures</u>	<u>Lapsed</u>	<u>Reappropriated</u>
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	3,946,215	-	-	-	1,322
810-063-001	Lincoln Land Community College at Taylorville	Expand Regional Center at Taylorville	150,000	-	-	-	-	150,000
900-097-002	City of North Chicago	Grant to Foss Park District	500,000	225,000	-	-	-	275,000
Total Illinois First Grants			<u>\$ 5,010,537</u>	<u>\$ 4,171,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 839,322</u>

(CONTINUED)

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

<u>Project I.D.</u>	<u>Project Location</u>	<u>Project Description</u>	<u>Award/Grant Amount</u>	<u>Prior Year Expenditures</u>	<u>FY 2013 Expenditures</u>	<u>FY 2014 Expenditures</u>	<u>Lapsed</u>	<u>Reappropriated</u>
<u>Illinois First Projects - Other</u>								
817-010-047	NEIU - Chicago	For upgrade science building HVAC systems	\$ 2,021,400	\$ -	\$ -	\$ -	\$ -	\$ 2,021,400

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
CHANGE ORDERS BY REASON
FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

Reason	Total Amount	Dollar Percentage	No. Issued	Count Percentage
Architect/Engineer error	\$ 1,967,918	18.71%	114	12.60%
Architect/Engineer omission	2,536,062	24.11%	227	25.08%
User request	3,543,940	33.70%	216	23.87%
Phase construction	18,008	0.17%	4	0.44%
Undisclosed condition	2,916,094	27.73%	262	28.95%
User funded	63,557	0.60%	2	0.22%
Assignment fee	2,233	0.02%	2	0.22%
Substitution	13,457	0.13%	12	1.33%
Reimbursable	5,000	0.05%	1	0.11%
Soil condition	33,807	0.32%	3	0.33%
Credit change	(622,641)	-5.92%	56	6.19%
Code change	40,210	0.38%	6	0.66%
TOTALS	\$ 10,517,645	100.00%	905	100.00%

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
CHANGE ORDERS BY REASON
FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

Reason	Total Amount	Dollar Percentage	No. Issued	Count Percentage
Architect/Engineer error	\$ 1,333,299	10.26%	93	11.83%
Architect/Engineer omission	1,959,715	15.08%	156	19.85%
User request	6,694,844	51.51%	146	18.58%
Phase construction	122,858	0.95%	11	1.40%
Undisclosed condition	2,846,144	21.90%	184	23.41%
User funded	17,550	0.13%	1	0.13%
Time extension	315,791	2.43%	103	13.10%
Assignment fee	58,304	0.45%	9	1.14%
Substitution	26,666	0.20%	11	1.40%
Reimbursable	162,197	1.25%	2	0.25%
Soil condition	31,692	0.24%	3	0.38%
Alternate accepted	11,294	0.09%	1	0.13%
Credit change	(645,693)	-4.97%	63	8.02%
Code change	62,257	0.48%	3	0.38%
TOTALS	\$ 12,996,918	100.00%	786	100.00%

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
PERFORMANCE INDICATORS
FISCAL YEARS ENDED JUNE 30, 2014, 2013, AND 2012
(UNAUDITED)**

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Construction expenditures	\$ 685,710,577	\$ 465,528,053	\$ 570,591,755
Personnel expenditures	10,548,310	9,760,662	9,066,869
Administrative expenditures	9,796,182	9,229,962	7,725,360
TOTAL EXPENDITURES	\$ 706,055,069	\$ 484,518,677	\$ 587,383,984
Disbursement of federal funds received from agency grants	\$ 20,668,731	\$ 22,283,913	\$ 23,775,119
Total receipts	\$ 58,308,771	\$ 41,741,390	\$ 39,441,627
Construction appropriations and reappropriations*	\$ 3,552,301,422	\$ 3,547,887,199	\$ 4,020,740,353
Total number of projects	1,309	1,192	1,134
Average appropriation per project	\$ 2,713,752	\$ 2,976,415	\$ 3,545,626
Average expenditures per project	\$ 523,843	\$ 390,544	\$ 503,167
Number of project managers	27	30	27
Average projects per manager	48	40	42
Average number of employees	135	130	121
Average personnel cost	\$ 78,136	\$ 75,082	\$ 74,933
Number of construction vouchers processed	3,282	2,828	2,526
Average construction voucher amount	\$ 208,931	\$ 164,614	\$ 225,887
Number of receipts processed	806	728	658
Average receipt amount	\$ 72,343	\$ 57,337	\$ 59,942
Number of projects awarded	279	313	248
Professional contracts awarded	92	145	109
Contractor contracts awarded	400	320	276
Administrative costs per project	\$ 7,484	\$ 7,743	\$ 6,812
Personnel costs per project	\$ 8,058	\$ 8,188	\$ 7,995

* 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, 2014, 2013, AND 2012
(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>		<u>FY 2014</u>	<u>FY 2014</u>	<u>FY 2015</u>
	<u>FY 2012</u>	<u>FY 2013</u>	<u>Target</u>	<u>Actual</u>	<u>Target</u>
			<u>(Projected)</u>		<u>(Projected)</u>
Input Indicators:					
Total expenditures - all sources (in thousands)	\$ 16,321.2	\$ 18,458.7	\$ 23,455.3	\$ 19,773.4	\$ 26,271.5
Total expenditures - State appropriated funds (in thousands)	\$ 16,321.2	\$ 18,458.7	\$ 23,455.3	\$ 19,773.4	\$ 26,271.5
Average monthly full-time equivalents	116.5	123.2	143.0	120.2	140.0

(CONTINUED)

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEARS ENDED JUNE 30, 2014, 2013, AND 2012
(UNAUDITED)

CONSTRUCTION ADMINISTRATION (CONTINUED)

	Actual		FY 2014	FY 2014	FY 2015
	FY 2012	FY 2013	Target (Projected)	Actual	Target (Projected)
Outcome Indicators:					
Average variation from planned schedule for construction phase	19.41%	17.44%	15.00%	16.90%	15.00%
Percent of labor hours that are minority or female	21.24%	14.90%	15.00%	16.09%	15.00%
Percent of total dollars contracted to MBE/FBE firms (a)	18.10%	15.70%	15.00%	23.80%	20.00%

Note:

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

(CONTINUED)

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEARS ENDED JUNE 30, 2014, 2013, AND 2012
(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 2014</u>	<u>FY 2014</u>	<u>FY 2015</u>
	<u>FY 2012</u>	<u>FY 2013</u>	<u>Target</u>		<u>Target</u>
			<u>(Projected)</u>	<u>Actual</u>	<u>(Projected)</u>
Input Indicators:					
Total expenditures - all sources (in thousands)	\$ 471.0	\$ 531.9	\$ 600.0	\$ 571.1	\$ 600.0
Total expenditures - State appropriated funds (in thousands)	\$ 471.0	\$ 531.9	\$ 600.0	\$ 571.1	\$ 600.0
Average monthly full-time equivalents	4.0	4.0	4.0	4.0	4.0