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State of Illinois
CAPITAL DEVELOPMENT BOARD

FINANCIAL AUDIT
For the Year Ended June 30, 2018
and
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

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, 2018
and
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

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AGENCY OFFICIALS

Executive Director	(01/01/19 to current)	Amy Romano (Acting)
	(05/08/18 to 12/31/18)	Jeff Heck
	(01/01/18 to 05/08/18)	Amy Romano (Acting)
	(06/07/17 to 12/31/17)	Gevan Behnke (Acting)
	(07/01/16 to 06/06/17)	Jodi Golden
Deputy Director of Construction	(02/01/17 to current)	Mike Wilson
	(07/01/16 to 01/31/17)	Vacant
Deputy Director of Operations	(02/01/17 to current)	Kathryn Martin
	(07/01/16 to 01/31/17)	Mike Wilson
Assistant Deputy Director of Operations	(02/01/17 to current)	Vacant
	(07/01/16 to 01/31/17)	Kathryn Martin
Administrator of the Office of Fiscal Management/Chief Fiscal Officer	(01/01/18 to current)	Paula Sorensen
	(06/07/17 to 12/31/17)	Paula Sorensen (Acting)
	(07/01/16 to 06/06/17)	Gevan Behnke
Assistant Fiscal Officer	(01/01/18 to current)	Vacant
	(11/16/16 to 12/31/17)	Paula Sorensen
	(07/01/16 to 11/15/16)	Vacant
General Counsel		Amy Romano
Chief Internal Auditor	(06/16/17 to current)	Tracy Allen
	(11/16/16 to 06/15/17)	Vacant
	(07/01/16 to 11/15/16)	Paula Sorensen
Chief of Staff	(09/01/18 to current)	Jaclyn O'Day
	(11/16/16 to 08/31/18)	Vacant
	(07/01/16 to 11/15/16)	Jodi Golden

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FINANCIAL AUDIT
For the Year Ended June 30, 2018
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AGENCY OFFICIALS

Information Services Administrator (07/01/16 to 09/30/18) Lisa Garrett
Effective 10/01/18, this position was transferred to the Department of Innovation and Technology.

Agency Office is located at:

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

STATE OF ILLINOIS
JB PRITZKER, GOVERNOR

Amy Romano, Acting Executive Director

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, IL
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 2079
E. St. Louis, Illinois
62201-1129

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STATE COMPLIANCE EXAMINATION

MANAGEMENT ASSERTION LETTER

February 6, 2019

Adelfia LLC
Certified Public Accountants
400 East Randolph Street, Suite 700
Chicago, Illinois 60601

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Capital Development Board. 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 the Capital Development Board's compliance with the following assertions during the two-year period ended June 30, 2018. Based on this evaluation, we assert that during the years ended June 30, 2017 and June 30, 2018, the Capital Development Board has materially complied with the assertions below.

A. The 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 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 Capital Development Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

D. State revenues and receipts collected by the 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 Capital Development Board on behalf of the State or held in trust by the Capital Development Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Capital Development Board

SIGNED ORIGINAL ON FILE

Ms. Amy Romano
General Counsel and Acting Executive Director

SIGNED ORIGINAL ON FILE

Ms. Paula Sorensen
Chief Fiscal Officer

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FINANCIAL AUDIT
For the Year Ended June 30, 2018
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For the Two Years Ended June 30, 2018

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 REPORT

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, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	Current Report	Prior Report
Findings	6	6
Repeated Findings	4	4
Prior Recommendations Implemented or Not Repeated	2	3

SCHEDULE OF FINDINGS

Item No.	Page	Description	Finding Type
		FINDING (*GOVERNMENT AUDITING STANDARDS*)	
2018-001	14	Overstatement of Reappropriated Projects' Accounts Payable and Expenditures	Material Weakness and Noncompliance

COMPLIANCE REPORT

SCHEDULE OF FINDINGS (CONTINUED)

Item No.	Page	Description	Finding Type
		FINDINGS (STATE COMPLIANCE)	
2018-002	16	Failure to Publish Required Procurement Information Timely	Significant Deficiency and Noncompliance
2018-003	18	State Vehicles Not Properly Maintained	Significant Deficiency and Noncompliance
2018-004	20	Performance Evaluations Not Completed	Significant Deficiency and Noncompliance
2018-005	22	Untimely Approval and Payment of Vouchers	Significant Deficiency and Noncompliance
2018-006	24	Failure to Return Unexpended Funds for Construction Projects	Significant Deficiency and Noncompliance

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

Item No.	Page	Description	Finding Type
2018-001	14	Overstatement of Reappropriated Projects' Accounts Payable and Expenditures	Material Weakness and Material Noncompliance
		PRIOR FINDINGS NOT REPEATED	
A	25	Inadequate Controls Over Revenue and Receipts	
B	25	Inaccurate Gross Pay	

STATE OF ILLINOIS
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COMPLIANCE REPORT

EXIT CONFERENCE

The Capital Development Board waived an exit conference in a correspondence from Tracy Allen, Chief Internal Auditor, on January 22, 2019. The response to the recommendation on 2018-001 was provided by Tracy Allen, Chief Internal Auditor, in a correspondence dated December 20, 2018. The responses to the recommendations on 2018-002 through 2018-006 were provided by Tracy Allen, Chief Internal Auditor, in a correspondence dated February 6, 2019.

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INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
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, 2018. 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 (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, Capital Development Board complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Capital Development Board complied with the specified requirements listed above. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide 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.

Our examination disclosed the following material noncompliance with the compliance requirement listed in the first paragraph of this report during the two years ended June 30, 2018. As described in item 2018-001 in the accompanying schedule of findings, the State of Illinois, Capital Development Board did not comply with requirements regarding applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Capital Development Board to comply with requirements listed in the first paragraph of this report.

In our opinion, except for the material noncompliance described in the preceding paragraph, 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, 2018. However, the results of our procedures disclosed other 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 2018-002 through 2018-006.

The State of Illinois, Capital Development Board's responses to the findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Capital Development Board's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in 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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2018-001 to be a material weakness.

A *significant deficiency in 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2018-002 through 2018-006 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. The State of Illinois, Capital Development Board's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purposes.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
February 6, 2019

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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 Frank J. Mautino
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, 2018, and the related notes to the financial statements, which collectively comprise the State of Illinois, Capital Development Board's basic financial statements, and have issued our report thereon dated February 6, 2019.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings as item 2018-001 that we consider to be a material weakness.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2018-001.

State of Illinois, Capital Development Board's Response to Findings

The State of Illinois, Capital Development Board's response to the finding identified in our audit is described in the accompanying schedule of findings. The State of Illinois, Capital Development Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
February 6, 2019

CURRENT FINDING – *GOVERNMENT AUDITING STANDARDS*

2018-001. **FINDING** (Overstatement of Reappropriated Projects' Accounts Payable and Expenditures)

The Capital Development Board (CDB) did not identify or prevent misstatements in the Generally Accepted Accounting Principles (GAAP) reporting package submitted to the Office of the State Comptroller and the draft financial statements provided to the auditors.

The CDB records the accounts payable reappropriated projects and related expenditures in its financial statements based on vouchers processed after the fiscal year. The amounts are pro-rated for the period covering the current fiscal year by applying an estimation multiplier derived from methodologies and historical analyses performed by the CDB.

During our testing of the accounts payable for reappropriated projects for the Capital Development Fund (Fund 141), we noted the CDB did not properly pro-rate the base amounts used for estimation relating only to the number of service days in Fiscal Year 2018. Instead, the full amount of vouchers processed after June 30, 2018, which included Fiscal Year 2019 service days, was used as the base amount for the estimation multiplier.

This resulted in an overstatement of accounts payable and related expenditures for Fund 141 of $2,702,241 for the GAAP reporting package and financial statements originally submitted by the CDB to the Office of the State Comptroller.

Subsequent to our audit testing, the CDB revised the Fund 141 GAAP reporting package, Capital Asset Summary (Form SCO-538) related to capital expenditures, and the financial statements to the Office of State Comptroller to include the adjustments and information necessary to apply the appropriate generally accepted accounting principles.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance financial data is properly recorded and accounted for to permit the preparation of reliable financial reports.

Proper internal controls require management to establish appropriate procedures to ensure accurate financial statements are presented in accordance with generally accepted accounting principles. When estimation is used to record financial statement amounts, review of the calculation and information used in the estimate should be carefully performed.

CURRENT FINDING – *GOVERNMENT AUDITING STANDARDS*

2018-001. **FINDING** (Overstatement of Reappropriated Projects' Accounts Payable and Expenditures) (Continued)

CDB management stated the overstatement was due to staff oversight.

Failure to perform proper cut-off procedures and review of accounts payable estimates results in inaccurate financial statement information being submitted to the Office of the State Comptroller. (Finding No. 2018-001)

RECOMMENDATION

We recommend the CDB establish procedures to ensure that transactions and reporting are carefully reviewed for proper accounting and disclosure. As necessary, accounting and reporting guidance should be from technical resources to ensure conformity with GAAP.

CDB RESPONSE

The Capital Development Board accepts the recommendation and plans to implement changes to address the issues contained within the finding. This will include a review of the GAAP preparation procedures to limit opportunities for oversight or human error. The Capital Development Board is also in the process of hiring more staff that will allow for additional preparation and review to ensure conformity with GAAP.

CURRENT FINDINGS – STATE COMPLIANCE

2018-002. **FINDING** (Failure to Publish Required Procurement Information Timely)

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 (Bulletin).

Based on our review of procurement information on the CDB's website, we noted the annual Business Enterprise Program reports reflecting fiscal years 2017 and 2016 activities were not posted on the Bulletin within 10 business days after submission of the report to the Business Enterprise Council for Minorities, Women, and Persons with Disabilities (Council) during Fiscal Years 2018 and 2017, respectively. The reports were posted 44 and 100 days late.

The 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)) requires each purchasing agency to, 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, women, and persons with disabilities as submitted to the Council pursuant to Section 6(c) of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575) within 10 calendar days after its submission of its report to the Council.

CDB management stated, as it did in the prior examination, the reports were not posted in the CDB website until after the Council posted the reports to its own website.

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. 2018-002, 2016-002, 2014-002, 12-3, 10-2, 08-2)

RECOMMENDATION

We recommend the CDB ensure required procurement information is published timely as required by the Code.

CURRENT FINDINGS – STATE COMPLIANCE

2018-002. **FINDING** (Failure to Publish Required Procurement Information Timely) (Continued)

CDB RESPONSE

CDB agrees with the recommendation. The annual Business Enterprise Program (BEP) report reflecting fiscal year 2018 BEP activities was posted on the CDB website in the agency Procurement Bulletin section within 10 days of submission to the Business Enterprise Counsel as required by the statute. Management will ensure future reports are posted in a timely manner.

CURRENT FINDINGS – STATE COMPLIANCE

2018-003. **FINDING** (State Vehicles Not Properly Maintained)

The Capital Development Board (CDB) did not properly maintain its State vehicles.

During our review of maintenance records for ten State vehicles, we noted the following:

- Nine (90%) of the State vehicles tested were not brought in for the annual inspection as required by the Department of Central Management Services (DCMS) maintenance policy.

- Eight (80%) of the State vehicles tested were not regularly brought in for periodic oil change at mileage or time interval required by DCMS. CDB records showed that vehicles were driven 150 to 8,217 miles more than allowed by the maintenance policy before the required oil change maintenance was performed.

- Four (40%) of the State vehicles tested were not brought in for tire rotation at the time interval required by DCMS. DCMS maintenance policy requires a tire rotation after every two oil changes.

The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5040.400) states all State-owned vehicles shall undergo regular service and/or repair in order to maintain the vehicles in road worthy, safe, operating condition and appropriate cosmetic condition and that the driver should check oil, coolant, and battery water levels regularly.

The Code (44 Ill. Adm. Code 5040.410) states agencies shall have vehicles inspected by DCMS or an authorized vendor at least once per year or as required by law and shall maintain vehicles in accordance with the schedules provided by DCMS or with other schedules acceptable to DCMS that provide for proper care and maintenance of special use vehicles.

The DCMS vehicle maintenance policy states the standard lube, oil, and filter change should be performed after passenger fleet vehicles 10 years and older are driven over 3,000 miles or 12 months, whichever comes first. The recommended interval policy for passenger fleet vehicles, 9 years and newer, is 5,000 miles or 12 months, whichever comes first.

CURRENT FINDINGS – STATE COMPLIANCE

2018-003. **FINDING** (State Vehicles Not Properly Maintained) (Continued)

CDB management stated, as it did in the prior examination, that every effort is made to ensure regular maintenance is performed on State vehicles. However, there are instances when an employee has scheduled to use a fleet vehicle and the recommended interval for maintenance has been exceeded during the road trip. Also, in some instances, the traveling needs of the agency have made it difficult to coordinate scheduled maintenance or annual inspections with the DCMS garage.

Failure to perform regular maintenance on State vehicles could result in more significant expenditures related to the repair or replacement of vehicles. (Finding Code No. 2018-003, 2016-003)

RECOMMENDATION

We recommend the CDB ensure maintenance procedures are clearly understood and followed by all personnel responsible for the oversight of State vehicles.

CDB RESPONSE

CDB agrees with the recommendation. CDB will continue to make every effort to schedule oil changes and tire rotations in a timely manner. Five of the vehicles were one month overdue for annual inspection, the other four vehicles were two months overdue. Annual inspections are conducted by the CMS garage which is very busy and is not able to schedule maintenance when required by CDB. The CDB fleet is too small to allow for a car to be taken out of service for more than a few days and continue routine operations. During the audit period, CDB assigned a different employee to be the vehicle coordinator and has begun looking for a new vehicle maintenance tracking software to help identify when maintenance is due.

CURRENT FINDINGS – STATE COMPLIANCE

2018-004. **FINDING** (Performance Evaluations Not Completed)

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

During our review of 18 employee personnel files, we noted two (11%) employees did not receive performance evaluations. In addition, one (6%) employee had the performance evaluation completed 175 days after the last day of the employee's performance review period.

CDB Personnel Policies and Procedures Chapter 16 - Performance Appraisal requires evaluations to take place no less than every twelve months. For employees serving a six month probationary period, the supervisor must prepare and submit two evaluations to Personnel; one at the end of the third month of the employee's probationary period and another fifteen days before the conclusion of the probationary period. For employees serving a four month probationary period, the supervisor must prepare and submit to Personnel an evaluation form three and one half 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 (DCMS) 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 DCMS 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.

CDB management stated, as it did during the prior examination, the exceptions noted were due to supervisors not responding to reminder notices sent by the CDB Personnel Department during the monitoring process.

CURRENT FINDINGS – STATE COMPLIANCE

2018-004. **FINDING** (Performance Evaluations Not Completed) (Continued)

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 No. 2018-004, 2016-004, 2014-004, 12-4, 10-3, 08-3, 06-6)

RECOMMENDATION

We recommend CDB management follow-up with supervisors to ensure performance appraisals are timely completed.

CDB RESPONSE

CDB agrees with the recommendation. CDB senior management will continue to remind managers when performance evaluations are coming due and include timely completion of employee evaluations as an objective in the performance evaluations of those managers.

CURRENT FINDINGS – STATE COMPLIANCE

2018-005. **FINDING** (Untimely Approval and Payment of Vouchers)

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

During our review of 167 voucher payments totaling $99,124,513, we noted the following:

- 8 (5%) vouchers tested totaling $3,725,627 were approved for payment from 4 to 47 days late.

- 10 (6%) vouchers tested totaling $2,313,016 were not stamped "received" by the requesting department. In these cases, invoice dates were used to determine timely approval and payment. Seven of these 10 vouchers totaling $475,094 were approved from 7 to 75 days late. The remaining 3 vouchers totaling $1,837,922, were approved for payment timely.

- 1 (1%) voucher totaling $8,108 was paid 206 days after receipt of a proper bill and the required interest payment of $310 was not made.

The Illinois Administrative Code (Code) (74 Ill. Adm. Code 900.70) requires the 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 Code (74 Ill. Adm. Code 900.30) requires the CDB to maintain written or electronic records reflecting the date or dates on which the proper bill was received and approval for payment of the bill was made.

In addition, the State Prompt Payment Act (Act) (30 ILCS 540/3-2) requires State agencies to determine whether interest is due and to automatically pay the interest to the appropriate vendor when payment is not issued within 90 days after receipt of a proper bill. Interest due to a vendor that amounts to less than $50 shall not be paid but shall be accrued until all interest due the vendor for all similar warrants exceeds $50, at which time the accrued interest shall be payable and interest will begin accruing again, except that interest accrued as of the end of the fiscal year that does not exceed $50 shall be payable at that time.

CDB management stated, as it did during the prior examination, the exceptions noted above were due to lack of resources.

CURRENT FINDINGS – STATE COMPLIANCE

2018-005. **FINDING** (Untimely Approval and Payment of Vouchers) (Continued)

Late approval of vouchers and inadequate documentation of invoice receipt result in noncompliance with the Illinois Administrative Code and may result in unnecessary interest charges. Failure to pay required interest payments to vendors results in noncompliance with the Act. (Finding Code No. 2018-005, 2016-006, 2014-005, 12-7, 10-7)

RECOMMENDATION

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

CDB RESPONSE

CDB agrees with the recommendation. Most of the vouchers that were not date stamped and which were not approved within 30 days were information technology related vouchers from FY17. During FY17, the Department of Innovation and Technology (DoIT) was still being formed and procedures for how vouchers would be received and reviewed after the functions were transferred had not been worked out. During FY18, coordination with DoIT had improved, however, problems with the accounting system (SAP) and the budget impasse caused some of the delays in approval and processing of vouchers. CDB is working with DoIT to coordinate approval of vouchers and resolve processing problems with SAP to ensure all vouchers are processed timely.

CURRENT FINDINGS – STATE COMPLIANCE

2018-006. **FINDING** (Failure to Return Unexpended Funds for Construction Projects)

The Capital Development Board (CDB) failed to return unexpended funds for completed projects.

During our review of seven projects funded by the Capital Development Board Contributory Trust Fund during Fiscal Year 2017 and Fiscal Year 2018, we noted all 7 (100%) completed projects had unexpended funds totaling $63,419 that were not returned to the contributing parties.

The State Finance Act (Act) (30 ILCS 105/6t) requires contributions or insured-loss reimbursements not expended in furtherance of the project for which they were received within 36 months of the date received to be returned to the contributing party.

CDB management stated the transactions to return unexpended funds for the completed projects to the contributing party were overlooked due to an employee retirement.

Failure to return funds not expended within 36 months of the date received results in noncompliance with the Act. (Finding Code No. 2018-006)

RECOMMENDATION

We recommend the CDB comply with the Act and return funds not expended within 36 months of the date received to the contributing parties.

CDB RESPONSE

CDB agrees with the recommendation. The staff person responsible for this function retired and this process of returning funds was overlooked. This duty has been reassigned to other staff in the Fiscal Department.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF PRIOR FINDINGS NOT REPEATED
FOR THE TWO YEARS ENDED JUNE 30, 2018

A. **FINDING** (Inadequate Controls over Revenue and Receipts)

In the prior examination, the Capital Development Board (CDB) did not have adequate controls over its revenue and receipts. Contract administration fees were not collected accurately and revenues and refunds were not timely deposited.

During the current examination, our sample testing indicated the CDB improved controls over revenues and receipts. (Finding Code No. 2016-001, 2014-001, 12-2)

B. **FINDING** (Inaccurate Gross Pay)

In the prior examination, the CDB processed inaccurate gross pay and did not have documentation to support notification of the error to the State Employees Retirement System.

During the current examination, our sample testing indicated the CDB processed payroll accurately. (Finding Code No. 2016-005)

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
FINANCIAL AUDIT
For the Year Ended June 30, 2018
and
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

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 CDB's basic financial statements.

SUMMARY OF FINDING

The auditors identified a matter involving CDB's internal control over financial reporting that they considered to be a material weakness. The material weakness is described in the accompanying Schedule of Findings on pages 13-14 of this report as item 2018-001 (Overstatement of Reappropriated Projects' Accounts Payable and Expenditures).

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INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
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, 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, 2018, 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, each major fund, and the aggregate remaining fund information for the State of Illinois, Capital Development Board, as of June 30, 2018, and the respective changes in financial position 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, 2018, 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.

As discussed in Note 2 to the financial statements, in 2018, the State of Illinois, Capital Development Board adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* This Statement replaces Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The requirements of this statement resulted in the restatement of beginning net position. 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 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, 2018 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, 2018, in the combining General Fund, individual nonmajor fund financial statements, State Compliance Schedules 1 through 16, 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, 2018, in the combining and individual nonmajor fund financial statements and the State Compliance Schedules 1 through 16 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, 2018, in the combining and individual nonmajor fund financial statements and the State Compliance Schedules 1 through 16 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, 2018, in the combining and individual nonmajor fund financial statements and the State Compliance Schedules 1 through 16 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, 2017 (not presented herein), and have issued our report thereon dated December 6, 2017, 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, 2017 in Schedules 2, 4, 6, 8, and 10 through 16 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, 2017 financial statements. The accompanying supplementary information for the year ended June 30, 2017 in Schedules 2, 4, 6, 8, and 10 through 16 has been subjected to the auditing procedures applied in the audit of the June 30, 2017 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, 2017 in Schedules 2, 4, 6, 8, and 10 through 16 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

The accompanying supplementary information in the Analysis of Operations Section 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 February 6, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Illinois, Capital Development Board's 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, Board management, and Board 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.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
February 6, 2019

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
STATEMENT OF NET POSITION
JUNE 30, 2018
(Expressed in Thousands)

	Governmental Activities
ASSETS	
Unexpended appropriations	$ 34,325
Cash equity with State Treasurer	20,696
Cash and cash equivalents	5,590
Intergovernmental receivables, net	496
Other receivables, net	1,601
Due from other State funds	3,617
Capital assets not being depreciated	80,099
Capital assets being depreciated, net	37
TOTAL ASSETS	146,461
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	28,858
Other post-employment benefits	11,617
TOTAL DEFERRED OUTFLOWS OF RESOURCES	40,475
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	186,936
LIABILITIES	
Accounts payable and accrued liabilities	42,090
Intergovernmental payables	29
Due to other State funds	990
Unearned revenue	1,320
Pension liability - Due subsequent to one year	76,377
Other post-employment benefits liability - Due subsequent to one year	47,316
Compensated absences	
Due within one year	98
Due subsequent to one year	880
TOTAL LIABILITIES	169,100
DEFERRED INFLOWS OF RESOURCES	
Pensions	26,268
Other post-employment benefits	20,936
TOTAL DEFERRED INFLOWS OF RESOURCES	47,204
TOTAL LIABLILITIES AND DEFERRED INFLOWS OF RESOURCES	216,304
NET POSITION	
Invested in capital assets, net of related debt	80,136
Unrestricted	(109,504)
TOTAL NET POSITION	$ (29,368)

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, 2018
(Expressed in Thousands)

		Program Revenues		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Capital Grants and Contributions**	**Net (Expense) Revenue**
GOVERNMENTAL ACTIVITIES				
Education	$ 80,084	$ 2,712	$ 8,339	$ (69,033)
General government	26,524	-	-	(26,524)
Total governmental activities	106,608	2,712	8,339	(95,557)
GENERAL REVENUES				
Appropriations from State Resources				1,153,162
Reappropriations to future year(s)				(865,326)
Lapsed appropriations				(135,342)
Net change in liabilities for reappropriated accounts				(6,608)
TRANSFERS				
Receipts collected and transmitted to State Treasury				(1,373)
Capital transfers to other State Agencies				(114,207)
Total general revenues and transfers				30,306
CHANGE IN NET POSITION				(65,251)
NET POSITION AS RESTATED, JULY 1, 2017				35,883
NET POSITION, JUNE 30, 2018				$ (29,368)

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, 2018
(Expressed in Thousands)

	General Fund	Nonmajor funds	Total Governmental Funds
ASSETS			
Unexpended appropriations	$ 1,106	$ 33,219	$ 34,325
Cash equity with State Treasurer	-	20,696	20,696
Cash and cash equivalents	-	5,590	5,590
Intergovernmental receivables, net	-	496	496
Other receivables, net	-	1,601	1,601
Due from other State funds	-	3,617	3,617
TOTAL ASSETS	$ 1,106	$ 65,219	$ 66,325
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	$ 1,106	$ 40,984	$ 42,090
Intergovernmental payables	-	29	29
Due to other State funds	-	990	990
Unearned revenue	-	1,320	1,320
Total liabilities	1,106	43,323	44,429
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	1,343	1,343
Total deferred inflows of resources	-	1,343	1,343
FUND BALANCES			
Restricted	-	2,225	2,225
Committed	-	18,328	18,328
Total fund balances	-	20,553	20,553
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,106	$ 65,219	$ 66,325

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
GOVERNMENTAL FUNDS
JUNE 30, 2018
(Expressed in Thousands)

Total fund balances of governmental funds	$	20,553
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.		80,136
Deferred outflows of resources		
Pensions		28,858
Other post-employment benefits		11,617
Deferred inflows of resources		
Pensions		(26,268)
Other post-employment benefits		(20,936)
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.		1,343
Some liabilities reported in the Statement of Net Position 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		(978)
Pension liability		(76,377)
Other post-employment benefits liability		(47,316)
Net position of governmental activities	$	(29,368)

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, 2018
(Expressed in Thousands)

	General Fund	Nonmajor funds	Total Governmental Funds
REVENUES			
Federal capital grants	$ -	$ 8,339	$ 8,339
Licenses and fees	-	1,477	1,477
Other charges for services	-	296	296
Total revenues	-	10,112	10,112
EXPENDITURES			
Education	13,272	66,812	80,084
General government	-	23,007	23,007
Capital outlays	-	59,282	59,282
Total expenditures	13,272	149,101	162,373
Deficiency of revenues over expenditures	(13,272)	(138,989)	(152,261)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Appropriations from State resources	100,600	1,052,562	1,153,162
Reappropriation to future year(s)	-	(865,326)	(865,326)
Lapsed appropriations	(87,328)	(48,014)	(135,342)
Receipts collected and transmitted to State Treasury	-	(1,373)	(1,373)
Net change in liabilities for reappropriated accounts	-	(6,608)	(6,608)
Net other sources of financial resources	13,272	131,241	144,513
Net change in fund balances	-	(7,748)	(7,748)
FUND BALANCES, JULY 1, 2017	-	28,301	28,301
FUND BALANCES, JUNE 30, 2018	$ -	$ 20,553	$ 20,553

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, 2018
(Expressed in Thousands)

Net change in fund balances	$	(7,748)
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.		59,214
Some capital assets were transferred out to other State agencies and, therefore, were removed from fund balance without any corresponding proceeds.		(114,207)
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.		939
Loss from disposal of capital assets. This is the salvage value of capital assets, which were disposed of.		-
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.		
Other post-employment benefits expense		606
Pension expense		(4,004)
Decrease in compensated absences obligation		(51)
Change in net position of governmental activities	$	(65,251)

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

NOTE 1 - ORGANIZATION

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

The CDB's principal statutory functions and responsibilities are:

- To build or otherwise provide capital facilities and improvements for which money has been appropriated by the General Assembly.

- To conduct continuous studies into the costs of building or otherwise providing capital facilities.

- To conduct research for improvements in choice of materials and systems and in construction methods for reducing construction costs and operating and maintenance costs of capital expenditure plans.

- To review and recommend periodic revisions in establishing building and construction codes, to promote public safety, energy efficiency and economy, including the use of solar energy, and reduce construction costs and operating and maintenance costs of capital facilities.

- To advise State agencies and units of local government, on request, on any matter related to the purpose of CDB and to assist State agencies in the preparation of their annual long-range capital expenditure plans.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the CDB have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). To facilitate the understanding of data included in the financial statements, summarized below are the more significant accounting policies.

A. Financial Reporting Entity

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

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

(2) Fiscal dependency on the primary government.

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

B. Basis of Presentation

The financial statements of the CDB are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund of the State of Illinois, and the aggregate remaining fund information of the State of Illinois that is attributable to the transactions of the CDB. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2018, 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:

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

The General Fund type 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 the 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 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 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.

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. For fiscal year 2018, the lapse period was extended through September.

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:

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:

Capital Asset Category	*Capitalization Threshold*	*Estimated Useful Life (In Years)*
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 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 became 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. Pensions

In accordance with CDB adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense have been recognized in the government-wide financial statements.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plans' fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liabilities.

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, pension expense and expenditures associated with the CDB's contribution requirements, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported within the separately issued plan financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with terms of the plan. Investments are reported at fair value.

L. 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, 2018.

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. The Capital Development Fund (141) and Build Illinois Bond Fund (971) comprise the restricted fund balances as of June 30, 2018.

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, 2018: CDB Special Projects Fund (170), CDB Revolving Fund (215) and CDB Contributory Trust Fund (617). 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.

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, 2018.

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, 2018.

M. 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, 2018.

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, 2018.

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

N. 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.

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

Effective for the year ending June 30, 2018, the CDB adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* This Statement replaces Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit Other Post-Employment Benefits (OPEB), this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The implementation of this Statement significantly impacted the CDB's government-wide financial statements and footnote disclosures with the recognition of a net OPEB liability, deferred outflows of resources and deferred inflows of resources on the Statement of Net Position and OPEB expense on the Statement of Activities. Additionally, the requirements of this statement resulted in the restatement of beginning net position. Information regarding the CDB's participation in OPEB is disclosed in Note 9.

Effective for the year ending June 30, 2018, CDB adopted GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives pursuant to an irrevocable split-interest agreement, created through a trust, recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interest in irrevocable split-interest agreements that are administered to a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. There was no significant impact on the CDB's financial statements as a result of adopting this Statement.

Effective for the year ending June 30, 2018, CDB adopted GASB Statement No. 85, *Omnibus 2017*. This Statement addresses a variety of topics. Specifically those topics are: blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation; treatment of goodwill and negative goodwill; classifying real estate held by insurance entities; measuring of certain types of investments; timing of the measurement of pension or OPEB liabilities and expenditures; recognizing on-behalf payments for pensions or OPEB and various other topics relating to OPEB. There was no significant impact on the CDB's financial statements as a result of adopting this Statement.

Effective for the year ending June 30, 2018, CDB adopted GASB Statement No. 86, *Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. The Statement objectives enhance the consistency in financial reporting of prepaid insurance related to debt that has been extinguished and increase the usefulness of information provided in the notes to the financial statements regarding the in-substance defeasance of debt. There was no significant impact on the CDB's financial statements as a result of adopting this Statement.

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

GASB Statement No. 83, *Certain Asset Retirement Obligations*, will be effective for the CDB with its year ending June 30, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability and a corresponding deferred outflow of resources. This statement requires that recognition occur when the liability is both incurred and reasonably estimable. Additionally, this statement requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefore.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, will be effective for the CDB with its year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

GASB Statement No. 84, *Fiduciary Activities*, will be effective for the CDB with its year ending June 30, 2020. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The Statement redefines the fiduciary fund types focusing on the resources to be reported within each: Pension (and other employee benefit) trust funds, Investment trust funds, Private-purpose trust funds and Custodial trust funds (previously agency funds). Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. A liability to beneficiaries will be recognized when due and payable and any other liabilities should be included in the balance of fiduciary net position.

GASB Statement No. 87, *Leases,* will be effective for the CDB with its year ending June 30, 2020. This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

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 $5.590 million at June 30, 2018. 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, the 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 State's name, and $3.842 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 $20.696 million at June 30, 2018. 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, 2018, represents amounts due from other CDB and State of Illinois funds:

Fund	Due from Other State Funds	Description/Purpose
Nonmajor governmental funds	$ 3,617	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, 2018, represents amounts due to other CDB and State of Illinois funds:

Fund	Due to Other State Funds	Description/Purpose
Nonmajor governmental funds	$ 990	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.

NOTE 5 - LOANS RECEIVABLE

Loans receivable in the General Fund of $14,968 (amount expressed in thousands) from the Illinois International Port District (Port District) was written off during the year.

The loan agreement between the Port District and the CDB requires payments to the 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 the 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. Since the Port District received the loan, they have never been required to make a single payment to the CDB because it never reached the levels of revenues and profits that would require a payment. The CDB has reserved the entire remaining amount as uncollectible in the previous years.

Effective November 8, 2017, Public Act 100-0546 was enacted into law. The Capital Development Board Act was amended by changing Section 13 to read…"For any contract entered into under this Section, if, for a period of 25 years, a regional port district has not been required to remit any amount because the regional port district has failed to achieve the required level of profit, then the regional port district shall not be required to remit any amount under contract".

NOTE 6 - CAPITAL ASSETS

Capital asset activities (amounts expressed in thousands) for the year ended June 30, 2018 were as follows:

	Balance July 1, 2017	Additions	Deletions	Net Transfers	Balance June 30, 2018
Governmental activities:					
Capital assets not being depreciated:					
Construction in progress	$ 135,024	$ 59,282	$ –	($114,207)	$ 80,099
Capital assets being depreciated:					
Equipment	400	–	191	–	209
Less accumulated depreciation	295	26	149	–	172
Capital assets being depreciated, net	105	(26)	42	–	37
Governmental activity capital assets, net	$ 135,129	$ 59,256	$ 42	($114,207)	$ 80,136

Depreciation expense charged to governmental activities - general government totaled $26 (amount expressed in thousands) for the year.

NOTE 7 - LONG-TERM OBLIGATIONS

Changes in long-term obligations (amounts expressed in thousands) for the year ended June 30, 2018 were as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amount Due Within One Year
Governmental activities:					
Compensated absences	$ 927	$ 686	$ 635	$ 978	$ 98

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

NOTE 8 - DEFINED BENEIT PENSION PLAN

A. Plan Description

Substantially all of CDB's full-time employees who are not eligible for participation in another State-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a single-employer defined benefit pension trust fund in the State of Illinois reporting entity. SERS is governed by article 14 of the Illinois Pension Code (40 ILCS 5/1, et seq.). The plan consists of two tiers of contribution requirements and benefit levels based on when an employee was hired. Members who first become an employee and participate under any of the State's retirement plans on or after January 1, 2011 are members of Tier 2, while Tier 1 consists of employees hired before January 1, 2011 or those who have service credit prior to January 1, 2011. The provisions below apply to both Tier 1 and 2 members, except where noted. SERS issues a separate CAFR available at www.srs.illinois.gov or that may be obtained by writing to SERS, 2101 South Veterans Parkway, Springfield, Illinois, 62794-9255.

B. Benefit Provisions

SERS provides retirement benefits based on the member's final average compensation and the number of years of credited service that have been established. The retirement benefit formula available to general State employees that are covered under the Federal Social Security Act is 1.67% for each year of covered service and 2.2% for each year of noncovered service. The maximum retirement annuity payable is 75% of final average compensation for regular employees and 80% for alternative formula employees. The minimum monthly retirement annuity payable is $15.00 for each year of covered service and $25.00 for each year of noncovered service.

Members in SERS under Tier 1 and Tier 2 receive the following levels of benefits based on the respective age and years of service credits.

Regular Formula Tier 1	**Regular Formula Tier 2**
A member must have a minimum of eight years of service credit and may retire at: • Age 60, with 8 years of service credit. • Any age, when the member's age (years & whole months) plus years of service credit (years & whole months) equal 85 years (1,020 months) (Rule of 85) with eight years of credited service. • Between ages 55-60 with 25-30 years	A member must have a minimum of 10 years of credited service and may retire at: • Age 67, with 10 years of credited service. • Between ages 62-67 with 10 years of credited service (reduced 1/2 of 1% for each month under age 67). The retirement benefit is based on final average compensation and credited service. For regular formula employees, final

of service credit (reduced 1/2 of 1% for each month under age 60). The retirement benefit is based on final average compensation and credited service. Final average compensation is the 48 highest consecutive months of service within the last 120 months of service. Under the Rule of 85, a member is eligible for the first 3% increase on January 1 following the first full year of retirement, even if the member is not age 60. If the member retires at age 60 or older, he/she will receive a 3% pension increase every year on January 1, following the first full year of retirement. If the member retires before age 60 with a reduced retirement benefit, he/she will receive a 3% pension increase every January 1 after the member turns age 60 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.	average compensation is the average of the 96 highest consecutive months of service within the last 120 months of service. The retirement benefit is calculated on a maximum salary of $106,800. This amount increases annually by 3% or one-half of the Consumer Price Index, whichever is less. If the member retires at age 67 or older, he/she will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, every year on January 1, following the first full year of retirement. The calendar year 2017 rate is $112,408. If the member retires before age 67 with a reduced retirement benefit, he/she will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, every January 1 after the member turns age 67 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.

Additionally, the Plan provides an alternative retirement formula for State employees in high-risk jobs, such as State policemen, fire fighters, and security employees. Employees qualifying for benefits under the alternative formula may retire at an earlier age depending on membership in Tier 1 or Tier 2. The retirement formula is 2.5% for each year of covered service and 3.0% for each year of non-covered service. The maximum retirement annuity payable is 80% of final average compensation as calculated under the alternative formula.

SERS also provides occupational and nonoccupational (including temporary) disability benefits. To be eligible for nonoccupational (including temporary) disability benefits, an employee must have at least eighteen months of credited service to the System. The nonoccupational (including temporary) disability benefit is equal to 50% of the monthly rate of compensation of the employee on the date of removal from the payroll. Occupational disability benefits are provided when the member becomes disabled as a direct result of injuries or diseases arising out of and in the course of State employment. The monthly benefit is equal to 75% of the monthly rate of compensation on the date of removal from the payroll. This benefit amount is reduced by Workers' Compensation or payments under the Occupational Diseases Act.

Occupational and nonoccupational death benefits are also available through the System. Certain nonoccupational death benefits vest after eighteen months of credited service. Occupational death benefits are provided from the date of employment.

C. Contributions

Contribution requirements of active employees and the State are established in accordance with Chapter 40, section 5/14-133 of the Illinois Compiled Statutes. Member contributions are based on fixed percentages of covered payroll ranging between 4.00% and 12.50%. Employee contributions are fully refundable, without interest, upon withdrawal from State employment. Tier 1 members contribute based on total annual compensation. Tier 2 members contribute based on an annual compensation rate not to exceed $107 (amount expressed in thousands) with limitations for future years increased by the lesser of 3% or one-half of the annual percentage increase in the Consumer Price Index. For 2018, this amount was $114 (amount expressed in thousands).

The State is required to make payment for the required departmental employer contributions, all allowances, annuities, any benefits granted under Chapter 40, Article 5/14 of the ILCS and all administrative expenses of the System to the extent specified in the ILCS. State law provides that the employer contribution rate be determined based upon the results of each annual actuarial valuation.

For fiscal year 2018, the required employer contributions were computed in accordance with the State's funding plan. This funding legislation provides for a systematic 50-year funding plan with an ultimate goal to achieve 90% funding of the plan's liabilities. In addition, the funding plan provided for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Since the 15-year phase-in period ended June 30, 2010, the State's contribution will remain at a level percentage of payroll for the next 35 years until the 90% funded level is achieved. For fiscal year 2018, the employer contribution rate was 47.342%. The CDB's contribution amount for fiscal year 2018 was $4,256 (amount expressed in thousands).

D. Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources and Expense Related to Pensions.

At June 30, 2018, the CDB reported a liability of $76,377 million for its proportionate share of the State's net pension liability for SERS on the statement of net position. The net pension liability was measured as of June 30, 2017 (current year measurement date), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The CDB's portion of the net pension liability was based on the CDB's proportion of employer contributions relative to all employer contributions made to the plan during the year ended June 30, 2017. As of the current year measurement date of June 30, 2017, the CDB's proportion was .2321%, which was a decrease of .0164% from its proportion measured as of the prior year measurement date of June 30, 2016.

For the year ended June 30, 2018, the CDB recognized pension expense of $8.258 million. At June 30, 2018, the CDB reported deferred outflows and deferred inflows of resources related to the pension liability as of the measurement date of June 30, 2018, from the following sources (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 45	$ 2,419
Changes of assumptions	7,878	1,592
Net difference between projected and actual investment earnings on pension plan investments	66	-
Changes in proportion	16,532	22,257
CDB contributions subsequent to the measurement date	4,337	-
Total	$ 28,858	$ 26,268

$28,858 reported as deferred outflows of resources related to pensions resulting from CDB contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows (amounts expressed in thousands):

Year ended June 30,	
2019	$ 565
2020	(346)
2021	(772)
2022	(1,194)
Total	$ (1,747)

E. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality: 105 percent of the RP 2014 Healthy Annuitant mortality table, sex distinct, with rates projected to 2015; generational mortality improvement factors were added.

Inflation: 2.75%

Investment Rate of Return: 7.00%, net of pension plan investment expense, including inflation.

Salary increases: Salary increase rates based on age related productivity and merit rates plus inflation.

Post-retirement benefit increases of 3.00%, compounded, for Tier 1 and the lesser of 3.00% or one-half of the annual increase in the Consumer Price Index for Tier 2.

Retirement Age: Experience-based table of rates specific to the type of eligibility condition. Table was last updated for the June 30, 2014, valuation pursuant to an experience study of the period July 1, 2009 to June 30, 2013.

The long-term expected real rate of return on pension plan investments was determined using the best estimates of geometrical rates of return for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation, calculated as of the measurement date of June 30, 2017, the best estimates of the geometric real rates of return as summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	5.50%
Developed Foreign Equity	13%	5.30%
Emerging Market Equity	8%	7.80%
Private Equity	7%	7.60%
Intermediate Investment Grade Bonds	14%	1.50%
Long-term Government Bonds	4%	1.80%
TIPS	4%	1.50%
High Yield and Bank Loans	5%	3.80%
Opportunistic Debt	8%	5.00%
Emerging Market Debt	2%	3.70%
Core Real Estate	5.5%	3.70%
Non-core Real Estate	4.5%	5.90%
Infrastructure	2%	5.80%
Total	**100%**	**4.70%**

F. Discount Rate

A discount rate of 6.78% was used to measure the total pension liability as of the measurement date of June 30, 2017, as compared to a discount rate of 6.64% used to measure the total pension liability as of the prior year measurement date. The June 30, 2017 single blended discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.56%, based on an index of 20 year general obligation bonds with an average AA credit rating as published by the Federal Reserve. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made based on the statutorily required rates under Illinois law. Based on these assumptions, the pension plan's fiduciary net position and future contributions will be sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The net pension liability for the plan was calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate as shown below (amounts expressed in thousands):

	1% Decrease 5.78%	Discount Rate 6.78%	1% Increase 7.78%
CDB's proportionate share of the net pension liability	$ 92,418	$ 76,377	$ 63,249

Payables to the pension plan. At June 30, 2018, the CDB reported a payable of $0 to SERS for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2018.

NOTE 9 - POST-EMPLOYMENT BENEFITS

A. Plan Description

The State Employees Group Insurance Act of 1971 (Act), as amended, authorizes the Illinois State Employees Group Insurance Program (SEGIP) to provide health, dental, vision, and life insurance benefits for certain retirees and their dependents. Substantially all of the CDB's full-time employees are members of SEGIP. Members receiving monthly benefits from the General Assembly Retirement System (GARS), Judges Retirement System (JRS), State Employees' Retirement System of Illinois (SERS), Teachers' Retirement System (TRS), and State Universities Retirement System of Illinois (SURS) are eligible for these other post-employment benefits (OPEB). The eligibility provisions for each of the retirement systems are defined within their financial statements. Certain TRS members eligible for coverage under SEGIP include: certified teachers employed by certain State agencies, executives employed by the Illinois State Board of Education, regional superintendents, regional assistant superintendents, TRS employees and members with certain reciprocal service.

The Department of Central Management Services administers these benefits for annuitants with the assistance of the public retirement systems sponsored by the State (GARS, JRS, SERS, TRS and SURS). The State recognizes SEGIP OPEB benefits as a single-employer defined benefit plan. The plan does not issue a stand-alone financial report.

B. Benefit Provisions

The health, dental, and vision benefits provided to and contribution amounts required from annuitants are the result of collective bargaining between the State and the various unions representing the State's and the university component units' employees in accordance with limitations established in the Act. Therefore, the benefits provided and contribution amounts are subject to periodic change. Coverage through SEGIP becomes secondary to Medicare after Medicare eligibility has been reached. Members must enroll in Medicare Parts A and B to receive the subsidized SEGIP premium available to Medicare eligible participants. The Act requires the State to provide life insurance benefits for annuitants equal to their annual salary as of the last day of employment until age 60, at which time, the benefit amount becomes $5,000.

C. Funding Policy and Annual OPEB Cost

OPEB offered through SEGIP are financed through a combination of retiree premiums, State contributions and Federal government subsidies from the Medicare Part D program. Contributions are deposited in the Health Insurance Reserve Fund, which covers both active State employees and retirement members. Annuitants may be required to contribute towards health and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute toward health and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health and vision benefits. All annuitants are required to pay for dental benefits regardless of retirement date. The Director of Central Management Services shall, on an annual basis, determine the amount the State shall contribute toward the basic program of group health benefits. State contributions are made primarily from the General Revenue Fund on a pay-as-you-go basis. No assets are accumulated or dedicated to funding the retiree health insurance benefit and a separate trust has not been established for the funding of OPEB.

For fiscal year 2018, the annual cost of the basic program of group health, dental, and vision benefits before the State's contribution was $10,926.24 ($6,145.92 if Medicare eligible) if the annuitant chose benefits provided by a health maintenance organization and $14,939.04 ($5,165.04 if Medicare eligible) if the annuitant chose other benefits. The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide the current benefits to retirees.

D. <u>OPEB Liability, Deferred Outflows of Resources, Deferred Inflows of Resources and Expense Related to OPEB.</u>

The total OPEB liability, as reported at June 30, 2018, was measured as of June 30, 2017, with an actuarial valuation as of June 30, 2016. At June 30, 2018, the CDB recorded a liability of $47.316 million for its proportionate share of the State's total OPEB liability. The CDB's portion of the OPEB liability was based on the CDB's proportion of employer contributions relative to all employer contributions made to the plan during the year ended June 30, 2017. As of the current year measurement date of June 30, 2017, the CDB's proportion was .1145%, which was a decrease of .0198% from its proportion measured as of the prior year measurement date of June 30, 2016.

The CDB recognized OPEB expense for the year ended June 30, 2018, of $791 thousand. At June 30, 2018, the CDB reported deferred outflows and deferred inflows of resources, as of the measurement date of June 30, 2017, from the following sources (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 15	$ -
Changes of assumptions	-	4,492
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,412	16,444
Department contributions subsequent to the measurement date	2,190	-
Total	$ 11,617	$ 20,936

The amounts reported as deferred outflows of resources related to OPEB resulting from CDB contributions subsequent to the measurement date will be recognized as a reduction to the OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts expressed in thousands):

Year ended June 30,		
2019	$	(2,587)
2020		(2,587)
2021		(2,587)
2022		(2,587)
2023		(1,161)
Total	$	(11,509)

E. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified. The actuarial valuation for the SEGIP was based on GARS, JRS, SERS, TRS, and SURS active, inactive, and retiree data as of June 30, 2016, for eligible SEGIP employees, and SEGIP retiree data as of June 30, 2016.

Valuation Date: June 30, 2016

Measurement Date: June 30, 2017

Actuarial Cost Method: Entry Age Normal

Inflation Rate: 2.75%

Projected Salary Increases: 3.00% to 15.00%, dependent upon service and participation in the respective retirement systems. Includes inflation rate listed.

Discount Rate: 3.56%

Healthcare Cost Trend Rate:

Medical (Pre-Medicare) – 8.0% grading down 0.5% in the first year to 7.5%, then grading down to 0.01% in the second year to 7.49%, followed by grading down of 0.5% per year over 5 years to 4.99% in year 7.

Medical (Post-Medicare) – 9.0% grading down 0.5% per year over 9 years to 4.5%

Dental – 7.5% grading down 05.% per year over 6 years to 4.5%

Vision – 3.00%

Retirees' share of benefit related costs: Healthcare premium rates for members depend on the date of retirement and the years of service earned at retirement. Members who retired before January 1, 1998, are eligible for single coverage at no cost to the member. Members who retire after January 1, 1998, are eligible for single coverage provided they pay a portion of the premium equal to 5 percent for each year of service under 20 years. Eligible dependents receive coverage provided they pay 100 percent of the required dependent premium. Premiums for plan year 2017 and 2018 are based on actual premiums. Premiums after 2018 were projected based on the same healthcare cost trend rates applied to per capita claim costs but excluding the additional trend rate that estimates the impact of the Excise Tax.

Additionally, the demographic assumptions used in the OPEB valuation are identical to those used in the June 30, 2016 valuations for GARS, JRS, SERS, TRS, and SURS as follows:

	Retirement age experience study^	**Mortality^^**
GARS	July 2012 - June 2015	RP-2014 White Collar Total Healthy Annuitant mortality table, sex distinct, set forward 1 year for males and set back 1 year for females and generational mortality improvements using MP-2014 two-dimensional mortality improvement scales
JRS	July 2012 - June 2015	RP-2014 White Collar Total Healthy Annuitant mortality table, sex distinct, set forward 1 year for males and set back 1 year for females and generational mortality improvements using MP-2014 two-dimensional mortality improvement scales
SERS	July 2009 - June 2013	105 percent of the RP 2014 Healthy Annuitant mortality table, sex distinct, with rates projected to 2015; generational mortality improvement factors were added
TRS	July 2011 - June 2014	RP-2014 with future mortality improvements on a fully generational basis using projection table MP-2014
SURS	July 2010 - June 2014	RP-2014 White Collar, gender distinct, projected using MP-2014 two dimensional mortality improvement scale, set forward one year for male and female annuitants

^ The actuarial assumptions used in the respective actuarial valuations are based on the results of actuarial experience studies for the periods defined. A modified experience review was completed for SERS for the 3-year period ending June 30, 2015. Changes were made to the assumptions regarding investment rate of return, projected salary increases, inflation rate, and mortality based on this review. All other assumptions remained unchanged.

^^ Mortality rates are based on mortality tables published by the Society of Actuaries' Retirement Plans Experience Committee.

F. Discount Rate

Retirees contribute a percentage of the premium rate based on service at retirement. The State contributes additional amounts to cover claims and expenses in excess of retiree contributions. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 2.85% at June 30, 2016, and 3.56% at June 30, 2017, was used to measure the total OPEB liability.

G. Sensitivity of Total OPEB Liability to Changes in the Single Discount Rate

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.56%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.56%) or lower (2.56%) than the current rate (amounts expressed in thousands):

	1% Decrease (2.56%)	Current Single Discount Rate Assumption (3.56%)	1% Increase (4.56%)
CDB's proportionate share of total OPEB liability	$ 53,679	$ 47,316	$ 40,988

H. Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the plan's total OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates (amounts in table expressed in thousands). The key trend rates are 8.0% in 2018 decreasing to an ultimate trend rate of 4.99% in 2025, for non-Medicare coverage, and 9.0% decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

	1% Decrease	Current Healthcare Cost Trend Rates Assumption	1% Increase
CDB's proportionate share of total OPEB liability	$ 40,431	$ 47,316	$ 53,000

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 2018 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, 2018. 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 $198 (amount expressed in thousands) for the year ended June 30, 2018.

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 $167.1 million at June 30, 2018.

Components of Construction in Progress

As of June 30, 2018
(Expressed in Thousands)

Project	Project Authorization	Expended Through June 30	Committed at June 30	Available Authorization
Chicago Veterans' Home - Cook County	$ 92,374	$ 22,614	$ 63,911	$ 5,849
Lincoln's Challenge Academy - Military Affairs Rantoul	48,999	39,353	2,923	6,723
Construct Army Aviation Support Facility-Kankakee	154,103	1,763	2,236	150,104
Others (less than $10,000)	89,158	18,502	29,507	41,149
Total	$ 384,634	$ 82,232	$ 98,577	$ 203,825

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.

NOTE 12 - RESTATEMENT

Net position as of July 1, 2017, has been restated as follows for the implementation of GASB Statement No. 75, which replaces the requirements of GASB Statement No. 45.

Net Position as previously reported at June 30, 2017	$ 93,124
Prior period adjustment:	
Net OPEB Liability (measurement date as of June 30, 2016)	(58,420)
Deferred outflows (CDB contributions made during fiscal year 2017)	1,179
Total prior period adjustment	(57,241)
Net position as restated, July 1, 2017	$ 35,883

SUPPLEMENTARY INFORMATION

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2018
(Expressed in Thousands)

	General Revenue 001	School Infrastructure 568	Total (Memorandum Only)
ASSETS			
Unexpended appropriations	$ -	$ 1,106	$ 1,106
TOTAL ASSETS	$ -	$ 1,106	$ 1,106
LIABILITIES			
Accounts payable and accrued liabilities	$ -	$ 1,106	$ 1,106
Total liabilities	-	1,106	1,106
FUND BALANCES			
Restricted	-	-	-
Committed	-	-	-
Unassigned	-	-	-
Total fund balances	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 1,106	$ 1,106

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018
(Expressed in Thousands)

	General Revenue 001	School Infrastructure 568	Total (Memorandum Only)
REVENUES			
Total revenues	$ -	$ -	$ -
EXPENDITURES			
Education	-	13,272	13,272
General government	-	-	-
Total expenditures	-	13,272	13,272
Deficiency of revenues over expenditures	-	(13,272)	(13,272)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Appropriations from State resources	-	100,600	100,600
Lapsed appropriations	-	(87,328)	(87,328)
Net other sources of financial resources	-	13,272	13,272
Net change in fund balances	-	-	-
FUND BALANCES, JULY 1, 2017	-	-	-
FUND BALANCES, JUNE 30, 2018	$ -	$ -	$ -

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018
(Expressed in Thousands)

	Special Revenue	Capital Projects	Total (Memorandum Only)
ASSETS			
Unexpended appropriations	$ -	$ 33,219	$ 33,219
Cash equity with State Treasurer	5,749	14,947	20,696
Cash and cash equivalents	-	5,590	5,590
Intergovernmental receivables, net	-	496	496
Other receivables, net	1,601	-	1,601
Due from other State funds	-	3,617	3,617
TOTAL ASSETS	$ 7,350	$ 57,869	$ 65,219
LIABILITIES			
Accounts payable and accrued liabilities	$ 11	$ 40,973	$ 40,984
Intergovernmental payables	-	29	29
Due to other State funds	2	988	990
Unearned revenue	-	1,320	1,320
Total liabilities	13	43,310	43,323
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	1,343	-	1,343
Total deferred inflows of resources	1,343	-	1,343
FUND BALANCES			
Restricted	-	2,225	2,225
Committed	5,994	12,334	18,328
Unassigned	-	-	-
Total fund balances	5,994	14,559	20,553
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 7,350	$ 57,869	$ 65,219

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, 2018
(Expressed in Thousands)

	Special Revenue	Capital Projects	Total (Memorandum Only)
REVENUES			
Federal capital grants	$ -	$ 8,339	$ 8,339
Licenses and fees	1,477	-	1,477
Other charges for services	87	209	296
Total revenues	1,564	8,548	10,112
EXPENDITURES			
Education	(535)	67,347	66,812
General government	297	22,710	23,007
Capital outlays	512	58,770	59,282
Total expenditures	274	148,827	149,101
Excess (deficiency) of revenues over (under) expenditures	1,290	(140,279)	(138,989)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Appropriations from State resources	-	1,052,562	1,052,562
Reappropriation to future year(s)	-	(865,326)	(865,326)
Lapsed appropriations	-	(48,014)	(48,014)
Receipts collected and transmitted to State Treasury	-	(1,373)	(1,373)
Net change in liabilities for reappropriated accounts	-	(6,608)	(6,608)
Net other sources of financial resources	-	131,241	131,241
Net change in fund balances	1,290	(9,038)	(7,748)
FUND BALANCES, JULY 1, 2017	4,704	23,597	28,301
FUND BALANCES, JUNE 30, 2018	$ 5,994	$ 14,559	$ 20,553

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMBINING BALANCE SHEETS
SPECIAL REVENUE FUNDS
JUNE 30, 2018
(Expressed in Thousands)

	CDB Special Projects 170	CDB Revolving 215	Asbestos Abatement 224	Total (Memorandum Only)
ASSETS				
Cash equity with State Treasurer	$ 86	$ 5,663	$ -	$ 5,749
Other receivables, net	-	1,601	-	1,601
TOTAL ASSETS	$ 86	$ 7,264	$ -	$ 7,350
LIABILITIES				
Accounts payable and accrued liabilities	$ -	$ 11	$ -	$ 11
Due to other State funds	-	2	-	2
Total liabilities	-	13	-	13
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	1,343	-	1,343
Total deferred inflows of resources	-	1,343	-	1,343
FUND BALANCES				
Restricted	$ -	$ -	$ -	$ -
Committed	86	5,908	-	5,994
Unassigned	-	-	-	-
Total fund balances	86	5,908	-	5,994
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 86	$ 7,264	$ -	$ 7,350

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, 2018
(Expressed in Thousands)

	CDB Special Projects 170	CDB Revolving 215	Asbestos Abatement 224	Total (Memorandum Only)
REVENUES				
Licenses and fees	$ -	$ 1,477	$ -	$ 1,477
Other charges for services	87	-	-	87
Total revenues	87	1,477	-	1,564
EXPENDITURES				
Education	(535)	-	-	(535)
General government	-	297	-	297
Capital outlays	512	-	-	512
Total expenditures	(23)	297	-	274
Excess of revenues over expenditures	110	1,180	-	1,290
Net change in fund balances	110	1,180	-	1,290
FUND BALANCES, JULY 1, 2017	(24)	4,728	-	4,704
FUND BALANCES, JUNE 30, 2018	$ 86	$ 5,908	$ -	$ 5,994

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMBINING BALANCE SHEETS
CAPITAL PROJECTS FUNDS
JUNE 30, 2018
(Expressed in Thousands)

	Capital Development 141	School Construction 143	CDB Contributory Trust 617	Build Illinois Bond 971	Total (Memorandum Only)
ASSETS					
Unexpended appropriations	$ 32,945	$ 29	$ -	$ 245	$ 33,219
Cash equity with State Treasurer	-	-	14,947	-	14,947
Cash and cash equivalents	5,590	-	-	-	5,590
Intergovernmental receivables, net	-	-	496	-	496
Due from other State funds	2,255	-	1,145	217	3,617
TOTAL ASSETS	$ 40,790	$ 29	$ 16,588	$ 462	$ 57,869
LIABILITIES					
Accounts payable and accrued liabilities	$ 38,714	$ -	$ 2,014	$ 245	$ 40,973
Intergovernmental payables	-	29	-	-	29
Due to other State funds	68	-	920	-	988
Unearned revenue	-	-	1,320	-	1,320
Total liabilities	38,782	29	4,254	245	43,310
FUND BALANCES					
Restricted	2,008	-	-	217	2,225
Committed	-	-	12,334	-	12,334
Total fund balances	2,008	-	12,334	217	14,559
TOTAL LIABILITIES AND FUND BALANCES	$ 40,790	$ 29	$ 16,588	$ 462	$ 57,869

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, 2018
(Expressed in Thousands)

	Capital Development 141	School Construction 143	CDB Contributory Trust 617	Build Illinois Bond 971	Total (Memorandum Only)
REVENUES					
Federal capital grants	$ -	$ -	$ 8,339	$ -	$ 8,339
Other charges for services	-	-	209	-	209
Total revenues	-	-	8,548	-	8,548
EXPENDITURES					
Education	64,477	2,157	213	500	67,347
General government	22,710	-	-	-	22,710
Capital outlays	48,565	-	8,382	1,823	58,770
Total expenditures	135,752	2,157	8,595	2,323	148,827
Deficiency of revenues over expenditures	(135,752)	(2,157)	(47)	(2,323)	(140,279)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
Appropriations from State resources	794,822	252,690	-	5,050	1,052,562
Reappropriation to future year(s)	(611,295)	(250,563)	-	(3,468)	(865,326)
Lapsed appropriations	(48,015)	1	-	-	(48,014)
Receipts collected and transmitted to State Treasury	(1,367)	-	-	(6)	(1,373)
Net change in liabilities for reappropriated accounts	(6,865)	29	-	228	(6,608)
Net other sources of financial resources	127,280	2,157	-	1,804	131,241
Net change in fund balances	(8,472)	-	(47)	(519)	(9,038)
FUND BALANCES, JULY 1, 2017	10,480	-	12,381	736	23,597
FUND BALANCES, JUNE 30, 2018	$ 2,008	$ -	$ 12,334	$ 217	$ 14,559

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
  Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller

- Analysis of Operations (Unaudited)

  Agency Functions and Planning Program (Unaudited)
  Summary of Operations (Unaudited)
  Administrative Expenditures (Unaudited)
  Analysis of Significant Variations in Expenditures (Unaudited)
  Analysis of Significant Variations in Receipts (Unaudited)
  Analysis of Significant Lapse Period Spending (Unaudited)
  Analysis of Significant Account Balances (Unaudited)
  Analysis of Loans and Various Accounts Receivable (Unaudited)
  Budget Impasse Disclosures (Unaudited)
  Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Unaudited)

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY (Continued)

- Analysis of Operations (Unaudited)

  Interest Costs on Invoices (Unaudited)
  Average Number of Employees (Unaudited)
  Emergency Purchases (Unaudited)
  Change Orders by Reason (Unaudited)
  Performance Indicators (Unaudited)
  Service Efforts and Accomplishments (Unaudited)

The Independent Auditor's Report that covers the Supplementary Information for State Compliance Purposes, Schedules 1 through 16, 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 Independent Auditor's 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.

SCHEDULE 1

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT FUND - 141
APPROPRIATIONS FOR FISCAL YEAR 2018

FIFTEEN MONTHS ENDED SEPTEMBER 30, 2018

	Appropriations Net After Transfers	Expenditures Through June 30, 2018	Lapse Period Expenditures July 1, 2018 Through September 30, 2018	Total Expenditures	Balances Lapsed
PUBLIC ACT 100-0021					
For general office operations:					
Personal services	$ 11,500,000	$ 9,038,232	$ -	$ 9,038,232	$ 2,461,768
Employee retirement contributions	6,211,500	4,287,745	-	4,287,745	1,923,755
State contribution to Social Security	862,500	662,897	-	662,897	199,603
Group insurance	3,336,000	2,189,854	-	2,189,854	1,146,146
Contractual services	462,500	368,553	24,700	393,253	69,247
Travel	152,700	61,603	20,129	81,732	70,968
Commodities	25,900	11,708	26	11,734	14,166
Printing	14,500	3,305	-	3,305	11,195
Equipment	10,000	2,746	-	2,746	7,254
Electronic data processing	282,100	79,795	115,542	195,337	86,763
Telecommunications	163,600	33,434	-	33,434	130,166
Operation of auto equipment	18,500	6,716	1,350	8,066	10,434
Facilities conditions assessments and analysis	1,268,500	32,769	-	32,769	1,235,731
Project management tracking	1,000,000	814,606	-	814,606	185,394
Operational expenses	727,000	215,012	49,659	264,671	462,329
TOTAL ADMINISTRATIVE ACTIVITIES	$ 26,035,300	$ 17,808,975	$ 211,406	$ 18,020,381	$ 8,014,919

Notes:
1. Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to the vendor.
3. Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller after September.
4. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
5. 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
APPROPRIATIONS FOR FISCAL YEAR 2017

FIFTEEN MONTHS ENDED SEPTEMBER 30, 2017

	Appropriations Net After Transfers	Expenditures Through June 30, 2017	Lapse Period Expenditures July 1, 2017 Through September 30, 2017	Total Expenditures	Balances Lapsed
PUBLIC ACT 99-0524					
For general office operations:					
Personal services	$ 12,293,500	$ 9,531,724	$ -	$ 9,531,724	$ 2,761,776
Employee retirement contributions	5,479,000	4,252,122	-	4,252,122	1,226,878
State contribution to Social Security	909,800	699,478	-	699,478	210,322
Group insurance	3,127,500	2,622,069	-	2,622,069	505,431
Contractual services	462,500	391,341	48,970	440,311	22,189
Travel	152,700	82,294	11,312	93,606	59,094
Commodities	25,900	19,634	422	20,056	5,844
Printing	14,500	10,765	-	10,765	3,735
Equipment	10,000	4,069	721	4,790	5,210
Electronic data processing	434,700	220,175	6,542	226,717	207,983
Telecommunications	163,600	85,759	46,034	131,793	31,807
Operation of auto equipment	18,500	3,636	42	3,678	14,822
Facilities conditions assessments and analysis	1,500,000	-	-	-	1,500,000
Project management tracking	1,500,000	498,482	-	498,482	1,001,518
Operational expenses	727,000	5,869	5,626	11,495	715,505
TOTAL ADMINISTRATIVE ACTIVITIES	$ 26,819,200	$ 18,427,417	$ 119,669	$ 18,547,086	$ 8,272,114

Notes:
1. Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
3. Public Act 99-0524 authorized the CDB to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices held by the CDB to be submitted against its Fiscal Year 2017 appropriation.
4. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
5. 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
APPROPRIATIONS FOR FISCAL YEAR 2018

FIFTEEN MONTHS ENDED SEPTEMBER 30, 2018

	Appropriations Net After Transfers	Expenditures Through June 30, 2018	Lapse Period Expenditures July 1, 2018 Through September 30, 2018	Total Expenditures	Balances Lapsed
PUBLIC ACT 100-0021					
For general office operations:					
Operational expenses	$ 2,000,000	$ 259,099	$ 12,631	$ 271,730	$ 1,728,270
TOTAL ADMINISTRATIVE ACTIVITIES	$ 2,000,000	$ 259,099	$ 12,631	$ 271,730	$ 1,728,270

Notes:
1. Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to the vendor.
3. Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller after September.
4. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
5. 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
APPROPRIATIONS FOR FISCAL YEAR 2017

FIFTEEN MONTHS ENDED SEPTEMBER 30, 2017

	Appropriations Net After Transfers	Expenditures Through June 30, 2017	Lapse Period Expenditures July 1, 2017 Through September 30, 2017	Total Expenditures	Balances Lapsed
PUBLIC ACT 99-0524					
For general office operations:					
Operational expenses	$ 2,000,000	$ 21,147	$ -	$ 21,147	$ 1,978,853
TOTAL ADMINISTRATIVE ACTIVITIES	$ 2,000,000	$ 21,147	$ -	$ 21,147	$ 1,978,853

Notes:
1. Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
3. Public Act 99-0524 authorized the CDB to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices held by the CDB to be submitted against its Fiscal Year 2017 appropriation.
4. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
5. 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
APPROPRIATIONS FOR FISCAL YEAR 2018

FIFTEEN MONTHS ENDED SEPTEMBER 30, 2018

	Appropriations Net After Transfers	Expenditures Through June 30, 2018	Lapse Period Expenditures July 1, 2018 Through September 30, 2018	Total Expenditures	Balances Lapsed
PUBLIC ACT 100-0021					
For general office operations:					
Lump Sum, Operations	$ 600,000	$ -	$ -	$ -	$ 600,000
TOTAL ADMINISTRATIVE ACTIVITIES	$ 600,000	$ -	$ -	$ -	$ 600,000

Notes:
1. Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
3. Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller after September.
4. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
5. 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 2017

FIFTEEN MONTHS ENDED SEPTEMBER 30, 2017

	Appropriations Net After Transfers	Expenditures Through June 30, 2017	Lapse Period Expenditures July 1, 2017 Through September 30, 2017	Total Expenditures	Balances Lapsed
PUBLIC ACT 99-0524					
For general office operations:					
Lump Sum, Operations	$ 600,000	$ 9,300	$ -	$ 9,300	$ 590,700
TOTAL ADMINISTRATIVE ACTIVITIES	$ 600,000	$ 9,300	$ -	$ 9,300	$ 590,700

Notes:
1. Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
3. Public Act 99-0524 authorized the CDB to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices held by the CDB to be submitted against its Fiscal Year 2017 appropriation.
4. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
5. 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
APPROPRIATIONS FOR FISCAL YEAR 2018

	Appropriations Net After Transfers	Expenditures Through June 30, 2018	Lapse Period Expenditures July 1, 2018 Through September 30, 2018	Total Expenditures	Balances Reappropriated	Balances Lapsed
PUBLIC ACT 100-0021						
Administration - Appropriated Funds						
Capital Development Fund - 141	$ 26,035,300	$ 17,808,975	$ 211,406	$ 18,020,381	$ -	$ 8,014,919
Capital Development Board Revolving Fund - 215	2,000,000	259,099	12,631	271,730	-	1,728,270
School Infrastructure Fund - 568	600,000	-	-	-	-	600,000
Total Administration - Appropriated Funds	28,635,300	18,068,074	224,037	18,292,111	-	10,343,189
Construction - Appropriated Funds						
Capital Development Fund - 141	768,787,183	117,491,878	-	117,491,878	611,295,330	39,999,975
School Construction Fund - 143	252,690,195	2,127,544	-	2,127,544	250,562,651	-
Build Illinois Bond Fund - 971	5,049,902	1,582,261	-	1,582,261	3,467,641	-
Total Construction - Appropriated Funds	1,026,527,280	121,201,683	-	121,201,683	865,325,622	39,999,975
TOTAL - ALL FUNDS	$ 1,055,162,580	$ 139,269,757	$ 224,037	$ 139,493,794	$ 865,325,622	$ 50,343,164

Notes:
1. Appropriations, reappropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and have been reconciled to CDB records.
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3. Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller after September.
4. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
5. 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
APPROPRIATIONS FOR FISCAL YEAR 2017

	Appropriations Net of Transfers	Expenditures Through June 30, 2017	Lapse Period Expenditures July 1, 2017 Through September 30, 2017	Total Expenditures	Balances Reappropriated	Balances Lapsed
PUBLIC ACT 99-0524						
Administration - Appropriated Funds						
Capital Development Fund - 141	$ 26,819,200	$ 18,427,417	$ 119,669	$ 18,547,086	$ -	$ 8,272,114
Capital Development Board Revolving Fund - 215	2,000,000	21,147	-	21,147	-	1,978,853
School Infrastructure Fund - 568	600,000	9,300	-	9,300	-	590,700
Total Administration - Appropriated Funds	29,419,200	18,457,864	119,669	18,577,533	-	10,841,667
Construction - Appropriated Funds						
Capital Development Fund - 141	473,080,961	79,854,826	2,441,097	82,295,923	390,785,038	-
School Construction Fund - 143	311,027,837	57,482,806	854,836	58,337,642	252,690,195	-
Build Illinois Bond Fund - 971	2,049,902	-	-	-	2,049,902	-
Total Construction - Appropriated Funds	786,158,700	137,337,632	3,295,933	140,633,565	645,525,135	-
TOTAL - ALL APPROPRIATED FUNDS	$ 815,577,900	$ 155,795,496	$ 3,415,602	$ 159,211,098	$ 645,525,135	$ 10,841,667

Notes:

1. Appropriations, reappropriatons, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
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4. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
5. 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
APPROPRIATIONS FOR FISCAL YEAR 2018

	Appropriations Net After Transfers	Reappropriations	Expenditures Through June 30, 2018	Lapse Period Expenditures July 1, 2018 Through September 30, 2018	Total Expenditures	Balances Reappropriated	Balances Lapsed
PUBLIC ACT 100-0021							
Appropriated Funds:							
Capital Development Board	$ 237,133,402	$ 35,695,715	$ 17,726,292	$ -	$ 17,726,292	$ 215,102,850	$ 39,999,975
Department of Central Management Services	162,614	930,010	132,115	-	132,115	960,509	-
Department of Agriculture	-	14,000	-	-	-	14,000	-
Chicago State University	-	10,597,537	326,173	-	326,173	10,271,364	-
Eastern Illinois University	4,827,172	-	-	-	-	4,827,172	-
Northeastern Illinois University	-	1,087,263	783,000	-	783,000	304,263	-
Department of Natural Resources	1,750,000	863,090	46,795	-	46,795	2,566,295	-
Department of Juvenile Justice	-	11,727,645	1,803,886	-	1,803,886	9,923,759	-
Department of Corrections	3,000,000	93,239,735	12,184,594	-	12,184,594	84,055,141	-
Department of Corrections, New Facilities	-	28,530,945	7,868,971	-	7,868,971	20,661,974	-
Abraham Lincoln Presidential Library and Museum	-	1,774,902	335,617	-	335,617	1,439,285	-
Department of Human Services	-	22,431,667	4,122,612	-	4,122,612	18,309,055	-
Northern Illinois University	1,000,000	9,758,149	7,778,787	-	7,778,787	2,979,362	-
Southern Illinois University	-	13,757,589	6,902,906	-	6,902,906	6,854,683	-
Department of Military Affairs	-	24,232,191	12,077,315	-	12,077,315	12,154,876	-
Mathematics and Science Academy	-	800,745	157,218	-	157,218	643,527	-
University of Illinois	2,000,000	38,493,451	13,796,767	-	13,796,767	26,696,684	-
Illinois Community College Board	131,128,957	22,467,412	28,188,666	-	28,188,666	125,407,703	-
Department of Revenue	-	3,109,930	1,348,671	-	1,348,671	1,761,259	-
Department of State Police	-	175,000	105,543	-	105,543	69,457	-
Department of Veteran's Affairs	-	73,147,964	3,388,211	-	3,388,211	69,759,753	-
School Construction Program	-	252,690,195	2,127,544	-	2,127,544	250,562,651	-
Total Construction - Appropriated Funds	$ 381,002,145	$ 645,525,135	121,201,683	-	121,201,683	$ 865,325,622	$ 39,999,975
Non-appropriated Funds:							
CDB Special Projects Fund - 170			511,758	-	511,758		
School Infrastructure Fund - 568			12,166,000	1,106,000	13,272,000		
CDB Contributory Trust Fund - 617			15,847,298	-	15,847,298		
Total Construction - Non-Appropriated Funds			28,525,056	1,106,000	29,631,056		
TOTAL CONSTRUCTION ACTIVITIES BY AGENCY			$ 149,726,739	$ 1,106,000	$ 150,832,739		

Notes:
1. Appropriations, reappropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
3. Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller after September.
4. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
5. 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
APPROPRIATIONS FOR FISCAL YEAR 2017

	Appropriations	Reappropriations	Expenditures Through June 30, 2017	Lapse Period Expenditures July 1, 2017 Through September 30, 2017	Total Expenditures	Balances Reappropriated	Balances Lapsed
PUBLIC ACT 99-0524							
Appropriated Funds:							
Capital Development Board	$ 40,000,000	$ -	$ 3,408,103	$ 896,182	$ 4,304,285	$ 35,695,715	$ -
Department of Central Management Services	1,030,465	-	100,455	-	100,455	930,010	-
Department of Agriculture	14,000	-	-	-	-	14,000	-
Chicago State University	10,600,000	-	2,463	-	2,463	10,597,537	-
Northeastern Illinois University	1,232,250	-	144,987	-	144,987	1,087,263	-
Department of Natural Resources	964,320	-	101,230	-	101,230	863,090	-
Department of Juvenile Justice	12,422,753	-	695,108	-	695,108	11,727,645	-
Department of Corrections	27,813,597	71,317,936	5,874,733	17,065	5,891,798	93,239,735	-
Department of Corrections, New Facilities	33,640,172	-	5,109,227	-	5,109,227	28,530,945	-
Abraham Lincoln Presidential Library and Museum	1,774,902	-	-	-	-	1,774,902	-
Department of Human Services	23,981,576	-	1,379,843	170,066	1,549,909	22,431,667	-
Northern Illinois University	15,563,473	-	5,805,324	-	5,805,324	9,758,149	-
Southern Illinois University	26,102,733	-	12,345,144	-	12,345,144	13,757,589	-
Department of Military Affairs	39,488,347	-	14,880,207	375,949	15,256,156	24,232,191	-
Mathematics and Science Academy	-	2,568,668	1,767,923	-	1,767,923	800,745	-
University of Illinois	52,985,747	-	14,105,977	386,319	14,492,296	38,493,451	-
Illinois Community College Board	33,758,926	-	11,229,883	61,631	11,291,514	22,467,412	-
Department of Revenue	3,195,998	-	86,068	-	86,068	3,109,930	-
Department of State Police	175,000	-	-	-	-	175,000	-
Department of Veteran's Affairs	76,500,000	-	2,818,151	533,885	3,352,036	73,147,964	-
School Construction Program	311,027,837	-	57,482,806	854,836	58,337,642	252,690,195	-
Total Construction - Appropriated Funds	$ 712,272,096	$ 73,886,604	137,337,632	3,295,933	140,633,565	$ 645,525,135	$ -
Non-appropriated Funds:							
CDB Special Projects Fund - 170			123,028	-	123,028		
School Infrastructure Fund - 568			13,272,000	-	13,272,000		
CDB Contributory Trust Fund - 617			51,665,173	43,129	51,708,302		
Total Construction - Non-Appropriated Funds			65,060,201	43,129	65,103,330		
TOTAL CONSTRUCTION ACTIVITIES BY AGENCY			$ 202,397,833	$ 3,339,062	$ 205,736,895		

Notes:
1. Appropriations, reappropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
3. Public Act 99-0524 authorized the CDB to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices held by the CDB to be submitted against its Fiscal Year 2017 appropriation.
4. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
5. Balances lapsed represents lapsed appropriations less reappropriations to subsequent fiscal years for the CDB.

SCHEDULE 11

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT FUND - 141
FOR THE FISCAL YEARS ENDED JUNE 30, 2018, 2017, AND 2016

	Fiscal Year		
	2018	2017	2016
	PA 100-0021	PA 99-0524	PA 99-0524 AND COURT-ORDERED EXPENDITURES
APPROPRIATIONS (Net After Transfers)	$ 26,035,300	$ 26,819,200	$ 17,694,600
EXPENDITURES			
Personal services	9,038,232	9,531,724	6,693,394
Employee retirement contributions	4,287,745	4,252,122	3,059,246
State contribution to Social Security	662,897	699,478	491,449
Group insurance	2,189,854	2,622,069	1,829,665
Contractual services	393,253	440,311	170,161
Travel	81,732	93,606	-
Commodities	11,734	20,056	336
Printing	3,305	10,765	-
Equipment	2,746	4,790	-
Electronic data processing	195,337	226,717	-
Telecommunications	33,434	131,793	67,010
Operation of auto equipment	8,066	3,678	8,906
Facilities conditions assessments and analysis	32,769	-	-
Project management tracking	814,606	498,482	-
Operational expenses	264,671	11,495	355,944
Total expenditures	18,020,381	18,547,086	12,676,111
LAPSED BALANCES	$ 8,014,919	$ 8,272,114	$ 5,018,489

Notes:

1. Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records, as of September 30, 2018, September 30, 2017, and September 30, 2016, which have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to the vendor.
3. Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller after September.
4. During Fiscal Year 2016, the CDB operated without enacted appropriations until Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in AFSCME Council 31 v. Munger (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to “draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the CDB's court-ordered payroll payments were merged into the enacted appropriation within Fund 141, Fund 215, and Fund 568. Further, the CDB incurred non-payroll obligations within Fund 141 and Fund 215, which the CDB was unable to pay until the passage of Public Act 99-0524.
5. Public Act 99-0524 authorized the CDB to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices held by the CDB to be submitted against its Fiscal Year 2017 appropriation.
6. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
7. 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.

SCHEDULE 12

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT BOARD REVOLVING FUND - 215
FOR THE FISCAL YEARS ENDED JUNE 30, 2018, 2017, AND 2016

	Fiscal Year		
	2018	2017	2016
	PA 100-0021	PA 99-0524	PA 99-0524 AND COURT-ORDERED EXPENDITURES
APPROPRIATIONS (Net After Transfers)	$ 2,000,000	$ 2,000,000	$ 9,132,300
EXPENDITURES			
Personal services	-	-	3,246,154
Employee retirement contributions	-	-	1,482,614
State contribution to Social Security	-	-	238,992
Group insurance	-	-	875,031
Contractual services	-	-	194,144
Travel	-	-	70,995
Commodities	-	-	11,501
Printing	-	-	555
Equipment	-	-	2,815
Electronic data processing	-	-	135,581
Telecommunications	-	-	66,189
Operational expenses	271,730	21,147	42,951
Total expenditures	271,730	21,147	6,367,522
LAPSED BALANCES	$ 1,728,270	$ 1,978,853	$ 2,764,778

Notes

1. Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records, as of September 30, 2018, September 30, 2017, and September 30, 2016, which have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to the vendor.
3. Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller after September.
4. During Fiscal Year 2016, the CDB operated without enacted appropriations until Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in AFSCME Council 31 v. Munger (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to “draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the CDB's court-ordered payroll payments were merged into the enacted appropriation within Fund 141, Fund 215, and Fund 568. Further, the CDB incurred non-payroll obligations within Fund 141 and Fund 215, which the CDB was unable to pay until the passage of Public Act 99-0524.
5. Public Act 99-0524 authorized the CDB to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices held by the CDB to be submitted against its Fiscal Year 2017 appropriation.
6. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
7. 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.

SCHEDULE 13

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - SCHOOL INFRASTRUCTURE FUND - 568
FOR THE FISCAL YEARS ENDED JUNE 30, 2018, 2017, AND 2016

	Fiscal Year		
	2018	**2017**	**2016**
	PA 100-0021	**PA 99-0524**	**PA 99-0524 AND COURT-ORDERED EXPENDITURES**
APPROPRIATIONS (Net After Transfers)	$ 600,000	$ 600,000	$ 623,500
EXPENDITURES			
Lump Sum, Operations	-	9,300	613,379
Total expenditures	-	9,300	613,379
LAPSED BALANCES	$ 600,000	$ 590,700	$ 10,121

Notes

1. Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records, as of September 30, 2018, September 30, 2017, and September 30, 2016, which have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to the vendor.
3. Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller after September.
4. During Fiscal Year 2016, the CDB operated without enacted appropriations until Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in AFSCME Council 31 v. Munger (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the CDB's court-ordered payroll payments were merged into the enacted appropriation within Fund 141, Fund 215, and Fund 568. Further, the CDB incurred non-payroll obligations within Fund 141 and Fund 215, which the CDB was unable to pay until the passage of Public Act 99-0524.
5. Public Act 99-0524 authorized the CDB to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices held by the CDB to be submitted against its Fiscal Year 2017 appropriation.
6. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
7. 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
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
REAPPROPRIATIONS, AND EXPENDITURES
CONSTRUCTION ACTIVITIES BY FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018, 2017, AND 2016

	Fiscal Year		
	2018	**2017**	**2016**
	PA 100-0021	**PA 99-0524**	**PA 99-0524 AND COURT-ORDERED EXPENDITURES**
CAPITAL DEVELOPMENT FUND - 141			
Appropriations and Reappropriations	$ 768,787,183	$ 473,080,961	$ 91,730,051
Expenditures	$ 117,491,878	$ 82,295,923	$ 17,843,447
SCHOOL CONSTRUCTION FUND - 143			
Appropriations and Reappropriations	$ 252,690,195	$ 311,027,837	$ -
Expenditures	$ 2,127,544	$ 58,337,642	$ -
CDB SPECIAL PROJECTS FUND - 170			
Appropriations and Reappropriations	$ -	$ -	$ -
Expenditures	$ 511,758	$ 123,028	$ 6,958,079
SCHOOL INFRASTRUCTURE FUND - 568			
Appropriations and Reappropriations	$ -	$ -	$ -
Expenditures	$ 13,272,000	$ 13,272,000	$ 13,272,000
CAPITAL DEVELOPMENT BOARD CONTRIBUTORY TRUST FUND - 617			
Appropriations and Reappropriations	$ -	$ -	$ -
Expenditures	$ 15,847,298	$ 51,708,302	$ 64,296,906
BUILD ILLINOIS BOND FUND - 971			
Appropriations and Reappropriations	$ 5,049,902	$ 2,049,902	$ -
Expenditures	$ 1,582,261	$ -	$ -
TOTAL			
Appropriations and Reappropriations	$ 1,026,527,280	$ 786,158,700	$ 91,730,051
Expenditures	$ 150,832,739	$ 205,736,895	$ 102,370,432

Notes:

1. Appropriations, reappropriations, and expenditures were obtained from the State Comptroller's records, as of September 30, 2018, September 30, 2017, and September 30, 2016, which have been reconciled to CDB records.
2. Expenditure amounts are vouchers approved for payment by CDB and submitted to the State Comptroller for payment to vendor.
3. The United States District Court for the Central District of Illinois in Rasho (07CV1298) required the Department of Corrections (IDOC) and by extension the CDB to construct a new mental health hospital for the Department of Corrections at the Stateville Correctional Center. As the Department never received enacted permanent improvement appropriations for this project from Fund 141, the CDB was able to submit vouchers to pay its costs in full without a maximum expenditure limit for permanent improvement costs related to this project during Fiscal Year 2016. Similarly, the same court required the IDOC and by extension the CDB to improve treatment for mentally ill offenders at the Department of Corrections, which includes repurposing the closed Illinois Youth Center - Joliet as a treatment center for mentally ill offenders. As the Department never received enacted permanent improvement appropriations for this project from Fund 141, the CDB was able to submit vouchers to pay its costs in full without a maximum expenditure limit for permanent improvement costs related to this project during Fiscal Year 2016.
4. Public Act 99-0524 authorized the CDB to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices held by the CDB to be submitted against its Fiscal Year 2017 appropriation.
5. Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the CDB to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 104 includes information from CDB management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the CDB to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE FISCAL YEARS ENDED JUNE 30, 2018, 2017, AND 2016

	Equipment	Capital Lease	Construction in Progress	Total
BALANCE, JULY 1, 2016	$ 1,335,665	$ 11,618	$ 91,319,166	$ 92,666,449
Additions	20,106	-	66,935,928	66,956,034
Deletions and transfers	(7,476)	-	(42,892,590)	(42,900,066)
BALANCE, JUNE 30, 2017	1,348,295	11,618	115,362,504	116,722,417
Additions	12,825	-	65,100,642	65,113,467
Deletions and transfers	(356,720)	(11,618)	(114,207,338)	(114,575,676)
BALANCE, JUNE 30, 2018	$ 1,004,400	$ -	$ 66,255,808	$ 67,260,208

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 AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE YEARS ENDED JUNE 30, 2018, 2017 AND 2016

Fund/Receipt Source	2018	2017	2016
GENERAL REVENUE FUND - 001			
Miscellaneous	$ 50	$ 85	$ 195
Total cash receipts per Agency	50	85	195
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	$ 50	$ 85	$ 195
CAPITAL DEVELOPMENT FUND - 141			
Prior Year Refund	$ -	$ -	$ -
Total cash receipts per Agency	-	-	-
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Other reconciling items (a)	1,366,830	51,991	306,373
Total cash receipts per State Comptroller's Records	$ 1,366,830	$ 51,991	$ 306,373
CDB SPECIAL PROJECTS FUND - 170			
Commerce and Economic Opportunity	$ 86,631	$ -	$ 945,395
Total cash receipts per Agency	86,631	-	945,395
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	$ 86,631	$ -	$ 945,395
CAPITAL DEVELOPMENT BOARD REVOLVING FUND - 215			
Attorney General - Contract Administration	$ -	$ 30,564	$ -
Contract Administration Fees	1,555,352	1,540,445	2,900,612
Total cash receipts per Agency	1,555,352	1,571,009	2,900,612
Less - In transit at End of Year	25,600	5,200	10,100
Plus - In transit at Beginning of Year	5,200	10,100	10,200
Plus - Other reconciling items (a)	-	-	52
Total cash receipts per State Comptroller's Records	$ 1,534,952	$ 1,575,909	$ 2,900,764

SCHEDULE 16
(CONTINUED)

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
RECONCILIATION OF CASH RECEIPTS TO
DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE YEARS ENDED JUNE 30, 2018, 2017 AND 2016

Fund/Receipt Source	2018	2017	2016
CAPITAL DEVELOPMENT BOARD			
CONTRIBUTORY TRUST FUND - 617			
Junior Colleges	$ 3,656,682	$ 21,374,374	$ 34,852,868
Federal monies via other Illinois State agencies	11,788,213	29,567,621	30,671,748
Damage claim recovery	16,564	330,000	516,880
Miscellaneous	141,665	-	169,828
Total cash receipts per Agency	15,603,124	51,271,995	66,211,324
Less - In transit at End of Year	119,393	-	-
Plus - In transit at Beginning of Year	-	-	183,394
Plus - Other reconciling items (a)	-	853,353	96,537
Total cash receipts per State Comptroller's Records	$ 15,483,731	$ 52,125,348	$ 66,491,255
BUILD ILLINOIS BOND FUND - 971			
Prior Year Refund	$ 6,050	$ 3,279,753	$ -
Total cash receipts per Agency	6,050	3,279,753	-
Less - In transit at End of Year	-	550	-
Plus - In transit at Beginning of Year	550	-	-
Plus - Other reconciling items (a)	-		4,550
Total cash receipts per State Comptroller's Records	$ 6,600	$ 3,279,203	$ 4,550
GRAND TOTAL - ALL FUNDS			
Total cash receipts per Agency	$ 17,251,207	$ 56,122,842	$ 70,057,526
Less - In transit at End of Year	144,993	5,750	10,100
Plus - In transit at Beginning of Year	5,750	10,100	193,594
Plus - Other reconciling items (a)	1,366,830	905,344	407,512
Total cash receipts per State Comptroller's Records - All Funds	$ 18,478,794	$ 57,032,536	$ 70,648,532

Note: The information reflected in this schedule was taken from CDB's records and reconciled to the State Comptroller's records.
(a) The other reconciling items are refunds for overpayments that are related to prior year expenditures.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2018
(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.

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 was Jeff Heck as of June 30, 2018. 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 field offices in Carbondale, East St. Louis, Ottawa, Loves Park, and Dixon.

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 Fiscal Year 2017 and Fiscal Year 2018 operational expenditures for personal services were paid from the Capital Development Fund (141), which receives its funding from bond proceeds. In accordance with the Fiscal Year 2017 and Fiscal Year 2018 appropriation bill, 111 and 109 CDB employees assigned to work directly with construction projects were paid $9,531,724 and $9,038,232, respectively, from Fund 141.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2018
(UNAUDITED)

SUMMARY OF OPERATIONS

The General Assembly appropriated $1,026,527,580 in Fiscal Year 2018 and $786,158,700 in Fiscal Year 2017 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 493 projects in Fiscal Year 2018 and 447 projects in Fiscal Year 2017. Of these projects in process, 71 were brought to completion during Fiscal Year 2018 and 48 were brought to completion in Fiscal Year 2017.

CDB awarded 263 contractor contracts and 56 professional contracts in Fiscal Year 2018, and 119 contractor contracts and 53 professional contracts in Fiscal Year 2017. Total funds obligated by these awards were $105,114,745 and $52,240,031 in Fiscal Years 2018 and 2017, respectively.

Overall, projects activity resulted in the processing of 1,716 project vouchers in Fiscal Year 2018 and 1,327 project vouchers in Fiscal Year 2017, for a total of $150,832,739 and $205,736,895, respectively. Included are non-appropriated construction project expenditures of $29,631,056 and $65,103,330 in Fiscal Years 2018 and 2017, respectively. This includes user agency funds of $15,234,318 and $18,649,122 that were expended in Fiscal Years 2018 and 2017, respectively.

ADMINISTRATIVE EXPENDITURES

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

	2018		2017	
	Amount	%	Amount	%
Appropriated:				
Administrative	$ 18,292	11	$ 18,578	8
Project	121,202	72	140,634	63
Total appropriated expenditures	139,494		159,212	
Nonappropriated:				
Project	29,631	17	65,103	29
Total expenditures	$ 169,125	100	$ 224,315	100

Total expenditures decreased between years primarily due to fluctuations on the level of funding. See analysis of significant variations in expenditures in the next section.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES

The Capital Development Board's explanation for significant fluctuations in expenditures greater than $200,000 and 20% as presented in the Comparative Schedules of Appropriations, Expenditures, and Lapsed Balances for Administrative Activities of the Capital Development Fund (141), Capital Development Board Revolving Fund (215), and School Infrastructure Fund (568), Schedules 11 through 13, respectively, and the Comparative Schedule of Appropriations and Expenditures for Construction Activities By Fund (Schedule 14) are detailed below:

Administrative Activities by Fund

<u>Capital Development Fund - 141</u>

During Fiscal Year 2018, expenditures for project management tracking increased by $316,124 or 63% in relation to the construction program management software purchased in Fiscal Year 2017. Operational expenses increased by $253,176 or 2202% due to expenditures charged to this lump sum line item instead of other budget line items.

During Fiscal Year 2017, the following expenditures increased: personal services $2,838,330 or 42%; employee retirement contributions of $1,192,876 or 39%; State contribution to Social Security of $208,029 or 42%; group insurance of $792,404 or 43%; and contractual services of $270,150 or 159%. These expenditures were paid out from another fund (Capital Development Board Revolving Fund - 215) during Fiscal Year 2016. Electronic data processing increased by $226,717 or 100% and project management tracking of $498,482 or 100%. Capital Development Board purchased a new construction program management software during the year. Operational expenses decreased by $344,449 or 97% due to expenditures charged to other specific line items instead of this budget line item.

<u>Capital Development Board Revolving Fund - 215</u>

During Fiscal Year 2018, operational expenses increased by $250,583 or 1185%. The level of expenditures varies each year depending on the need and the availability of other funds for administrative and operating expenditures.

During Fiscal Year 2017, the following expenditures decreased by 100%: personal services of $3,246,154; employee retirement contributions of $1,482,614; State contribution to Social Security of $238,992; and group insurance of $875,031. These operational expenditures were paid out from another fund (Capital Development Fund - 141).

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (CONTINUED)

School Infrastructure Fund - 568

During Fiscal Year 2017, lump sum expenditures decreased by $604,079 or 98% mainly due to decreases in personal services and related costs of separated employees.

Construction Activities by Fund

Expenditures for the Capital Development Fund - 141 increased by $35,195,955 or 43% and in Fiscal Year 2018 and $64,452,476 or 361% in Fiscal Year 2017 due to increase in capital projects. During Fiscal Year 2018, Capital Development Board made reimbursements to the community colleges for the funds advanced to keep the capital projects running during the Budget Impasse. During Fiscal Year 2017, Capital Development Board had a budget which increased the capital expenditures due to start-up of various capital projects which were put on hold in Fiscal Year 2016 due to the budget impasse.

Expenditures for the School Construction Fund - 143 decreased by $56,210,097 or 96% in Fiscal Year 2018. During Fiscal Year 2018, Capital Development Board did not receive full funding to pay out the dollar amount for school grants, resulting to a decrease in expenditures.

Expenditures for the School Construction Fund - 143 increased by $58,337,642 or 100% in Fiscal Year 2017. There was no appropriation for this fund during Fiscal Year 2016 due to the budget impasse.

Expenditures for the CDB Special Projects Fund - 170 are related to construction grants and interagency agreements in accordance with the Capital Development Act. Expenditures in this fund increased by $388,730 or 316% in Fiscal Year 2018 and decreased by $6,835,051 or 98% in Fiscal Year 2017. Expenditure levels will vary depending on the progress or completion of construction projects.

Expenditures for the CDB Contributory Trust Fund - 617 decreased by $35,861,004 or 69% in Fiscal Year 2018 and decreased by $12,588,604 or 20% in Fiscal Year 2017. During Fiscal Year 2016, some projects were completed while other projects were started in Fiscal Year 2017. In Fiscal Year 2018, some projects required less expenditures due to the level of completion during the previous year. Expenditure levels will vary depending on the progress or completion of construction projects.

Expenditures for Build Illinois Bond Fund - 971 increased by $1,582,261 or 100% in Fiscal Year 2018 due to new remodeling and renovation projects for other State agencies.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS

The Capital Development Board's explanation for significant fluctuations in receipts greater than $200,000 and 20% of the cash receipts per Agency for each fund as presented in the Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller (Schedule 16) are detailed below:

CDB Special Projects Fund - 170

Receipts for this fund are from construction grants and interagency agreements in accordance with the Capital Development Act. Receipts decreased by $945,395 or 100% in Fiscal Year 2017 due to completion of a construction project during the previous fiscal year.

Capital Development Board Revolving Fund - 215

Receipts for this fund are from contract administration fees, which represent 3% of the contract amount, and are dependent on the projects awarded during the year. Contract administration fees decreased by $1,329,603 or 46% in Fiscal Year 2017. There were less State-funded construction projects from other agencies received by the Capital Development Board during the year.

Capital Development Board Contributory Trust Fund - 617

Receipts from Junior Colleges are dependent on the construction projects submitted to the Capital Development Board. Receipts from Junior Colleges decreased by $17,717,692 or 83% in Fiscal Year 2018 and $13,478,494 or 39% in Fiscal Year 2017 in relation to completion of multiple construction projects.

Receipts from federal monies via other Illinois State agencies decreased by $17,779,408 or 60% in Fiscal Year 2017 due to funding decisions made by the funding sources.

Receipts related to damage claim recovery decreased by $313,436 or 95% in Fiscal Year 2018. Damage claim recovery receipts are highly dependent on the volume and severity of claims and can vary significantly from year to year.

Build Illinois Bond Fund - 971

Prior year refund decreased by $3,273,703 or 100% in Fiscal Year 2018 and increased by $3,279,753 or 100% in Fiscal Year 2017. The prior year refund was from a grant paid to a School District received in Fiscal Year 2017. Prior year refunds can vary significantly from year to year.

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CAPITAL DEVELOPMENT BOARD
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(UNAUDITED)

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

The Capital Development Board's lapse period spending for Fiscal Years 2018 and 2017 are presented in the Schedule of Appropriations, Expenditures, and Lapsed Balances – Administrative Activities of the Capital Development Fund (141), Capital Development Board Revolving Fund (215), and School Infrastructure Fund (568) (Schedules 1 through 6) and Schedule of Appropriations, Reappropriations, Expenditures, and Lapsed Balances – Total Activity by Fund (Schedule 7 and 8). For purposes of this analysis, significant lapse period spending is defined as $200,000 and 20% or more of the total expenditures for the respective year. There were no significant lapse period expenditures during Fiscal Years 2018 and 2017.

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 accounts presented in the government-wide financial statements with significant fluctuations are explained below. For Fiscal Year 2018, fluctuations greater than $740 and 20% were considered significant. For Fiscal Year 2017, fluctuations greater than $1,000 and 20% were considered significant.

Intergovernmental receivables decreased by $4,015 in Fiscal Year 2018. The decrease is primarily a result of payments made by two school construction projects in the amount of $3,907.

Intergovernmental receivables decreased by $3,693 in Fiscal Year 2017. The decrease is primarily a result of payments made by two school construction projects in the amount of $4,346.

Other receivables increased by $861 in Fiscal Year 2018 due to more construction administration fees (CAF) payable to CDB. The increase in CAF is a result of several new construction projects and the restart of construction projects put on hold due to the budget impasse in the previous years.

Due from other State funds decreased by $11,419 in Fiscal Year 2018. The decrease is a result of grant awards to the Department of Human Services and Department of Commerce and Economic Opportunity expending $718 and $7,872, respectively. In addition, a decrease of $2,761 resulted from grantor reimbursements received for one construction project with the Department of Military Affairs.

Due from other State funds decreased by $4,363 in Fiscal Year 2017. The decrease is a result of grant awards to the Department of Employment Security, Department of Human Services and Department of Commerce and Economic Opportunity expending $1,999, $654, and $232, respectively. In addition, a decrease of $2,129 resulted from grantor reimbursements received for one construction project with the Department of Military Affairs.

Loans receivable decreased by $14,968 in Fiscal Year 2018. The decrease is a result of writing-off the receivable from the Illinois International Port District in full, in accordance with Public Act 100-0546.

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

Capital assets not being depreciated decreased by $54,925 in Fiscal Year 2018. This account is the construction in progress (CIP) amount at June 30, 2018. The decrease in the CIP balance is a result of greater CIP transfers than CIP additions during Fiscal Year 2018. CIP transfers amounted to approximately $114,000, while CIP additions amounted to approximately $59,000 in Fiscal Year 2018.

Capital assets not being depreciated increased by $30,936 in Fiscal Year 2017. This account is the construction in progress (CIP) amount at June 30, 2017. The increase in the CIP balance is a result of greater CIP additions than CIP transfers during Fiscal Year 2017. CIP additions amounted to approximately $74,000, while CIP transfers amounted to approximately $43,000 in Fiscal Year 2017.

Deferred outflows of resources - pensions increased by $7,267 in Fiscal Year 2018. The increase is due to the change in measurement as determined by the actuarial valuation as of June 30, 2017.

Deferred outflows of resources - pensions increased by $7,600 in Fiscal Year 2017. The increase is due to the change in measurement as determined by the actuarial valuation as of June 30, 2016.

Deferred outflows of resources - OPEB increased by $11,617 in Fiscal Year 2018. The increase is due to the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* in Fiscal Year 2018.

Accounts payable and accrued liabilities increased by $13,050 in Fiscal Year 2017 due to the increase in operating and construction-related expenditures resulting from the start-up of various construction projects during the year.

Intergovernmental payables decreased by $826 in Fiscal Year 2018. CDB did not receive full funding for school grants in Fiscal Year 2018 resulting in a decrease of construction expenditures for school districts.

OPEB liability increased by $47,316 in Fiscal Year 2018. The increase is due to the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* in Fiscal Year 2018.

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

Deferred inflows of resources - pensions increased by $19,745 in Fiscal Year 2018. The increase is due to the change in measurement as determined by the actuarial valuation as of June 30, 2017.

Deferred inflows of resources - pensions increased by $2,402 in Fiscal Year 2017. The increase is due to the change in measurement as determined by the actuarial valuation as of June 30, 2016.

Deferred inflows of resources - OPEB increased by $20,936 in Fiscal Year 2018. The increase is due to the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in Fiscal Year 2018.

Net position - invested in capital assets, net of related debt decreased by $54,993 in Fiscal Year 2018. This is primarily due to the decrease in capital assets not being depreciated, as explained above.

Net position - invested in capital assets, net of related debt increased by $30,890 in Fiscal Year 2017. This is primarily due to the increase in capital assets not being depreciated, as explained above.

Unrestricted net position decreased by $67,596 in Fiscal Year 2018 primarily due to the increase of OPEB liability and deferred inflows of resources – OPEB, as explained above.

Unrestricted net position decreased by $6,931 in Fiscal Year 2017 primarily due to the net effect of the increase of accounts payable and accrued expenses and the decrease of intergovernmental receivables and due from other State funds, as explained above.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
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For the Two Years Ended June 30, 2018
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ANALYSIS OF LOANS AND VARIOUS ACCOUNTS RECEIVABLE

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

The following is a schedule of receivable balances (expressed in thousands) at June 30, 2018 and 2017, respectively, and an aging of "other receivables":

	June 30, 2018	June 30, 2017
Loans receivable	$ –	$ 14,968
Less allowance for uncollectible	–	(14,968)
Net loans receivable	–	–
Intergovernmental receivables	496	4,511
Due from other State funds	3,617	15,036
Other receivables	1,601	740
Total receivables	$ 5,714	$ 20,287
Aging of other receivables:		
Current	$ 1,489	$ 675
1 - 30 days past due	77	39
31 - 90 days past due	27	7
91 – 180 days past due	3	3
181 days – 1 year past due	5	16
Total other receivables	$ 1,601	$ 740

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 was written-off in Fiscal Year 2018 in accordance with Public Act 100-0456.

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 three 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.

BUDGET IMPASSE DISCLOSURES

Payment of Fiscal Years 2018 and 2017 Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Capital Development Board to pay Fiscal Year 2016 costs using the Capital Development Board's Fiscal Year 2017 appropriations for non-payroll expenditures. In addition, Article 998 of Public Act 100-0021 authorized the Capital Development Board to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the Capital Development Board's Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Capital Development Board did not have any outstanding unpaid invoices from either Fiscal Year 2017 or Fiscal Year 2018 after the closure of the Fiscal Year 2017 Lapse Period on September 30, 2017, and the closure of the Fiscal Year 2018 Lapse Period on September 30, 2018, respectively.

ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS

Transactions Involving the Illinois Finance Authority

The Capital Development Board and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Years 2017 and 2018.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the Capital Development Board's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during Fiscal Years 2017 and 2018.

INTEREST COSTS ON INVOICES

The Capital Development Board plans to calculate prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2018. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90^{th} day after a vendor submits an eligible proper bill to the Capital Development Board. The following chart shows the Capital Development Board's prompt payment interest incurred related to Fiscal Year 2018 invoices, calculated on the accrual basis of accounting, through June 30, 2018, by fund:

PROMPT PAYMENT INTEREST INCURRED
Year Ended June 30, 2018

Fund#	Fund Name	Invoices	Vendors	Dollar Value
141	Capital Development Fund	79	59	$578,677

PROMPT PAYMENT INTEREST INCURRED
Year Ended June 30, 2017

The Capital Development Board did not incur any prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540). The Capital Development Board's vendors were paid within 90 days or paid from funds and accounts that are ineligible for prompt payment interest due to vendors under the Act.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
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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 2018, 2017, and 2016.

	2018	2017	2016
Executive:			
Staff	4	6	7
Administrative Services	2	2	2
Capital Programs	5	5	5
Fair Employment Practices Division	6	6	8
Fiscal	6	6	4
Information Systems	6	8	10
Legislative Affairs	2	2	2
Personnel	2	2	2
Quality Based Selection	5	5	6
Total Executive	38	42	46
Contract Administration - Staff	9	11	13
Construction Administration:			
Staff	3	3	4
Professional Services	18	17	18
Regions (3)	35	35	37
Total Construction Administration	56	55	59
Legal Counsel - Staff	8	8	8
Auditing	1	1	2
Agency Total	112	117	128

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ANALYSIS OF OPERATIONS
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(UNAUDITED)

EMERGENCY PURCHASES

CDB reported the following emergency purchases to the Office of the Auditor General during fiscal years 2018 and 2017:

Description	Estimated Amount	Actual Amount
Fiscal Year 2018		
4th Quarter		
Installation of in-line building filtration for various buildings at the Illinois Veterans' Home in Quincy.	$150,000	-
Repair of masonry arch of the Administration Building at the Shapiro Developmental Center.	$100,000	-
Roof replacement for the 2nd District Appellate Court Building.	$30,000	-
Temporary roof patch and replacement of chillers for the Logan Correction Center's Program Center.	$160,000	$6,184
Correction of identified code violations and making basic improvements to allow occupancy of the Illinois Department of Veterans' Affairs building in Quincy (two separate vendors).	$6,900,000	-
Testing for asbestos containing materials, lead paint, and the presence of polychlorinated biphenyls in lighting ballasts for the Illinois Department of Veterans' Affairs building.	$50,000	-
3rd Quarter		
Repair of the power boilers at the Elgin Mental Health Center.	$260,120	-

EMERGENCY PURCHASES (CONTINUED)

Description	Estimated Amount	Actual Amount
Design and preparation for construction of a water monitoring system at the Illinois Veterans' Home in Quincy to protect against the threat to public health caused by the Legionnaires Disease outbreaks.	$150,000	-
Roof replacement for the Illinois State Fairgrounds Barn #13.	$513,482	-
2nd Quarter		
Roof replacement for the maintenance building of Logan Correctional Center.	$260,000	-
Design and observation of roof replacement for the Illinois State Fairgrounds Barn #13.	$100,000	-
1st Quarter		
Assessment of corrective actions needed in response to a fire at the State Journal-Register Building in Springfield.	$75,790	$41,884
De-aeration tank replacement for the Vienna Correctional Center's power house to provide heat and hot water to the entire institution.	$1,100,000	$788,726
Installation of a new generator for the Illinois School for the Visibly Impaired in Jacksonville to prevent disruption in critical State services.	$40,000	-
Repairs and replacement of the boiler systems and roofing for the Vandalia Correctional Center.	$103,827	-
Design and installation of a new cooling system for the Elgin Mental Health Center's Dietary Building.	$720,000	-

EMERGENCY PURCHASES (CONTINUED)

Description	Estimated Amount	Actual Amount
Fiscal Year 2017		
4th Quarter		
Roof replacement for the Illinois State Police Training Academy.	$738,850	$730,987
Roof replacement for the Alton Mental Health Center.	$885,000	$2,177,533
Sanitary bar screen replacement for the Menard Correctional Center.	$426,100	$431,317
Removal of the canopy over the Multi-Purpose Arena (Arena) at the Illinois State Fairgrounds and provide necessary services to safely occupy the Arena.	$98,700	$96,915
3rd Quarter		
Enclosure of a warm-up arena as a temporary venue for various events originally scheduled at the Illinois Department of Agriculture Coliseum because of a failing roofing system.	$600,000	$611,475
2nd Quarter		
Roof replacement and repairs of missing terra cotta for the Fox Developmental Center, Dwight, Illinois.	$585,500	$323,030
Repairs of the roofing system at the Illinois Department of Agriculture facility.	$25,000	$26,428
Replacement of all high voltage cables at the Illinois Youth Center in Harrisburg, to prevent multiple power outages.	$194,455	$241,234

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(UNAUDITED)

EMERGENCY PURCHASES (CONTINUED)

Description	Estimated Amount	Actual Amount
Repairs of the roofing system at the Sheridan Correctional Center.	\$1,600,000	\$1,530,072
1st Quarter		
Installation of temporary cooling unit at the Danville Correctional Center to ensure cooling of the building, until permanent replacement can take place. (two separate vendors)	\$65,000	\$29,800
Roof replacement for the Illinois State Police District 7 Headquarters in East Moline.	\$220,000	\$219,750
Roof repairs for the Central Dietary Building at the Shapiro Mental Health Center to prevent further damage and disruption to critical State services.	\$225,300	\$287,600

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
CHANGE ORDERS BY REASON
FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

Reason	Total Amount	Dollar Percentage	Number Issued	Count Percentage
Architect/Engineer error	$ 9,003,782	39.63%	39	6.10%
Architect/Engineer omission	1,509,018	6.64%	96	15.02%
User request	1,994,437	8.78%	113	17.68%
Phase construction	180,948	0.80%	14	2.19%
Undisclosed condition	3,431,257	15.10%	226	35.37%
User funded	95,247	0.42%	3	0.47%
Time extension	-	0.00%	2	0.31%
Assignment fee	26,054	0.11%	6	0.94%
Substitution	81,432	0.36%	3	0.47%
Soil condition	203,989	0.90%	3	0.47%
Alternate accepted	443,855	1.95%	2	0.31%
Credit change	(840,610)	-3.70%	41	6.42%
Remobilization	6,487,035	28.55%	87	13.62%
Code change	104,586	0.46%	4	0.63%
TOTALS	$ 22,721,030	100.00%	639	100.00%

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
CHANGE ORDERS BY REASON
FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

Reason	Total Amount	Dollar Percentage	Number Issued	Count Percentage
Architect/Engineer error	$ 696,855	1.90%	79	11.24%
Architect/Engineer omission	880,587	2.40%	134	19.06%
User request	13,717,362	37.32%	142	20.20%
Phase construction	127,537	0.34%	11	1.56%
Undisclosed condition	4,152,740	11.30%	136	19.35%
User funded	129,579	0.35%	5	0.71%
Time extension	-	0.00%	2	0.28%
Assignment fee	3,175	0.01%	1	0.14%
Substitution	22,531	0.06%	6	0.85%
Soil condition	1,314,471	3.57%	9	1.28%
Alternate accepted	764,990	2.08%	4	0.57%
Credit change	(779,683)	-2.12%	41	5.84%
Remobilization	15,679,783	42.65%	128	18.21%
Code change	49,825	0.14%	5	0.71%
TOTALS	$ 36,759,752	100.00%	703	100.00%

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
PERFORMANCE INDICATORS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018, 2017, AND 2016
(UNAUDITED)

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

	2018	2017	2016
Construction expenditures	$ 150,832,739	$ 205,736,895	$ 102,370,432
Personnel expenditures	9,038,232	9,531,724	9,939,548
Administrative expenditures	9,253,879	9,045,809	9,717,464
TOTAL EXPENDITURES	$ 169,124,850	$ 224,314,428	$ 122,027,444
Disbursement of federal funds received from agency grants	$ 4,250,530	$ 22,985,122	$ 35,278,852
Total receipts	$ 17,251,207	$ 56,122,842	$ 70,057,526
Construction appropriations and reappropriations*	$ 1,264,269,348	$ 1,078,291,572	$ 91,730,051
Total number of projects	493	447	1,105
Average appropriation per project	$ 2,564,441	$ 2,412,285	$ 83,014
Average expenditures per project	$ 305,949	$ 460,262	$ 92,643
Number of project managers	25	24	27
Average projects per manager	20	19	41
Average number of employees	112	117	128
Average personnel cost	$ 80,699	$ 81,468	$ 77,653
Number of construction vouchers processed	1,716	1,327	1,359
Average construction voucher amount	$ 87,898	$ 155,039	$ 75,328
Number of receipts processed	371	465	378
Average receipt amount	$ 46,499	$ 120,694	$ 185,337
Number of projects awarded	176	105	66
Professional contracts awarded	56	53	23
Contractor contracts awarded	263	119	102
Administrative costs per project	$ 18,771	$ 20,237	$ 8,794
Personnel costs per project	$ 18,333	$ 21,324	$ 8,995

* 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
FOR THE FISCAL YEARS ENDED JUNE 30, 2018, 2017, AND 2016
(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. Support the State's Economic Development Plan:
   a. Monitor the number of jobs created for construction
5. Provide work opportunities for varied industry partners:
   a. Provide opportunities for minorities and females to obtain work.

Funds: Capital Development Fund, School Construction Fund, Capital Development Board Revolving Fund, Build Illinois Bond Fund (Statutory Authority: 20 ILCS 3105)

	Actual		FY 2018 Target	FY 2018	FY 2019 Target
	FY 2016	FY 2017	(Projected)	Actual	(Projected)
Input Indicators:					
Total expenditures - all sources (in thousands)	$ 19,043.6	$ 140,654.7	$ 28,635.3	$ 122,049.1	-
Total expenditures - State appropriated funds (in thousands)	$ 19,043.6	$ 140,654.7	$ 28,635.3	$ 122,049.1	-
Average monthly full-time equivalents	115.0	117.2	125.0	103.0	-

(CONTINUED)

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018, 2017, AND 2016
(UNAUDITED)

CONSTRUCTION ADMINISTRATION

	Actual		FY 2018 Target		FY 2019 Target
	FY 2016	FY 2017	(Projected)	FY 2018 Actual	(Projected)
Outcome Indicators:					
Average variation from planned schedule for construction phase (a)	79.0%	21.0%	15.0%	34.9%	15.0%
Percent of labor hours that are minority or female	14.4%	19.1%	15.0%	18.1%	15.0%
Percent of total dollars contracted to Minority Business Enterprise/ Female Business Enterprise firms	25.0%	23.0%	25.0%	20.0%	25.0%

Footnote:

(a) In Fiscal Year 2016, final acceptance for a handful of projects was substantially delayed due to claims, thus making the overall percentage noticeably larger compared to Fiscal Years 2017 and 2018.