





**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD**

**FINANCIAL AUDIT
For the Year Ended June 30, 2006
and**

**COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006**

**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, 2006
and
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006**

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**SUPPLEMENTARY INFORMATION FOR STATE
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CAPITAL DEVELOPMENT BOARD

AGENCY OFFICIALS

Executive Director	10/1/05 - present 1/3/05 - 9/30/05 7/1/04 - 1/2/05	Janet Grimes *Janet Grimes Anthony Rossi
Deputy Director of Construction	7/1/04 - present	James Riemer
Deputy Director of Operations	7/1/04 - present	Darryl Harris
Administrator of the Office of Fiscal Management	7/1/04 - present	Gevan Behnke
Legal Counsel	7/1/04 - present	Fred Hahn

* Person was the "acting" official during the dates indicated.

Agency offices are located at:

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

CAPITAL DEVELOPMENT BOARD



JAN GRIMES • Director

Board Members

Anthony R. Licata November 3, 2006
Chairman

Mark J. Ladd

Glyn Ramage

Michael Chin

Stewart A. Munoz

Reagen C. Atwood

Stephen A. Toth

MANAGEMENT ASSERTION LETTER

Clifton Gunderson LLP
301 SW Adams, Suite 900
PO Box 1835
Peoria, IL 61656-1835

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Capital Development Board. We are responsible for and 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, 2006. Based on this evaluation, we assert that during the years ended June 30, 2006 and June 30, 2005, 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. The 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. The money or negotiable securities or similar assets handled by the agency 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.

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
150 East Pleasant Hill Road
Suite 258
Carbondale, IL 62901

1222 Shooting Park Road
Suite 108
Peru, IL 61354

Yours very truly,

Capital Development Board

217.782.2864
217.524.0565 FAX
217.524.4449 TDD
www.cdb.state.il.us

Janet S. Grimes, Executive Director

Fred Hahn, Chief Legal Counsel

Gevan Behnke, Chief Fiscal Officer

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.

Auditors' Reports

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

Summary of Findings

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	7	6
Repeated findings	1	0
Prior recommendations implemented or not repeated	7	0

Details of findings are presented in a separately tabbed report section.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)		
06-1	11	Inadequate Internal Control for Uninsured and Uncollateralized Deposits
FINDINGS (STATE COMPLIANCE)		
06-2	13	Architect/Engineer Certification
06-3	14	Post Construction Visits
06-4	15	Lack of Control Over Changes to Computer System
06-5	16	Agency Publications
06-6	17	Performance Evaluations Not Completed
06-7	18	Art in Architecture Program Noncompliance
PRIOR FINDINGS NOT REPEATED (<i>GOVERNMENT AUDITING STANDARDS</i>)		
06-8	20	Efficiency Initiative Payments

COMPLIANCE REPORT

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
06-9	21	Lack of Authority and Internal Control Regarding Locally Held Fund
06-10	22	Inadequate Oversight and Control of a Failed Computer System Project
06-11	23	Contracts Not Competitively Bid
06-12	24	Art-in-Architecture Program Noncompliance
06-13	25	Failure to Submit Grant/Contract Analysis Form SCO-563
06-14	26	Inadequate Controls Over Employee Timekeeping

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on March 7, 2007. Attending were Lisa Warden with the Office of the Auditor General; Janet Grimes, and Gus Behnke with the Capital Development Board; and Mike Hillary with Clifton Gunderson LLP. Responses to the recommendations were provided by Gus Behnke in an e-mail dated April 5, 2007.

**Independent Accountants' Report on State Compliance,
on Internal Control Over Compliance, and on Supplementary
Information for State Compliance Purposes**

Honorable William G. Holland
Auditor General
State of Illinois

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, 2006. 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 whether the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois Capital Development Board on behalf of the State or held in trust by the State of Illinois Capital Development Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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

In our opinion, the State of Illinois Capital Development Board complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006. However, the results of our procedures disclosed instances of noncompliance with those 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 State findings as findings 06-1, 06-4, 06-5, 06-6, and 06-7. As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

Internal Control

The management of the State of Illinois Capital Development Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the State of Illinois Capital Development Board's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control 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 State findings as findings 06-1, 06-2, 06-3, 06-4, 06-5, 06-6, and 06-7. As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited 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, 2006, which collectively comprise the State of Illinois Capital Development Board's basic financial statements, and have issued our report thereon dated November 3, 2006. The accompanying supplementary information, as listed in the table of contents as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the State of Illinois Capital Development Board. The 2006 Supplementary Information for State Compliance Purposes, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2006 taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States, the State of Illinois Capital Development Board's basic financial statements for the years ended June 30, 2005 and June 30, 2004. In our reports dated November 4, 2005 and November 5, 2004, respectively, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. In our opinion, the 2005 and 2004 Supplementary Information for State Compliance Purposes, except for the portion marked "unaudited," is fairly stated in all material respects in relation to the basic financial statements for the years ended June 30, 2005 and June 30, 2004 taken as a whole.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and Agency management and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gunderson LLP

Springfield, Illinois
November 3, 2006

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited 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, 2006, which collectively comprise State of Illinois Capital Development Board's basic financial statements, and have issued our report thereon dated November 3, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Illinois Capital Development Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State of Illinois Capital Development Board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as item 06-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. However, we noted certain deficiencies in the design or operation of internal control over financial reporting which do not meet the criteria for reporting herein and which are reported as State compliance findings in the schedule of findings. We also noted certain immaterial instances of internal control deficiencies, which we have reported to management of the State of Illinois Capital Development Board in a separate letter dated November 3, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois Capital Development Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which are reported as State compliance findings in the schedule of findings. We also noted certain matters which we have reported to management of the State of Illinois Capital Development Board in a separate letter dated November 3, 2006.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and Agency management and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gunderson LLP

Springfield, Illinois
November 3, 2006

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006**

CURRENT FINDINGS - GOVERNMENT AUDITING STANDARDS

Finding No. 06-1 - Inadequate Internal Control for Uninsured and Uncollateralized Deposits

The Capital Development Board (CDB) did not maintain adequate controls over the collateralization of locally held construction retention trust accounts.

At June 30, 2006, CDB had a total bank balance of \$12.690 million held in local funds as retainage on open construction projects. A total of \$9.412 million of the bank balance was exposed to custodial credit risk as these deposits were uninsured and uncollateralized. We noted the following internal control weaknesses:

- CDB personnel did not require banks to pledge allowable securities to collateralize these uninsured deposits. The CDB confirmed biannually, with the individual banks holding the CDB deposits, the balance of the deposits held and whether these deposits were insured or if collateral was pledged to secure these deposits. Further inquiry of bank personnel at the auditor's request revealed that these deposits were, in fact, insured only up to the \$100,000 FDIC coverage limit.

The Fiscal Control and Internal Auditing Act requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that funds are safeguarded against loss (30 ILCS 10/3001). According to the State Officers and Employees Money Disposition Act (30 ILCS 230/2c), "Whenever funds deposited with a bank or savings and loan association exceed the amount of federal deposit insurance coverage, a bond, pledged securities, or other eligible collateral shall be obtained."

- CDB did not have a deposit policy for custodial credit risk.

The Public Funds Investment Act requires agencies investing public funds, including certificates of deposit and interest-bearing savings accounts, to adopt a written policy addressing safety of principal, collateral requirements, internal controls to prevent losses of funds, and other mandated guidelines (30 ILCS 235/2.5).

As a result of deposits being uninsured and uncollateralized, the CDB is at risk of these deposits not being returned to it in the event of a bank failure. Lack of a written policy for custodial credit risk increases the risk that agency objectives regarding safety of principal may not be achieved.

CDB management stated funds held in the locally held construction retention trust accounts are not considered sufficiently at risk for CDB to obtain insurance or collateralization for those amounts over the \$100,000 FDIC coverage limit. Further, CDB management does not deem a written deposit policy necessary for the locally held construction retention trust accounts. (Finding Code No. 06-1 and 05-1)

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006**

CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS* (CONTINUED)

Finding No. 06-1 - Inadequate Internal Control for Uninsured and Uncollateralized Deposits (Continued)

Recommendation:

We recommend that the CDB require banks to pledge securities to secure deposits in excess of the FDIC limit of \$100,000. Also, a deposit policy addressing custodial credit risk and other mandated guidelines should be adopted as required by the Public Funds Investment Act. Further, the Board should seek legislative remedy if they deem those statutory requirements to be unnecessary or inappropriate for construction retention trust accounts.

Board Response:

The Agency agrees with the finding. After consulting with the Department of Professional and Financial Regulation, the risk was determined to be low but did exist. CDB will add a phrase to the retention trust agreements requiring that the bank insure the entire value of the account and pass that cost on to the contractor.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006**

CURRENT FINDINGS - STATE

Finding No. 06-2 - Architect/Engineer Certification

The Capital Development Board (Board) failed to obtain certification from Architect/Engineer (A/E) firms that expenses were in accordance with the provisions of the Appropriation Act and the terms of the Intergovernmental Agreement.

We noted that 23 of 25 pay requests (92%) reviewed did not include certification from the Architect/Engineer.

According to 71 Ill. Admin. Code 40.110, Paragraph h, "School districts shall enter into intergovernmental agreements with the Board that may include, but are not limited to, provisions for the following:...5)That the architect retained by the school district shall certify on each payment submittal that the expenditures were in accordance with the provisions of the appropriation act and the terms of the intergovernmental agreement." Prudent business practices require the A/E provide documentation that costs billed are for services performed and/or materials provided.

The Capital Development Board (Board) is not verifying that the amount requested by the school has actually been spent on allowable items with the appropriate A/E certification. When the A/E firms signs off on the expenses, a control is in place to insure that the expenditures are appropriate.

The Board eliminated a passage from Appendix A of School Construction Contracts in 2001. Board officials stated this passage required that A/E firms verify that the expenses relevant to the pay request were in accordance with the appropriation act and the intergovernmental agreement. The elimination has led to many of the schools not realizing that the A/E firm should sign off on the pay requests.

Failure to require certification of the accuracy and completeness of the costs being charged could allow the Board to pay for services or materials not received. (Finding Code No. 06-2)

Recommendation:

We recommend that the Board revise the intergovernmental agreement to include the provision that the architect certifies each payment submittal. The Board should refuse payment for any submission not certified by the A/E.

Board Response:

The Agency agrees with the finding. The grant agreements will include the certification requirement by the Design firms.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006**

CURRENT FINDINGS - STATE (CONTINUED)

Finding No. 06-3 - Post Construction Visits

The Capital Development Board (Board) did not visit school construction projects upon completion.

Board policy requires that a school construction project verification survey be conducted on 25 percent of the projects closed-out, based on a random selection process of grants awarded in a fiscal year. The project verification surveys are conducted when a project is complete. A site verification survey form is completed, identifying the school district, project number, date the site visit is conducted, number of classrooms constructed, grade level of students, and total school capacity.

We noted that three of six (50%) completed school projects tested did not have a post-construction site visit performed. Our sample was taken from a listing prepared by the Board that contained all of the school construction projects selected for site visits. These three projects, which the Board was responsible for administering, accounted for a total of \$25,039,300 in State expenditures.

The Board should be completing these visits within a reasonable amount of time from the final payment. This is a procedure that allows the Board to verify that completed projects are actually complete. The Board cannot be sure that projects are complete without actually seeing them first hand.

Board management indicated this issue was caused by a lack of sufficient resources devoted to this area. No grant money had been appropriated since 2003 and departing staff had not been replaced, so remaining staff had not been assigned to these visits. (Finding Code No. 06-3)

Recommendation:

We recommend that the Board send an individual to visit each site chosen for a post-construction visit within a reasonable period of time after the final payment date.

Board Response:

The Agency agrees with the finding. Provisions are being established to assign the visits to appropriate CDB staff.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006**

CURRENT FINDINGS - STATE (CONTINUED)

Finding No. 06-4 - Lack of Control Over Changes to Computer System

The Capital Development Board (Board) did not follow accepted change control procedures for the School Construction program database.

The School Construction database performs calculations that are used by management to make significant financial decisions.

The Board's Office of Information Systems (OIS) has implemented systems development and change control procedures. However, the School Construction system was designed in the mid-1990s and was written in a database that is not supported by the OIS. As a result, changes to the database are outside OIS and do not follow the OIS change control procedures. For example, a formal process to test and document the accuracy of calculations is not used.

The database performs calculations for grant amounts, in order to determine the State's eligible share, and local share, for the School Construction funding. The database performs calculations that are subsequently hand-entered into the fiscal system. The lack of change control procedures increases the risk of management receiving inaccurate data to support financial decisions.

All changes (particularly those involving financial calculations) should follow acceptable change control procedures. The use of effective change control procedures helps ensure the security, integrity, and availability of data. (Finding Code No. 06-4)

Recommendation:

The Board should ensure that all changes to systems and databases follow the Board's change control procedures. Also, the Board should identify all computer systems that are developed and modified outside of OIS control. Further, to ensure compliance with accepted development and change control procedures, the Board should consider placing all systems under the control of OIS.

Board Response:

The Agency agrees with the finding. The School Construction Grant system has migrated from the Approach system to the OIS controlled AS400 environment. No other systems exist outside the control of the OIS.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006**

CURRENT FINDINGS - STATE (CONTINUED)

Finding No. 06-5 - Agency Publications

The Capital Development Board did not include information required by the Illinois Procurement Code on publications printed for the Board.

We tested six publications and noted that all six (100%) lacked required statements.

The Illinois Procurement Code (30 ILCS 500/20-105) requires that "all books, pamphlets, documents, and reports published through or by the State of Illinois or any State agency, board, or commission shall have printed thereon "Printed by authority of the State of Illinois," the date of each publication, the number of copies printed, and the printing order number."

Board personnel stated they were not aware of the requirement.

Failure to include the information listed above is not in compliance with the Illinois Procurement Code. (Finding Code No. 06-5)

Recommendation:

We recommend the Board begin printing the information required by the Illinois Procurement Code on all publications.

Board Response:

The Agency agrees with the finding. Those staff involved with printing have been reminded of the procedure requiring the phrase "Printed by authority of the State of Illinois."

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006**

CURRENT FINDINGS - STATE (CONTINUED)

Finding No. 06-6 - Performance Evaluations Not Completed

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

During our testing of twenty-five employee personnel files, we noted sixteen (64%) did not include a performance evaluation dated within the previous twelve months.

Management stated these exceptions occurred because supervisors did not perform the performance evaluations on a regular basis, and there is no internal control in place to monitor compliance.

Board Personnel Policies and Procedures Manual IX.B.2 requires performance evaluations to be completed on an annual basis in order to evaluate the employee's performance within the last year and to set performance objectives for the upcoming year. In addition, it is prudent business practice to complete performance evaluations on a regular basis.

Employee performance evaluations are an effective management tool for helping employees work toward common goals. Performance evaluations are a systematic and uniform tool used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustment, promotion, demotion, layoff, recall and reinstatement decisions. (Finding Code No. 06-6)

Recommendation:

We recommend that the Board complete performance evaluations for all employees annually and file the results in each employee's personnel file. Further, the Board should follow-up with supervisors to ensure compliance with these procedures.

Board Response:

The Agency agrees with the finding. The Agency will develop a procedure which notifies supervisory staff that evaluations are due, keeps the notification, and tracks responses to allow for follow-up and documentation.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006**

CURRENT FINDINGS - STATE (CONTINUED)

Finding No. 06-7 - Art-in-Architecture Program Noncompliance

The Capital Development Board did not comply with all the requirements set forth by the Art-in-Architecture Program.

The purpose of the Art-in-Architecture Program is to promote and preserve the visual arts in Illinois by securing artwork for placement in, or around, public buildings constructed with State funds. The Capital Development Board Act (Act) mandates that through the Art-in-Architecture Program, the Capital Development Board spend one-half of one percent of the construction appropriation for State-funded building or renovation projects on the purchase of artwork for these projects. The Act applies to all State-financed buildings that are accessible to the general public. (20 ILCS 3105/14)

- We tested a total of twenty Art in Architecture projects. Of these, none (100%) had proof of installment insurance for artists used in the projects.
- Eight Art in Architecture projects included a Fine Arts Review Committee (FARC). Of these eight projects, three (37.5%) did not have minutes from the meetings of the committee.
- As of June 30, 2006, the Public Arts Advisory Committee (PAAC) had seven members instead of twelve as required by statute. In addition, the Committee Chairman position has been vacant for several years.
- The Board did not consistently apply the requirements of the Art-in-Architecture Program to locally governed and state owned school construction projects. The program was applied to State run schools, community colleges, and public universities, but not local elementary and secondary school projects which received State grant funds.

According to the Art-in-Architecture Program Procedures Manual (Appendix A), CDB shall consider the need for each artist to have installment insurance. Either proof of installment insurance or documentation that insurance is not needed for the project should be maintained in the project's file.

The Open Meetings Act states "All public bodies shall keep written minutes of all their open meetings and a verbatim record of all their closed meetings in the form of an audio or video recording." (5 ILCS 120/2.02) The FARC meetings are needed to review information regarding Art in Architecture projects, make decisions, and insure the projects are proceeding as planned.

According to the Act, "The Public Arts Advisory Committee shall consist of 12 members.... There shall also be a Chairman who shall be chosen from the committee members by the majority vote of that Committee." PAAC members are to be appointed by the Governor and the General Assembly. (20 ILCS 3105/14(e)).

According to the Act, the Art-in-Architecture Program applies to projects for construction or reconstruction of public buildings financed in whole or in part by State funds and generally accessible to and used by the public. (20 ILCS 3105/14(c)) The Board's Art-in-Architecture procedures manual states "the Act applies to all State buildings accessible to the general public."

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006**

CURRENT FINDINGS - STATE (CONTINUED)

Finding No. 06-7 - Art in Architecture Program Noncompliance (Continued)

Board management attributed these exceptions to failure to include these requirements as part of the policies for administering this program by management and by FARC. Management also stated the PAAC vacancies were due to a lack of action by the Governor and General Assembly to appoint the required members. Management stated they have reminded the Governor's office, the House, and the Senate of the vacancies, but stated they have no control over the appointments themselves. Further, Board management stated that local school construction projects were not deemed to be subject to the Art-in-Architecture Program because they used grant funds and the buildings were not considered to be generally accessible to the public.

The Board exposes itself to additional risk if it allows artists to participate in the program uninsured. Documentation of important issues and key decisions will not be available for future reference if minutes of committee meetings are not documented or retained. Vacancies on the Public Arts Advisory Committee limits the input provided to the Board and the FARC on the technical and aesthetic perceptions used in projects. The Board is not in compliance with statutory requirements of the Art-in-Architecture Program for school construction projects. (Finding Code No. 06-7)

Recommendation:

We recommend that the Board ascertain that all Art in Architecture project requirements are met. Specifically, the installment insurance form or documentation that no insurance is needed should be filed with the major contract. In addition, the FARC should take minutes at each of their meetings and file the minutes with the other documents regarding each project. Further, the Board should continue communication with the Governor and General Assembly to request the vacant positions be filled for the Public Arts Advisory Committee. A chairman should then be appointed as required. Finally, the Board should apply the requirements of the Art-in-Architecture Program to all school construction projects, document and consistently apply their interpretation of the statute, or seek legislation to exempt such projects from the requirement.

Board Response:

The Agency agrees with the findings. The appropriate staff will be reminded of the procedure to document the need or not for installation insurance. The staff will also be reminded to file meeting minutes in the appropriate file.

The appointment of members to the PAAC is under the control of the Governor's Office, the House, and the Senate. CDB has reminded and will continue to remind those bodies of the vacancies but has no control over the appointments themselves. Once a full Committee is filled, the Board will work with them to appoint a Chairman.

The Board interpreted the phrase "public building" to mean state buildings and community college buildings accessible to the general public. Since the phrase "public building" is not clearly defined in state statutes, the Board's use of state buildings has been subject to interpretation; CDB's interpretation is that elementary and secondary schools are not commonly visited by the general public and, therefore, are not subject to the Art-in-Architecture legislation. In addition, a representative from the State Board of Education supported the CDB claim that elementary and secondary buildings are not openly accessible to the general public. However, the CDB will strengthen its procedures to clearly define those buildings in which art shall be placed. The Board will also seek advice from legal advisors concerning the wording and timing to clarify the wording in the legislation.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF PRIOR FINDINGS NOT REPEATED -
GOVERNMENT AUDITING STANDARDS
For the Two Years Ended June 30, 2006**

PRIOR FINDINGS NOT REPEATED - GOVERNMENT AUDITING STANDARDS

Finding No. 06-8 - Efficiency Initiative Payments

In the FY03/04 audit, the Capital Development Board (Board) made payments for efficiency initiative billings from improper line item appropriations and funds. Also, the Board did not receive guidance or documentation with the billings from CMS detailing from which line item appropriations savings were anticipated to occur, nor did they receive documentation or information from CMS detailing the nature and/or type of savings that CMS anticipated. (Finding Code No. 04-1)

During our current examination, we noted that the Board was making payments for efficiency initiative billings from the proper line item appropriations and funds. The Board did receive guidance with the billings from CMS detailing from which line item appropriations savings occurred.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF PRIOR FINDINGS NOT REPEATED - STATE
For the Two Years Ended June 30, 2006**

PRIOR FINDINGS NOT REPEATED - STATE

Finding No. 06-9 - Lack of Authority and Internal Control Regarding Locally Held Fund

During our examination of the two years ended June 30, 2004, we noted that the Board maintained a locally held fund without statutory authority or proper internal controls relating to transactions of the fund. (Finding Code No. 04-2)

This issue was resolved with the closing of the fund during early 2005. No similar funds were noted during our examination of the two years ended June 30, 2006.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF PRIOR FINDINGS NOT REPEATED - STATE
For the Two Years Ended June 30, 2006**

PRIOR FINDINGS NOT REPEATED - STATE

Finding No. 06-10 - Inadequate Oversight and Control of a Failed Computer System Project

In the prior examination, the Board had not established adequate planning, oversight, and controls for a systems development project, which resulted in a costly and critical system development project failing. (Finding Code No. 04-3)

The Board's Office of Information Systems now follows the CMS IT Rationalization - Governance & Project Charter Processes, introduced in late 2004. The system includes five key requirements and provides for review periods during the process.

The Board completed two major system development projects during the audit period. We reviewed the documentation for both projects and found the Board complied with the development requirements.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF PRIOR FINDINGS NOT REPEATED - STATE
For the Two Years Ended June 30, 2006**

PRIOR FINDINGS NOT REPEATED - STATE

Finding No. 06-11 - Contracts Not Competitively Bid

During our examination of the two years ended June 30, 2004, we noted that the Board did not competitively bid five professional services contracts with the same vendor, which totaled \$124,900. (Finding Code No. 04-4)

During our examination of the two years ended June 30, 2006, we noted that the Board appropriately obtained competitive bids for contracts we tested, and we did not note any contracts that were parceled into smaller contracts to avoid the bidding requirements.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF PRIOR FINDINGS NOT REPEATED - STATE
For the Two Years Ended June 30, 2006**

PRIOR FINDINGS NOT REPEATED - STATE

Finding No. 06-12 - Art-in-Architecture Program Noncompliance

During our examination of the two years ended June 30, 2004, we noted that the Board did not comply with all of the requirements set forth by the Art-in-Architecture Program. This noncompliance included:

- Combining appropriated funds for different projects,
- Fewer than the required number of members on the Public Arts Advisory Committee,
- Failure to establish a Fine Arts Review Committee (FARC) for each project,
- Failure of the FARC to send recommendation memorandums on artwork or artists to be selected,
- Failure to create and maintain minutes of the FARC meetings for projects,
- Failure to make public notice of FARC meetings, and
- Failure to obligate contracts within thirty days of signature and a late filing affidavit was not issued. (Finding Code No. 04-5)

Of these findings, the failure to create and maintain minutes of the FARC meetings for projects and fewer than the required number of members on the Public Arts Advisory Committee were noted as continuing noncompliance for our examination of the two years ended June 30, 2006. (See Finding No. 06-7.)

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF PRIOR FINDINGS NOT REPEATED - STATE
For the Two Years Ended June 30, 2006**

PRIOR FINDINGS NOT REPEATED - STATE

Finding No. 06-13 - Failure to Submit Grant/Contract Analysis Form SCO-563

During our examination of the two years ended June 30, 2004, we noted that the Board did not submit a Grant/Contract Analysis Form SCO-563 for two Grants to States for Construction or Acquisition of State Home Facilities from the Department of Veterans' Affairs for which the Board acted as the grantee agency. (Finding Code No. 04-6)

During our examination of the two years ended June 30, 2006, the Board did not receive any federal funds as a grantee agency, and the Form SCO-563 was therefore not required.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF PRIOR FINDINGS NOT REPEATED - STATE
For the Two Years Ended June 30, 2006**

PRIOR FINDINGS NOT REPEATED - STATE

Finding No. 06-14 - Inadequate Controls Over Employee Timekeeping

During the examination of the two years ended June 30, 2004, it was noted that the Illinois Building Commission (Commission) did not have adequate controls over employee timekeeping requirements. The Commission maintained only a negative timekeeping system and did not document employees' actual time worked. (Previously reported as Illinois Building Commission Finding Code 04-1).

Effective July 1, 2004, the Commission became part of the Capital Development Board. During testing performed for the two years ended June 30, 2006, no exceptions related to controls over employee timekeeping were noted. All employees and management tested had positive daily recording of hours to the nearest 15 minutes.

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Capital Development Board was performed by Clifton Gunderson LLP.

Based on their audit, the auditors expressed unqualified opinions on the Agency's basic financial statements.

Independent Auditors' Report

Honorable William G. Holland
Auditor General
State of Illinois

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, 2006, which collectively comprise the State of Illinois Capital Development Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Illinois Capital Development Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the financial statements of the State of Illinois Capital Development Board are intended to present the financial position and changes in financial position of only that portion of the governmental activities, 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, 2006, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the State of Illinois Capital Development Board, as of June 30, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 3, 2006 on our consideration of the State of Illinois Capital Development Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The State of Illinois Capital Development Board has not presented a 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 have determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Illinois Capital Development Board's basic financial statements. The accompanying supplementary information, as identified in the table of contents, Financial Statement Report section is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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, and Agency management and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gundersen LLP

Springfield, Illinois
November 3, 2006

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
STATEMENT OF NET ASSETS
June 30, 2006
(Expressed in Thousands)**

	Governmental Activities
ASSETS	
Unexpended appropriations	\$ 39,922
Cash equity with State Treasurer	17,030
Cash and cash equivalents	12,690
Intergovernmental receivables	1,835
Due from other state funds	2,015
Other receivables	1,486
Loans receivable, net	80
Capital assets not being depreciated	46,893
Capital assets being depreciated	<u>147</u>
Total assets	<u>122,098</u>
 LIABILITIES	
Accounts payable and accrued liabilities	57,051
Intergovernmental payables	776
Due to other state funds	419
Deferred revenue	11,813
Compensated absences, short-term	87
Compensated absences, long-term	<u>787</u>
Total liabilities	<u>70,933</u>
 NET ASSETS	
Invested in capital assets, net of related debt	47,040
Unrestricted	<u>4,125</u>
 TOTAL NET ASSETS	 <u><u>\$ 51,165</u></u>

These financial statements should be read only in connection with
the accompanying notes to the basic financial statements.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2006
(Expressed in Thousands)**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	
GOVERNMENTAL ACTIVITIES				
Education	\$ 280,693	\$ 19,498	\$ 17,794	\$ (243,401)
General government	27,882	5,273	-	(22,609)
Interest on long-term debt	<u>1</u>	<u>-</u>	<u>-</u>	<u>(1)</u>
Total governmental activities	<u>\$ 308,576</u>	<u>\$ 24,771</u>	<u>\$ 17,794</u>	<u>(266,011)</u>
GENERAL REVENUES				
Other revenues				9
Appropriations from State resources				2,052,439
Reappropriations to future year(s)				(1,618,193)
Lapsed appropriations				(13,186)
Net change in liabilities for reappropriated accounts				-
				<u>(71,830)</u>
TRANSFERS				
Receipts collected and transmitted to State Treasury				(79)
Capital transfers to other State agencies				(97,640)
Operating transfers to other State agencies				<u>(497)</u>
Total general revenues and transfers				<u>251,023</u>
Change in net assets				(14,988)
NET ASSETS, JULY 1, 2005				<u>66,153</u>
NET ASSETS, JUNE 30, 2006				<u>\$ 51,165</u>

These financial statements should be read only in connection with
the accompanying notes to the basic financial statements.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2006
(Expressed in Thousands)**

	General Revenue <u>Fund</u>	Nonmajor <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS			
Unexpended appropriations	\$ -	\$ 39,922	\$ 39,922
Cash equity with State Treasurer	-	17,030	17,030
Cash and cash equivalents	-	12,690	12,690
Intergovernmental receivables	-	1,835	1,835
Due from other State funds	-	2,015	2,015
Other receivables	-	1,486	1,486
Loans receivable, net	<u>80</u>	<u>-</u>	<u>80</u>
TOTAL ASSETS	<u>\$ 80</u>	<u>\$ 74,978</u>	<u>\$ 75,058</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ 57,051	\$ 57,051
Intergovernmental payables	-	776	776
Due to other State funds	-	419	419
Deferred revenue	<u>-</u>	<u>11,813</u>	<u>11,813</u>
Total liabilities	<u>-</u>	<u>70,059</u>	<u>70,059</u>
FUND BALANCES			
Reserved for encumbrances	-	73	73
Reserved for loans and notes receivable	20	-	20
Unreserved, unrestricted:			
General Revenue Fund	60	-	60
Special Revenue Funds	-	3,841	3,841
Capital Project Funds	<u>-</u>	<u>1,005</u>	<u>1,005</u>
Total fund balances	<u>80</u>	<u>4,919</u>	<u>4,999</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 80</u>	<u>\$ 74,978</u>	<u>\$ 75,058</u>

These financial statements should be read only in connection with
the accompanying notes to the basic financial statements.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2006
(Expressed in Thousands)**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 4,999

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. 47,040

Some liabilities reported in the Statement of Activities do not
require the use of current financial resources and therefore are
not reported as liabilities in governmental funds. These
activities consist of:

Compensated absences (874)

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 51,165

These financial statements should be read only in connection with
the accompanying notes to the basic financial statements.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006
(Expressed in Thousands)**

	General Revenue Fund	Nonmajor Funds	Total Governmental Funds
REVENUES			
Federal capital grants	\$ -	\$ 17,794	\$ 17,794
Licenses and fees	-	5,273	5,273
Other charges for services	-	19,498	19,498
Other	1	8	9
Total revenues	<u>1</u>	<u>42,573</u>	<u>42,574</u>
EXPENDITURES			
Education	-	280,693	280,693
General government	-	27,713	27,713
Debt service - principal	-	25	25
Debt service - interest	-	1	1
Capital outlays	-	81,175	81,175
Total expenditures	<u>-</u>	<u>389,607</u>	<u>389,607</u>
Deficiency of revenues over expenditures	<u>1</u>	<u>(347,034)</u>	<u>(347,033)</u>
OTHER SOURCES (USES)			
Appropriations from State resources	-	2,052,439	2,052,439
Reappropriations to future year(s)	-	(1,618,193)	(1,618,193)
Lapsed appropriations	-	(13,186)	(13,186)
Receipts collected and transmitted to State Treasury	(62)	(17)	(79)
Net change in liabilities for reappropriated accounts	-	(71,830)	(71,830)
Operating transfers out	-	(497)	(497)
Total other sources (uses)	<u>(62)</u>	<u>348,716</u>	<u>348,654</u>
CHANGE IN FUND BALANCE	(61)	1,682	1,621
FUND BALANCE JULY 1, 2005	<u>141</u>	<u>3,237</u>	<u>3,378</u>
FUND BALANCE JUNE 30, 2006	<u>\$ 80</u>	<u>\$ 4,919</u>	<u>\$ 4,999</u>

These financial statements should be read only in connection with
the accompanying notes to the basic financial statements.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
RECONCILIATION OF THE CHANGE IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2006
(Expressed in Thousands)**

**NET CHANGE IN FUND BALANCES - TOTAL
GOVERNMENTAL FUNDS** **\$ 1,621**

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. 81,100

Some capital assets were transferred out to the other State agencies
and, therefore, were removed from fund balance without any
corresponding proceeds. (97,640)

Repayment of principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the
Statement of Net Assets. 25

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

Increase in compensated absences (94)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ (14,988)**

These financial statements should be read only in connection with
the accompanying notes to the basic financial statements.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

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. The CDB's principal statutory functions and responsibilities are:

- a. To build or otherwise provide capital facilities and improvements for which money has been appropriated by the General Assembly.
- b. To conduct continuous studies into the costs of building or otherwise providing capital facilities.
- c. 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 facilities.
- d. 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 capital facilities.
- e. 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:

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial Reporting Entity (Continued)

- (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 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 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 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, 2006, 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 State of Illinois' Comprehensive Annual Financial Report. A brief description of the Department's government-wide fund financial statements is as follows:

Government-Wide Statements

The government-wide statement of net assets and statement of activities report the overall financial activity of the CDB. Eliminations have been made to minimize the double-counting of internal activities of the CDB.

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Presentation (Continued)

Government-Wide Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function 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 on fund financial statements is on major governmental funds, 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 2d) of the State:

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

Nonmajor funds consist of Special Revenue, Capital Projects, and Debt Service Funds.

Special Revenue - 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, the Fund for Illinois' Future 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 all are appropriated. The special revenue fund type includes the following funds:

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The Capital Development Board Revolving Fund (215) is a non-shared fund that accounts for a 1.5 percent contract administration fee assessed on most CDB contracts in order to fund the internal operations of the CDB.

The 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.

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

The Tobacco Settlement Recovery Fund (733) is a shared fund that is governed by an amendment to the State Finance Act and is appropriated to CDB for capital or other projects relating to health care issues.

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. 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:

The Capital Development Fund (141) is a shared fund that receives general obligation bond proceeds in order to build capital facilities for the State.

The 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.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The 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.

The 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.

Debt Service Funds - These funds account for governmental resources obtained and accumulated to pay interest and principal on general long-term debt (other than capital leases, workers' compensation, and unfunded retirement costs).

The General Obligation Bond Retirement and Interest Fund (Fund 101) is used to account for payments of principal and interest related to general obligation bonds. These bonds provide financing for the acquisition, construction, reconstruction, and improvement of capital projects and the construction of facilities leased back to the State.

(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 (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.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of Accounting (Continued)

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 only when cash is received.

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

(d) Shared Fund Presentation

The CDB has the following shared funds:

- General Revenue Fund (001)
- Capital Development Fund (141)
- School Construction Fund (143)
- Asbestos Abatement Fund (224)
- School Infrastructure Fund (568)
- Tobacco Settlement Recovery Fund (733)
- Build Illinois Bond Fund (971)

The financial statement presentation for CDB's shared funds represents only the portion of 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 State of Illinois' Comprehensive Annual Financial Report.

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 Appropriation

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. Reappropriations reflect the State's realignment of the budgetary needs to the subsequent year and avoid double counting a portion of the appropriation in more than one fiscal year.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Shared Fund Presentation (Continued)

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.

Receipts Collected and Transmitted to State Treasury

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

Net Change in Liabilities for Reappropriated Accounts

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

(e) Eliminations

Eliminations have been made in the government-wide statement of net assets to minimize the "grossing-up" effect on assets and liabilities within the governmental activities column of the Department. As a result, amounts reported in the governmental funds balance sheet as interfund receivables and payables have been eliminated in the government-wide statement of net assets.

(f) Cash Equity With State Treasurer

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

(g) Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with maturities of less than 90 days at the time of purchase.

Cash and cash equivalents consist principally of cash held in local bank accounts as retainage due to contractors.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Interfund Transactions

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 fund balance sheets or fund statements of net assets.

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

Transfers - flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

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

(i) Capital Assets

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

Capitalization thresholds and the estimated useful lives are as follows:

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Compensated Absences

The liability for compensated absences reported in the government-wide financial statements 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 tax).

Legislation that became effective January 1, 1998 capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue twelve sick days per year, but will not receive monetary compensation for any additional time earned after December 31, 1997. Sick days earned between 1984 and December 31, 1997 (with a 50 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) Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Designations of fund balances represent tentative State plans that are subject to change.

(l) Net Assets

In the government-wide financial statements, equity is displayed in three 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.

Restricted - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted resources first, then unrestricted resources when they are needed.

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Use of Estimates

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

NOTE 3 - DEPOSITS AND INVESTMENTS

(a) Deposits

The State Treasurer is the custodian of the State's cash and cash equivalents for funds maintained in the State Treasury. 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 had a carrying amount and bank balance of \$12.690 million at June 30, 2006. Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The CDB does not have a deposit policy for custodial credit risk. Of the total bank balance, \$71 thousand 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, and \$9.412 million was exposed to custodial credit risk as uninsured and uncollateralized.

Deposits in the custody of the State Treasurer, or in transit, totaled \$17.030 million at June 30, 2006. 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). Detail on the nature of these deposits and investments is available within the State of Illinois' Comprehensive Annual Financial Report.

NOTE 4 - INTERFUND BALANCES AND ACTIVITY

(a) Due From Other State Funds

The following balances (amounts expressed in thousands) at June 30, 2006 represent amounts due from other CDB and State of Illinois funds:

<u>Fund</u>	<u>Due From State Funds</u>	<u>Description/Purpose</u>
Nonmajor governmental funds	<u>\$2,015</u>	Due from nonmajor governmental funds for capital project grants and contracts.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 4 - INTERFUND BALANCES AND ACTIVITY (CONTINUED)

(b) Due to Other State Funds

The following balances (amount expressed in thousands) at June 30, 2006 represent amounts due to other State of Illinois funds:

<u>Fund</u>	<u>Due Other State Funds</u>	<u>Due to Other State Fiduciary Funds</u>	<u>Description/Purpose</u>
Internal Service Funds	<u>\$ 418</u>	<u>\$1</u>	Due to internal service funds for operational services provided and other State fiduciary funds for employee health insurance and postemployment benefits.

(c) Transfers to/from Other Funds

Interfund transfers out (amount expressed in thousands) for the year ended June 30, 2006 were as follows:

<u>Fund</u>	<u>Transfers Out to Other State Funds</u>	<u>Description/Purpose</u>
Nonmajor governmental funds	<u>\$ 497</u>	Transfers to assist State budget shortfalls.

NOTE 5 - LOANS RECEIVABLE

Loans receivable in the General Fund are comprised of \$15,048 (in thousands) receivable from certain port districts. The receivable from port districts consists of the following:

Illinois International Port District (a)	\$ 14,968
Tri-City Port District (b)	<u>80</u>
Total	15,048
Less allowance for uncollectible loans	<u>14,968</u>
Loans receivable, net	<u>\$ 80</u>

Loan agreements between the port districts and CDB require payments to CDB based on percentages of port district income or gross receipts, as defined in the agreements. The status of collections is as follows:

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 5 - LOANS RECEIVABLE (CONTINUED)

- (a) The Illinois International Port District's gross receipts, as defined by the loan agreement, have been insufficient to cause any payments to be made to CDB. While the loan agreement is not technically in default, the ultimate collectibility of the receivable is dependent upon the achievement of sufficient gross receipts levels, as defined; accordingly, CDB has reserved the entire remaining amount of the Illinois International Port District receivable as uncollectible as of June 30, 2006.
- (b) The Tri-City Port District income levels causing payment to be made to CDB have been adequate to support the loan receivable balance. The District had paid over \$2.6 million of the initial \$2.7 million receivable established in 1977.

Should the port districts ultimately default on these obligations, no future or present cash outlay by CDB or the State would be required as the receivables represent previous outlays.

NOTE 6 - CAPITAL ASSETS

Capital asset activity (amounts expressed in thousands) for the year ended June 30, 2006 was as follows:

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Balance June 30, 2006</u>
Governmental activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 63,389	\$ 81,144	\$ -	\$ (97,640)	\$ 46,893
Capital assets being depreciated:					
Equipment	1,191	31	45	-	1,177
Less accumulated depreciation:					
Equipment	<u>1,000</u>	<u>75</u>	<u>45</u>	<u>-</u>	<u>1,030</u>
Total capital assets being depreciated, net	<u>191</u>	<u>(44)</u>	<u>-</u>	<u>-</u>	<u>147</u>
Governmental activity capital assets, net	<u>\$ 63,580</u>	<u>\$ 81,100</u>	<u>\$ -</u>	<u>\$ (97,640)</u>	<u>\$ 47,040</u>

Depreciation expense for governmental activities (amounts expressed in thousands) for the year ended June 30, 2006 was charged to functions as follows:

General government	<u>\$ 75</u>
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**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 7 - LONG-TERM OBLIGATIONS

(a) Changes in Long-Term Obligations

Changes in long-term obligations (amounts expressed in thousands) for the year ended June 30, 2006 were as follows:

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2006</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 780	\$ 540	\$ 446	\$ 874	\$ 87
Installment purchase obligations	<u>25</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 805</u>	<u>\$ 540</u>	<u>\$ 471</u>	<u>\$ 874</u>	<u>\$ 87</u>

NOTE 8 - PENSION PLAN

Substantially all of the CDB's full-time employees who are not eligible for participation in another State-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity. The SERS is a single-employer defined benefit public employee retirement system (PERS) in which State employees participate, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems. The financial position and results of operations of the SERS for fiscal year 2006 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2006. The SERS issues a separate CAFR that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois 62794-9255.

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

The CDB pays employer retirement contributions based upon an actuarially determined percentage of their payrolls. For fiscal year 2006, the employer contribution rate was 7.792 percent. Effective for pay periods beginning after December 31, 1991, the State opted to pay the employee portion of retirement for most State agencies (including the CDB) with employees covered by the State Employees' and Teachers' Retirement Systems. Generally, this "pickup" of employee retirement was part of the fiscal year 2006 budget process. The pickup is subject to sufficient annual appropriations and those employees covered may vary across employee groups and State agencies.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 9 - POST-RETIREMENT BENEFITS

The State provides health, dental, and life insurance benefits for certain retirees and their dependents. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health and dental benefits include basic benefits for annuitants under the State's self-insurance plan and insurance contracts currently in force. Life insurance benefits are limited to \$5,000 per annuitant age 60 and older. The total cost of health, dental, and life insurance benefits of all members, including post-employment health, dental, and life insurance benefits, is recognized as an expenditure for the State in the Illinois Comprehensive Annual Financial Report. The total costs incurred for health, dental, and life insurance benefits are not separated by department for annuitants and their dependents.

NOTE 10 - RISK MANAGEMENT

The CDB is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation; and natural disasters. The State retains the risk of loss (i.e., self-insured).

The CDB's risk management activities for 2006 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, 2006. There have been no settlements that exceeded insurance coverage during the last three fiscal years.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 11 - COMMITMENTS AND CONTINGENCIES

(a) Construction Commitments

Components of Construction in Progress

<u>Project</u>	<u>As of and for the Year Ended June 30, 2006 (Expressed in Thousands)</u>			
	<u>Project Authorization</u>	<u>Expended Through June 30</u>	<u>Committed at June 30</u>	<u>Available Authorization</u>
LaSalle Veterans' Home	\$ 14,919	\$ 2,353	\$ 10,873	\$ 1,693
IYC - Harrisburg Vocational and Medical Building	10,250	493	371	9,386
IYC - St. Charles Reception and Classification Building	26,149	1,119	935	24,095
Menard Correctional Center Administrative Building	13,486	869	578	12,039
Alton Mental Health Center Building Addition	15,800	4,999	730	10,071
New Academy Camp Lincoln - Springfield	15,126	6,504	8,545	77
Springfield Stratton Building Planning and Design for Renovation	11,583	-	-	11,583
Other (less than \$10,000,000)	<u>325,468</u>	<u>30,556</u>	<u>60,408</u>	<u>234,504</u>
Total	<u>\$ 432,781</u>	<u>\$ 46,893</u>	<u>\$ 82,440</u>	<u>\$ 303,448</u>

(b) Litigation

The CDB is subject to material loss contingencies resulting from the suspension of two correctional facilities. The facilities, located in Hopkins Park and Grayville, were both between 1/4 and 1/3 complete at the time of suspension. During fiscal year 2005, the Governor's Office of Management and Budget terminated these projects.

Each project involves several contractors. Nearly all of the contractors have made claims against the CDB as a result of suspension of work on the projects. The CDB has not completed a legal analysis of the filed claims and, therefore, an estimate of possible loss cannot be determined at this time.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2006**

NOTE 11 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

(b) Litigation (Continued)

In addition to the items noted above, 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.

(c) Operating Leases

The CDB leases equipment, buildings, and office space under the terms of noncancelable operating lease agreements that require the CDB to make minimum lease payments plus pay a pro rata share of certain operating costs. Rent expense under operating leases was \$236 for the year ended June 30, 2006.

This information is an integral part of the accompanying financial statements.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2006
(Expressed in Thousands)**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total (Memorandum Only)</u>
ASSETS				
Unexpended appropriations	\$ 69	\$ 39,853	\$ -	\$ 39,922
Cash equity with State Treasurer	2,447	14,583	-	17,030
Cash and cash equivalents	-	12,690	-	12,690
Intergovernmental receivables	-	1,835	-	1,835
Due from other State funds	-	2,015	-	2,015
Other receivables	<u>1,486</u>	<u>-</u>	<u>-</u>	<u>1,486</u>
TOTAL ASSETS	<u>\$ 4,002</u>	<u>\$ 70,976</u>	<u>\$ -</u>	<u>\$ 74,978</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 126	\$ 56,925	\$ -	\$ 57,051
Intergovernmental payables	-	776	-	776
Due to other State funds	6	413	-	419
Deferred revenue	<u>-</u>	<u>11,813</u>	<u>-</u>	<u>11,813</u>
Total liabilities	<u>132</u>	<u>69,927</u>	<u>-</u>	<u>70,059</u>
FUND BALANCES				
Reserved for encumbrances	29	44	-	73
Unreserved, unrestricted	<u>3,841</u>	<u>1,005</u>	<u>-</u>	<u>4,846</u>
Total fund balances	<u>3,870</u>	<u>1,049</u>	<u>-</u>	<u>4,919</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,002</u>	<u>\$ 70,976</u>	<u>\$ -</u>	<u>\$ 74,978</u>

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
OTHER SOURCES AND USES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006
(Expressed in Thousands)**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total (Memorandum Only)</u>
REVENUES				
Federal capital grants	\$ -	\$ 17,794	\$ -	\$ 17,794
License and fees	5,273	-	-	5,273
Other charges for services	-	19,498	-	19,498
Other	-	-	8	8
Total revenues	<u>5,273</u>	<u>37,292</u>	<u>8</u>	<u>42,573</u>
EXPENDITURES				
Education	25	280,668	-	280,693
General government	4,653	23,060	-	27,713
Debt service - principal	25	-	-	25
Debt service - interest	1	-	-	1
Capital outlays	1,430	79,745	-	81,175
Total expenditures	<u>6,134</u>	<u>383,473</u>	<u>-</u>	<u>389,607</u>
Excess (deficiency) of revenues over expenditures	<u>(861)</u>	<u>(346,181)</u>	<u>8</u>	<u>(347,034)</u>
OTHER SOURCES (USES)				
Appropriations from State resources	9,709	2,042,730	-	2,052,439
Reappropriated to future years	(4,928)	(1,613,265)	-	(1,618,193)
Lapsed appropriations	(2,834)	(10,352)	-	(13,186)
Receipts collected and transmitted to State Treasury	-	(9)	(8)	(17)
Net change in liabilities for reappropriated accounts	26	(71,856)	-	(71,830)
Operating transfers out	(453)	(44)	-	(497)
Total other sources (uses)	<u>1,520</u>	<u>347,204</u>	<u>(8)</u>	<u>348,716</u>
CHANGE IN FUND BALANCES	659	1,023	-	1,682
FUND BALANCES, JULY 1, 2005	<u>3,211</u>	<u>26</u>	<u>-</u>	<u>3,237</u>
FUND BALANCES, JUNE 30, 2006	<u>\$ 3,870</u>	<u>\$ 1,049</u>	<u>\$ -</u>	<u>\$ 4,919</u>

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
 June 30, 2006
 (Expressed in Thousands)

	C.D.B. Revolving Fund	Asbestos Abatement Fund	School Infrastructure Fund	Tobacco Settlement Recovery Fund	Total (Memorandum Only)
	<u>215</u>	<u>224</u>	<u>568</u>	<u>733</u>	
ASSETS					
Unexpended appropriations	\$ -	\$ 7	\$ -	\$ 62	\$ 69
Cash equity with State Treasurer	2,447	-	-	-	2,447
Other receivables	1,486	-	-	-	1,486
	<u>\$ 3,933</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ 4,002</u>
TOTAL ASSETS					
	\$ 57	\$ 7	\$ -	\$ 62	\$ 126
LIABILITIES	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>
Accounts payable and accrued liabilities	63	7	-	62	132
Due to other State funds					
Total liabilities					
	<u>28</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>29</u>
FUND BALANCES	3,842	-	(1)	-	3,841
Reserved for encumbrances	3,870	-	-	-	3,870
Unreserved, unrestricted					
Total fund balances					
	<u>\$ 3,933</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 62</u>	<u>\$ 4,002</u>
TOTAL LIABILITIES AND FUND BALANCES					

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER SOURCES
 AND USES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 For the Year Ended June 30, 2006
 (Expressed in Thousands)

	C.D.B. Revolving Fund <u>215</u>	Asbestos Abatement Fund <u>224</u>	School Infrastructure Fund <u>568</u>	Tobacco Settlement Recovery Fund <u>733</u>	Total (Memorandum Only)
REVENUES					
License and fees	\$ 5,273	-	-	-	\$ 5,273
Other revenues	-	-	-	-	-
Total revenues	<u>5,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,273</u>
EXPENDITURES					
Education	-	-	-	25	25
General government	4,135	7	491	20	4,653
Debt service - principal	25	-	-	-	25
Debt service - interest	1	-	-	-	1
Capital outlays	-	-	-	1,430	1,430
Total expenditures	<u>4,161</u>	<u>7</u>	<u>491</u>	<u>1,475</u>	<u>6,134</u>
Excess (deficiency) of revenues over expenditures	<u>1,112</u>	<u>(7)</u>	<u>(491)</u>	<u>(1,475)</u>	<u>(861)</u>
OTHER SOURCES (USES)					
Appropriations from State resources	-	1,507	600	7,602	9,709
Reappropriated to future years	-	(1,507)	-	(3,421)	(4,928)
Lapsed appropriations	-	-	(109)	(2,725)	(2,834)
Net change in liabilities for reappropriated accounts	-	7	-	19	26
Operating transfers out	(453)	-	-	-	(453)
Total other sources (uses)	<u>(453)</u>	<u>7</u>	<u>491</u>	<u>1,475</u>	<u>1,520</u>
CHANGE IN FUND BALANCES	659	-	-	-	659
FUND BALANCES, JULY 1, 2005	<u>3,211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,211</u>
FUND BALANCES, JUNE 30, 2006	<u>\$ 3,870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,870</u>

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS**

June 30, 2006
(Expressed in Thousands)

	Capital Development Fund <u>141</u>	School Construction Fund <u>143</u>	CDB Contributory Trust Fund <u>617</u>	Build Illinois Bond Fund <u>971</u>	Total (Memorandum Only)
ASSETS					
Unexpended appropriations	\$ 32,477	\$ 776	\$ -	\$ 6,600	\$ 39,853
Cash equity with State Treasurer	-	-	14,583	-	14,583
Cash and cash equivalents	11,281	-	234	1,175	12,690
Intergovernmental receivables	-	-	1,835	-	1,835
Due from other State funds	-	-	2,015	-	2,015
	<u>\$ 43,758</u>	<u>\$ 776</u>	<u>\$ 18,667</u>	<u>\$ 7,775</u>	<u>\$ 70,976</u>
TOTAL ASSETS					
	\$ 43,301	\$ -	\$ 5,849	\$ 7,775	\$ 56,925
LIABILITIES					
Accounts payable and accrued liabilities	-	776	-	-	776
Intergovernmental payables	413	-	-	-	413
Due to other State funds	-	-	11,813	-	11,813
Deferred revenue	-	-	17,662	-	17,662
Total liabilities	<u>43,714</u>	<u>776</u>	<u>17,662</u>	<u>7,775</u>	<u>69,927</u>
	44	-	-	-	44
FUND BALANCES					
Reserved for encumbrances	-	-	-	-	-
Unreserved, unrestricted	44	-	1,005	-	1,005
Total fund balances	<u>44</u>	<u>-</u>	<u>1,005</u>	<u>-</u>	<u>1,049</u>
	<u>\$ 43,758</u>	<u>\$ 776</u>	<u>\$ 18,667</u>	<u>\$ 7,775</u>	<u>\$ 70,976</u>
TOTAL LIABILITIES AND FUND BALANCES					

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER SOURCES
 AND USES, AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 For the Year Ended June 30, 2006
 (Expressed in Thousands)

	Capital Development Fund <u>141</u>	School Construction Fund <u>143</u>	CDB Contributory Trust Fund <u>617</u>	Build Illinois Bond Fund <u>971</u>	Total (Memorandum Only)
REVENUES					
Federal capital grants	\$ -	-	\$ 17,794	-	\$ 17,794
Other charges for services	-	-	19,498	-	19,498
Total revenues	-	-	<u>37,292</u>	-	<u>37,292</u>
EXPENDITURES					
Education	112,922	130,180	18,080	19,486	280,668
General government	16,460	-	-	6,600	23,060
Capital outlays	60,348	-	18,163	1,234	79,745
Total expenditures	<u>189,730</u>	<u>130,180</u>	<u>36,243</u>	<u>27,320</u>	<u>383,473</u>
Excess (deficiency) of revenues under expenditures	<u>(189,730)</u>	<u>(130,180)</u>	<u>1,049</u>	<u>(27,320)</u>	<u>(346,181)</u>
OTHER SOURCES (USES)					
Appropriations from State resources	1,464,302	291,331	-	287,097	2,042,730
Reappropriated to future years	(1,252,831)	(98,825)	-	(261,609)	(1,613,265)
Lapsed appropriations	(9,350)	-	-	(1,002)	(10,352)
Receipts collected and transmitted to State Treasury	(9)	-	-	-	(9)
Net change in liabilities for reappropriated accounts	(12,364)	(62,326)	-	2,834	(71,856)
Transfers out	-	-	(44)	-	(44)
Total other sources (uses)	<u>189,748</u>	<u>130,180</u>	<u>(44)</u>	<u>27,320</u>	<u>347,204</u>
CHANGE IN FUND BALANCES	18	-	1,005	-	1,023
FUND BALANCES, JULY 1, 2005	<u>26</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26</u>
FUND BALANCES, JUNE 30, 2006	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 1,005</u>	<u>\$ -</u>	<u>\$ 1,049</u>

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 - Capital Development Fund - 0141:
Fiscal Year Ended June 30, 2006
Fiscal Year Ended June 30, 2005
 - Schedules of Appropriations, Expenditures, and Lapsed Balances -
Administrative Activities - Capital Development Board Revolving
Fund - 0215:
Fiscal Year Ended June 30, 2006
Fiscal Year Ended June 30, 2005
 - Schedules of Appropriations, Expenditures, and Lapsed Balances -
Administrative Activities - School Infrastructure Fund - 0568:
Fiscal Year Ended June 30, 2006
Fiscal Year Ended June 30, 2005
 - Schedules of Appropriations, Reappropriations, Expenditures, and
Lapsed Balances - Total Activity by Fund:
Fiscal Year Ended June 30, 2006
Fiscal Year Ended June 30, 2005
 - Schedules of Appropriations, Reappropriations, Expenditures, and
Lapsed Balances - Construction Activities by Agency:
Fiscal Year Ended June 30, 2006
Fiscal Year Ended June 30, 2005
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed
Balances - Administrative Activities - Capital Development Fund - 0141
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed
Balances - Administrative Activities - Capital Development Board
Revolving Fund - 0215
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed
Balances - Administrative Activities - School Infrastructure
Fund - 0568
 - Comparative Schedule of Net Appropriations, Reappropriations, and
Expenditures - Construction Activities by Fund
 - Schedule of Efficiency Initiative Payments
 - Schedule of Changes in State Property and Equipment
 - Comparative Schedule of Cash Receipts by Detail Source
 - Reconciliation of Cash Receipts to Deposits Remitted to the
State Comptroller
 - Summary of Operations
 - Administrative Expenditures

- Fiscal Schedules and Analysis (Continued):
 - Explanation of Significant Variations in Expenditures
 - Explanation of Significant Variations in Revenues
 - Analysis of Significant Lapse Period Spending
 - Analysis of Significant Account Balances
 - Analysis of Loans and Various Accounts Receivable
 - Analysis of Change Orders

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

The auditors' report that covers the Supplementary Information for State Compliance Purposes 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, except for that portion marked "unaudited," on which they express no opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT FUND - 0141 (b)
Fiscal Year Ended June 30, 2006

	<u>Appropriations</u> <u>Net of</u> <u>Transfers (a)</u>	<u>Expenditures</u> <u>Through</u> <u>June 30, 2006</u>	<u>Lapse Period</u> <u>Expenditures</u> <u>July 1, 2006</u> <u>Through</u> <u>August 31, 2006</u>	<u>Total</u> <u>Expenditures</u> <u>14 Months</u> <u>Ended</u> <u>August 31, 2006</u>	<u>Balance Lapsed</u> <u>August 31, 2006</u>
PUBLIC ACT 94-0015					
For general office operations:					
Personal services	\$ 4,145,200	\$ 3,982,857	\$ 4,262	\$ 3,987,119	\$ 158,081
State contribution to State Employees' Retirement System	177,300	29,942	(254)	29,688	147,612
Employee retirement contributions	323,000	311,255	458	311,713	11,287
State contribution to Social Security	320,500	294,754	326	295,080	25,420
Group insurance	1,056,000	958,609	663	959,272	96,728
Contractual services	297,000	175,201	49,352	224,553	72,447
Travel	32,200	31,664	-	31,664	536
Commodities	34,500	18,485	5,666	24,151	10,349
Equipment	25,000	9,391	-	9,391	15,609
Telecommunications	108,800	108,795	-	108,795	5
Operation of auto equipment	24,100	18,025	5,003	23,028	1,072
Operational expenses	452,400	302,219	26,178	328,397	124,003
Illinois Building Commission Revolving Fund	-	-	-	-	-
TOTAL ADMINISTRATIVE ACTIVITIES (c)	<u>\$ 6,996,000</u>	<u>\$ 6,241,197</u>	<u>\$ 91,654</u>	<u>\$ 6,332,851</u>	<u>\$ 663,149</u>

Notes:

- (a) Appropriation transfers were approved by the Governor and the Comptroller.
- (b) The above data was scheduled from the Comptroller's records and reconciled to the Capital Development Board's records by the Capital Development Board.
- (c) The Schedule of Appropriations, Expenditures, and Lapsed Balances - Administrative Activities - Capital Development Fund provides, for the Capital Development Fund, a detail of actual administrative expenditures directly attributable to the operations of the Capital Development Board only.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT FUND - 0141 (b)
Fiscal Year Ended June 30, 2005

	Appropriations Net of Transfers (a)	Expenditures Through June 30, 2005	Lapse Period Expenditures July 1, 2005 Through August 31, 2005	Total Expenditures 14 Months Ended August 31, 2005	Balance Lapsed August 31, 2005
PUBLIC ACT 93-0842					
For general office operations:					
Personal services	\$ 3,807,400	\$ 3,788,988	\$ 3,875	\$ 3,792,863	\$ 14,537
State contribution to State Employees' Retirement System	114,000	91,531	78	91,609	22,391
Employee retirement contributions	613,200	598,802	1,312	600,114	13,086
State contribution to Social Security	291,600	269,239	297	269,536	22,064
Group insurance	893,000	892,831	-	892,831	169
Contractual services	289,000	169,044	6,947	175,991	113,009
Travel	33,000	32,981	-	32,981	19
Commodities	30,300	28,816	1,307	30,123	177
Equipment	29,400	13,203	1,586	14,789	14,611
Telecommunications	92,000	91,395	242	91,637	363
Operation of auto equipment	22,300	21,811	489	22,300	-
Operational expenses					
Illinois Building Commission Revolving Fund	-	-	-	-	-
TOTAL ADMINISTRATIVE ACTIVITIES (c) (d)	\$ 6,215,200	\$ 5,998,641	\$ 16,133	\$ 6,014,774	\$ 200,426

Notes:

- (a) Appropriation transfers were approved by the Governor and the Comptroller.
- (b) The above data was scheduled from the Comptroller's records and reconciled to the Capital Development Board's records by the Capital Development Board.
- (c) The Schedule of Appropriations, Expenditures, and Lapsed Balances - Administrative Activities - General Revenue Fund provides, for the General Revenue Fund, a detail of actual administrative expenditures directly attributable to the operations of the Capital Development Board only.
- (d) Administrative expenditures that were previously paid out of the General Revenue Fund - 0001 were paid out of the Capital Development Fund - 0141 in fiscal year 2004.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT BOARD REVOLVING FUND - 0215 (b)
Fiscal Year Ended June 30, 2006**

	<u>Appropriations Net of Transfers (a)</u>	<u>Expenditures Through June 30, 2006</u>	<u>Lapse Period Expenditures July 1, 2006 Through August 31, 2006</u>	<u>Total Expenditures 14 Months Ended August 31, 2006</u>	<u>Balance Lapsed August 31, 2006</u>
PUBLIC ACT 94-0015					
For general office operations:					
Personal services	\$ 2,643,400	\$ 2,586,007	\$ 9,441	\$ 2,595,448	\$ 47,952
State contribution to State Employees' Retirement System	125,600	11,978	-	11,978	113,622
Employee retirement contributions	205,900	201,705	736	202,441	3,459
State contribution to Social Security	204,500	189,576	707	190,283	14,217
Group insurance	775,800	604,358	2,817	607,175	168,625
Contractual services	335,300	122,390	7,178	129,568	205,732
Travel	240,600	158,595	37,613	196,208	44,392
Commodities	21,400	8,208	98	8,306	13,094
Printing	37,200	14,544	-	14,544	22,656
Equipment	17,800	4,820	-	4,820	12,980
Telecommunications	119,500	74,201	17,607	91,808	27,692
Operational purposes	-	-	-	-	-
Electronic data processing	185,200	67,812	14,650	82,462	102,738
TOTAL ADMINISTRATIVE ACTIVITIES (c)	<u>\$ 4,912,200</u>	<u>\$ 4,044,194</u>	<u>\$ 90,847</u>	<u>\$ 4,135,041</u>	<u>\$ 777,159</u>

Notes:

- (a) Appropriation transfers were approved by the Governor and the Comptroller.
- (b) The above data was scheduled from the Comptroller's records and reconciled to the Capital Development Board's records by the Capital Development Board.
- (c) The Schedule of Appropriations, Expenditures, and Lapsed Balances - Administrative Activities - Capital Development Board Revolving Fund provides, for the Capital Development Board Revolving Fund, a detail of actual administrative expenditures directly attributable to the operations of the Capital Development Board only.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT BOARD REVOLVING FUND - 0215 (b)
 Fiscal Year Ended June 30, 2005

PUBLIC ACT 93-0842

For general office operations:

	Appropriations Net of Transfers (a)	Expenditures Through June 30, 2005	Lapse Period Expenditures July 1, 2005 Through August 31, 2005	Total Expenditures 14 Months Ended August 31, 2005	Balance Lapsed August 31, 2005
Personal services	\$ 3,120,770	\$ 3,015,315	\$ -	\$ 3,015,315	\$ 105,455
State contribution to State Employees' Retirement System	95,000	37,814	-	37,814	57,186
Employee retirement contributions	502,651	484,401	-	484,401	18,250
State contribution to Social Security	237,911	218,314	-	218,314	19,597
Group insurance	816,350	708,438	1,129	709,567	106,783
Contractual services	209,444	146,494	30,386	176,880	32,564
Travel	265,017	168,368	32,882	201,250	63,767
Commodities	29,303	17,327	1,897	19,224	10,079
Printing	42,054	13,662	162	13,824	28,230
Equipment	35,654	3,580	1,092	4,672	30,982
Telecommunications	118,917	109,592	6,739	116,331	2,586
Operational purposes	769,900	594,807	9,156	603,963	165,937
Electronic data processing	185,103	150,533	15,511	166,044	19,059
TOTAL ADMINISTRATIVE ACTIVITIES (c)	\$ 6,428,074	\$ 5,668,645	\$ 98,954	\$ 5,767,599	\$ 660,475

Notes:

- (a) Appropriation transfers were approved by the Governor and the Comptroller.
- (b) The above data was scheduled from the Comptroller's records and reconciled to the Capital Development Board's records by the Capital Development Board.
- (c) The Schedule of Appropriations, Expenditures, and Lapsed Balances - Administrative Activities - Capital Development Board Revolving Fund provides, for the Capital Development Board Revolving Fund, a detail of actual administrative expenditures directly attributable to the operations of the Capital Development Board only.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 ADMINISTRATIVE ACTIVITIES - SCHOOL INFRASTRUCTURE FUND - 0568 (b)
 Fiscal Year Ended June 30, 2006

PUBLIC ACT 94-0015

For general office operations:
 School infrastructure purposes

Appropriations Net of Transfers (a)	Lapse Period Expenditures July 1, 2006 Through August 31, 2006	Total Expenditures 14 Months Ended August 31, 2006	Balance Lapsed August 31, 2006
\$ 600,000	\$ 807	\$ 491,427	\$ 108,573
\$ 600,000	\$ 807	\$ 491,427	\$ 108,573
TOTAL ADMINISTRATIVE ACTIVITIES (c)			

Notes:

- (a) Appropriation transfers were approved by the Governor and the Comptroller.
- (b) The above data was scheduled from the Comptroller's records and reconciled to the Capital Development Board's records by the Capital Development Board.
- (c) The Schedule of Appropriations, Expenditures, and Lapsed Balances - Administrative Activities - School Infrastructure Fund provides, for the School Infrastructure Fund, a detail of actual administrative expenditures directly attributable to the operations of the Capital Development Board only.

STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 ADMINISTRATIVE ACTIVITIES - SCHOOL INFRASTRUCTURE FUND - 0568 (b)
 Fiscal Year Ended June 30, 2005

	Appropriations Net of Transfers (a)	Expenditures Through June 30, 2005	Lapse Period Expenditures July 1, 2005 Through August 31, 2005	Total Expenditures 14 Months Ended August 31, 2005	Balance Lapsed August 31, 2005
PUBLIC ACT 93-0842					
For general office operations:					
School infrastructure purposes	\$ <u>600,000</u>	\$ <u>547,535</u>	\$ -	\$ <u>547,535</u>	\$ <u>52,465</u>
TOTAL ADMINISTRATIVE ACTIVITIES (c)	<u>\$ 600,000</u>	<u>\$ 547,535</u>	<u>\$ -</u>	<u>\$ 547,535</u>	<u>\$ 52,465</u>

Notes:

- (a) Appropriation transfers were approved by the Governor and the Comptroller.
- (b) The above data was scheduled from the Comptroller's records and reconciled to the Capital Development Board's records by the Capital Development Board.
- (c) The Schedule of Appropriations, Expenditures, and Lapsed Balances - Administrative Activities - School Infrastructure Fund provides, for the School Infrastructure Fund, a detail of actual administrative expenditures directly attributable to the operations of the Capital Development Board only.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
TOTAL ACTIVITY BY FUND (a)
Fiscal Year Ended June 30, 2006

	Appropriations Net of Transfers	Expenditures Through June 30, 2006	Lapse Period Expenditures July 1, 2006 Through August 31, 2006	Total Expenditures 14 Months Ended August 31, 2006	Balance Reappropriated July 1, 2006	Balance Lapsed August 31, 2006 (b)
PUBLIC ACT 94-0015						
Administration - Appropriated Funds						
Capital Development Fund - 0141	\$ 6,996,000	\$ 6,241,197	\$ 91,654	\$ 6,332,851	\$ -	\$ 663,149
Capital Development Board						
Revolving Fund - 0215	4,912,200	4,044,194	90,847	4,135,041	-	777,159
School Infrastructure Fund - 0568	600,000	490,620	807	491,427	-	108,573
Total Administration - Appropriated Funds	<u>12,508,200</u>	<u>10,776,011</u>	<u>183,308</u>	<u>10,959,319</u>	<u>-</u>	<u>1,548,881</u>
Construction - Appropriated Funds						
Capital Development Fund - 0141	1,457,305,414	195,752,396	35,015	195,787,411	1,252,830,867	8,687,136
School Construction Fund - 0143	291,330,685	192,506,123	-	192,506,123	98,824,565	(3)
Asbestos Abatement Fund - 0224	1,507,020	-	-	-	1,507,020	-
Tobacco Settlement Recovery Fund - 0733	7,602,749	1,456,412	-	1,456,412	3,421,459	2,724,878
Build Illinois Bond Fund - 0971	287,096,643	24,483,076	2,564	24,485,640	261,608,815	1,002,188
Total Construction - Appropriated Funds	<u>2,044,842,511</u>	<u>414,198,007</u>	<u>37,579</u>	<u>414,235,586</u>	<u>1,618,192,726</u>	<u>12,414,199</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 2,057,350,711</u>	<u>\$ 424,974,018</u>	<u>\$ 220,887</u>	<u>\$ 425,194,905</u>	<u>\$ 1,618,192,726</u>	<u>\$ 13,963,080</u>

Notes:

- (a) The above data was scheduled from the Comptroller's records and reconciled to the Capital Development Board's records by the Capital Development Board.
- (b) This column represents lapsed appropriations less reappropriations to subsequent fiscal years for the Capital Development Board.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
TOTAL ACTIVITY BY FUND (a)
Fiscal Year Ended June 30, 2005

	Appropriations Net of Transfers	Expenditures Through June 30, 2005	Lapse Period Expenditures July 1, 2005 Through August 31, 2005	Total Expenditures 14 Months Ended August 31, 2005	Balance Reappropriated July 1, 2005	Balance Lapsed August 31, 2005 (b)
PUBLIC ACT 93-0842						
Administration - Appropriated Funds						
Capital Development Fund - 0141	\$ 6,215,200	\$ 5,998,641	\$ 16,133	\$ 6,014,774	\$ -	\$ 200,426
Capital Development Board						
Revolving Fund - 0215	6,428,074	5,668,645	98,954	5,767,599	-	660,475
School Infrastructure Fund - 0568	<u>600,000</u>	<u>547,535</u>	-	<u>547,535</u>	-	<u>52,465</u>
Total Administration - Appropriated Funds	<u>13,243,274</u>	<u>12,214,821</u>	<u>115,087</u>	<u>12,329,908</u>	-	<u>913,366</u>
Construction - Appropriated Funds						
Capital Development Fund - 0141	1,224,268,496	186,648,950	257,907	186,906,857	971,830,414	65,531,225
School Construction Fund - 0143	561,506,009	288,175,326	-	288,175,326	273,330,685	(2)
Asbestos Abatement Fund - 0224	1,525,797	18,777	-	18,777	1,507,020	-
School Infrastructure Fund - 0568	1,223,663	1,223,660	-	1,223,660	-	3
Tobacco Settlement Recovery Fund - 0733	11,396,224	1,802,782	14,561	1,817,343	7,602,749	1,976,132
Build Illinois Bond Fund - 0971	<u>193,061,143</u>	<u>27,490,478</u>	-	<u>27,490,478</u>	<u>162,096,643</u>	<u>3,474,022</u>
Total Construction - Appropriated Funds	<u>1,992,981,332</u>	<u>505,359,973</u>	<u>272,468</u>	<u>505,632,441</u>	<u>1,416,367,511</u>	<u>70,981,380</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 2,006,224,606</u>	<u>\$ 517,574,794</u>	<u>\$ 387,555</u>	<u>\$ 517,962,349</u>	<u>\$ 1,416,367,511</u>	<u>\$ 71,894,746</u>

Notes:

- (a) The above data was scheduled from the Comptroller's records and reconciled to the Capital Development Board's records by the Capital Development Board.
- (b) This column represents lapsed appropriations less reappropriations to subsequent fiscal years for the Capital Development Board.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
CONSTRUCTION ACTIVITIES BY AGENCY
Fiscal Year Ended June 30, 2006 (a)

	<u>Appropriation (d)</u>	<u>Reappropriation (d)</u>	<u>Expenditures Through June 30, 2006</u>	<u>Lapse Period Expenditures July 1, 2006 Through August 31, 2006</u>	<u>Total Expenditures 14 Months Ended August 31, 2006 (c)</u>	<u>Balances Reappropriated July 1, 2006</u>	<u>Balances Lapsed August 31, 2006 (b)</u>
Office of the Architect of the Capital	\$ 39,242,000	\$ 14,481,981	\$ 10,022,785	\$ -	\$ 10,022,785	\$ 43,701,196	\$ -
Supreme Court	293,000	1,958,360	15,266	-	15,266	2,236,094	-
Appellate Courts	101,200	93,852	9,095	-	9,095	161,718	24,239
Department of Agriculture	1,107,000	3,469,147	363,605	-	363,605	4,017,701	194,841
Department of Veteran's Affairs	13,967,000	12,721,297	2,120,155	-	2,120,155	22,328,938	2,239,204
Department of Natural Resources	4,897,097	55,353,633	25,165,257	-	25,165,257	34,121,102	964,371
Historic Preservation	1,692,000	32,209,850	8,495,019	-	8,495,019	25,232,160	174,671
Department of Corrections	1,358,400	257,663,811	8,776,797	4,061	8,780,858	246,278,152	3,963,201
Department of Central Management Services	3,582,000	13,797,757	520,282	13,781	534,063	15,365,758	1,479,936
Department of Energy & Natural Resources	-	11,308	-	-	-	-	11,308
Department of State Police	2,500,000	5,100,001	244,919	-	244,919	7,349,599	5,483
Department of Human Services	3,786,000	85,821,852	15,148,109	-	15,148,109	73,580,052	879,691
Department of Military Affairs	2,050,000	43,005,349	14,380,964	-	14,380,964	29,736,669	937,716
Department of Public Aid	-	-	-	-	-	-	-
Department of Public Health	-	1,190,347	15,494	-	15,494	1,174,853	-
Department of Revenue	5,540,000	10,003,134	410,581	-	410,581	15,132,553	-
Department of Transportation	-	-	-	-	-	-	-
Capital Development Board	426,508,297	20,104,080	233,828	-	233,828	446,378,549	-
Emergency Management	-	6,681,078	6,193,274	-	6,193,274	487,804	-
Medical Center Comm. Complex	-	1,303,151	292,128	-	292,128	1,011,023	-
Governor's Office	24,154	1,068,365	956,151	-	956,151	136,368	-
Attorney General	255,000	67,181	-	-	-	322,181	-
Secretary of State	635,000	19,568,577	1,481,261	-	1,481,261	18,722,316	-
State Board of Education	18,000,000	273,425,799	192,506,123	-	192,506,123	98,919,676	-
School Construction Program:							
Cook County	-	-	-	-	-	-	-
Other Counties	-	-	-	-	-	-	-

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
CONSTRUCTION ACTIVITIES BY AGENCY
Fiscal Year Ended June 30, 2006(a)

	<u>Appropriation (d)</u>	<u>Reappropriation (d)</u>	<u>Expenditures Through June 30, 2006</u>	<u>Lapse Period Expenditures July 1, 2006 Through August 31, 2006</u>	<u>Total Expenditures 14 Months Ended August 31, 2006 (c)</u>	<u>Balances Reappropriated July 1, 2006</u>	<u>Balances Lapsed August 31, 2006 (b)</u>
Board of Higher Education	\$ 4,118,337	\$ 5,827,991	\$ 4,076,962	\$ -	\$ 4,076,962	\$ 5,869,366	\$ -
Illinois Community College Board	3,521,900	224,112,963	32,556,033	6,750	32,562,783	195,055,491	16,589
Chicago State University	7,850,000	72,508,154	31,780,414	2,592	31,783,006	48,575,148	-
Eastern Illinois University	-	48,273,788	19,744,502	-	19,744,502	28,529,286	-
Governor's State University	-	15,889,320	477,394	-	477,394	15,411,926	-
Northeastern Illinois University	-	14,138,215	616,636	-	616,636	13,521,579	-
Western Illinois University	2,399,000	19,004,976	2,394,427	-	2,394,427	19,002,968	6,581
Illinois State University	3,000,000	32,145,388	4,707,663	5,520	4,713,183	30,432,030	175
Northern Illinois University	-	18,863,819	4,858,631	-	4,858,631	14,005,188	-
Southern Illinois University	11,609,300	50,213,282	8,559,009	4,873	8,563,882	53,258,504	196
University of Illinois	7,900,000	162,129,305	44,461,862	(296)	44,461,566	124,067,738	1,500,001
Local government facilities	62,288,315	15,076,781	16,589,660	-	16,589,660	60,775,436	-
Asbestos abatement	250,000	1,740,099	35,740	-	35,740	1,954,359	-
Total activity by agency	628,475,000	1,539,023,991	458,210,026	37,281	458,247,307	1,696,853,481	12,398,203
Reconciliation:							
Transfer							
Nonappropriated funds:	(628,475,000)	628,475,000	-	-	-	-	-
CDB Contributory Trust							
Fund - 0617	-	(122,656,480)	(44,012,019)	298	(44,011,721)	(78,660,755)	15,996
TOTAL ACTIVITY BY FUND	\$ -	\$ 2,044,842,511	\$ 414,198,007	\$ 37,579	\$ 414,235,586	\$ 1,618,192,726	\$ 12,414,199

Notes:

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

(b) This column represents lapsed appropriations not originally appropriated for the Capital Development Board.

(c) Expenditures were scheduled from the Capital Development Board records and reconciled to the Comptroller records by the Capital Development Board.

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

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
CONSTRUCTION ACTIVITIES BY AGENCY
Fiscal Year Ended June 30, 2005 (a)

	Appropriation (d)	Reappropriation (d)	Expenditures Through June 30, 2005	Lapse Period Expenditures July 1, 2005 Through August 31, 2005	Total Expenditures 14 Months Ended August 31, 2005 (c)	Balances Reappropriated July 1, 2005	Balances Lapsed August 31, 2005 (b)
Office of the Architect of the Capital	\$	-	\$ 166,421	-	\$ 166,421	\$ 14,481,981	-
Supreme Court	-	-	23,220	-	23,220	1,943,093	-
Appellate Court	-	-	389,253	5,000	394,253	88,963	22,813
Department of Agriculture	-	-	3,506,191	-	3,506,191	3,470,233	1,674,997
Department of Veteran's Affairs	-	-	599,165	-	599,165	10,576,205	287,763
Department of Natural Resources	29,000,000	-	11,421,705	37,240	11,458,945	55,331,992	12,162,689
Historic Preservation	-	-	22,460,041	(3,427)	22,456,614	26,233,629	786,011
Department of Corrections	-	-	29,752,412	106,650	29,859,062	257,138,887	39,776,691
Central Management Services	-	-	1,720,611	54,695	1,775,306	13,832,024	1,446,861
Department of Energy & Natural Resources	-	-	110,340	-	110,340	11,308	-
Department of State Police	-	-	1,894,660	495	1,895,155	5,090,543	239,401
Department of Human Services-Joliet	-	-	18,414,604	-	18,414,604	85,581,187	2,438,436
Department of Military Affairs	-	-	13,784,841	1,324	13,786,165	31,032,072	699,956
Department of Public Aid	-	-	-	-	-	-	-
Department of Public Health	-	-	30,453	-	30,453	1,190,347	-
Department of Revenue	-	-	1,277,577	-	1,277,577	10,003,134	87,728
Department of Transportation	-	-	25,379	-	25,379	200	7,947
Capital Development Board	-	-	1,838,138	192	1,838,330	22,990,591	9,930,822
Illinois Emergency Management	-	-	8,158,414	-	8,158,414	6,396,444	-
Medical Center Comm. Complex	-	-	177,433	-	177,433	1,303,151	-
Governor's Office	-	-	60,236	-	60,236	1,068,365	21,089
Attorney General	-	-	16,200	-	16,200	35,931	-
Secretary of State	-	-	1,126,615	15,770	1,142,385	19,563,479	-
Department of Human Services-Jville	-	-	6,816	-	6,816	-	71,446
State Board of Education	-	-	-	-	-	-	-
School Construction Program:							
Cook County	-	-	26,217,185	-	26,217,185	-	-
Other Counties	-	-	263,371,441	-	263,371,441	289,403,400	-
Board of Higher Education	-	-	13,114,202	-	13,114,202	6,734,031	186,407
Illinois Community College Board	-	-	32,739,842	20,470	32,760,312	223,361,411	232,696
Chicago State University	-	-	17,781,194	-	17,781,194	71,427,903	1,623

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF APPROPRIATIONS, REAPPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
CONSTRUCTION ACTIVITIES BY AGENCY
Fiscal Year Ended June 30, 2005 (a)

	Appropriation (d)	Reappropriation (d)	Expenditures Through June 30, 2005	Lapse Period Expenditures July 1, 2005 Through August 31, 2005	Total Expenditures 14 Months Ended August 31, 2005 (c)	Balances Reappropriated July 1, 2005	Balances Lapsed August 31, 2005 (b)
Eastern Illinois University	\$ -	\$ 51,426,685	\$ 3,095,944	\$ -	\$ 3,095,944	\$ 48,273,788	\$ 56,953
Governor's State University	-	16,803,434	628,977	-	628,977	15,753,820	420,637
Northeastern Illinois University	-	17,135,164	2,910,330	-	2,910,330	14,151,106	73,728
Western Illinois University	-	19,382,588	377,611	-	377,611	19,004,977	-
Illinois State University	-	43,975,673	11,829,103	-	11,829,103	32,145,388	1,182
Northern Illinois University	-	20,962,412	2,070,542	-	2,070,542	18,891,870	-
Southern Illinois University	-	59,526,496	10,286,022	(40,789)	10,245,233	49,199,055	82,208
University of Illinois	-	206,391,032	44,197,976	22,500	44,220,476	162,135,608	34,948
Local government facilities	-	16,685,000	5,560,000	-	5,560,000	11,125,000	-
Asbestos abatement	-	1,887,419	96,060	-	96,060	1,791,359	-
Total activity by agency	29,000,000	2,123,964,781	551,237,154	220,120	551,457,274	1,530,762,475	70,745,032
Reconciliation:							
Transfer	(29,000,000)		-	-	-	-	-
Nonappropriated funds:							
CDB Contributory Trust							
Fund - 0617		(159,983,449)	(45,877,181)	52,348	(45,824,833)	(114,394,964)	236,348
TOTAL ACTIVITY BY FUND	\$ -	\$ 1,992,981,332	\$ 505,359,973	\$ 272,468	\$ 505,632,441	\$ 1,416,367,511	\$ 70,981,380

Notes:

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

(b) This column represents lapsed appropriations not originally appropriated for the Capital Development Board.

(c) Expenditures were scheduled from the Capital Development Board records and reconciled to the Comptroller records by the Capital Development Board.

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT FUND - 0141
Fiscal Years Ended June 30, 2006, 2005, and 2004**

	<u>Fiscal Year</u>		
	<u>2006</u> <u>PA 94-0015</u>	<u>2005</u> <u>PA 93-0842</u>	<u>2004</u> <u>PA 93-0073</u>
APPROPRIATIONS	\$ 6,996,000	\$ 6,215,200	\$ 7,000,000
EXPENDITURES			
Personal services	3,987,119	3,792,863	3,977,403
State contribution to State Employees' Retirement System	29,688	91,609	6,202
Employee retirement contributions	311,713	600,114	535,570
State contribution to Social Security	295,080	269,536	285,049
Group insurance	959,272	892,831	819,943
Contractual services	224,553	175,991	268,065
Travel	31,664	32,981	32,999
Commodities	24,151	30,123	30,295
Equipment	9,391	14,789	18,105
Telecommunications	108,795	91,637	83,996
Operation of auto equipment	23,028	22,300	20,273
Operational Expenses	328,397	-	-
Illinois Building Commission Revolving Fund	-	-	279,965
Total expenditures	<u>6,332,851</u>	<u>6,014,774</u>	<u>6,357,865</u>
LAPSED BALANCES	<u>\$ 663,149</u>	<u>\$ 200,426</u>	<u>\$ 642,135</u>

Note: The above data was scheduled from the Comptroller's records and reconciled to the Capital Development Board's records by the Capital Development Board.

Note: Prior to 2004, the administrative activities were appropriated and expended in the General Revenue Fund 0001.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
ADMINISTRATIVE ACTIVITIES - CAPITAL DEVELOPMENT BOARD
REVOLVING FUND - 0215
Fiscal Years Ended June 30, 2006, 2005, and 2004**

	<u>Fiscal Year</u>		
	<u>2006</u> <u>PA 94-0015</u>	<u>2005</u> <u>PA 93-0842</u>	<u>2004</u> <u>PA 93-0073</u>
APPROPRIATIONS	\$ 4,912,200	\$ 6,428,074	\$ 6,028,580
EXPENDITURES			
Personal services	2,595,448	3,015,315	2,741,116
State contribution to State Employees' Retirement System	11,978	37,814	36,121
Employee retirement contributions	202,441	484,401	368,785
State contribution to Social Security	190,283	218,314	201,100
Group insurance	607,175	709,567	534,319
Contractual services	129,568	176,880	186,728
Travel	196,208	201,250	184,465
Commodities	8,306	19,224	18,048
Printing	14,544	13,824	25,411
Equipment	4,820	4,672	13,893
Telecommunications	91,808	116,331	101,343
Operational purposes	-	603,963	689,503
Electronic data processing	82,462	166,044	166,109
Total expenditures	<u>4,135,041</u>	<u>5,767,599</u>	<u>5,266,941</u>
LAPSED BALANCES	<u>\$ 777,159</u>	<u>\$ 660,475</u>	<u>\$ 761,639</u>

Note: The above data was scheduled from the Comptroller's records and reconciled to the Capital Development Board's records by the Capital Development Board.

**STATE OF ILLINOIS
 CAPITAL DEVELOPMENT BOARD
 COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
 EXPENDITURES, AND LAPSED BALANCES
 ADMINISTRATIVE ACTIVITIES - SCHOOL INFRASTRUCTURE FUND - 0568
 Fiscal Years Ended June 30, 2006, 2005, and 2004**

	<u>Fiscal Year</u>		
	<u>2006</u> <u>PA 94-0015</u>	<u>2005</u> <u>PA 93-0842</u>	<u>2004</u> <u>PA 93-0073</u>
APPROPRIATIONS	\$ 600,000	\$ 600,000	\$ 466,600
EXPENDITURES			
School infrastructure purposes	<u>491,427</u>	<u>547,535</u>	<u>460,912</u>
LAPSED BALANCES	<u>\$ 108,573</u>	<u>\$ 52,465</u>	<u>\$ 5,688</u>

Note: The above data was scheduled from the Comptroller's records and reconciled to the Capital Development Board's records by the Capital Development Board.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
REAPPROPRIATIONS, AND EXPENDITURES
CONSTRUCTION ACTIVITIES BY FUND (a) (b)
Fiscal Years Ended June 30, 2006, 2005, and 2004**

	Fiscal Year		
	2006 PA 94-0015	2005 PA 93-0842	2004 PA 93-0073
GENERAL REVENUE FUND - 0001			
Appropriations and Reappropriations	\$ -	\$ -	\$ 11,093,405
Expenditures	\$ -	\$ -	\$ 2,729,046
CAPITAL DEVELOPMENT FUND - 0141			
Appropriations and Reappropriations	\$ 1,457,305,414	\$ 1,224,268,496	\$ 1,419,632,198
Expenditures	\$ 195,787,411	\$ 186,906,857	\$ 217,278,468
SCHOOL CONSTRUCTION FUND - 0143			
Appropriations and Reappropriations	\$ 291,330,685	\$ 561,506,009	\$ 1,035,885,219
Expenditures	\$ 192,506,123	\$ 288,175,326	\$ 474,379,215
ASBESTOS ABATEMENT FUND - 0224			
Appropriations and Reappropriations	\$ 1,507,020	\$ 1,525,797	\$ 1,642,731
Expenditures	\$ -	\$ 18,777	\$ 116,934
SCHOOL INFRASTRUCTURE FUND - 0568			
Appropriations and Reappropriations	\$ -	\$ 1,223,663	\$ 4,894,645
Expenditures	\$ -	\$ 1,223,660	\$ 3,670,982
FUND FOR ILLINOIS' FUTURE - 0611			
Appropriations and Reappropriations	\$ -	\$ -	\$ 3,285,000
Expenditures	\$ -	\$ -	\$ 250,000
CDB CONTRIBUTORY TRUST FUND - 0617			
Appropriations and Reappropriations	\$ -	\$ -	\$ -
Expenditures	\$ 41,295,561	\$ 46,564,373	\$ 41,619,438
TOBACCO SETTLEMENT RECOVERY FUND - 0733			
Appropriations and Reappropriations	\$ 7,602,749	\$ 11,396,224	\$ 14,826,042
Expenditures	\$ 1,456,412	\$ 1,817,343	\$ 2,963,066
BUILD ILLINOIS BOND FUND - 0971			
Appropriations and Reappropriations	\$ 287,096,643	\$ 193,061,143	\$ 249,205,245
Expenditures	\$ 24,485,640	\$ 27,490,478	\$ 56,122,808
TOTAL			
Appropriations and Reappropriations	\$ 2,044,842,511	\$ 1,992,981,332	\$ 2,740,464,485
Expenditures	\$ 455,531,147	\$ 552,196,814	\$ 799,129,957

Notes:

- (a) The data in this schedule was scheduled from the Comptroller's records which were reconciled to the Agency's records by the Capital Development Board.
- (b) The data in this schedule represents appropriations, reappropriations, and expenditures for ongoing capital projects and are presented for informational purposes only. Because these projects require continuing appropriation and reappropriation of funds to be expended over several years, a comparison of amounts from year to year is not meaningful.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS
Fiscal Years Ended June 30, 2006 and 2005**

Note: Per review of the Office of the Comptroller's website and discussion with the Capital Development Board's management, there were no efficiency initiative payments made pursuant to 30 ILCS 105/6p-5 during the fiscal year ended June 30, 2006.

The following schedule provides an analysis of efficiency initiative payments made during the year ended June 30, 2005.

Information Technology Initiatives

Capital Development Board Revolving Fund - 0215:	
Lump sum operations	\$45,801
Printing	<u>1,841</u>
Total	<u>\$47,642</u>

Note: This schedule includes only those payments made pursuant to 30 ILCS 105/6p-5. Amounts were obtained from the Capital Development Board and reconciled to information from the Office of the Comptroller.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY AND EQUIPMENT
Fiscal Years Ended June 30, 2006 and 2005**

	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
BALANCE, JULY 1, 2004	\$ 2,384,338	\$ 113,256,362	\$ 115,640,700
Additions	60,188	105,074,773	105,134,961
Deletions and transfers	<u>(133,445)</u>	<u>(186,108,968)</u>	<u>(186,242,413)</u>
BALANCE, JUNE 30, 2005	2,311,081	32,222,167	34,533,248
Additions	68,673	91,912,199	91,980,872
Deletions and transfers	<u>(70,703)</u>	<u>(97,640,192)</u>	<u>(97,710,895)</u>
BALANCE, JUNE 30, 2006	<u>\$ 2,309,051</u>	<u>\$ 26,494,174</u>	<u>\$ 28,803,225</u>

Notes:

- (1) The data in this schedule has been reconciled to property reports (Form C-15) submitted to the Office of the 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 Office of the Comptroller for financial reporting in accordance with generally accepted accounting principles.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS BY DETAIL SOURCE (a)
Fiscal Years Ended June 30, 2006, 2005, and 2004**

<u>Fund/Receipt Source</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
GENERAL REVENUE FUND - 0001			
Repayment to State pursuant to law (Port Districts)	\$ 60,000	\$ 60,000	\$ 60,000
Prior year refund	-	9,166	862
Miscellaneous	1,886	779	179
Total General Revenue Fund	<u>61,886</u>	<u>69,945</u>	<u>61,041</u>
GENERAL OBLIGATION BOND RETIREMENT AND INTEREST FUND - 0101			
Federal government (HHS)	-	-	-
Federal Utility Deposits	7,648	-	-
Repayment to State/EPA	-	-	-
Total General Obligation Bond Retirement and Interest Fund	<u>7,648</u>	<u>-</u>	<u>-</u>
CAPITAL DEVELOPMENT FUND - 0141			
Prior year expenditure transfers	-	-	-
Prior year refunds	9,097	58,288	41,366
Total Capital Development Fund	<u>9,097</u>	<u>58,288</u>	<u>41,366</u>
CDB SPECIAL PROJECTS FUND - 0170			
Commerce and Economic Opportunity	1,925,000	-	-
Total CDB Special Projects Fund	<u>1,925,000</u>	<u>-</u>	<u>-</u>
CAPITAL DEVELOPMENT BOARD REVOLVING FUND - 0215			
Copying fees	309	40	7,354
Prior year receipt adjustment	-	-	-
Prior year refund	18	1,349	687
Prior year warrant voids	-	(55,000)	-
Contract administration fees	6,259,200	4,911,580	5,206,776
Total Capital Development Board Revolving Fund	<u>6,259,527</u>	<u>4,857,969</u>	<u>5,214,817</u>

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS BY DETAIL SOURCE (a)
Fiscal Years Ended June 30, 2006, 2005, and 2004**

<u>Fund/Receipt Source</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
CDB CONTRIBUTORY TRUST FUND - 0617			
Junior colleges	\$ 7,660,011	\$ 10,304,040	\$ 14,204,266
Lincoln Historical Library contribution	13,820	-	1,791,410
Federal monies via other Illinois State agencies	26,019,995	26,179,153	15,067,821
Damage claim recovery	33,416	165,000	1,661,221
Chicago State University	8,206,410	4,500,000	7,500,000
Federal Government - IL Governmental Units - Universities	-	1,180,000	1,597,476
Prior year refund	-	-	9
Other charges for services	-	55,000	-
Miscellaneous	455,934	2,330,058	20,000
	<u>42,389,586</u>	<u>44,713,251</u>	<u>41,842,203</u>
Total Capital Development Board Contributory Trust Fund	<u>42,389,586</u>	<u>44,713,251</u>	<u>41,842,203</u>
 BUILD ILLINOIS BOND FUND - 0971			
Returned Utility Deposits	<u>18,816</u>	<u>-</u>	<u>-</u>
Total Build Illinois Bond Fund	<u>18,816</u>	<u>-</u>	<u>-</u>
 TOTAL ALL FUNDS	 <u>\$ 50,671,560</u>	 <u>\$ 49,699,453</u>	 <u>\$ 47,159,427</u>

Note:

- (a) The data in this schedule was scheduled from the Comptroller's records which were reconciled to the Agency's records by the Capital Development Board.

STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
Fiscal Years Ended June 30, 2006 and 2005

	General Revenue Fund <u>0001</u>	General Obligation BR&I Fund <u>101</u>	Capital Development Fund <u>0141</u>	CDB Special Projects <u>170</u>	Capital Development Board Revolving Fund <u>0215</u>	CDB Contributory Trust Fund <u>0617</u>	Build Illinois Bond Fund <u>0971</u>	Total
TOTAL RECEIPTS PER AGENCY RECORDS, FISCAL YEAR 2005	\$ 61,544	\$ -	\$ -	\$ -	\$ 5,147,920	\$ 43,867,466	\$ -	\$ 49,076,930
Add:								
Deposits in transit at June 30, 2004	-	-	-	-	291,400	970,785	-	1,262,185
Other reconciling items (a)	9,166	-	58,288	-	(53,651)	55,000	-	68,803
Deduct:								
Deposits in transit at June 30, 2005	(765)	-	-	-	(527,700)	(180,000)	-	(708,465)
TOTAL RECEIPTS PER THE COMPTROLLER, FISCAL YEAR 2005	<u>\$ 69,945</u>	<u>\$ -</u>	<u>\$ 58,288</u>	<u>\$ -</u>	<u>\$ 4,857,969</u>	<u>\$ 44,713,251</u>	<u>\$ -</u>	<u>\$ 49,699,453</u>
TOTAL RECEIPTS PER AGENCY RECORDS, FISCAL YEAR 2006	\$ 61,129	\$ 7,648	\$ -	\$ 1,925,000	\$ 5,934,009	\$ 43,585,998	\$ 18,816	\$ 51,532,600
Add:								
Deposits in transit at June 30, 2005	764	-	-	-	527,700	180,000	-	708,464
Other reconciling items (a)	-	-	9,097	-	18	-	-	9,115
Deduct:								
Deposits in transit at June 30, 2006	(7)	-	-	-	(202,200)	(1,376,412)	-	(1,578,619)
TOTAL RECEIPTS PER THE COMPTROLLER, FISCAL YEAR 2006	<u>\$ 61,886</u>	<u>\$ 7,648</u>	<u>\$ 9,097</u>	<u>\$ 1,925,000</u>	<u>\$ 6,259,527</u>	<u>\$ 42,389,586</u>	<u>\$ 18,816</u>	<u>\$ 50,671,560</u>

Note:

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
June 30, 2006**

SUMMARY OF OPERATIONS

The General Assembly appropriated \$2,057,350,711 in fiscal year 2006 and \$2,006,224,606 in fiscal year 2005 to the Capital Development Board (CDB) to address the permanent improvement needs of Illinois' citizens and other State agencies. These funds and other funds appropriated to other State agencies for projects administered by CDB were used to finance the ongoing construction of approximately 1,055 projects in fiscal year 2006 and 1,687 projects in fiscal year 2005. Approximately 96.3 and 96.1 percent of the funds for these projects were appropriated directly to CDB for fiscal years 2006 and 2005, respectively. Of these projects in process, 195 were brought to completion during fiscal year 2006 and 231 were brought to completion in fiscal year 2005.

CDB awarded 195 contractor contracts and 74 professional contracts in fiscal year 2006. In fiscal year 2005, 190 contractor contracts and 98 professional contracts were awarded. Total funds obligated by these awards were \$164,226,095 and \$222,819,311 in fiscal year 2006 and 2005, respectively.

Overall, fiscal year 2006 and 2005 projects activity resulted in the processing of 10,998 project vouchers (4,888 in fiscal year 2006 and 6,110 in fiscal year 2005) for a total of \$455,531,147 and \$552,196,814, respectively. Included are nonappropriated construction project expenditures of \$41,295,561 and \$46,564,373 in fiscal year 2006 and 2005, respectively. This includes user agency funds of \$14,939,282 and \$15,563,605 that were expended in fiscal year 2006 and 2005, respectively.

ADMINISTRATIVE EXPENDITURES

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

	<u>2006</u>		<u>2005</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Appropriated:				
Administrative	\$ 10,958	2%	\$ 12,330	2%
Project	<u>414,236</u>	89	<u>505,632</u>	90
Total appropriated expenditures	425,194		517,962	
Nonappropriated:				
Project	<u>41,295</u>	<u>9</u>	<u>46,564</u>	<u>8</u>
Total expenditures	<u>\$ 466,489</u>	<u>100%</u>	<u>\$ 564,526</u>	<u>100%</u>

Administrative expenditures decreased by \$1,372 in fiscal year 2006 and increased by \$245 in fiscal year 2005. The decrease in fiscal year 2006 was due to layoffs of 21 staff members in fiscal year 2005. The increase in fiscal year 2005 was due to approximately 60 CDB employees joining the union in fiscal year 2004. These employees received automatic step increases in addition to their annual salary increases.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
June 30, 2006**

EXPLANATION OF SIGNIFICANT VARIATIONS IN EXPENDITURES

Pages 72 through 74 present comparative schedules of appropriations, expenditures, and lapsed balances for administrative activities in the Capital Development, Capital Development Board Revolving, and School Infrastructure Funds. Page 75 presents a comparative schedule of appropriations and expenditures for construction activities by funds. The Board's explanation for significant fluctuations (greater than or equal to 20 percent and \$100,000) in expenditures is as follows:

Capital Development Fund - 0141

Expenditures for employee retirement contribution decreased \$288,401 from FY (fiscal year) 2005 to FY2006 because of a decrease of the calculated rate from 15 to 11 percent as well as CDB laying off roughly one-seventh of their workforce in April 2005.

Expenditures for operational expenses increased \$328,397 from FY2005 to FY2006. Prior to FY2006, operational expenditures were recorded in the Capital Development Board Revolving Fund - 0215. Expenditures for operations decreased from \$603,963 out of Fund - 0215 in FY2005 to \$328,397 out of Fund - 0141 in FY2006 due to a reduction of the number of staff being paid out of that line item from seven in FY2005 to three in FY2006.

Expenditures for the Illinois Building Commission Revolving Fund line item were eliminated from the Capital Development Fund - 0141 when the Commission was absorbed into the CDB at the beginning of FY2005.

Capital Development Board Revolving Fund - 0215

Expenditures for the employee retirement contributions decreased \$281,960 from FY2005 to FY2006 due to a decrease in the contribution rate from 15 to 11 percent and CDB laying off one-seventh of its workforce in April 2005.

Expenditures for the employee retirement contribution increased \$115,616 from FY2004 to FY2005 due to an increase in the contribution rate to 15 percent.

Expenditures of group insurance increased \$175,248 from FY2004 to FY2005 due to higher group insurance rates for employees paid from that line. The Office of Management and Budget determines the amounts for agencies to pay, and between FY2004 and FY2005 the amount per employee was raised from roughly \$11,000 to \$12,000.

Operational expenditures were recorded in Fund - 0141 in FY2006. Therefore, the expenditure amount in Fund - 0215 decreased by \$603,963.

Construction Activities by Fund

Expenditures for General Revenue Fund-0001 decreased \$2,729,046 from FY2004 to FY2005 due to no expenditures being made out of the General Revenue Fund-0001 during FY2005 and FY2006. Those expenditures previously made out of the General Revenue Fund-0001 are now made out of other CDB funds.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
June 30, 2006**

EXPLANATION OF SIGNIFICANT VARIATIONS IN EXPENDITURES (CONTINUED)

Construction Activities by Fund (Continued)

Expenditures for School Construction Fund-0143 decreased \$95,669,203 from FY2005 to FY2006 and decreased \$186,203,889 from FY2004 to FY2005 due to a capital freeze imposed in January of 2003 and decreased funding of school construction projects from State resources.

Expenditures for School Infrastructure Fund-0568 decreased \$1,223,660 from FY2005 to FY2006 and decreased \$1,899,787 from FY2004 to FY2005 due to no new appropriations after FY1999.

Expenditures for Fund for Illinois' Future-0611 decreased \$250,000 from FY2004 to FY2005 due to no new appropriations in FY2005. Appropriations were reduced to \$-0- in order to eliminate expenditures being made from this fund per the directive from the Governor's Office of Management and Budget (GOMB).

Expenditures for Tobacco Settlement Recovery Fund-0733 decreased \$1,145,723 from FY2004 to FY2005 due to no new appropriations in FY2005. Appropriations were reduced to \$-0- because the GOMB wanted spending to be more closely linked to health issues. The approval for any new contracts was removed from that fund unless it was health or emergency related.

Expenditures for Build Illinois Fund-0971 decreased \$28,632,330 from FY2004 to FY2005 due to a capital freeze imposed in FY2005.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
June 30, 2006**

EXPLANATION OF SIGNIFICANT VARIATIONS IN REVENUES

Pages 78 and 79 present a comparative schedule of cash receipts by detail source for all funds. The Board's explanations for significant fluctuations of over 20 percent and \$100,000 in revenues/receipts are as follows:

CDB Special Projects Fund - 0170

Receipts from Commerce and Economic Opportunity increased \$1,925,000 from FY2005 to FY2006 due to the creation of the Fund in FY2006.

Capital Development Board - 0215

Receipts from the contract administration fees increased \$1,347,620 from FY2005 to FY2006. The increase in revenue for FY2006 was from contract administration fees, which included SIU and an HVAC upgrade of the Capitol, two large projects in progress during FY2006. Approximately \$46,000,000 was obligated in FY2006 for these two projects.

Capital Development Board Contributory Trust Fund - 0617

Receipts from junior colleges decreased \$2,644,029 from FY2005 to FY2006 and \$3,900,226 from FY2004 to FY2005 due to fewer projects awarded.

There was a decrease of \$1,791,410 from FY2004 to FY2005 in receipts for the Lincoln Historical Library contribution. The decrease in FY2005 was due to \$1,200,000 of funds contributed by the City of Springfield, Illinois in FY2004.

Receipts from Federal monies via other Illinois State agencies increased \$11,111,332 from FY2004 to FY2005. This was due to funding decisions made by the funding sources. Specifically, construction projects for the U.S. Department of Military Affairs were significantly increased for FY2005.

Receipts for damage claim recovery decreased \$131,584 from FY2005 to FY2006 and decreased \$1,496,221 from FY2004 to FY2005. Damage claim recovery revenue is highly dependent on the volume and severity of claims and can vary greatly from year to year.

Receipts from Chicago State University increased \$3,706,410 from FY2005 to FY2006 and decreased \$3,000,000 from FY2004 to FY2005. The amount of receipts from CSU varies greatly with the stages of completion of projects at CSU. In FY2006, two large projects, the library and convocation center, were nearing completion leading to increased revenue.

Receipts from the Federal Government - IL Governmental Units - Universities decreased \$1,180,000 from FY2005 to FY2006 and decreased \$417,476 from FY2004 to FY2005 due to fewer funds being available for universities.

Miscellaneous receipts decreased \$1,874,124 from FY2005 to FY2006 and increased \$2,310,058 from FY2004 to FY2005 due to receipts from University Center Lake County and Illinois Amvets only occurring in FY2005.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
June 30, 2006**

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

Pages 60 through 65 present lapse period expenditures from administrative activities of the Capital Development, Capital Development Board Revolving, and School Infrastructure Funds. There were no significant (greater than 20 percent of total expenditures for the 14 months ended June 30 and \$100,000) lapse period expenditures during FY2006 and FY2005.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
June 30, 2006**

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES (EXPRESSED IN THOUSANDS)

Significant fluctuations in accounts receivable and an analysis of the aging of accounts receivable are presented in the following section. Other significant accounts with fluctuations greater than \$1,500 are cash equity with the State Treasurer, cash and cash equivalents, due from other State funds, capital assets not being depreciated, accounts payable and accrued liabilities, intergovernmental payables, and deferred revenue.

Cash equity with the State Treasurer increased by \$4,051 in FY2006. The primary cause for the increase was due to additional funds on hand for the payment of vouchers for the Abraham Lincoln Presidential Library and Museum.

Cash and cash equivalents increased by \$2,844 from FY2005 to FY2006. Cash and cash equivalents consist primarily of cash received for construction projects that have not been disbursed. Typically, fluctuations are a function of the volume of construction activity in progress at June 30 and the timeliness of billings by the contractor. Specifically, in FY2006, construction began on the Fine Arts building at Eastern Illinois University. The construction retention trust account for that project increased by \$1,700. Also, the construction retention trust account for the Post Gerromico Institute at UIUC increased \$900.

Amounts due from other State funds decreased \$4,381 from FY2005 to FY2006. The decrease was due to the repayment of \$1,900 for the Sheridan Correctional Center and \$2,500 for an Illinois Emergency Management Agency building.

Capital assets not being depreciated decreased by \$16,496 from FY2005 to FY2006. This account is the construction in progress amount at June 30, 2006. In the current year, the IEMA building and the Sporta World Shooting Complex were completed.

Accounts payable and accrued liabilities decreased \$11,704 from FY2005 to FY2006. \$10,416 of the decrease is attributable to the Capital Development Fund. At the end of FY2005, there were insufficient funds in the Fund causing payments to be held until FY2006.

Intergovernmental payables have decreased by \$62,810 from FY2005 to FY2006. Intergovernmental payables consist of payments due to local school districts from the School Construction Fund. At the end of FY2005, there were insufficient funds in the School Construction Fund causing payments to be held until FY2006.

Deferred revenues increased \$1,978 from FY2005 to FY2006. Deposits in the Contributory Trust Fund represent funds received by various user agencies from sources other than State appropriations for construction projects to be managed by CDB. Deferred revenues are recognized for deposits received in excess of construction costs incurred and fluctuate based on the volume of construction activity in progress at June 30.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
June 30, 2006**

ANALYSIS OF LOANS AND VARIOUS ACCOUNTS RECEIVABLE

The Board's receivable balances consist of loans receivable from port districts, 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.

The following is a schedule of receivable balances (expressed in thousands) at June 30, 2006 and 2005, respectively, and an aging of "other receivables:"

	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>
Loans receivable	\$ 15,048	\$ 15,108
Less allowance for uncollectible	<u>(14,968)</u>	<u>(14,968)</u>
Net loans receivable	80	140
Intergovernmental receivables	1,835	2,254
Due from other State funds	2,015	6,396
Other receivables	<u>1,486</u>	<u>2,147</u>
Total receivables	<u>\$ 5,416</u>	<u>\$ 10,937</u>
Aging of other receivables:		
Receivables - current	\$ 1,456	\$ 1,752
1 - 30 days past due	30	371
31 - 90 days past due	<u>-</u>	<u>24</u>
Total other receivables	<u>\$ 1,486</u>	<u>\$ 2,147</u>

Loans receivable consist of loans made to two Illinois port districts. The loan to the Illinois International Port Authority (IIPA), in the amount of \$14,968 (expressed in thousands), has no established repayment schedule and payments are due as the IIPA makes a profit from certain specific operations of the Authority. IIPA has not reported any profits from these operations and the entire loan receivable balance has been reserved as uncollectible. Tri-City Regional Port District continues to make the \$60 (expressed in thousands) annual payments required under the terms of its loan agreement. The balance at June 30, 2006 is \$80 (expressed in thousands).

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

Other receivables, consisting of contract administration fees, are a function of the volume of construction activity in progress at June 30. The fee is approximately 1-1/2 percent of the contract amount for architect/engineer and construction contracts and is payable before the second payment is made under the contract. Contract administration fees are considered fully collectible.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
June 30, 2006**

ANALYSIS OF CHANGE ORDERS

Changes in certain capital project specifications are awarded in the form of change orders. An analysis of the change orders awarded during the fiscal years ended June 30, 2006 and 2005 (unaudited) is found on pages 101 and 102, respectively.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
June 30, 2006**

**ANALYSIS OF OPERATIONS
AGENCY FUNCTIONS AND PLANNING PROGRAM**

Functions

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

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

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
June 30, 2006**

**ANALYSIS OF OPERATIONS
AGENCY FUNCTIONS AND PLANNING PROGRAM**

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 the Illinois' design and construction industries, and actively pursues recovery of assets through litigation of projects found to have design and construction defects.

With the signing of Executive Order 2004-5 by the Governor, effective July 1, 2004, the power, duties, rights, and responsibilities related to the functions of the Illinois Building Commission were transferred to the State of Illinois Capital Development Board. Although the Illinois Building Commission has been folded into the Capital Development Board, its duties remain intact. These 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 reviews 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. This consolidation was completed to streamline some of the administrative and support functions of both agencies in order to eliminate redundancy, simplify the organizational structure of the Executive Branch, improve accessibility and accountability, provide more efficient use of specialized expertise and facilities, realize savings in administrative costs, promote more effective sharing of best practices and state of the art technology, and realize other cost savings.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
June 30, 2006**

**ANALYSIS OF OPERATIONS
AGENCY FUNCTIONS AND PLANNING PROGRAM**

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

Agency Planning

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

Standing committees have been established to develop strategies to encourage better performance. Those areas are Information Technology, Hazardous Materials, Document Review, and Industry Relations. In addition, staff have met repeatedly to discuss and refine procedures and improve processes related to each performance measure. Detailed notes are taken, kept on file, and used for reports. All these committees make recommendations concerning changes in policy, hardware and software, new system implementation, legislation, protocol, and other areas. Management uses these recommendations to plan activities, make headcount changes, initiate legislation, and other areas.

Assessment

In summary, the Agency's planning function in our view is generally effective in developing and achieving goals and objectives which help the Agency comply with its statutory mandates and responsibilities. However, areas of noncompliance or internal control weaknesses related to statutory mandates are reported in the Schedule of Findings.

Employees Paid From Bond Proceeds

A portion of CDB's FY05 and FY06 operational expenditures for personal services were paid from the Capital Development Fund (141), which receives its funding from bond proceeds. In accordance with the FY05 and FY06 appropriation bill, 76 CDB employees assigned to work directly with construction projects were paid \$3,792,863 and \$3,987,119, respectively, from Fund 141.

State's Construction Contracting Methods Study - April 2002

Senate Resolution Number 147 directed the Auditor General to study the effects of eliminating the five separate specifications for bidding on State construction contracts. Although the study contained no recommendations, it did raise some issues regarding information systems, change orders, and project management. As part of this financial audit and compliance examination, we considered the current status of several issues as summarized below.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
June 30, 2006**

**ANALYSIS OF OPERATIONS
AGENCY FUNCTIONS AND PLANNING PROGRAM**

State's Construction Contracting Methods Study - April 2002 (Continued)

The study also included a matter for the General Assembly to consider establishing a pilot program authorizing CDB to use and report results of various construction contracting methods. CDB has obtained legislative permission through modification of Public Act 30 ILCS 500/30-30 on two occasions to use single prime contractors. In these cases, CDB used one contractor even though the project expenditures were greater than \$250,000.

Information Systems

The study reported that CDB's software did not track settlements with contractors that were awarded using change orders, nor did it track requests for change orders that were denied. The study further stated that CDB had difficulty extracting data from their computer system on projects closed, including their change orders.

Since the study was released, no new reason code has been established in the computer system for change orders used in settling claims made by contractors. System reports can be generated to track change orders due to contractor settlements by contract, project manager, region code, or other contract attribute. However, summary data could not be generated on change orders due to settlements or requests.

Change Orders

The study reported that CDB had used change orders to avoid litigation and to settle disputes. However, CDB did not keep records of change orders to show the total amount paid for settling disputes.

During FY05/06, CDB did not prepare, monitor, or analyze summary data on change orders used for dispute resolution. CDB did summarize and report annually the number and amount of all change orders, but by different reason codes. See the schedules on pages 101 and 102.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
AVERAGE NUMBER OF EMPLOYEES
Fiscal Years Ended June 30, 2006, 2005, and 2004**

The following schedule presents the average number of Agency personnel by section on a comparative basis. In addition to the full-time employees listed below, the Agency utilized a small number of student interns on a part-time basis.

The following summary is an average based on the full year for fiscal years 2006, 2005, and 2004.

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Executive:			
Staff	7	6	8
Administrative Services	2	2	2
Art-in Architecture	2	2	3
Capital Programs	15	5	-
Executive Assistant to Board	-	-	-
Fair Employment Practices Division	6	5	4
Fiscal	7	7	7
Information Management	3	3	3
Information Systems	6	6	7
Internal Audit	-	-	-
Legislative Affairs	1	1	1
Personnel	2	2	2
Public Affairs	-	-	2
Quality Based Selection	4	5	6
School Construction	2	2	2
Training and Quality Management	<u>1</u>	<u>2</u>	<u>3</u>
Total Executive	<u>58</u>	<u>48</u>	<u>50</u>
Contract Administration - Staff	<u>5</u>	<u>6</u>	<u>5</u>
Construction Administration:			
Staff	4	2	3
Professional services	22	23	26
Regions (3)	<u>42</u>	<u>42</u>	<u>57</u>
Total Construction Administration	<u>68</u>	<u>67</u>	<u>86</u>
Legal Counsel - Staff	<u>5</u>	<u>5</u>	<u>6</u>
Agency total	<u><u>136</u></u>	<u><u>126</u></u>	<u><u>147</u></u>

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
EMERGENCY PURCHASES
Fiscal Years Ended June 30, 2006 and 2005**

The initial affidavit for an emergency purchase is filed by the user agency unless it pertains to an open CDB project. CDB determines whether the purchase meets emergency purchase guidelines and, if so, awards and administers the contract(s) and the project. The Agency reported the following emergency purchases to the Office of the Auditor General during FY06 and FY05:

<u>Project Number</u>	<u>Contract Number</u>	<u>Facility/Agency</u>	<u>Award</u>	<u>Expenditures</u>	<u>Total Estimated Costs</u>	<u>Explanation of Emergency</u>
FY06						
321-100-734	56EM0988	Shapiro Development Ctr.	\$ 7,950.00	\$ 7,950.00	\$ -	Asbestos
814-010-049	56EM1883	Chicago State University	23,428.00	23,428.00	-	Renovate & Improve Site
007-010-706	55EM1788	Office of Courts	10,500.00	10,500.00	-	Asbestos
546-170-006	56EM9881	Kankakee Armory	82,700.00	82,700.00	82,700.00	Boiler Repair
120-255-015	56EM0183	Shawnee Correctional Center	56,800.00	91,150.44	48,050.00	Boiler Repairs
104-280-011	56EM0683	IL Historic President Agency	36,850.00	36,850.00	31,250.00	Boiler Replacement
120-085-070	56EM0383	Dwight Correctional Ctr.	193,600.00	222,671.22	50,000.00	Boiler Replacement
321-190-044	56EM1283	Dept. Human Services	487,009.00	375,162.00	380,000.00	Chiller Replacement
750-045-020	55EM1680	Capitol Complex	40,195.16	40,195.16	150,000.00	Roof Repair
750-048-020	56EM0280	Capitol Complex	450,000.00	464,046.61	598,254.00	Roof Repair
120-230-120	56EM1380	Dept. of Corrections	81,097.00	42,923.00	60,000.00	Cuff port lock replacement
321-100-117	56EM1082	Shapiro Development Ctr.	262,700.00	232,289.18	247,200.00	Ducts & Fire Damper
102-040-008	55EM0581	Drickson Mounds Museum	60,750.00	176,402.74	212,200.00	Ducts & Fire Damper
120-255-017	56EM1781	Shawnee Correctional Center	39,011.00	46,997.05	154,000.00	Exterior wall replacement
321-190-043	56EM0781	Kiley Development Center	204,489.00	39,011.00	38,000.00	Fence Replacement
321-190-043	53EM2983	Kiley Development Center	512,000.00	218,018.18	-	Floor and wall repair
750-080-004	53EM3184	Archives Bldg Sec. of State	84,860.00	23,388.54	330,000.00	Floor and wall repair
750-080-004	55EM1583	Archives Bldg Sec. of State	293,192.00	10,267.00	875,000.00	HVAC & Environmental Upgrade
102-730-027	55EM0980	Giant City State Park	167,075.00	279,378.75	-	HVAC & Environmental Upgrade
104-212-009	55EM1280	Pullman Factory Historic	26,900.50	15,692.41	140,000.00	Replace Sub Flooring
624-060-025	54EM1585	Willard Ice Building	477,114.00	26,900.50	-	Replace med. Temp. water lines
120-070-705	56EM1488	Dept. of Corrections	322,822.00	501,782.01	371,731.00	Stabilization of Hotel
735-020-026	55EM1880	Executive Mansion	52,880.00	88,200.34	411,047.00	Fire Alarm Upgrade
814-010-066	55EM1085	Chicago State University	938,995.00	50,454.90	80,000.00	Asbestos
810-002-014	56EM9981	ICC	199,400.00	916,240.00	700,000.00	Interior/Exterior Improvements
120-245-054	54EM2081	Vienna Correctional Ctr.	101,143.00	118,482.01	-	Interior/Exterior Improvements
624-060-027	55EM0785	Willard Ice Building	65,300.00	91,028.70	1,000,000.00	Electrical Feeders
120-255-014	56EM0485	Shawnee Correctional Center	70,500.00	65,300.00	65,300.00	Electrical Feeders
321-100-108	56EM0581	Shapiro Development Ctr.	231,800.00	20,310.72	30,000.00	Renovate Kitchen
291-222-007	54EM2381	Dept. of Police	96,366.00	59,355.19	780,000.00	Parking Light Replacement
			1,080,500.00	100,331.03	110,000.00	Replace Emergency Generator
			1,005,339.00	55,320.00	1,300,000.00	Roof Replacement
					1,200,000.00	Fire Range Upgrade
FY06 TOTALS			\$ 8,225,859.66	\$ 5,782,127.06	\$ 9,444,732.00	

Note: Where the total estimated costs are \$-0-, the contract amount was also the actual cost.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
EMERGENCY PURCHASES
Fiscal Years Ended June 30, 2006 and 2005**

<u>Project Number</u>	<u>Contract Number</u>	<u>Facility/Agency</u>	<u>Award</u>	<u>Expenditures</u>	<u>Total Estimated Costs</u>	<u>Explanation of Emergency</u>
FY05						
321-055-725	55EM0688	Dept. Human Services	\$ 41,128.00	\$ 41,128.00	\$ 100,000.00	Asbestos
750-045-709	54EM2288	Capitol Complex	41,100.00	41,100.00	78,375.00	Asbestos
546-070-024	54EM1788	General Jone Armory	167,666.00	169,025.00	40,000.00	Boiler replacement
321-100-732	55EM0283	Shapiro Development Ctr.	1,369.00	1,369.00	-	Asbestos
102-040-008	55EM0581	Dickson Mound Museum	60,750.00	51,623.45	154,000.00	exterior wall replacement
321-135-067	54EM1685	Murray Mental Health Ctr.	125,750.00	77,049.70	100,000.00	Fire damage repair
120-085-069	55EM1380	Dwight Correctional Ctr.	62,400.00	77,049.70	-	Fire damage repair
120-085-069	53EM2781	Dwight Correctional Ctr.	119,100.00	24,847.34	40,000.00	Fire damage repair
750-080-004	53EM2983	IL State Archives Bldg.	512,000.00	35,985.48	-	HVAC & Environmental upgrade
750-080-004	54EM0581	IL State Archives Bldg.	157,970.00	5,060.50	875,000.00	HVAC & Environmental upgrade
750-040-008	54EM0581	Capital Building	5,000.00	5,000.00	-	HVAC Repair
750-040-008	54EM1281	Capital Building	5,000.00	5,000.00	-	HVAC Repair
321-160-018	54EM1983	IL School for the Deaf	85,964.00	90,692.00	100,000.00	HVAC Repair
007-010-021	55EM0385	Supreme Court Building	20,700.00	20,700.00	18,000.00	HVAC upgrade
102-730-027	55EM0980	Dept. Natural Resources	67,075.00	47,782.59	140,000.00	Light/Life Safety
321-160-019	55EM0882	IL School for the Deaf	234,220.00	271,979.31	300,000.00	Repair/Replace Sub flooring
321-015-083	54EM0781	Choate Mental Health Ctr	130,507.00	37,379.66	180,000.00	Replace med. Temp. water lines
039-075-005	55EM0181	Galesburg Animal Disease Lab	73,881.00	73,881.00	130,000.00	Roof Replacement
104-212-009	54EM1888	Pullman Factory Historic	7,626.40	7,626.40	-	Settling Repair
624-060-025	54EM1585	Willard Ice Building	322,822.00	36,612.40	400,000.00	Asbestos
735-020-028	55EM1482	Executive Mansion	38,385.11	38,385.11	-	Fire Alarm Upgrade
120-200-113	55EM0482	Pontiac Correctional Ctr	8,200.00	8,200.00	10,000.00	Water Heater Replacement
102-419-066	54EM2085	Pere Marquette State Park	117,777.00	97,036.44	117,777.00	Water Line Replacement
814-010-066	55EM1085	Chicago State University	249,695.00	-	1,000,000.00	Lodge Renovation
814-010-066	55EM1180	Chicago State University	199,400.00	122,493.38	-	Electric Feeder Replacement
120-245-054	54EM2081	Vienna Correctional Ctr	70,500.00	71,238.00	-	Electric Feeder Replacement
624-060-027	55EM0785	Willard Ice Building	231,800.00	180,837.05	805,000.00	Renovate Kitchen
291-222-007	54EM2381	Pawnee Fire Range	1,005,339.00	1,088,556.46	1,600,000.00	Parking Light Replacement
						Upgrade fire range
FY05 TOTALS			\$ 4,163,124.51	\$ 2,727,637.97	\$ 6,188,152.00	

Note: Where the total estimated costs are \$-0-, the contract amount was also the actual cost.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ILLINOIS FIRST PROJECTS/GRANTS INITIATED IN
FISCAL YEAR ENDED JUNE 30, 2000**

(Unaudited)

The Agency determined that projects not funded by their initial budget proposal but subsequently approved and funded were designated as Illinois First projects. In addition, some projects received additional funding through the Illinois First program. According to the information provided by the Agency, the following is a description of the Illinois First portion of those projects.

Project I.D.	Project Location	Project Description	Award/Grant Amount	Prior Expenditures	FY2005 Expenditures	FY2006 Expenditures	Lapsed	Reappropriated
039-150-133	Spfld-St Fairgrounds	For construction of Outdoor events complex	\$ 8,590,100.00	\$ -	\$ -	\$ -	\$ -	(435.36)
040-050-012	LaSalle Veteran's Home	Plan 80 bed addition	300,000.00	38,151.25	-	-	-	(19,086.30)
102-000-017	Statewide - DNR	Rehabilitate/replace playground equipment	200,000.00	156,109.23	-	-	43,890.77	(25,341.23)
102-249-054	Starved Rock SP&L	For constructing a visitors center	4,000,000.00	3,987,754.45	12,245.55	-	-	(253,816.37)
102-704-043	Carlyle SF & WA	For infrastructure & site improvements	3,000,000.00	792,149.43	-	-	2,207,850.57	-
102-704-044	Carlyle SF & WA	For road improvements	1,500,000.00	22,576.00	-	-	1,477,424.00	-
102-779-011	Eldon Hazlet SP-Carlyle	For cabin construction Phase II	1,500,000.00	1,334,347.99	-	-	165,652.01	(1,018,954.48)
104-015-005	Rock Is - Blackhawk HA	For grant to Rock Is. To relocate sewer line	1,200,000.00	1,080,000.00	120,000.00	-	-	-
104-212-007	Historic Preservation Agency	Restoration/stabilization of Pullman site	6,585,296.70	4,377,283.90	1,029,777.00	1,132,819.27	-	(3,374,631.73)
291-070-018	Du Quoin Dist 13	Plan the replacement of HQ facilities	600,000.00	600,000.00	-	-	-	(313,989.54)
291-170-010	Pontiac - Dist 6	Plan construction replacement of HQ facilities	4,600,000.00	4,063,033.78	466,397.77	29,890.89	-	(3,802,045.26)
321-207-001	DHS Detention Fac Joliet	To convert & expand annex to treatment detention ctr	1,900,000.00	1,899,914.08	-	-	85.92	(0.00)
651-000-001	Statewide - CDB	Repair minor problems and emergencies	3,474,200.00	1,200,099.68	-	-	2,274,100.32	-
651-050-005	Statewide - CDB	Survey of abate asbestos-containing materials	1,000,000.00	-	-	-	1,000,000.00	-
651-050-012	Statewide - CDB	Demolish buildings	2,500,000.00	527,099.00	-	-	1,972,901.00	-
805-000-000 (a)	Board of Higher Education (Capital Renewal)	Misc Capital Improvements	4,000,000.00	2,294,244.51	-	-	1,705,755.49	-
810-002-013	Belleville Area College	Construct auto collision repair center	870,000.00	868,591.39	-	-	1,408.61	0.00
810-012-006 (b)	Kennedy King College	Demolish/replace buildings	4,000,000.00	-	-	-	4,000,000.00	-
810-028-019	Glen Ellyn - C of Dupage	Upgrade instructional center HVAC system	2,228,000.00	1,954,466.75	22,132.91	160,465.33	-	(1,748,646.74)
810-035-002	Hearland Community College	Purchase equipment/complete permanent facilities	2,500,000.00	2,500,000.00	-	-	-	(432.63)
810-036-016	Illinois Central College	Lighting and Ceiling Upgrades	2,000,000.00	1,998,408.52	1,591.48	-	-	(656,874.38)
810-060-027	Lewis and Clark CC	Construct dental hygiene facility	2,000,000.00	2,000,000.00	-	-	-	(346,836.96)
810-064-014	Carterville - Logan CC	Plan & construct work devel & comm ed facility	8,382,000.00	8,283,959.80	89,439.60	7,823.48	777.12	(7,790,832.07)
810-096-027	Triton College	Renovate library	125,000.00	123,575.00	-	-	1,425.00	(107,984.00)
810-098-012	Waubensee C. C.	Upgrade information technology system	895,600.00	876,017.32	-	-	19,582.68	0.00
814-010-050	Chicago State University	Construct Convocation center	10,000,000.00	1,611,127.47	1,091,672.95	5,933,506.35	-	642,410.23
814-010-051	CSU - Chicago	Plan construction of library facility	19,000,000.00	13,757,051.71	3,542,047.38	1,700,900.91	-	(12,342,857.06)
816-010-032	Governor's State University	Upgrade fire & security systems	900,000.00	49,678.48	418,861.50	397,544.00	-	(15,762.46)
817-010-046	NEIU - Chic	Remodel buildings A, B, and E	8,127,500.00	4,461,257.09	40,435.00	95,483.13	32,040.00	2,989,419.69
817-010-047	NEIU - Chic	For upgrade sci bldg HVAC system	2,021,400.00	-	-	-	-	2,021,400.00
821-010-086	ISU - Normal	Plan & construct facility for college of business	18,912,000.00	17,854,674.45	535,570.46	493,794.05	-	(16,082,104.91)
822-010-060	NIU-DeKalb	For completion of Engineering building	4,998,000.00	1,340,776.80	762,142.36	1,969,963.01	-	620,843.02
825-052-001	East St. College Center	For devel. East St. Louis college center	25,473,000.00	21,237,361.59	346,044.69	206,908.15	-	(11,035,426.29)
651-000-000 (c)	Statewide Grants (102-777-008)	CDB Build IL bond capital improvements	10,000,000.00	5,898,135.93	431,107.89	12,378.75	-	(2,239,758.50)
900-010-075	Arlington Heights	Install large capacity sewer system	1,000,000.00	1,000,000.00	-	-	-	(100,000.00)
900-010-076	Toulon	Construct new community center	125,000.00	-	-	-	125,000.00	-
900-010-079	Stickney	Construct village hall & public safety facility	1,000,000.00	1,000,000.00	-	-	150,000.00	(100,000.00)
900-010-085	Illioopolis	Construct new village hall	1,500,000.00	-	-	-	150,000.00	-
900-010-086	Willow Springs	Construct public safety building	1,250,000.00	1,250,000.00	-	-	400,000.00	(125,000.00)
900-010-087(d)	Winnetka Park District	Construct recreation center & ice arena	400,000.00	-	-	-	400,000.00	-
900-010-101	Cicero	Construct police station/community center	1,050,000.00	1,050,000.00	-	-	240,000.00	(105,000.00)
900-010-111	Village of Bridgeview	Infrastructure improvements	2,400,000.00	2,160,000.00	-	-	240,000.00	-
900-010-122	Clinton Cty Proj for Older Amer.	Plan new senior center	100,000.00	-	-	-	100,000.00	-

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
ILLINOIS FIRST PROJECTS/GRANTS INITIATED IN
FISCAL YEAR ENDED JUNE 30, 2000**

(Unaudited)

Project I.D.	Project Location	Project Description	Award/Grant Amount	Prior Expenditures	FY2005 Expenditures	FY2006 Expenditures	Lapsed	Reappropriated
900-010-128	National Latinos with Disabilities	Purchase building w/ADA compliance for office space	\$ 100,000.00	\$ -	\$ -	\$ -	\$ 100,000.00	\$ -
900-010-135	Kendall County	Renovate courthouse	950,000.00	855,000.00	-	-	95,000.00	-
900-010-142	National Italian Am. Sports Hall	Various improvements	2,000,000.00	1,800,000.00	-	-	200,000.00	-
900-010-144	Carbondale	Design teen center	110,000.00	-	-	-	110,000.00	-
Illinois First Projects - Other			178,017,096.70	125,116,643.10	236,684,006.97	473,368,013.94	16,422,893.49	(55,331,743.33)
School Construction Grants								
772-073-001	Alwood Comm. Unit School Dist. 225	School Construction Grant	1,016,202.00	1,016,201.40	-	-	0.60	(101,620.20)
772-081-007	Rome Comm. Cons. School District 2	School Construction Grant	1,736,035.00	1,481,078.22	-	-	-	0.00
772-097-016	North Chicago School District 187	School Construction Grant	10,247,501.00	10,247,501.00	-	-	-	(1,024,750.10)
772-097-015 (e)	Comm. Cons. School Dist. 46 (Grayslake)	School Construction Grant	4,086,376.00	4,086,376.00	-	-	-	(408,637.60)
772-117-001	Gillespie Comm. Unit School District 7	School Construction Grant	5,505,674.00	5,505,674.00	-	-	-	(1,320,535.98)
772-139-002	Sullivan Community Unit District #300	School Construction Grant	1,874,342.00	1,874,342.00	-	-	-	(400,875.60)
772-163-007 (f)	Belleville Township High School Dist. 201	School Construction Grant	25,198,416.00	25,198,416.00	-	-	-	(13,859,128.80)
772-163-006 (g)	East St Louis District 189	School Construction Grant	10,448,957.00	10,392,502.01	-	-	-	(1,131,676.58)
772-165-003	Harrisburg Comm. Unit School District 3	School Construction Grant	5,679,725.00	5,679,725.00	-	-	-	(794,483.99)
772-197-012 (h)	Joliet Public Schools District 86	School Construction Grant	683,520.00	622,025.98	-	-	61,494.02	(288,510.62)
School Construction Grants			66,476,748.00	66,103,841.61	-	254,956.78	61,494.62	(19,330,219.47)
Total Illinois First Grants			\$ 244,493,844.70	\$ 191,220,484.71	\$ 236,684,006.97	\$ 473,622,970.72	\$ 16,484,388.11	\$ (74,661,962.80)

(a) Added Capital Renewal Money for Capital Improvements at various Higher Education Facilities

(b) Original \$4,000,000 grant lapsed and a new \$4,000,000 appropriation was given directly to the Illinois Community College Board during the Spring 2000 Legislative Session

(c) Listed in 2000 report incorrectly as Project I.D. 851-000-000, actually 651-000-000. Later broken into 2 Project I.D.'s 651-000-000- \$5,000,000 and 102-777-008- \$5,000,000. Also, incorrectly listed as State Facilities instead of Statewide Grants.

(d) Grant was originally for \$500,000 and was reduced to \$400,000 as a Legislative Change during the FY01 Supplemental Session

(e) Grant increased for land acquisition by \$366,751 from original grant of \$3,719,625

(f) Grant increased for land acquisition by \$358,577 from original grant of \$24,839,839

(g) Listed in 2000 report incorrectly as 772-163-004, actually 772-163-006

(h) Listed in 2000 report incorrectly as 772-197-002, actually 772-197-012

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

(Unaudited)

Project ID	Project Location	Project Description	Award/Grant Amt	Prior Expenditures	FY2005 Expenditures	FY2006 Expenditures	Lapsed	Reappropriated
772-103-001	Lee Center Community Unit School Dist. 271	School Construction Grant	\$ 3,546,380.00	\$ 2,682,462.29	\$ -	\$ -	\$ -	\$ 863,917.71
772-107-001	Lincoln Elementary School Dist. 27	School Construction Grant	8,318,181.00	4,720,513.58	3,237,900.90	359,766.52	-	-
772-111-010	Marango Comm. High School Dist. 154	School Construction Grant	11,049,726.00	5,070,929.25	5,978,796.75	-	-	-
772-111-011	Huntley School District 158	School Construction Grant	19,073,586.00	12,739,354.60	5,042,801.35	-	-	1,291,430.05
772-117-004	Staubert Community Unit School District 6	School Construction Grant	1,525,282.00	1,273,273.50	251,988.50	-	-	-
772-119-006	Collinsville Community Unit School District 10	School Construction Grant	19,981,394.00	19,307,686.58	673,707.42	-	-	0.00
772-121-004	Iuka Community Cons. District 7	School Construction Grant	3,343,174.84	3,310,494.96	32,679.88	-	-	0.00
772-141-004	Rochelle Township High School District 212	School Construction Grant	20,430,224.00	18,387,201.60	2,043,022.40	-	-	0.00
772-163-012	Cahokia Community Unit School District 187	School Construction Grant	2,706,255.00	2,274,490.80	274,117.24	157,646.96	62,358,649.00	62,358,649.00
772-163-014	East St. Louis School District 189	School Construction Grant	62,358,649.00	-	-	-	-	0.00
772-177-001	Beardstown Community Unit School District 15	School Construction Grant	14,617,354.00	13,155,618.60	1,461,735.40	-	-	0.00
772-179-003	Deer Creek-Mackinaw Comm. Unit Sch. Dist. 701	School Construction Grant	4,779,497.00	4,301,547.30	477,949.70	-	-	0.00
772-195-004	Monimere Community Cons. Sch. Dist. 145	School Construction Grant	638,781.00	499,053.64	-	-	-	139,727.36
772-199-004	Manion Community Unit School District 2	School Construction Grant	2,197,584.00	2,075,274.44	-	-	-	122,309.56
772-201-008	Prairie Hill CC School District 133 (S. Beloit)	School Construction Grant	873,059.00	508,414.32	-	-	-	84,645.09
772-201-009	Rockford Public Schools School District 205	School Construction Grant	27,213,406.00	25,703,577.52	228,270.00	-	-	704,857.16
772-031-032	J. Sterling Morton High School District 201	School Construction Grant	23,703,763.00	18,828,006.00	-	2,092,001.09	-	2,783,755.91
772-031-043	Bellwood School District 88	School Construction Grant	15,346,777.00	11,932,129.28	-	3,414,647.72	-	-
772-031-047	Kirby School District 140	School Construction Grant	2,215,781.00	1,798,166.52	-	-	-	417,614.48
772-037-005	Genoa-Kingston Community Unit Sch. Dist. 424	School Construction Grant	7,604,545.00	6,137,854.56	-	1,466,690.44	-	-
772-089-010	School District U-46	School Construction Grant	48,818,093.00	43,936,283.70	-	4,881,809.30	-	-
772-097-012	Round Lake Community Unit School District 116	School Construction Grant	7,087,792.00	6,109,607.71	-	958,184.29	-	-
772-097-018	Mundelein Elementary School District 75	School Construction Grant	1,826,347.00	1,330,641.92	-	-	-	495,705.08
772-097-023	Antioch Community High School District 117	School Construction Grant	11,736,698.00	10,563,028.20	1,173,669.80	-	-	0.00
772-097-025	Lake Zurich School District 95	School Construction Grant	12,236,608.00	11,012,947.20	1,223,660.80	-	-	0.00
772-099-003	Ottawa Township High School District 140	School Construction Grant	11,612,210.00	8,469,754.63	2,084,706.40	-	-	1,057,748.97
810-020-006	Richard J. Daley College - Cook County	Industrial Technology Center	413,000.00	-	-	-	-	413,000.00
810-036-016	City of East Peoria	Construct an industrial training ct at IL Central	3,624,000.00	3,603,690.36	18,228.14	2,081.50	-	(0.00)
810-050-018	City of Kankakee	Construct fine art & applied tech facility at Kankakee	3,943,048.00	284,619.50	3,739.45	3,076,695.35	-	577,993.70
810-052-011	Kaskaskia Community College - Centralia	Workforce Dev. Center & Child Care Center for Kaskaski	400,000.00	87,909.12	-	60,670.88	-	251,420.00
810-054-020	Kishwaukee College - Maita	Replacement of Early Childhood Center	60,000.00	11,050.00	21,484.48	-	-	27,465.52
810-063-001	Lake County	Plan & construct tech bldg at College of Lake City	26,504,000.00	11,747,038.10	5,397,803.46	265,531.39	-	9,093,627.05
810-072-009	City of Morton Grove	Plan an addition to ray harstein at Oakton	7,581,000.00	4,869,741.58	1,604,808.87	273,454.41	-	150,000.00
810-078-019	Rend Lake College - Ina, Jefferson County	Expansion of the Career & Applied Tech. Center	400,000.00	136,426.35	234,971.74	-	-	832,995.14
810-080-010	Rock Valley College - Rockford	New instructional building	800,000.00	351,854.02	-	-	-	448,145.98
810-087-001	Shawnee College at Metropolis	Metropolis Regional Education Center	400,000.00	285,876.42	105,842.52	-	-	8,281.06
810-088-008	Southeastern Illinois College - Harrisburg	Renovation & Expansion of Technology Center	175,042.00	28,221.00	14,921.00	28,635.00	-	103,265.00
810-100-012	City of Quincy	Construct vo-tech/fine arts bldg at John Wood	5,436,000.00	5,291,693.55	138,011.45	-	-	6,295.00
900-010-153	City of Normal	Demolition of the Powerplant City of Normal	2,230,000.00	36,692.25	-	-	2,193,307.75	2,193,307.75
900-010-156	City of Centreville	For Infrastructure Improvements City of Centreville	800,000.00	360,000.00	-	-	440,000.00	440,000.00
900-010-160	City of Chicago	Plan Const/Resident Treatment & Education Lawrence	2,000,000.00	1,800,000.00	-	-	200,000.00	200,000.00
900-010-161	City of Chicago	Hill Youth Services	3,500,000.00	3,150,000.00	-	-	350,000.00	350,000.00
900-010-164	Village of Rantoul	Grant to Village of Rantoul	1,700,000.00	765,000.00	-	-	935,000.00	935,000.00
900-010-171	Village of Coalton	Grant to Village of Coalton	30,000.00	-	-	-	30,000.00	30,000.00
900-010-172	Calhoun County	Grant to Calhoun County	100,000.00	-	-	-	100,000.00	100,000.00
900-010-173	Village of Donnellson	Grant to Village of Donnellson	25,000.00	-	-	-	25,000.00	25,000.00
900-010-174	Bunker Hill	Grant to Bunker Hill Com. Unit #8 School Board	150,000.00	-	-	-	150,000.00	150,000.00
900-010-176	Village of Broadview	Grant to Village of Broadview	300,000.00	-	-	-	300,000.00	300,000.00
900-010-178	Village of Keensburg	Grant to Village of Keensburg	150,000.00	-	-	-	150,000.00	150,000.00
900-010-179	City of Benton, Franklin County	Grant to Rend Lake Conservancy District	200,000.00	-	-	-	200,000.00	200,000.00
900-010-180	Bedford Township	Grant to Bedford Township Fire Protection District	100,000.00	-	-	-	100,000.00	100,000.00
900-010-181	Hamilton County	Hamilton County Highway Department	200,000.00	-	-	-	-	-
900-010-182	White County	Grant to White County Highway Department	100,000.00	-	-	-	-	-
900-010-186	City of Oglesby	Grant to City of Oglesby	85,000.00	-	85,000.00	-	-	85,000.00
900-010-187	City of Ina, Jefferson County	Grant to Rend Lake College	50,000.00	-	-	-	-	50,000.00
900-010-193	City of Johnsonville, Wayne County	Grant to Sam Dale Lake Conservation Area	180,000.00	-	-	-	180,000.00	180,000.00
900-010-194	City of Ottawa	Grant to City of Ottawa	200,000.00	-	-	-	200,000.00	200,000.00
900-010-195	City of Ottawa	Grant to City of Ottawa	50,000.00	-	-	-	50,000.00	50,000.00

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

(Unaudited)

Project I.D.	Project Location	Project Description	Award/Grant Amt	Prior Expenditures	FY2005 Expenditures	FY2006 Expenditures	Lapsed	Reappropriated
900-010-196	City of Ullin, Pulaski County	Grant to Shawnee Community College	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00
900-031-007	City of Chicago	Grant for a Nanofabrication & Molecular Center	2,000,000.00	900,000.00	-	1,100,000.00	-	-
900-097-002	City of North Chicago	Grant to Foss Park District	500,000.00	225,000.00	-	-	-	275,000.00
900-197-001	Will County	Grant to Will Co. Comm Development	500,000.00	450,000.00	-	50,000.00	-	-
Total Illinois First Grants			\$ 409,882,216.84	\$ 270,513,124.95	\$ 31,809,817.65	\$ 19,100,072.73	\$ 68,061,956.75	\$ 88,459,201.51

State of Illinois
Capital Development Board
Member Initiative Projects/Awards Initiated in
Fiscal Years Ended June 30, 2004 and 2003

<u>Project I.D.</u>	<u>Project Description</u>	(Unaudited)		
		<u>Fiscal Year</u>	<u>Award Amount</u>	<u>Expenditures</u>
900-031-007	U of I Chicago Nanofabrication & Molecular Center	2003	\$ 2,000,000	\$ 1,100,000
			\$ -	\$ -

State of Illinois
Capital Development Board
Member Initiative Projects/Awards Initiated in
Fiscal Years Ended June 30, 2006 and 2005

<u>Project I.D.</u>	<u>Project Description</u>	(Unaudited)		
		<u>Fiscal Year</u>	<u>Award Amount</u>	<u>Expenditures</u>
900-10-087	Winnetka Pk Dist/Const Rec Ctr/Ice	2006	\$ 400,000	\$ 400,000
900-10-111	Bridgeview/Infrastructure improve	2006	240,000	240,000
900-10-135	Kendall Co/Courthouse Renovations	2006	95,000	95,000
900-10-156	For Infrastructure Improvements	2006	440,000	440,000
900-10-181	For Conserv & Restor/Frederick C Robbi	2006	200,000	200,000
900-10-161	Plan Const/Resident Treatment & Education	2006	350,000	350,000
900-10-180	Grant to Bedford Township Fire Protection District	2006	100,000	100,000
900-10-160	Hamilton County Highway Department	2005	200,000	-
900-10-186	Grant to City of Oglesby	2005	85,000	-
900-10-209	Grant to River Valley Metro Transit District	2006	300,000	300,000
900-10-210	Grant to St. Bernard Hospital	2006	250,000	250,000
900-10-227	Grant to the County of Union	2005	50,000	-
900-10-230	Grant to Gallatin County	2005	50,000	50,000
900-10-231	Grant to the City of Springfield for Capital Ave. Improvement	2005	1,500,000	675,000
900-10-232	Grant to LaCasa Norte	2006	150,000	150,000
900-10-233	Grant to Holy Cross/IHM Church	2006	100,000	100,000
900-10-235	Grant to Youth Farm	2006	50,000	50,000
900-10-236	Grant to Jewish Federation of Metropolitan Chicago	2006	31,250	31,250
900-10-238	Grant to Healthcare Alternative System	2006	262,465	262,465
900-10-239	Grant to Westside Health Authority	2006	1,000,000	-
900-10-240	Grant to Decatur Macon County Senior Center	2006	130,000	130,000
900-10-242	Grant to Chicago House & Social Service Agency	2006	100,000	100,000
900-10-245	Grant to North Shore Senior Center	2006	100,000	100,000
900-10-252	Grant to Tuesday's Child	2006	70,120	70,120
	Total		\$ 6,253,835	\$ 3,818,835
			\$ -	\$ 1,375,000

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
CHANGE ORDERS BY REASON
Fiscal Year Ended June 30, 2006**

(Unaudited)

<u>Reason</u>	<u>Total Amount</u>	<u>Dollar Percentage</u>	<u>No. Issued</u>	<u>Count Percentage</u>
Architect/Engineer Error	\$ 1,446,673	9.3%	190	10.5%
Architect/Engineer Omission	2,662,476	17.1%	297	16.4%
User Request	4,304,217	27.7%	283	15.7%
Phase Construction	1,082,105	7.0%	61	3.4%
Undisclosed Condition	3,503,496	35.5%	409	32.3%
User Funded	2,450,330	15.8%	90	5.0%
Time Extension	-	0.0%	295	16.3%
Assignment Fee	117,960	0.8%	19	1.1%
Substitution	25,500	0.2%	16	0.9%
Reimbursable	128,555	0.8%	10	0.6%
Soil Condition	990,084	6.4%	11	0.6%
Credit	(1,287,278)	-8.3%	108	6.0%
Code Change	118,443	0.8%	19	1.1%
CM Error	<u>-</u>	<u>0.0%</u>	<u>-</u>	<u>0.0%</u>
TOTALS	<u>\$ 15,542,561</u>	<u>100.0%</u>	<u>1,808</u>	<u>100.0%</u>

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
CHANGE ORDERS BY REASON
Fiscal Year Ended June 30, 2005**

(Unaudited)

<u>Reason</u>	<u>Total Amount</u>	<u>Dollar Percentage</u>	<u>No. Issued</u>	<u>Count Percentage</u>
Architect/Engineer Error	\$ 1,333,087	6.8%	190	9.7%
Architect/Engineer Omission	2,645,799	13.5%	357	18.3%
User Request	6,783,029	34.6%	364	18.7%
Phase Construction	1,885,149	9.6%	88	4.5%
Undisclosed Condition	4,366,071	22.3%	574	29.4%
User Funded	433,869	2.2%	43	2.2%
Time Extension	25,804	0.1%	150	7.7%
Assignment Fee	43,473	0.2%	14	0.7%
Substitution	59,716	0.3%	15	0.8%
Reimbursable	1,388,565	7.1%	23	1.2%
Soil Condition	1,256,310	6.4%	8	0.4%
Credit	(875,412)	-4.5%	105	5.4%
Code Change	251,588	1.3%	19	1.0%
CM Error	<u>-</u>	<u>0.0%</u>	<u>-</u>	<u>0.0%</u>
TOTALS	<u>\$ 19,597,048</u>	<u>100.0%</u>	<u>1,950</u>	<u>100.0%</u>

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
PERFORMANCE INDICATORS
Fiscal Years Ended June 30, 2006, 2005, and 2004**

(Unaudited)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Construction expenditures	\$ 455,531,147	\$ 552,196,814	\$ 799,129,957
Personnel expenditures	6,788,600	6,808,178	7,405,807
Administrative expenditures	<u>4,170,719</u>	<u>5,521,730</u>	<u>4,679,911</u>
TOTAL EXPENDITURES	<u>\$ 466,490,466</u>	<u>\$ 564,526,722</u>	<u>\$ 811,215,675</u>
Disbursement of federal funds received from agency grants	\$ 21,197,595	\$ 23,287,947	\$ 27,104,558
Total receipts	\$ 50,671,560	\$ 49,699,453	\$ 47,159,427
Construction appropriations and reappropriations*	\$ 2,192,350,711	\$ 2,121,831,906	\$ 2,882,855,785
Total number of projects	1,055	1,687	1,781
Average appropriation per project	\$ 2,078,059	\$ 1,257,755	\$ 1,618,672
Average expenditures per project	\$ 433,606	\$ 327,325	\$ 448,698
Number of project managers	24	33	43
Average projects per manager	44	51	41
Average number of employees	136	126	147
Average personnel cost	\$ 51,821	\$ 46,631	\$ 49,042
Number of construction vouchers processed	4,888	6,110	7,833
Average construction voucher amount	\$ 93,587	\$ 90,376	\$ 102,021
Number of receipts processed	914	939	890
Average receipt amount	\$ 55,439	\$ 52,928	\$ 52,988
Number of project bids received	**	**	1,757
Number of projects awarded	111	69	148
Professional contracts awarded	74	98	153
Contractor contracts awarded	195	190	303
Administrative costs per project	\$ 3,955	\$ 3,273	\$ 2,628
Personnel costs per project	\$ 6,435	\$ 4,036	\$ 4,158

* Included in the amounts are nonappropriated contributions from local sources that CDB includes for budgetary purposes.

** This performance indicator has not been tracked since September 2004.

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
Fiscal Years Ended June 30, 2006, 2005, and 2004**

(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 economical manner, while spreading opportunities among qualified industry partners.

Program Goals:

Objectives:

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

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

	Fiscal Year 2004 <u>Actual</u>	Fiscal Year 2005 <u>Actual</u>	Fiscal Year 2006 Target <u>(Projected)</u>	Fiscal Year 2006 <u>Actual</u>	Fiscal Year 2007 Target <u>(Projected)</u>
Input Indicators:					
Total expenditures - all sources (in thousands)	\$ 11,624.5	\$ 11,782.4	\$ 11,908.2	\$ 10,469.6	\$ 12,461.9
Total expenditures - State appropriated funds (in thousands)	\$ 11,624.5	\$ 11,782.4	\$ 11,908.2	\$ 10,469.6	\$ 12,461.9
Average monthly full-time equivalents	146.5	139.6	138.0	124.5	142.0

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
Fiscal Years Ended June 30, 2006, 2005, and 2004**

(Unaudited)

CONSTRUCTION ADMINISTRATION (CONTINUED)

	Fiscal Year 2004 <u>Actual</u>	Fiscal Year 2005 <u>Actual</u>	Fiscal Year 2006 Target <u>(Projected)</u>	Fiscal Year 2006 <u>Actual</u>	Fiscal Year 2007 Target <u>(Projected)</u>
Output Indicators:					
Number of design contracts processed	142	37	50	39	50
Number of active projects	599	495	500	443	380
Value of projects in construction phase (in millions)	\$ 747.6	\$ 755.9	\$ 800.0	\$ 689.0	\$ 600.0
Outcome Indicators:					
Percent of selections that are MBE/FBE firms (a)	33%	27.7%	30%	28%	30%
Percent of change orders to contract value	5.54%	5.21%	6.5%	6.87%	6.5%
Average variation from planned schedule for design phase	40.5%	32.2%	30%	34.8%	30%
Average variation from planned schedule for construction phase	67.9%	26.6%	30%	31%	30%
Percent of labor hours that are minority or female	17.54%	14.67%	15%	16.34%	15%
Percent of total dollars contracted to MBE/FBE firms (a)	11.1%	14.2%	15%	11.1%	15%

Footnotes:

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

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
Fiscal Years Ended June 30, 2006, 2005, and 2004**

(Unaudited)

SCHOOL CONSTRUCTION GRANTS

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

Program Goals:

Objectives:

1. Educate school districts about how to obtain a grant and how their State share is determined:
 - a. By June 1 each year, measure school district satisfaction with CDB's ability to educate them about the grant process.
2. Provide effective, accountable, and responsive service related to the design and construction of school buildings:
 - a. By June 1 each year, measure school district satisfaction with CDB's timeliness.

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

	Fiscal Year 2004 <u>Actual</u>	Fiscal Year 2005 <u>Actual</u>	Fiscal Year 2006 Target <u>(Projected)</u>	Fiscal Year 2006 <u>Actual</u>	Fiscal Year 2007 Target <u>(Projected)</u>
Input Indicators:					
Total expenditures - all sources (in thousands)	\$ 460.7	\$ 547.5	\$ 600.0	\$ 491.4	\$ 550.0
Total expenditures - State appropriated funds (in thousands)	\$ 460.7	\$ 547.5	\$ 600.0	\$ 491.4	\$ 550.0
Average monthly full-time equivalents	4.5	7.3	8.0	7.1	8.0
Output Indicators:					
Dollar amount of grants made (in thousands)	\$ 500,000	\$ 0	\$ 500,000	\$ 0	\$ 500,000
Number of grants made	71	0	70	0	70
Number of applicants in pool	160	250	275	302	340
Number of grant surveys performed	5	0	120	2	120

**STATE OF ILLINOIS
CAPITAL DEVELOPMENT BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
Fiscal Years Ended June 30, 2006, 2005, and 2004**

(Unaudited)

SCHOOL CONSTRUCTION GRANTS (CONTINUED)

	Fiscal Year 2004 <u>Actual</u>	Fiscal Year 2005 <u>Actual</u>	Fiscal Year 2006 Target <u>(Projected)</u>	Fiscal Year 2006 <u>Actual</u>	Fiscal Year 2007 Target <u>(Projected)</u>
Outcome Indicators:					
Customer satisfaction score for adequate information (Scale of 1-10)	78%	N/A	80%	N/A	80%
Customer satisfaction score for timely payment (Scale of 1-10)	85%	N/A	90%	N/A	90%
Customer satisfaction score for assisting in time for referendum (Scale of 1-10)	87%	N/A	90%	N/A	90%
Customer satisfaction score for technical assistance (Scale of 1-10)	91%	N/A	87%	N/A	87%
Customer satisfaction score for interpreting State share (Scale of 1-10)	88%	N/A	90%	N/A	90%
Efficiency/Cost-Effectiveness:					
Total grants/program cost (in dollars)	\$ 1,085	N/A	\$ 833	N/A	\$ 833