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**STATE OF ILLINOIS**  
GOVERNOR'S OFFICE OF  
MANAGEMENT AND BUDGET

**FISCAL YEAR 2014 SECOND QUARTER FINANCIAL REVIEW**

**GENERAL FUNDS HIGHLIGHTS**

Table I, below, sets forth General Funds year-to-date (YTD) highlights for the second quarter of State fiscal year 2014 (FY13). Table I reflects a net operating loss of \$1,585 million.

**Table I**  
**GENERAL FUNDS HIGHLIGHTS**  
**Second Quarter Review**  
**FY2013 vs. FY2014**  
(in millions)

	<b>YTD</b>				
	<u><b>FY13</b></u>	<u><b>FY14</b></u>	<u><b>\$ Change</b></u>	<u><b>% Change</b></u>	
General Funds Revenues <sup>1</sup>	\$ 14,856	\$ 15,268	\$ 412	3%	
Transfers In <sup>2</sup>	1,050	1,240	\$ 190	18%	
<b>Total Receipts</b>	<b>15,906</b>	<b>16,508</b>	<b>\$ 602</b>	<b>4%</b>	
General Funds Expenditures <sup>1</sup>	15,180	15,195	\$ 15	0%	
Transfers Out <sup>2</sup>	2,749	2,897	\$ 148	5%	
<b>Total Spending</b>	<b>17,929</b>	<b>18,093</b>	<b>\$ 163</b>	<b>1%</b>	
<b>Net Operating Surplus/(Deficit)</b>	<b>\$ (2,023)</b>	<b>\$ (1,585)</b>	<b>\$ 439</b>	<b>-22%</b>	

<sup>1</sup>Revenues reflected are cash basis. Expenditures are budget year basis.

<sup>2</sup>Transfers In/Out do not include Budget Stabilization Fund or intra-fund transfers.

<sup>3</sup>Does not include continuing appropriations.

General Funds Revenues totaled \$15,268 million, an increase of \$412 million over the fiscal year 2013 (FY13) second-quarter-end level. Transfers from other funds to the General Funds increased \$190 million compared to the same period in FY13, as detailed in the Revenue Summary that follows.

FY14 year-to-date General Funds Expenditures totaled \$15,195 million at the end of the second quarter, an increase of \$15 million over the FY13 second quarter level. Further discussion of the expenditures is provided in the Expenditures Summary that follows.

Note: Tables in this report may not add due to rounding.

## GENERAL FUNDS REVENUE SUMMARY

Table II, below, sets forth General Funds quarter-end revenues for the second quarter of FY14. General Funds Revenues (including Transfers-In and Federal Revenues) increased by \$601 million over the FY13 second quarter level.

**Table II**  
**GENERAL FUNDS REVENUES**  
**Second Quarter Review**  
**FY2013 vs. FY2014**  
(in millions)

Source	Year to Date Actual				Year to Date Budget				Budgeted FY14 Total Budget
	FY13 YTD	FY14 YTD	YTD Difference		FY14 YTD Budget	FY14 YTD Actual	Variance		
			Dollar Amount	Percent			Dollar Amount	Percent	
Gross Individual Income Tax	7,577	7,927	350	4.6%	5,604	7,927	2,323	141.5%	17,713
Less: Deposits to Income Tax Refund Fund	(740)	(780)	(40)	5.4%	(560)	(780)	(220)	139.3%	(1,683)
Net Individual Income Tax	<b>6,840</b>	<b>7,147</b>	<b>334</b>	<b>4.9%</b>	<b>5,044</b>	<b>7,147</b>	<b>2,103</b>	<b>141.7%</b>	<b>12,201</b>
Gross Corporate Income	1,400	1,530	130	9.2%	921	1,530	609	166.1%	3,391
Less: Deposits to Income Tax Refund Fund	(197)	(205)	(8)	4.0%	(120)	(205)	(85)	171.3%	(454)
Net Corporate Income Tax	<b>1,204</b>	<b>1,325</b>	<b>121</b>	<b>10.0%</b>	<b>801</b>	<b>1,325</b>	<b>524</b>	<b>165.4%</b>	<b>2,112</b>
Sales	<b>3,695</b>	<b>3,895</b>	<b>200</b>	<b>5.4%</b>	<b>3,527</b>	<b>3,895</b>	<b>368</b>	<b>110.4%</b>	<b>6,899</b>
Public Utility	483	468	(15)	-3.0%	521	468	(53)	89.9%	1,085
Cigarette	175	177	2	1.1%	176	177	1	100.6%	353
Inheritance	158	129	(29)	-18.3%	122	129	7	105.3%	236
Liquor	86	85	(1)	-0.8%	82	85	3	103.6%	161
Insurance	158	154	(4)	-2.4%	149	154	5	103.6%	330
Corporate Franchise	107	107	(0)	-0.2%	106	107	1	100.6%	202
Investment Income	8	9	1	14.8%	16	9	(7)	54.9%	35
Cook County IGT	56	26	(30)	-53.8%	58	26	(32)	44.8%	246
Other Sources	197	259	62	31.4%	211	259	48	123.0%	479
<b>TOTAL STATE REVENUES</b>	<b>13,167</b>	<b>13,808</b>	<b>641</b>	<b>4.6%</b>	<b>10,813</b>	<b>13,781</b>	<b>2,968</b>	<b>127.4%</b>	<b>24,340</b>
Federal Revenues	<b>1,690</b>	<b>1,460</b>	<b>(230)</b>	<b>-13.6%</b>	<b>2,237</b>	<b>1,460</b>	<b>(777)</b>	<b>65.3%</b>	<b>5,142</b>
Transfers-In:	<b>1,050</b>	<b>1,240</b>	<b>190</b>	<b>18.1%</b>	<b>1,558</b>	<b>1,209</b>	<b>(349)</b>	<b>77.6%</b>	<b>2,750</b>
Lottery	308	314	6	1.9%	299	314	15	105.2%	635
Gaming/Gaming Taxes	221	211	(10)	-4.4%	222	211	(11)	95.3%	364
Other Transfers-In	521	715	194	37.2%	1,038	685	(353)	66.0%	1,750
<b>TOTAL RECEIPTS</b>	<b>\$ 15,908</b>	<b>\$ 16,508</b>	<b>\$ 601</b>	<b>3.6%</b>	<b>\$ 14,609</b>	<b>\$ 16,451</b>	<b>1,842</b>	<b>112.6%</b>	<b>\$ 32,231</b>

- **Income Taxes (\$455 million increase):** Individual Income Tax quarter-end net receipts increased by \$334 million, or 4.9%, over the FY13 second quarter level.

Corporate Income Tax quarter-end net receipts increased by \$121 million, or 10.0%, over the FY13 second quarter level.

- **Sales Taxes (\$200 million increase):** Sales Tax quarter-end receipts increased by \$200 million, or 5.4%, over the FY13 second quarter level.
- **Inheritance Taxes (\$29 million decrease):** Inheritance Tax quarter-end receipts decreased 18.3% from the FY13 second quarter level.
- **All Other Sources (\$15 million increase):** Several categories of state taxes yielded less revenue in the third quarter of the current fiscal year over the previous fiscal year. Overall, however, all other sources increased.
- **Federal Revenues (\$230 million decrease):** FY14 quarter-end federal sources of revenue decreased by \$230 million, or 13.6%, compared to the FY13 second quarter level.
- **Transfers-In (\$190 million increase):** Transfers-in increased by \$190 million, or 18.1%, compared to the FY13 quarter-end level.

## GENERAL FUNDS EXPENDITURES SUMMARY

Table III, below, sets forth General Funds expenditures through the second quarter of FY14. General Funds expenditures through the end of the quarter totaled \$15,195 million, an increase of \$15 million (>1%) over the FY13 quarter-end level.

**Table III**  
**GENERAL FUNDS EXPENDITURES**  
**Second Quarter Review**  
**FY2013 vs. FY2014**  
(in millions)

Agency	FY13	FY14	FY13	FY14	Change	FY13	FY14
	Enacted	Enacted	Expend	Expend		Percent Spent	Percent Spent
	Appropriation <sup>1</sup>	Appropriation <sup>1</sup>					
Constitutional Officers	\$ 674	\$ 461	\$ 449	\$ 183	\$ (266)	67%	40%
DHFS	\$ 7,043	\$ 7,039	\$ 3,548	\$ 2,990	\$ (558)	50%	42%
ISBE	\$ 6,550	\$ 6,687	\$ 3,012	\$ 3,083	\$ 71	46%	46%
DHS	\$ 3,498	\$ 3,179	\$ 1,694	\$ 1,366	\$ (328)	48%	43%
Higher Education	\$ 1,980	\$ 1,991	\$ 1,310	\$ 1,339	\$ 29	66%	67%
TRS	\$ 2,777	\$ 3,513	\$ 1,393	\$ 1,756	\$ 363	50%	50%
SURS	\$ 1,253	\$ 1,312	\$ 558	\$ 618	\$ 60	45%	47%
Corrections	\$ 1,179	\$ 1,218	\$ 523	\$ 544	\$ 21	44%	45%
CMS	\$ 1,482	\$ 1,377	\$ 570	\$ 1,366	\$ 796	38%	99%
DCFS	\$ 732	\$ 696	\$ 420	\$ 347	\$ (73)	57%	50%
Aging	\$ 1,100	\$ 1,031	\$ 548	\$ 391	\$ (157)	50%	38%
ISP	\$ 248	\$ 246	\$ 120	\$ 118	\$ (2)	48%	48%
Revenue	\$ 111	\$ 111	\$ 46	\$ 47	\$ 1	41%	42%
DPH	\$ 125	\$ 133	\$ 46	\$ 49	\$ 3	37%	37%
DNR	\$ 45	\$ 45	\$ 18	\$ 16	\$ (2)	40%	35%
IDOT	\$ 22	\$ 6	\$ -	\$ -	\$ -	0%	0%
DCEO	\$ 31	\$ 44	\$ 5	\$ 8	\$ 3	16%	18%
All Others	\$ 1,962	\$ 2,051	\$ 922	\$ 977	\$ 55	47%	48%
<b>Agency Totals</b>	<b>\$ 30,813</b>	<b>\$ 31,140</b>	<b>\$ 15,180</b>	<b>\$ 15,195</b>	<b>\$ 15</b>	<b>49%</b>	<b>49%</b>

<sup>1</sup>Does not include continuing appropriations.

## FINANCIAL POSITION

Table IV, below, sets forth the General Funds financial position for the second quarter of FY14. The General Funds cash balance on December 31, 2013 was \$204 million. This reflects a balance above the FY13 quarter-end level, when the cash balance was \$138 million.

**Table IV**  
**FINANCIAL POSITION**  
**Second Quarter Review**  
**FY2013 vs. FY2014**  
(in millions)

	<u>FY13</u>	<u>FY14</u>	<u>Change</u>
<b>CASH BALANCE</b>			
General Funds Cash Balance (9/30)	\$ 154	\$ 162	\$ 8
Change in Operating Cash for Q2	(16)	42	58
Transfer In from Budget Stabilization Fund	-	-	-
<b>General Funds Cash Balance (12/31)</b>	<u>\$ 138</u>	<u>\$ 204</u>	<u>\$ 66</u>
<b>SELECT CURRENT LIABILITIES</b>			
General Funds Accounts Payable (12/31)	\$ 6,888	\$ 5,499	\$ (1,389)
<b>Total Select Current Liabilities</b>	<u>\$ 6,888</u>	<u>\$ 5,499</u>	<u>\$ (1,389)</u>
<b>NET WORKING CAPITAL (GF Cash less GF A/P)</b>	<u>\$ (6,750)</u>	<u>\$ (5,295)</u>	<u>\$ 1,455</u>

## EMPLOYMENT HIGHLIGHTS

Table V, below, sets forth second quarter employment highlights. Nationally, the unemployment rate in December 2013 was 6.7%, down from 7.9% during the same period in 2012. Illinois' unemployment rate of 8.9% in December 2013 was also slightly lower than its rate of 9.1% in December of the previous year. Additionally, total nonfarm employment in Illinois increased.

**Table V**  
**EMPLOYMENT HIGHLIGHTS**  
**Second Quarter Review**  
**FY2013 vs. FY2014**

<b>STATEWIDE EMPLOYMENT STATISTICS</b>	<b><u>December-12</u></b>	<b><u>December-13</u></b>	<b><u>Change</u></b>
Total Nonfarm Employment, Illinois	5,778,400	5,828,700	50,300
Unemployment Rate, Illinois	9.1%	8.9%	-0.2%
Unemployment Rate, United States	7.9%	6.7%	-1.2%
Labor Force Participation Rate, Illinois	65.8%	65.1%	-0.7%
Labor Force Participation Rate, United States	63.6%	62.8%	-0.8%