

Michael W. Frerichs

ILLINOIS STATE TREASURER

2018

ANNUAL REPORT



# LETTER FROM ILLINOIS STATE TREASURER MICHAEL W. FRERICHS

Dear Illinois Residents,

In Illinois, the Treasurer is the state's Chief Investment Officer. The office invests money on behalf of taxpayers, college savers, and units of local government. Typically, the investment portfolio is approximately \$30 billion. The investment approach is cautious to ensure the preservation of principal. The investment returns are significant: For every \$1 spent to run the office, we net \$42 for the people of Illinois.

However, I strongly believe the state treasury must also invest in people. That is why we provide tools so individuals can invest in themselves. These tools include savings plans for college and trade school, removing barriers to a secure retirement, helping people with disabilities save their own money for future needs, protecting residents from predatory companies, and making capital available for farmers, entrepreneurs, and neighborhood investment.

In Illinois, Fiscal Year 2018 is from July 1, 2017 to June 30, 2018. During this past fiscal year, our office made significant strides to benefit taxpayers and residents. They include:

**Increased ROI:** A shift in investment strategy that embraced longer-term investments and higher yields allowed the state to significantly increase investment income from \$28 for every \$1 invested to \$42 for every \$1 invested. The shift was possible after analysis showed that core investment strategies could be more aggressive and still follow the primary objective to ensure the safety of principal and liquidity.

**College Savings:** Sweeping revisions and substantial fee reductions to the Bright Start and Bright Directions college savings programs earned each top honors by independent analyst Morningstar. Bright Start earned a gold rating, the highest rating available. Bright Directions earned a silver rating, the highest rating awarded for advisor-sold plans. At the end of the fiscal year, 597,000 account holders invested more than \$10 billion to pay for expenses at a college or a qualifying trade school.

**Protecting Consumers:** We led the fight in the Illinois General Assembly to pass new legislation to prohibit the issuance of rebate cards that charge dormancy or other post-issuance fees, which often deplete the entire value of a rebate card. This addresses the practice of retailers utilizing cards issued by national banks to avoid consumer protections under the Illinois Unclaimed Property Act.

**Transparency:** We took transparency to the next level with The Vault. This interactive website details how Illinois invests taxpayer money, manages state debt, and tracks bond ratings. It is part of our ongoing effort to increase transparency and accountability in Illinois finances. The Vault open data portal presents information so users can easily compare data points in charts they prefer to use, such as line, bar, or pie. Data also can be exported so comparisons to other investment entities can be made.

**Fighting for Families:** Our unclaimed property unit safeguards more than \$3 billion in cash and valuables. Examples include bank safe deposit box contents or an undelivered paycheck or utility refund. Life insurance policies also are included. We returned a record-breaking \$180 million in this past fiscal year, the third consecutive year in which we set a record.

**Saving for Retirement:** In an effort to address the retirement savings crisis in America, our office worked with the Illinois Secure Choice Board to launch the pilot program for Illinois Secure Choice – a program that will provide over 1.2 million workers in Illinois with access to an employment-based retirement savings option. Illinois Secure Choice enables private-sector workers who do not currently have access to a retirement plan at work to begin saving their own money via payroll deductions. Workers can save into Roth IRAs and their accounts are portable if they change employers.

**Achieving a Better Life Experience (ABLE):** We convinced lawmakers to offer a tax deduction of up to \$10,000 to individuals for contributions to Illinois Achieving a Better Life Experience (ABLE) investment accounts, the same benefited already provided to 529 college savings account holders. ABLE allows individuals with a disability to save up to \$15,000 a year without federal penalties, individuals who work may contribute more. Prior to launching the Illinois ABLE program, the annual asset cap was \$2,000, an unrealistically small amount that disincentivized savings activity.

**Honoring Our Veterans:** Military medals also are part of unclaimed property. Our efforts to locate these service members or their heirs continue after private entities failed for more than five years. These bittersweet reunions are profoundly moving and included Purple Hearts and Service Medals from military conflicts.

**Sound Investment for Local Governments:** The Illinois Funds is a local government investment pool operated by the treasurer's office. More than 1,600 units of government participate in the pool, which since 1975 has provided a safe, liquid, and competitive investment. The Illinois Funds continues to enjoy Standard & Poor's highest rating of AAAM and is designed to augment, not replace, local banking relationships.

**Investing in the Illinois Economy:** Illinois' position as the Midwest's tech hub continues to grow. Fueling this innovation and job creation is the Illinois Growth and Innovation Fund. We led efforts this past fiscal year to convince the General Assembly to allow the treasurer's office to allocate up to 5 percent of the state portfolio on a recurring basis to the Technology Development Account to capitalize technology businesses seeking to locate, expand, or remain in Illinois.

The Illinois Treasurer's Office invests money on behalf of the state, college savers, and units of local government. However, the treasurer must also provide tools so that individuals can invest in themselves. The 2018 Fiscal Year created many challenges as our state finally passed a budget following a shameful impasse that lasted two long years. However, there also are many resources for our residents to use to better themselves and their families, friends, and communities. I pledge to continue to be a responsible investment officer and to promote the tools of the treasurer's office that can help people save for college, retire with dignity, and have access to capital to grow their dreams.

Sincerely,



Michael W. Frerichs  
Illinois State Treasurer

This annual report is intended to fulfill the requirements of Section 15 of the State Treasurer Act, Section 3(a) of the State Finance Act, and Article V, Section 19 of the Illinois Constitution.



## OFFICE MISSION STATEMENT

The Illinois State Treasurer's Office is dedicated to protecting the state's investment portfolio, ensuring the liquidity of all investments, and consistently producing earnings at or above industry standards.

Our investment decisions will promote education, access, and opportunity for individuals and governmental bodies across our state to give families the tools to achieve the American Dream.

The Treasurer's Office is committed to fulfilling this mission in a highly professional and ethical manner, while striving for transparency, efficiency, and preservation of public trust.

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# INVESTMENTS, BANKING, AND FINANCE



## State Investments & Banking

The Treasurer's Office is responsible for receiving and safekeeping all public monies of the State, ensuring liquidity is available to meet the State's obligations, and investing all remaining funds in authorized instruments. Pursuant to this authority, the Banking section maintains numerous accounts with financial institutions to process deposits for check clearing, lockbox services, ACH transactions, depository and custodial services, and electronic payment transactions on the State's behalf. In FY 2018, the Banking section processed \$171 billion in receipts and \$171 billion in expenditures on behalf of the State.

State legislators budget public monies that are collected, but that money is not spent all at once. The Treasurer's Office is responsible for safekeeping of public monies and managing the State Investment Portfolio, ensuring liquidity to meet the State's obligations and investing all remaining funds in authorized investments. The State Investment Portfolio, with total assets over \$14 billion, is an internally managed investment program that aims to ensure the following principles: safety of principal, liquidity, diversification, return on investment, and support community development efforts.

## The Illinois Public Treasurers' Investment Pool ("The Illinois Funds")

Created in 1975, the Illinois Public Treasurers' Investment Pool (referred to as "The Illinois Funds") was the first local government investment pool established in the nation. The Illinois Funds enables communities across the state to invest their money together in a secure money market fund to earn greater returns. The fund is comprised of over 1,600 participating entities, holding approximately 3,300 accounts with net assets of approximately \$5 billion. The Illinois Funds is a safe, secure, highly liquid, diversified money market fund that holds Standard & Poor's AAAM rating, the highest fund rating possible.

## **ePAY**

ePAY is a full-service electronic payment services program specifically designed for Illinois government agencies so they can quickly and securely receive monies through convenient, customized payment channels. Over 500 local and state government agencies, with over \$2 billion in payment transactions, have adopted ePAY since it was created in 2002 to provide public agencies and state universities with a safe, timely, and competitively priced electronic payment solution. The Treasurer's Office conducts and oversees program management, including customer service, storage, transfer, and data processing.

## **Fiscal Operations**

The Fiscal Operations Division successfully performs daily, monthly, quarterly, and annual general accounting activities, including balancing the general ledger, processing accounts payable, reconciling bank accounts, and compiling budget estimates for the appropriation process. The Division is also responsible for processing payment warrants, forgery claims and depositing unclaimed property, circuit clerk, estate tax, and other miscellaneous receipts. The Fiscal Operations Division continues to work towards its overall objective to provide accurate and timely general and budgetary accounting services to internal and external constituents.

## **Portfolio & Risk Analytics**

The Portfolio and Risk Analytics Unit is responsible for modeling, analyzing, and reporting on the Office's investment portfolio to anticipate value, identify opportunities, and mitigate risk exposure. As such, this team assesses prospective and existing counterparties for credit worthiness, examines the eligibility and suitability of broker/dealers, develops quantitative and qualitative analytic models to identify value drivers and measure risk, utilizes best practices of data analysis to ensure results are accurate, and presents formal analyses that guide the investment decisions of the Treasurer's Office.

## **Investment Analysis & Due Diligence**

The Investment Analysis and Due Diligence Unit is responsible for monitoring externally managed portfolios and investment funds within the investment vehicles of the Treasurer's Office, including, but not limited to, the College Savings Program, Secure Choice Retirement Savings Program, Technology Development Accounts (TDA) I and II, and Achieving a Better Life Experience (ABLE) accounts. This unit continually measures investment performance, leads operational due diligence activities, evaluates externally managed investment programs using pertinent benchmarks and targets, and helps guide decision-making regarding the continued appropriateness of investment managers, policies, objectives, and management structures.

## **Corporate Engagement and Investment Operations**

In order to fulfill the Office's fiduciary and mission objectives, the Corporate Engagement and Investment Operations Unit manages and executes a number of core investment policies that apply across the Office's programs, including: (1) maximizing participation of qualified investment firms owned by minorities, women, veterans, or disabled persons (MWVD Program); (2) providing preference to investment firms with corporate headquarters located in Illinois (Illinois-Headquartered Program); and (3) integrating sustainability factors into the investment decision-making process in order to enhance the long-term value of the Office's investments (Raising The Bar Program).



# INVEST IN ILLINOIS

## Linked Deposit Program

The Treasurer's Linked Deposit programs provide reduced interest rates on loans to qualified small businesses, community providers, and farmers through approved Illinois financial institutions by lowering the institution's cost of funds.

In a Linked Deposit transaction, the State Treasurer deposits state funds at a below-market rate with a financial institution that is offering a loan to finance an eligible project. Due to the lower cost of funds, the financial institution is able to offer the borrower a lower interest rate on the loan transaction.

## Ag Invest

The Treasurer's Office has continued to increase its role in the footprint of Illinois agriculture. With changes implemented in 2017, we have seen increased usage of the Ag Invest program for the purchase of farm land, equipment and storage expansion, and increased operating lines of credit. The success is in the numbers with a 51% increase in the Annual Ag Loan Deposit Program and a 244% increase in the Long-Term Ag Deposit Program.

### Ag Invest FY '17

Annual Ag: \$107,546,650 / 653 Borrowers  
Long-Term Ag: \$1,132,102 / 20 Borrowers

### Ag Invest FY '18

Annual Ag: \$163,021,000 / 883 Borrowers  
Long-Term Ag: \$3,902,402 / 29 Borrowers

The Treasurer's Office will continue to reach out to all sectors of the agriculture food chain with our programs and continue making enhancements to the programs to meet the demands of the agriculture industry.

### Use of Funds for Ag Invest Programs:

- Feasibility Study
- Application Fees
- Salary Cost
- Milling
- Processing
- Inventory
- Transitioning Cost
- Marketing/ Advertising
- Business Plan Development
- Transportation Cost
- Construction

### Long Term - Value Added Program:

- Loan terms of 3+3 for projects less than \$300,000
- Loan terms of 3+3+3 for projects greater than \$300,000- cost associated should have a useful life of 9 years

### Use of Funds for Long Term Value Added Program:

- Expansion/renovation of current building
- Construction of new building/storage silos
- Acquisition of land-allowable funding up to \$400,000
- Transitioning Cost
- Inventory
- Transportation Equipment
- Refrigeration Trucks
- Greenhouses
- Irrigation
- Livestock
- Technology

### **Cream of the Crop**

The Ag Invest Program celebrated its 6th annual Cream of the Crop Contest to encourage Illinois youngsters to get more involved in agriculture. Children of various age groups submitted agriculture related photographs taken by them. The contest was judged by a panel of individuals from the education and agriculture industry. The winner's artwork was featured in the new Ag Invest Program Calendar and other marketing materials. Winners were also invited to an awards reception with the Treasurer at the Illinois State Fair on Agriculture Day.

### **Community Uplift Program**

The Treasurer's Office is committed to growing and championing rural and underserved areas of Illinois. A comprehensive impact investment program was deployed this year that commits \$500 million in new money to deposit in local financial institutions to fund the newly developed Access to Capital Community Uplift Program (CUP). This program provides money to lending institutions specifically to fund business growth or expansion, as well as other worthy community development efforts.

Illinois has a number of rural and urban communities throughout the state that struggle with unemployment, poverty, and large-scale business closings. These communities benefit from private and public-sector investment to stimulate business growth, job creation, and neighborhood revitalization. The Access to Capital Community Uplift Program (CUP) does just that. CUP enables qualified financial institutions that operate in designated areas (i.e. Illinois Enterprise Zones, Opportunity Zones, Low-Income Communities) to access state investment capital at a lower rate, in the form of a time deposit. This provides community banks, local credits unions, and savings and loan institutions in areas of economic development with access to additional financial resources, which allows them to increase lending efforts, create jobs, and fund more local development efforts.

# INVESTING IN THE ILLINOIS ECONOMY:

ILLINOIS IS

THE MIDWEST TECHNOLOGY HUB

The Illinois General Assembly authorized the Treasurer's Office to manage Technology Development Accounts. These accounts allow the Treasurer's Office to use a portion of the State's Investment Portfolio to provide capital to venture capital and growth equity funds in Illinois that invest in technology businesses seeking to start up, locate, expand, or remain in Illinois.

## ILLINOIS GROWTH AND INNOVATION FUND (ILGIF) GOALS

1. Deliver strong investment performance for Illinois
2. Drive economic development for Illinois
3. Foster a more connected, inclusive and engaged entrepreneurial and venture community in Illinois
4. Support diversity and inclusion to enable worthy fund managers to grow promising technology companies
5. Integrate sustainability factors to increase expected financial returns and minimize projected risk

### **Technology Development Account I**

The first Technology Development Account (TDA I), launched in 2005, has experienced remarkable success. Not only has TDA I accrued \$50.2 million in realized gains (as of March 31, 2018), but it has created an estimated 6,294 jobs (2,861 direct and 3,433 indirect). It also supported scores of growing technology companies in Illinois that you may have heard of such as SpotHero, Trunk Club and Sittercity.

### **Illinois Growth and Innovation Fund**

Lawmakers in 2011 authorized a second round of TDA funding, called TDA II. However, the treasury did not act on the authorization. Treasurer Frerichs, however, used the TDA II authority to establish and launch the \$222 million investment fund known as the Illinois Growth and Innovation Fund (ILGIF) and began making investments in 2016.

As of June 30, 2018, ILGIF committed a total of \$184.5 million across 24 venture capital funds. This fosters financial support to 98 individual companies in Illinois, giving them the resources needed to expand their economic impact in Illinois, thereby generating investment returns, fostering economic development and increasing tax revenue. ILGIF has supported technology companies in Illinois such as Uptake, Tempus, Project 44, and ShipBob.

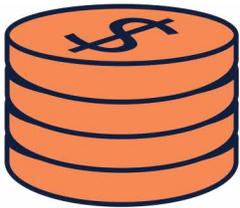
## Expansion of the Illinois Growth and Innovation Fund

In FY 2018, the Illinois General Assembly passed legislation amending the Technology Development Act (30 ILCS 265), to allow the Treasurer to segregate up to five percent (5%) of the State's investment portfolio to primarily invest with venture capital and growth equity firms located in Illinois with a goal of investing in technology businesses seeking to locate, expand, or remain in Illinois.

Beginning in 2019, the expansion of ILGIF would allow over \$700 million from the State's Investment Portfolio in venture capital firms with a track record of investing in Illinois technology companies. The investment is projected to create over 60,000 jobs in Illinois and attract more than \$1 billion in additional private-sector money.

### ILGIF PROJECTED IMPACT

The goal of ILGIF is two-fold: earn investment returns for the state and support technology and related jobs here in Illinois. The Investment is expected to create approximately 60,000 jobs in Illinois and attract more than \$2 billion in additional private-sector money, which will further spur interest in the Midwest technology and entrepreneurial scene.



**Invest \$700M+ State Funds**



**Attract \$2B+ Private Investment**



**Create 60,000+ Jobs**

### IMPACT SINCE JANUARY 1, 2016

**4,000**  
NUMBER OF NEW JOBS CREATED

**\$840.1 MILLION INVESTED IN**  
ILLINOIS COMPANIES

**\$8.4 BILLION**  
IN AGGREGATE GAAP REVENUE

**\$77.5 MILLION INVESTED IN**  
MINORITY & WOMEN-OWNED FUNDS

**INVESTED IN 49 BUSINESSES OWNED BY**  
MINORITIES, WOMEN,  
VETERAN OR DISABLED PERSONS

**CONTINUE TO IDENTIFY,**  
RECRUIT AND RECOMMEND  
MWVD FUND MANAGERS/BUSINESSES

**INVESTED IN 15 GREEN TECHNOLOGY BUSINESSES**



## LEVELING THE PLAYING FIELD

A core tenet of Treasurer Frerichs' mission is to promote education, access, and opportunity for individuals and governmental bodies across our state to give families the tools to achieve the American Dream. As such, Treasurer Frerichs has made diversity and inclusion a priority officewide. Treasurer Frerichs' new investment strategy, Raising The Bar, integrates sustainability factors into investment decisions to reduce risk exposures and maximize returns for the people of Illinois. This includes a focus on investment risks and opportunities related to corporate governance, environmental factors, social capital, human capital, and business model features.

### FOCUS ON DIVERSITY

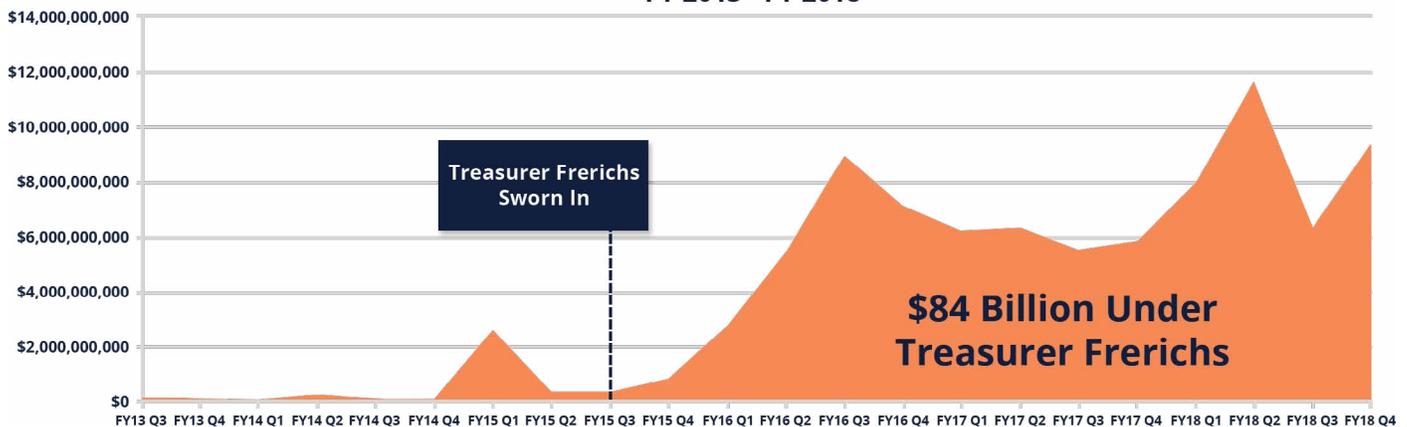
Treasurer Frerichs believes that our government should mirror the great diversity in our state. Furthermore, diversity is good for business. In the last year, the Treasurer's Office has made great strides to ensure inclusion and provide more opportunities for Minority, Women, Veteran, and Disabled (MWVD) firms. Among Treasurer Frerichs' top priorities is to continue to transform the Office's culture, policies, and operations to help ensure equal opportunity.

- **Increasing Business with MWVD Broker/Dealers: From 1% to 76%.** The Treasurer's two internally managed investment programs, the State Investment Portfolio and Illinois Public Treasurers' Investment Pool (also referred to as "The Illinois Funds"), are made up of direct purchases and brokered investments. Tapping diverse-owned broker/dealers is one of the quickest and best ways to ensure MWVD participation. Recent numbers emphasize our sustained progress in this area:
- Since 2015, the Treasury increased utilization of MWVD broker/dealers from 1% to 76%.

## Year-by-Year Comparison of Assets Brokered with MWVD Firms FY 2013 - FY 2018

| State Investments + Illinois Funds   | FY2013        | FY2014        | FY2015         | FY2016         | FY2017         | FY2018                |
|--------------------------------------|---------------|---------------|----------------|----------------|----------------|-----------------------|
| <b>Assets Brokered by MWVD Firms</b> | \$364 million | \$603 million | \$4.2 billion  | \$24.3 billion | \$24.0 billion | <b>\$35.3 billion</b> |
| <b>Total Assets Available</b>        | \$25 billion  | \$60 billion  | \$74.0 billion | \$40.6 billion | \$37.9 billion | <b>\$46.6 billion</b> |
| <b>% Brokered by MWVD Firms</b>      | 1.4%          | 1.0%          | 5.7%           | 59.9%          | 63.2%          | <b>75.8%</b>          |

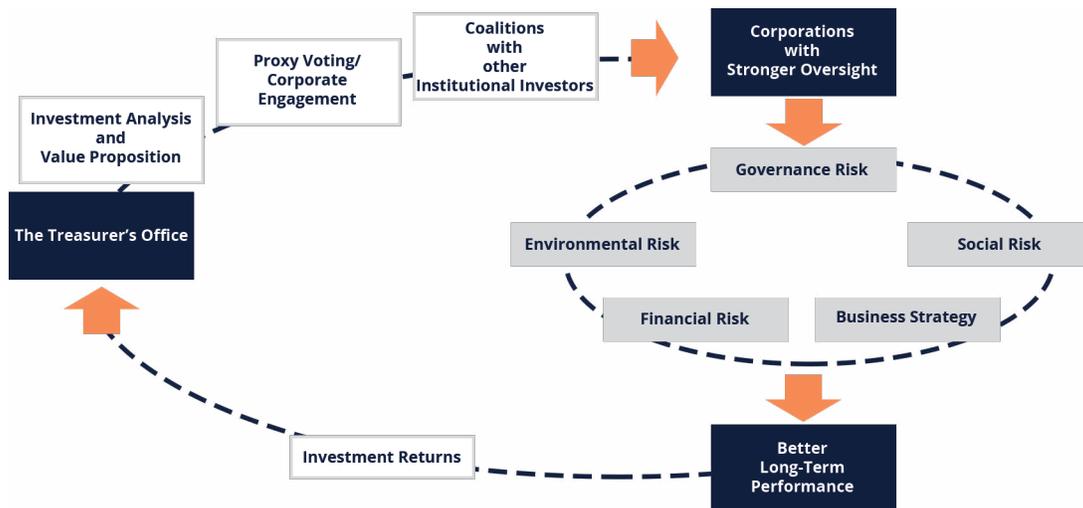
### Treasurer's Office - Assets Brokered by MWVD Firms FY 2013 - FY 2018



- Increasing Business with MWVD Asset Managers: From \$16 million to \$235 million.** The Treasurer's Office has made tremendous strides expanding the use of MWVD asset managers. When Treasurer Frerichs came into office in January 2015, the Treasury had \$16 million under MWVD asset managers. As of June 2018, the Treasurer's Office had over \$235 million with MWVD asset managers. That represents a 14-fold increase since 2015.
- Closing the Gender and Racial Divide: Board Diversity.** Diverse corporate boards are more successful than non-diverse boards. As such, Treasurer Frerichs continues to help women and minorities break the glass ceiling and get more opportunities.
  - Engagement with Board Diversity Laggards* – Our office independently engages portfolio companies facing board diversity shortfalls. In 2018, we worked with two companies, FCB Financial and CACI International to encourage changes and both companies have since taken action to either appoint a diverse board member or implement the Rooney Rule, which ensures consideration of diverse board candidates.
  - Proxy Voting* – Using proxy votes to urge public company boards to recruit, identify, and retain diverse board members. Since January 1, 2018, we have voted against more than 100 directors due to a lack of gender diversity on the Board.

- *Midwest Investors Diversity Initiative* – Treasurer Frerichs serves as a member of the Midwest Investors Diversity Initiative, a 13-member investor coalition, with over \$300 billion in assets, working to increase diversity on corporate boards. Due to this group’s corporate engagement efforts, 16 firms adopted policies to create a pipeline for diverse candidates, and six of these firms appointed diverse board members.
- *30% Coalition* – Treasurer Frerichs also works with the 30% Coalition to push more companies to add women to their boards. Since 2012, 189 companies targeted added women to their boards.
- **Enforcing Community Reinvestment Act Standards.** In the Treasurer’s Office, we are working hard to help Illinois families succeed and expect our banking partners to do the same. Treasurer Frerichs continues to enforce federal rules to ensure that banks and financial institutions doing business with the State are reinvesting in the communities they serve.
  - In September 2017, the Treasurer’s Office renewed its suspension of investment activity with Wells Fargo due to their “needs to improve” Community Reinvestment Act rating, as well as due to continued business concerns.
- **RFP Process.** All RFPs in the Treasurer’s Office now provide points in the scoring process to MWVD applicants. In addition, all firms that submit an RFP must illustrate how their firm promotes further diversity and equal opportunity. This is an important policy to build and sustain diversity within our array of external relationships.

## RAISING THE BAR: THE TREASURER’S SUSTAINABLE INVESTMENT STRATEGY



**Making Prudent Choices.** Investing means making choices. For the investment officers at the Illinois State Treasurer’s Office, it means choosing investments that are risk-appropriate, high-performing, and meet or exceed the benchmark. It means making investments that not only strengthen the economic well-being of Illinois citizens and institutions, but making investments that reflect our commitment to sustainability, inclusion, and sound corporate governance.

**Sustainability Factors.** We at the Treasurer’s Office know that to fulfill our fiduciary duty and maximize returns, we need to focus on more than just short-term gains and traditional indicators. Additional risk and value-added factors that may have a material and relevant financial impact on the safety and performance of our investments need to be integrated into the decision-making process. These material sustainability factors include (1) environmental; (2) social capital; (3) human capital; (4) business model and innovation; and (5) leadership and governance factors.

**Raising The Bar puts this philosophy in practice.** Over the past two years, the Treasurer's Office has been busy capitalizing on opportunities to grow the \$30 billion investment portfolio while achieving results on sustainability issues. The Treasurer's Office continues to actively engage corporate decision-makers, work with other institutional investors, vote by proxy, weigh in on public policy, and communicate the multi-faceted benefits of responsible investing.

**Getting Results.** Under the leadership of Treasurer Frerichs, here are highlights of the results we have achieved to date:

- **Board Accountability** – The Treasurer's Office used the power of the proxy to support a more accountable board of directors. The Treasury supported 16 proposals to appoint an independent chairman, five proposals to require directors receive a majority of support from shares outstanding to be seated on the board, and two proposals to require each director stand for election on an annual basis.
- **Opioid Epidemic: Issues in the Supply Chain** – The opioid epidemic is a complex problem and its remedy requires action by all actors in the supply chain, including firms that manufacture and distribute opioids. The Treasurer's Office is engaging companies to discuss steps to help fight the epidemic and reduce their exposure to financial, legal, and reputational risks.
- **Sustainability Fully Integrated across the Treasurer's Investment Programs** – The Treasurer's Office formalized additional policies and processes to better integrate sustainability factors in the review of debt issuers, fund managers, equity holdings, and all due diligence activities.
- **Income Inequality: Tamping Down on Executive Compensation** – There are 319 U.S. companies that give shareholders a vote on their executive pay only every three years. The Treasurer's Office joined 11 institutional investors to urge these companies to join the rest of the market by allowing investors a vote every year.
- **Restoring Integrity to Public Information: Cracking Down on Fake News at Facebook and Alphabet** – The Treasurer's Office pressed the social media companies to report on the epidemic of fake news and their progress towards a solution.
- **Human Capital Management** – The Treasurer's Office submitted an argument to the Securities and Exchange Commission urging that companies be required to disclose data on human capital metrics. Most companies in our service-based economy cite their employee base as their most valuable asset, but investors have virtually no data on a companies' workforce composition, stability, or health and safety.
- **Pay Parity** – The Treasurer's Office voted for Alphabet, American Express, Bank of America, Citigroup, CVS Health, Express Scripts, Facebook, JPMorgan Chase, Mastercard and Wells Fargo to report and reduce the gender pay gap in their workforce.
- **Purchased \$70 million in Green and Social Impact Bonds** – The Treasurer's Office purchased \$70 million in green and social impact bonds, which provide an excellent return on investment while supporting important projects that aim to create a more sustainable, prosperous future.
- **Addressing Environmental Risks and Opportunities** – The Treasurer's Office filed a shareholder proposal at Kaiser Aluminum to request the company issue a sustainability report. Following negotiations with the office, the company launched a website on sustainability and agreed to follow with a comprehensive report.



## GROWING ILLINOIS BUSINESSES AND THE STATE'S ECONOMY

**The Treasurer's Office Prioritizes Local Businesses.** The Treasurer's Office has made it a priority to transform the Office's policies and operations to increase opportunities available to businesses based in the State of Illinois.

- **Preference in Procurement.** All RFPs now provide points in the scoring process to businesses headquartered or with a significant staff presence in Illinois.
- **Investing in Illinois Communities through Municipal Bonds.** The Treasurer's Office actively seeks to purchase high-rated bonds from Illinois municipalities, thereby giving communities the monies they need to grow while generating added yield for the State.
- **Investing in Illinois Businesses through Corporate Bonds.** The Treasurer's Office successfully advocated for legislation that allows the Treasury to buy highly rated corporate bonds, which enables the State to invest in businesses with operations in Illinois while earning a high-yielding return.
- **Illinois-Based Broker/Dealers.** The Treasurer's Office utilized Illinois-based investment firms to broker \$117 billion in assets in FY 2018.
- **Illinois-Based Asset Managers.** The Treasurer's Office utilizes Illinois-based investment firms to manage over \$1.3 billion. This increase compares to \$406 million in January 2015, which represents a 223% increase.

The Treasurer's Office seeks to maximize the use of Illinois-based asset managers across all pertinent programs, including the State Investment Portfolio, The Illinois Funds Local Government Investment Pool, 529 College Savings Plans, and Technology Investments.

## Investment Activity with Illinois Firms



**\$1.3 Billion**  
Assets Managed



**\$45 Million**  
Municipal Bonds  
Purchased



**\$117 Billion**  
Assets Brokered  
in FY18

# MAKING MONEY FOR THE PEOPLE OF ILLINOIS



As an asset manager that invests money on behalf of state and local government agencies, Treasurer Frerichs is laser-focused on obtaining the best risk-adjusted return for the people of Illinois. The Treasurer's Office has evidence of outperformance, cost-savings, and an enterprising spirit that seeks to elevate individuals and government bodies across the State.

## STATE INVESTMENTS

The numbers tell the story. If you look at state investment returns you will see that monthly returns increased from 0.45% in January 2015 to 2.13% in October 2018. That represents a 473% increase.

**State Investment Earnings for FY2018**  
**\$204.6 million**

This is the direct result of the Treasurer's new investment strategy. After a review of past practices and the state's statutory investment restrictions, the Treasurer's Office successfully implemented real-time solutions to capitalize on market conditions and increase earnings – all while fulfilling the Treasurer's obligations of preservation of capital and liquidity. These accomplishments can be attributed to:

- Implementation of an investment strategy that prioritizes investments in higher-yielding investments and extended maturities to match expected liabilities;
- Additional investment asset classes, including corporate bonds and municipal bonds;
- External money managers with expertise in higher-yielding asset classes; and
- Increased pool of eligible companies, including Illinois-based and Minority, Women, Veteran and Disabled-owned firms, from which the Treasury can purchase fixed income securities, thereby providing more opportunities for diversification and higher earnings.

These changes have produced tangible benefits for Illinois agencies and the people they serve. Approximately \$483 million in investment earnings has been attained since January 2015, making more money available for State programs and reducing the burden placed on the State's limited tax revenues.

## ILLINOIS PUBLIC TREASURERS' INVESTMENT POOL

The Illinois Public Treasurers' Investment Pool (IPTIP, or also referred to as The Illinois Funds) is a AAA-rated local government investment pool operated by the Treasurer for state and local government agencies. Investing together generates economies of scale typically not available if participants invested alone. Thus, the program provides a critical service for state and local agencies, enabling them to invest their money in a safe, liquid investment vehicle that exceeds industry benchmarks. The fund balance typically is about \$5 billion. The IPTIP gross monthly returns increased from 0.01% in January 2015 to 2.052% in June 2018.

**IPTIP Investment Earnings for FY 2018**  
**\$74.1 million**

Increased earnings are a direct result of the Treasurer's enhanced investment approach. The investment strategy prioritizes higher-yielding investments and extended maturities to match expected liabilities; increase to the pool of eligible companies from which the Treasury can purchase fixed income securities, thereby providing more opportunities for diversification and higher investment earnings.

# INTRODUCING THE NEW ePAY: MORE OPTIONS AND SERVICES



**What is ePAY?** ePAY is a full-service electronic payment program specifically designed for Illinois governments so they can quickly and securely receive monies through customized payment channels that offer constituents convenient payment choices 24 hours a day, seven days a week.

**What's new?** As a part of this commitment to make ePAY the best-in-class option for electronic payment processing for state and local governments in Illinois, there is now a new service platform that offers more benefits, lower costs, and additional resources to participants. The new ePAY features:

- Contemporary Solutions – Recurring Bill Pay, E-Bill, E-Receipts, Mobile Wallet and more contemporary payment solutions to make electronic payments easier and more convenient for governments and users.
- Secure Investment and Settlement Options – Participants can earn a greater return on their balances by having their funds automatically deposited to an Illinois Funds investment account or elect to settle to an outside bank.
- Competitive Pricing – Pricing at or below current rates with new equipment and funding options.
- Enhanced Security – The ePAY processor is a PCI DSS Level 1 Service Provider and NACHA compliant. In addition, our payment solutions now offer greater security to help minimize your PCI scope. ePAY also offers PCI validation, tracking, and reporting tools at no additional cost.
- First-in-Class Customer Support – A dedicated help desk during normal business hours and after hour support allows us to resolve 95% of all participant tickets within one business day.

These new features help modernize the program to align with present needs of governments and everyday people in Illinois.



# UNCLAIMED PROPERTY

Treasurer Frerichs works each day to protect consumers, including families who have lost a loved one. As part of the Illinois Treasurer’s Unclaimed Property Division, the I-Cash program connects state residents and businesses with their unclaimed money including lost bank accounts, insurance policy proceeds, and unused rebate cards. The Unclaimed Property Division recovers hundreds of thousands of properties each year from government agencies, banks, insurers, utilities, and other companies across the country that have been unable to return the properties to their rightful owners.

The I-Cash program then works to notify owners and reunite them with their money and other property. Civic engagement staff conducts I-Cash searches at Veteran’s fairs, health and wellness fairs, public libraries, city halls, government offices, county fairs, expos, chambers of commerce meetings, and churches to return cash and property to the rightful owner.

**In FY 2018, the Unclaimed Property Division saw more than 3.2 million properties reported that were associated with 3.4 million owners.**

During FY 2018, Treasurer Frerichs launched two new ways to make claiming unclaimed property easier and faster.

**E-Claiming** allows the public to upload necessary claim information in an electronic format on the Treasurer’s Office website, which is safe and secure. Once the documentation is uploaded in real-time, it is transferred to a database, saving the public weeks of processing time.

**Fast Track** allows quick approval and payment for simple, lower dollar amount claims. The automated review process compares the information submitted by the claimant to the information reported on the property, which could include social security numbers, past and current addresses, and past and current names.

**“We are excited to let the public know that claiming cash and property that belongs to them will be a much simpler, faster process,” Frerichs said. “Our process always is free, safe and secure. And after listening to feedback from the public, it is now also quicker.”**

During FY 2018, \$390,720,724 in cash and 132,672,795 in shares were reported and remitted to the State Treasurer as unclaimed property. This total includes \$369,844,203 in cash and 125,442,039 in shares that were voluntarily remitted and \$20,876,521 in cash and 7,230,756 in shares that were remitted pursuant to an examination.

The total amount of property returned to Illinois residents in FY 2018 was \$180,776,938, including \$139,308,825 in cash and \$41,468,113 in securities value.

The amounts expended from the State Pensions Fund in FY 2018 were as follows:

|  |                      |
|--|----------------------|
| State Universities Retirement System (SURS): | \$215,000,000        |
| Treasurer’s Office Operational Expenses      | 11,458,660           |
| Auditor General                              | 500,000              |
| Court of Claims                              | 15,262               |
| <b>Total</b>                                 | <b>\$226,973,922</b> |

# COLLEGE SAVINGS PROGRAMS



Bright Start and Bright Directions are the 529 College Savings programs administered by the Illinois State Treasurer's Office. Families in Illinois and across the country are participating in Bright Start and Bright Directions to save for the rising cost of college expenses.

Under Treasurer Frerichs, the Illinois College Savings Programs have received national recognition for their quality and price. Bright Start has received the Gold rating from Morningstar, while Bright Directions maintains a Silver rating.

Since 2015, fees were reduced by over 50 percent. This includes the elimination of the \$10 annual fee and \$3 quarterly service fee. Now more than \$10,000,000 annually will stay in owners' accounts and continue to grow to pay for college rather than going to an investment manager.

Families can use these tax-advantaged investment plans to pay for qualified costs associated with attending accredited post-secondary institutions, from vocational schools and community colleges, to public and private colleges and universities.

Qualified expenses include tuition, room and board, books, fees, computers, supplies, and equipment required for enrollment. Administered by the Treasurer's Office, both Bright Start and Bright Directions offer a variety of investment options including age-based, target-date and individual fund portfolios.

## **BRIGHT START**

With over \$5 billion in assets under management and over 275,000 accounts, Bright Start offers a wide range of investment choices for both hands-off and do-it-yourself investors. In addition to recent accolades from Morningstar, Bright Start Direct was awarded the Gold Medal making it the first time any plan has received an upgrade from Bronze to Gold. To learn more, visit [www.brightstart.com](http://www.brightstart.com).

**"Illinois' Bright Start Direct-Sold College Savings Program stands out as a top-notch plan following a complete overhaul in July 2017."**

**"The new look and lower cost raises the plan's Morningstar Analyst Rating to Gold from Bronze."**

**- Morningstar, October 2017 (Bright Start)**

## **BRIGHT DIRECTIONS**

Bright Directions is one of the top two financial advisor-sold 529 plans in the country. It boasts over \$5 billion in assets under management for over 300,000 account holders. This plan offers more than 40 different age-based, target-date, and individual portfolio options and 15 Exchange-Traded Fund (ETF) Portfolios. Morningstar awarded Bright Directions the Silver Medal for the third consecutive year and has received accolades as one of the top performing advisor-sold programs in the nation. To learn more, visit [www.brightdirections.com](http://www.brightdirections.com).

**"Illinois trimmed costs in 2017 by reducing its fee to 3 basis points from 5 basis points and renegotiating the program management fee down to 15 basis points from 18 basis points."**

**- Morningstar, October 2017 (Bright Directions)**

# INTRODUCING ILLINOIS ABLE: ACHIEVING A BETTER LIFE EXPERIENCE



The Treasurer's Office helps to empower people with disabilities and their families to invest in themselves and help achieve their personal goals.

The Illinois "Achieving a Better Life Experience" or ABLE plan offers a new savings and investment account that eligible people with disabilities can own to save for disability-related expenses without losing their federal means-tested benefits, such as SSI and Medicaid.

Earnings and withdrawals on ABLE accounts are tax-free as long as they are used for expenses related to living with a disability – expenses such as therapy, education and training, accessible equipment, housing, transportation, assistive technology, medical and dental care, financial and legal services, daily living expenses and more.

The easy-to-manage investment and checking options offered by the Illinois ABLE plan give account owners flexibility and freedom to help take care of today's expenses and to save and invest for their futures.

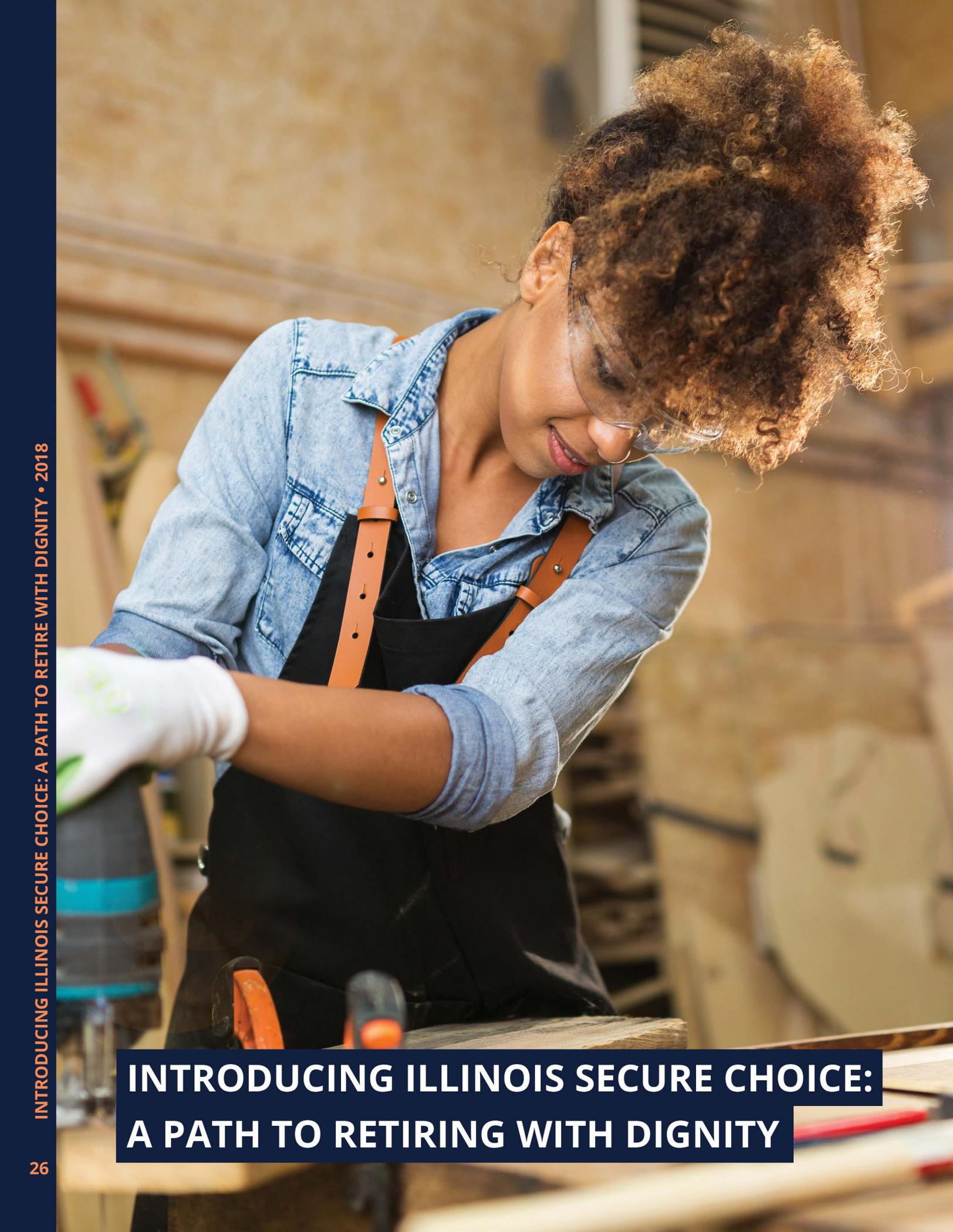
Total plan assets have grown rapidly since the Illinois ABLE plan launched in January 2017. More than \$2.5 million has been contributed to Illinois ABLE accounts giving individuals with disabilities and their families a level of control, self-reliance, and financial independence for the first time ever.

Illinois leads the National ABLE Alliance, a 16-state consortium that represents more than one-quarter of the eligible ABLE population nationwide.



**"Having an Illinois ABLE account now means financial security. I have saved for a down payment on an accessible vehicle with my ABLE account. I don't know what I would do without ABLE."**

**Wendy Settles, Illinois young adult professional with Cerebral Palsy**

A woman with curly hair, wearing safety glasses, a denim shirt, and a black apron, is working in a workshop. She is smiling and looking down at her work. The background is a blurred workshop with various tools and materials.

**INTRODUCING ILLINOIS SECURE CHOICE:  
A PATH TO RETIRING WITH DIGNITY**

More than 1.2 million Illinois workers do not have access to a retirement savings option at work, but a law passed in 2015 creating the Illinois Secure Choice Savings Program will make it easier for them to save for their golden years.

The Illinois Secure Choice Savings Program (Secure Choice) creates a retirement savings program for private sector workers who lack access to an employer-sponsored plan. Employees can save for their own retirement through automatic payroll deductions that flow into professionally managed Roth Individual Retirement Accounts (Roth IRAs). Employers can provide a retirement savings benefit without the burden of heavy administrative costs or responsibilities. Their role is limited to enrolling employees, transmitting information to the program, and remitting payroll contributions on behalf of their employees.

Secure Choice applies to employers with 25 or more employees, that have been in business for two years or more, and do not offer a qualified retirement savings plan. Employers will be assigned to one of the three waves based on their total number of employees and must begin facilitation of the program before their assigned deadline. Employees are automatically-enrolled in the program at a 5% contribution rate into a Target Date Roth IRA, but may select a different investment option, a higher or lower contribution amount, or can opt-out of the program entirely.

Secure Choice is overseen by a seven-person, bi-partisan board, but a private-sector financial services firm is responsible for all recordkeeping and day-to-day administration of the program. The Treasurer serves as chair of the Secure Choice Board and his office provides administrative support to the program.

Secure Choice formally launched in the summer of 2018 with a small group of pilot employers. Wave One began in November for employers that have 500 or more employees. Waves Two and Three will begin in 2019.



Nationally, approximately half of working Americans do not save for retirement, according to the Survey of Income and Program Participation by the U.S. Census Bureau. Of those who do not save, 84 percent work for an employer that does not offer a retirement savings vehicle.



# INVESTMENT POLICIES

# The Illinois State Treasurer's Office Investment Policy Statement for the State Investments Portfolio

## 1.0 POLICY

Under this instrument, the Illinois State Treasurer's Office Investment Policy Statement for the State Investments portfolio ("Policy"), it is the policy of the Illinois State Treasurer's Office ("Treasurer") to invest all moneys and securities deposited with the Treasurer (collectively, the "State Investments portfolio") in a manner that will provide safety to the principal investment, meet the State's daily cash flow demands, and seek the highest risk-adjusted investment return, using authorized instruments and supporting community development efforts, in accordance with all State statutes governing the investment of public funds.

This Policy applies to all investments of the State Investments portfolio entered into on or after the adoption of this instrument. Investments made prior to the adoption of this Policy will continue to be governed by the policy in effect at the time such investments were made, until the maturity or selling of such investments.

This Policy applies to any investment under the control of the Treasurer for which no other specific investment policy exists.

## 2.0 INVESTMENT POLICY COMMITTEE

The Treasurer affirms the existence of the Investment Policy Committee. The Investment Policy Committee shall be chaired by the Treasurer and include the following members of the Treasurer's staff: Deputy Treasurer & Chief Investment Officer, Chief of Staff, Chief Financial Products Officer, Chief Legislative and Policy Officer, General Counsel, Director of State Investments and Banking, Director of Investment Analysis and Due Diligence, Director of Fiscal Operations, Director of IPTIP Investments, Director of ePAY and The Illinois Funds, the Portfolio Investments & Cash Management Officer, and anyone else deemed appropriate by the Treasurer.

The Deputy Treasurer & Chief Investment Officer, who bears responsibility for the administration, planning, development, and implementation of all financial and investment strategies per the direction of the Treasurer, shall assist the Treasurer in executing the duties and activities of the Investment Policy Committee.

## 3.0 OBJECTIVE

The primary objective in the investment of the State Investments portfolio is to ensure the safety of principal. In addition, it is the Treasurer's objective to manage liquidity for payment of the State's financial obligations and provide the highest investment return, using authorized instruments, while prudently exercising sustainable stewardship in its investment decision-making.

### 3.1 Safety

The safety of principal is the foremost objective of the state's investments. State Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. To achieve this objective, diversification, as defined in Section 9.0 of this Policy, and investment stewardship is required to ensure that the Treasurer prudently manages market, operational, reputational, financial, legal, sustainability, interest rate, and credit risks.

## 3.2 Liquidity

The State Investments portfolio shall remain sufficiently liquid to enable the State to meet all operating and cash flow requirements that might be reasonably projected.

## 3.3 Return on Investment

The State Investments portfolio shall be designed and constructed to obtain the highest available return, given the objectives of safety of principal and liquidity. The Director of State Investments and Banking or equivalent thereto shall seek to obtain the highest available return, using authorized investments during budgetary and economic cycles as mandated by Section 1.0 of this Policy. When the Treasurer deposits funds in support of community development efforts, the rate of return may include benefits other than direct investment earnings, as authorized by Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7).

The rate of return achieved on the State Investments portfolio shall be measured at regular intervals against relevant industry benchmarks, established by the Investment Policy Committee, to determine the effectiveness of investment decisions in meeting investment goals. The benchmarks shall be reviewed a minimum of every two (2) years to ensure accuracy and relevance.

## 3.4 Sustainability

The Treasurer seeks to invest all funds under its control in a manner that provides the highest risk-adjusted investment return using authorized instruments. To achieve this objective, the Treasurer has a responsibility to recognize and evaluate risk factors that may have a material and relevant financial impact on the safety and/or performance of investments. Consistent with achieving the investment objectives set forth herein, the Treasurer and its agents shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, risk management, due diligence and investment ownership.

The sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and helps assess the reliability of future cash flows and debt repayments. Similar to financial accounting, sustainability accounting has both confirmatory and predictive value, thus, it can be used to evaluate past performance and be used for future planning and decision-making. As a complement to financial accounting, it provides a more complete view of an investment fund or portfolio company's performance on material factors likely to impact its long-term value.

The Treasurer shall develop policy guidelines to integrate material sustainability risks relevant to particular financial products, investment funds, companies, or government bodies, which shall be provided to internal and external investment managers to factor into their investment decision-making. The policy guidelines for integrating sustainability factors shall be reviewed and updated every two (2) years at a minimum to ensure consistency within the rapidly evolving global economy.

The State Investments portfolio's investment officers shall identify and select authorized investment options that meet the Treasurer's criteria for sustainable investing opportunities and risk parameters and fall within the framework of the investment objectives.

## 4.0 ETHICS AND CONFLICTS OF INTEREST

Authorized investment officers and employees in policy-making positions shall refrain from personal business activity that could (a) conflict, or give the appearance of a conflict, with proper execution of the investment program or (b) impair their ability to make impartial investment decisions. Such

individuals shall disclose to the Treasurer any material and relevant financial interests, as determined by the Treasurer, in financial institutions that conduct business within the State, and they shall further disclose any personal financial investment positions that could be related to the performance of the State Investments portfolio. In addition, such individuals shall subordinate their personal investment transactions to those of the State Investments portfolio, particularly with regard to the time of purchases and sales.

## **5.0 AUTHORIZED BROKERS/DEALERS AND FINANCIAL INSTITUTIONS**

The Treasurer shall maintain a list of approved financial institutions, which shall be utilized by authorized investment officers. Pursuant to 15 ILCS 505/30, the Treasurer shall review a financial institution's Community Reinvestment Act ("CRA") rating, record, and current level of financial commitment to the community prior to making a decision to utilize or determine the eligibility of such financial institutions. No State funds may be deposited in any financial institution unless the institution has a current satisfactory or outstanding rating under the Community Reinvestment Act of 1977. Exception to the CRA rating requirement may be granted, by the Deputy Treasurer, to financial institutions for participation in the Treasurer's Linked Deposit and Access to Capital Programs. State funds may not be deposited in any financial institution unless the Treasurer's investment officers have conducted a safety and soundness review of the financial institution by consulting various bank rating services. If the financial institution has not yet been rated by the bank rating services, the institution may be eligible for a deposit that at maturity will not exceed \$250,000. The amount and duration of deposits shall be based on the safety and soundness review, in accordance with guidelines established by the Investment Policy Committee, and the diversification limits set forth in Section 9.0 of this Policy. No public deposit may be made, except in a qualified public depository, as defined by the Deposit of State Moneys Act (15 ILCS 520/et seq.).

The Treasurer shall maintain a list of approved security brokers/dealers, which shall be utilized by authorized investment officers. The security brokers/dealers shall be selected according to their creditworthiness and their financial significance in the State, which shall be measured in terms of the location of the broker/dealer's corporate office, the number of full-time employees, the size of its payroll, or the extent that the broker/dealer has an economic presence in the State. The list may include "primary" dealers or regional dealers who qualify under Securities and Exchange Commission Rule 17 CFR § 15Cc3-1 (Net Capital Requirements for Brokers or Dealers).

All broker/dealers who wish to qualify to bid for investment transactions shall initially, and on a periodic basis upon request, provide to the Treasurer's credit review staff documentation pertinent to firm's financial condition, ownership status, registration with applicable government agencies, and any other documentation deemed necessary by the Treasurer.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Treasurer's authorized investment officer(s). More frequent reviews may be conducted if warranted.

### **5.1 External Investment Consultants**

To the extent that the Investment Policy Committee deems it advisable to hire external investment consultants, it may do so in accordance with the Treasurer's procurement rules at 44 Ill. Admin. Code § 1400.

### **5.2 Preference for Broker/Dealers Owned by Minorities, Women, Veterans, and Persons with Disabilities**

Pursuant to 15 ILCS 505/30, it shall be the aspirational goal of the Treasurer to use businesses owned

by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability for not less than 25% of the total dollar of purchases of investment securities, including, but not limited to, the use of broker/dealers. Beginning with fiscal year 2019, and at least annually thereafter, the Treasurer shall measure and report its utilization of broker/dealers owned or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability. The report shall be published on the Treasurer's official website at least annually.

The terms "minority person", "woman", "person with a disability", "minority-owned business", "women-owned business", "business owned by a person with a disability", and "control" have the meanings provided in Section 1 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575). The terms "veteran", "qualified veteran-owned small business", "qualified service-disabled veteran-owned small business", "qualified service-disabled veteran", and "armed forces of the United States" have the meanings provided in Article 1 of the Illinois Procurement Code (30 ILCS 500).

To the greatest extent feasible within the bounds of financial and fiduciary prudence, it is the policy of the Treasurer to remove any barriers to the full participation in investment transactions afforded via the investment program by actively identifying and considering for hire brokers/dealers that provide proof of minority-, female-, disabled-, and/or veteran-owned or -managed status. The Treasurer shall establish a process by which said specially claimed statuses are verified, and a review shall be conducted at fixed intervals to ensure that special statuses continue to apply.

### **5.3 Preference for Broker/Dealers Headquartered in Illinois**

The Treasurer shall seek to provide preference to qualified brokers/dealers that provide proof that their corporate headquarters is located in the State of Illinois. In doing so, the Treasurer shall establish a process to verify the location of broker/dealers' corporate headquarters, and a review shall be conducted at fixed intervals to ensure that the Illinois-based location continues to apply.

Beginning with fiscal year 2019, and at least annually thereafter, the Treasurer shall measure and report its utilization of broker/dealers with headquarters located in the State of Illinois. The report shall be published on the Treasurer's official website at least annually.

## **6.0 AUTHORIZED AND SUITABLE INVESTMENTS**

The Treasurer has authorized the following types of investments, subject to the provisions of the Deposit of State Moneys Act (15 ILCS 520) and the Public Funds Investment Act (30 ILCS 235):

- a) Securities that are guaranteed by the full faith and credit of the United States of America ("United States") as to principal and interest;
- b) Obligations of agencies and instrumentalities of the United States, as originally issued by the agencies and instrumentalities. For purposes of this Section, the term "agencies and instrumentalities of the United States" includes the following: federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 and Acts amendatory thereto, the federal home loan banks and the federal home loan mortgage corporation, and any other agency created by an Act of Congress and issues dollar- denominated debt;

- c) Interest-bearing savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits of a bank as defined by Section 2 of the Illinois Banking Act (205 ILCS 5/2);
- d) Interest-bearing accounts or certificates of deposit of any savings and loan association incorporated under the laws of the State of Illinois, any other state, or the United States;
- e) Interest-bearing accounts for the deposit of funds in support of local community development efforts;
- f) Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of the State of Illinois or the United States that maintains its principal office in the State of Illinois;
- g) Bankers' acceptances of banks whose senior obligations are rated in the top 2 rating categories by 2 national rating agencies and maintain that rating during the term of the investment;
- h) Commercial paper of a corporation or a limited liability company that is organized in the United States with assets exceeding \$500,000,000 and is rated at the time of purchase at one (1) of the two (2) highest classifications established by at least two (2) standard rating services (i.e., not less than an A-1 short-term rating or equivalent rating);
- i) Money market mutual funds registered under the Investment Company Act of 1940 (15 U.S.C. § 80a-1 et seq.) and rated at the highest classification by at least one (1) standard rating service (i.e., not less than a AAA long-term rating or equivalent rating);
- j) The Illinois Funds, created under Section 17 of the State Treasurer Act (15 ILCS 505/17);
- k) Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 (1 U.S.C. § 78o-5);
- l) Interest-bearing bonds, at a price not to exceed par, issued by counties or municipal corporations of the State of Illinois, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the State of Illinois or held under a custodial agreement at a financial institution. The bonds shall be rated at the time of purchase at one (1) of the three (3) highest classifications established by at least one (1) standard rating service with nationally recognized expertise in rating bonds of states and their political subdivisions, (i.e., not less than an A- long-term rating or equivalent). The maturity or pre-refunded date(s) of the bonds authorized by this subsection shall, at the time of purchase, not exceed ten (10) years. Notwithstanding the foregoing, a longer maturity is authorized, if the State of Illinois has a put option to tender the bonds within ten (10) years from the date of purchase;
- m) Securities of a foreign government that are guaranteed by the full faith and credit of that government as to principal and interest and rated at one (1) of the three (3) highest classifications established by at least two (2) standard rating services, (i.e., not less than an A- long-term rating or equivalent rating), and only if the foreign government has not defaulted and has met its payment obligations in a timely manner on all similar obligations for at least 25 years prior to the time of acquiring those obligations;

- n) Investments made in accordance with the Technology Development Act (30 ILCS 265/1 et seq.);
- o) The Treasurer may lend any securities acquired under this Policy. However, securities may be lent under this Policy only in accordance with Federal Financial Institution Examination Council guideline and only if the securities are collateralized at a level sufficient to assure the safety of the securities, taking into account market value fluctuation. The securities may be collateralized by cash or collateral acceptable under Sections 11 and 11.1 of the Deposit of State Moneys Act. Securities lending cash collateral may be invested according to the Securities Lending Agreement between the Treasurer and the Treasurer's Agent; and
- p) Obligations of either corporations or limited liability companies organized in the United States that have a significant presence in the State of Illinois, with assets exceeding \$500,000,000, and rated at the time of purchase at one (1) of the three (3) highest classifications established by at least two (2) standard rating services, (i.e., not less than an A- long-term rating or equivalent rating). At the time of purchase, the maturity or pre-refunded date(s) of the obligations authorized by this subsection shall not be less than 270 days and shall not exceed five (5) years.

### **6.1 Private Debt Placement**

The Treasurer may invest any State money in the Treasury, excluding specific funds noted in the Deposit of State Moneys Act (15 ILCS 520/22/5), with the Office of the Illinois State Comptroller in order to pay vouchers, when the total amount of vouchers presented exceeds the funds available in the General Revenue Fund by \$1,000,000,000 or more. The total outstanding investments, at any given time, shall not exceed \$2,000,000,000.

The interest rate will be tied to the London Interbank Offered Rate (LIBOR) or the Federal Funds Rate or an equivalent market established variable rate. At no time shall the interest rate exceed the penalty rate established under the State Prompt Payment Act or the timely pay interest rate under Section 368a of the Illinois Insurance Code.

The Treasurer and Comptroller will mutually agree upon the funds in the Treasury that will be utilized for the investment(s).

The Treasurer and Comptroller shall enter into a written agreement that specifies the terms of each investment, including, but not limited to, the repayment of the principal and interest. The terms of each investment will be posted to the Treasurer's official website.

### **7.0 INVESTMENT RESTRICTIONS**

The following restrictions apply to the Treasurer when investing the State Investments portfolio:

- a) Any investments not authorized by this or any other investment policy or applicable law are prohibited;
- b) Repurchase agreements may only be executed with approved financial institutions or broker/dealers that meet the Treasurer's standards, which include mutual execution of a Master Repurchase Agreement adopted by the Treasurer;

- c) All qualified repurchase agreement dealers must have a corporate headquarters, corporate office, or operating location in the State of Illinois and that location must retain full-time staff employed within the State of Illinois or the dealer must have a significant economic presence in the State of Illinois as determined by the Treasurer;
- d) All qualified commercial paper issuers must have a corporate headquarters, corporate office, or operating location in the State of Illinois and that location must retain full-time staff employed within the State of Illinois or the issuer must have a significant economic presence in the State of Illinois as determined by the Treasurer;
- e) All qualified corporate bond issuers must have a corporate headquarters, corporate office, or operating location in the State of Illinois and that location must retain full-time staff employed within the State of Illinois or the issuer must have a significant economic presence in the State of Illinois as determined by the Treasurer;
- f) Investments may not be made in any savings and loan association unless a commitment by the savings and loan association, executed by the president or chief executive officer of that association, is submitted in the form required by Section 22.5 of the Deposit of State Moneys Act (15 ILCS 520/22.5);
- g) Asset-backed commercial paper is prohibited;
- h) Commercial paper with a credit rating or reevaluation that is derived from any factor other than the full faith and credit of the issuing institution and/or the guarantee of the parent company is prohibited;
- i) Obligations may not be purchased from a corporation or limited liability company that has been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code (40 ILCS 5); and
- j) The authorization of the Treasurer to invest in new obligations under Section 6.0(p) of this Policy shall expire on June 30, 2019.

## 8.0 COLLATERALIZATION

The following shall apply:

- a) All State deposits, repurchase agreements, and securities lending shall be secured as required by the Treasurer and provided for by the Deposit of State Moneys Act (15 ILCS 520) and the Treasurer's Acceptable Collateral Listing, which may change from time to time. The Treasurer may take possession and title to any securities held as collateral and hold such securities until it is prudent to dispose of them.
- b) Securities lending cash or securities collateral shall have the meaning set forth in the Securities Lending Agreement between the Treasurer and a financial institution ("Treasurer's Agent"). The Treasurer's Agent may reinvest cash collateral as indicated in the Securities Lending Agreement. The Treasurer or Treasurer's Agent may take possession and title to any cash or securities held as collateral and hold such securities according to the Securities Lending Agreement.

## 9.0 DIVERSIFICATION

The State Investments portfolio shall be diversified to mitigate the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In order to properly manage any risk attendant to the investment of State assets, the State Investments portfolio shall not deviate from the following diversification guidelines, unless specifically authorized by the Treasurer in writing:

- a) The Treasurer shall seek to achieve diversification in the State Investments portfolio by distributing investments among authorized investment categories among financial institutions, issuers and broker/dealers.
- b) The State Investments portfolio shall not hold time deposits that constitute more than 15% of any single financial institution's total deposits. Any deposits that constitute more than 10% of an institution's total deposits must qualify as community development deposits, described in Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7).
- c) No financial institution shall at any time hold more than \$100,000,000 of time deposits other than community development deposits, described in Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7). Provided, however, that financial institutions that, as a result of a merger or acquisition, hold deposits that exceed \$100,000,000.00 may continue to be eligible to hold deposits that do not exceed the amount of deposits held on the date of the merger or acquisition.
- d) The State Investments portfolio shall not contain investments that exceed the following diversification limits. These limits will apply to the total assets in the State Investments portfolio at the time of the origination or purchase. As maturities and or calls of instruments occur, these limits will be monitored and adjusted accordingly:
  - i. With the exception of cash equivalents, treasury securities and time deposits, as defined in Section 6.0 of this Policy, no more than 55% of the State Investments portfolio shall be invested in other investment categories;
  - ii. No more than one-third of the State Investments portfolio shall be invested in commercial paper;
  - iii. No more than 25% of the money market fund asset class may be placed with one money market fund investment option and the State Investments portfolio cannot be invested in more than 10% of each money market fund (including all share classes) at a given time;
  - iv. As much as 40% of the State Investments portfolio may be invested in time deposits when required by the cash flow of the State;
  - v. No more than 1/2 of 1% of the State Investments portfolio shall be invested in foreign government securities, not to exceed a five (5) year maturity, as defined in Section 6.0(l) of this Policy;
  - vi. No more than 55% of the State Investments portfolio shall be allocated to investments greater than two (2) years and less than or equal to three (3) years;

- vii. No more than 30% of the State Investments portfolio shall be allocated to investments greater than three (3) years and less than or equal to four (4) years, not including foreign government securities;
  - viii. No more than 15% of the State Investments portfolio shall be allocated to investments greater than four (4) years and less than or equal to five (5) years;
  - ix. No more than 5% of the State Investments portfolio shall be allocated to investments greater than five (5) years and no less than or equal to ten (10) years;
  - x. There shall be no limit to the percentage of the State Investments portfolio that may be allocated to investments with a 0- to 2-year maturity band; and
  - xi. No more than 5% of the State Investments portfolio shall be invested in obligations of corporations or limited liability companies as defined by Section 6.0(p) of this Policy.
- e) The investment portfolio shall not hold obligations of corporations or limited liability companies that exceed 10% of the corporation's or the limited liability company's outstanding obligations.

## 10.0 CUSTODY AND SAFEKEEPING

The custody and safekeeping of collateral will be handled by Illinois financial institutions selected in compliance with the Treasurer's procurement rules at 44 Ill. Adm. Code 1400. Financial institutions selected by the Treasurer to perform custody and safekeeping services will be required to enter into a contractual agreement approved by the General Counsel.

All security transactions entered into by the Treasurer shall be conducted on a delivery-versus-payment ("DVP") or receipt-versus-payment ("RVP") basis. Securities shall be held by a safekeeping agent designated by the Treasurer and evidenced by safekeeping receipts or a statement of holdings.

## 11.0 INTERNAL CONTROLS

The Treasurer and the Chief Investment Officer, with the assistance of the Investment Policy Committee, shall establish a system of internal controls and written operational procedures that shall be documented and filed with the Treasurer's Chief Internal Auditor for review. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by authorized investment officers.

- a) **Asset Allocation:** The allocation of assets within investment categories authorized under Section 6.0 of this Policy shall be approved by the Chief Investment Officer in writing.
- b) **Competitive Bidding:** Authorized investment officers shall obtain competitive bids from at least three (3) broker/dealers prior to executing the purchase or sale of any authorized investments. Reverse inquiry investments, investments in a new issue, and investments defined under Sections 6(a)-(b) of this Policy purchased from the agency discount window are exempt from this provision.

- c) Certificates of Deposit: Authorized investment officers shall purchase certificates of deposit on the basis of a qualified financial institution's ability to pay a required rate of interest to the Treasurer, which is established daily. Such rate is generally determined on the basis of treasury or other appropriate market rates for a comparable term.

## **12.0 LIMITATION OF LIABILITY**

The standard of care to be used by authorized investment officers shall be the "prudent person" standard, which shall be applied in the context of managing an overall portfolio. Authorized investment officers, acting in accordance with written procedures and this Policy and exercising due diligence, will be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and necessary action is taken to control adverse developments.

## **13.0 REPORTING**

Monthly reports shall be presented by the Chief Investment Officer to the Investment Policy Committee for its review. The monthly report shall contain sufficient information to enable the Investment Policy Committee to review the investment portfolio, its effectiveness in meeting the needs of the Treasurer for safety, liquidity, rate of return, and diversification, and the general performance of the State Investments portfolio. The following information shall be included in the monthly reports:

- a) The total amount of funds held by the Treasurer;
- b) The asset allocation for the investments made by the Treasurer;
- c) The benchmarks established by the Treasurer;
- d) The current and historic return information;
- e) Any circumstances resulting in a deviation from the standards established in Section 9.0 of this Policy; and
- f) Impact of any material change in investment policy adopted during the month.

The Treasurer shall develop performance reports in compliance with established industry reporting standards within six (6) months following the adoption of this Policy. Such reporting standards shall be in accordance with Generally Accepted Accounting Principles ("GAAP").

## **14.0 EXTERNAL ADVISORY COMMITTEE**

The Investment Policy Committee may convene an External Advisory Committee at the direction of the Treasurer to provide independent advice and counsel to the Investment Policy Committee on investment policy, investments, and investment related issues for the benefit of all Illinois citizens.

## **15.0 EMERGENCY POWERS**

In the event of an emergency, the Treasurer may, at his or her discretion, invoke emergency powers and suspend any or all of the provisions of this Policy, provided that:

- a) The Treasurer shall, even in the event that emergency powers are invoked, comply with all State statutes governing the use and investment of the State Investments portfolio including, but not limited to, the State Treasurer Act, the Treasurer as Custodian of Funds Act, the Deposit of State Moneys Act, the Securities Safekeeping Act, and any other applicable statute;
- b) The Treasurer reasonably believes that deviating from this Policy is in the best interest of the taxpayers; and
- c) Within thirty (30) days of invoking emergency powers the Treasurer shall provide an explanation in writing to the Chief Internal Auditor and the Investment Policy Committee, a copy of which shall be posted on the Treasurer's website that includes the following:
  - i. The date and time that the emergency powers were invoked;
  - ii. The date and time that emergency powers were repealed;
  - iii. The Section or Sections of this Policy that were affected by the emergency or use of emergency powers; and
  - iv. The reason for invoking emergency powers resulting in the deviation from this Policy.

## **16.0 STATUTORY REFERENCES**

Any statutory references in this policy shall include any amendments to or repeals of those statutes.

## **17.0 AMENDMENTS**

The Treasurer reserves the right to amend this Policy at any time.

# The Illinois Funds Local Government Investment Pool Investment Policy Statement

## 1.0 POLICY

The Illinois State Treasurer's Office ("Treasurer") has authority under Section 17 of the State Treasurer's Act (15 ILCS 505/17) to establish and administer a Public Treasurer's Investment Pool to supplement and enhance investment opportunities otherwise available to custodians of public funds for public agencies in the State of Illinois. The Public Treasurer's Investment Pool is a local government investment pool known as "The Illinois Funds." Under this instrument, The Illinois Funds Local Government Investment Pool Investment Policy Statement ("Policy"), it is the policy of the Treasurer to invest funds pooled by local and State custodians of public funds for public agencies in The Illinois Funds in a manner that will provide safety to the principal investment, meet the daily cash flow demands of participants, and seek the highest investment return, using authorized instruments in accordance with all State statutes governing the investment of public funds. It is the policy of The Illinois Funds to operate in a manner consistent with Securities and Exchange Commission Rule 2a7 (17 CFR § 270.2a-7).

## 2.0 OBJECTIVE

The primary objective in the investment of funds within The Illinois Funds is the safety of principal. In addition, it is the Treasurer's objective to provide all participants daily access to the invested funds and a competitive rate of return, while prudently exercising ethical and social stewardship in its investment decision-making.

### 2.1 Safety

The safety of principal is the foremost objective of the investment program. The Illinois Funds' investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the portfolio. To obtain this objective, diversification among permissible investments is required to ensure that The Illinois Funds properly manages market, interest rate, and credit risks.

### 2.2 Liquidity

The investment portfolio shall remain sufficiently liquid to enable The Illinois Funds to meet all participant redemption demands that might be reasonably anticipated.

### 2.3 Return on Investment

The investment portfolio shall be designed to obtain the highest available return. The Treasurer shall seek to obtain the highest available return, using authorized investments during budgetary and economic cycles as mandated by Section 1.0 of this Policy.

The Treasurer will select accepted industry benchmarks that best reflect The Illinois Funds' portfolio and measure performance against those benchmarks over time. The benchmarks shall be reviewed a minimum of every two (2) years to ensure accuracy and relevance.

### 2.4 Socially Responsible Investing

Consistent with achieving the investment objectives of the Treasurer set forth herein, the Treasurer

*Approved: December 19, 2017 • Published: December 22, 2017 • Distributed: February 2, 2018 • Effective: March 12, 2018*

shall prudently exercise ethical and social stewardship in its investment decision-making, because the Treasurer aspires to contribute to a more just, accountable, and sustainable State of Illinois.

Socially responsible investing shall be implemented within a framework predicated on the following:

- a) Integration of environmental, social and governance (“ESG”) factors as components of investment decision-making, due diligence, and risk management, given that these intangible factors may have a material financial impact as well as non-financial impacts;
- b) Regular evaluation of ESG factors to ensure the factors are relevant to the Treasurer’s investment portfolio and the evolving marketplace;
- c) Attentive oversight of investment holdings to encourage the advancement of ESG through engagement with entities, such as funds, companies, government bodies, and other organizations and move the marketplace toward more socially responsible investment practices; and
- d) Consideration of long-term sustainability and regulatory and reputational risks, in addition to the current return environment in investment decision-making.

The Treasurer shall develop criteria for socially responsible investing that may pertain to particular products, funds, companies, or government bodies, which shall be provided to internal and external investment managers to factor into their investment decision-making. The criteria for socially responsible investing shall be reviewed and updated every two (2) years at a minimum to ensure consistency within the rapidly changing definition of socially responsible investing.

The Illinois Funds’ investment officers shall endeavor to identify and select authorized investment options that meet the Treasurer’s criteria for socially responsible investing and fall within the framework of the investment objectives.

### **3.0 ETHICS AND CONFLICTS OF INTEREST**

Authorized investment staff and employees in policy-making positions for The Illinois Funds shall refrain from engaging in personal business activity that could (a) conflict, or give the appearance of a conflict, with proper execution of the investment program or (b) impair their ability to make impartial investment decisions. Such individuals shall disclose to the Treasurer any material financial interests in financial institutions or broker/dealers that conduct business within the State. They shall further disclose any personal investments that are related to the performance of The Illinois Funds’ portfolio. In addition, such individuals shall subordinate their personal investment transactions to those of The Illinois Funds, particularly with regard to the time of purchases and sales.

### **4.0 AUTHORIZED BROKERS/DEALERS AND FINANCIAL INSTITUTIONS**

Authorized investment staff shall utilize the Treasurer’s approved list of broker/dealers and financial institutions when selecting institutions to provide investment services.

No monies may be deposited in any financial institution until the Treasurer’s credit review team has conducted a safety and soundness review of the financial institution by consulting various bank rating services. If the financial institution has not yet been rated by the bank rating services, the institution may be eligible for a deposit that at maturity will not exceed \$250,000. The amount and duration of deposits shall be based on the safety and soundness review, in accordance with guidelines established by the Investment Policy Committee, and the diversification limits set forth in Section 10.0 of this Policy. No public deposit may be made, except in a qualified public depository, as defined by

the Deposit of State Moneys Act (15 ILCS 520/1 et seq.).

In addition, the Treasurer shall maintain a list of approved security brokers/dealers, which shall be utilized by authorized investment officers. The security brokers/dealers shall be selected according to their credit worthiness and their financial significance in the State, which shall be measured in terms of the location of the broker/dealer's corporate office, or the extent to which the broker/dealer has a large labor or economic impact on the State. The approved broker/dealers may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 17 CFR § 15Cc3-1 (Net Capital Requirements for Brokers or Dealers).

All brokers/dealers interested in becoming qualified parties for investment transactions must supply the Treasurer's authorized investment staff with the following documents or the equivalent acceptable to the Treasurer, where applicable:

- a) Audited financial statements or a published Statement of Condition;
- b) Proof of minority-, woman-, disabled-, and/or veteran-owned or -managed broker/dealer status;
- c) A signed copy of the Treasurer's trading authorization;
- d) Proof of National and State of Illinois registration;
- e) Completed Broker/Dealer and Authorized Counterparty Questionnaire;
- f) Certification of notice and acknowledgment of this Policy; and
- g) Any other documentation deemed necessary by the Treasurer.

To the greatest extent feasible within the bounds of financial and fiduciary prudence, the Treasurer shall seek to provide preference to qualified brokers/dealers that provide proof of minority-, female-, disabled-, and/or veteran-owned or -managed status. The Treasurer shall establish a process by which said specially claimed statuses are verified, and a review shall be conducted at fixed intervals to ensure that special statuses continue to apply.

To the greatest extent feasible within the bounds of financial and fiduciary prudence, the Treasurer shall also seek to accord preference to qualified brokers/dealers that provide proof that their corporate headquarters is located in the State of Illinois. The Treasurer shall establish a process to verify the location of broker/dealers' corporate headquarters, and a review shall be conducted at fixed intervals to ensure that the Illinois-based location continues to apply.

An annual review of the financial condition and registration of qualified parties and investments will be conducted by the Treasurer's authorized investment staff. More frequent reviews may be conducted.

## **5.0 AUTHORIZED AND SUITABLE INVESTMENTS**

The following investments are permitted investments of The Illinois Funds, pursuant to the Deposit of State Moneys Act (15 ILCS 520/22.5) and the Public Funds Investment Act (30 ILCS 235/2), and are authorized to the extent they are approved by Standard & Poor's for AAAM rated funds:

- a) Bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued that are guaranteed by the full faith and credit of the United States of America ("United States") as to principal and interest;
- b) Bonds, notes, debentures, or similar obligations of the United States or its agencies;
- c) Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986, subject to the provisions of such Act and the regulations issued thereunder;
- d) Commercial paper of a corporation or a limited liability company that is organized in the United States with assets exceeding \$500,000,000 and is rated at the time of purchase at one (1) of the two (2) highest classifications established by at least two (2) standard rating services, (i.e. not less than an A-1 short-term rating or equivalent);
- e) Money market mutual funds registered under the Investment Company Act of 1940, provided the portfolio of any such money market mutual fund is limited to United States Treasury and United States Agency Securities, and agreements to repurchase such obligations, provided the funds are rated at the highest classification by at least one (1) standard rating service (i.e., not less than a AAA long-term rating or equivalent rating);
- f) Securities of a foreign government that are guaranteed by the full faith and credit of that government as to principal and interest and rated at the time of purchase at one (1) of the three (3) highest classifications established by at least two (2) standard rating services, but not less than an A- long-term rating or equivalent, and only if the foreign government has not defaulted and has met its payment obligations in a timely manner on all similar obligations for at least 25 years prior to the time of acquiring those obligations;
- g) Bonds issued by counties or municipal corporations of the State of Illinois;
- h) Interest-bearing savings accounts, interest-bearing certificates of deposit, interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 ILCS 5/1 et seq.);
- i) Suitable securities in The Illinois Funds portfolio may be lent in accordance with the Federal Financial Institution Examination Council Guidelines; and
- j) Obligations of either corporations or limited liability companies organized in the United States that have a significant presence in the State of Illinois, with assets exceeding \$500,000,000 and rated at the time of purchase at one (1) of the three (3) highest classifications established by at least two (2) standard rating services, (i.e., not less than an A- long-term rating or equivalent). At the time of purchase, the maturity - date(s) of the obligations authorized by this subsection shall not be less than 270 days and shall not exceed five years.

## 6.0 INVESTMENT RESTRICTIONS

The following restrictions will apply to all The Illinois Funds investment transactions:

- a) Investments in derivative products and leveraging of assets through reverse repurchase agreements are prohibited;

- b) Repurchase agreements may only be executed with financial institutions or broker/dealers that meet the Treasurer's standards, which will include mutual execution of a Master Repurchase Agreement adopted by the Treasurer;
- c) All qualified repurchase agreement dealers must have a corporate headquarters, corporate office, or operating location in the State of Illinois and that location must retain full-time staff employed within the State of Illinois or the dealer must have a significant economic presence in the State of Illinois as determined by the Treasurer;
- d) All qualified commercial paper issuers must have a corporate headquarters, corporate office, or operating location in the State of Illinois and that location must retain full-time staff employed within the State of Illinois or the issuer must have a significant economic presence in the State of Illinois as determined by the Treasurer;
- e) All qualified corporate bond issuers must have a corporate headquarters, corporate office, or operating location in the State of Illinois and that location must retain full-time staff employed within the State of Illinois or the issuer must have a significant economic presence in the State of Illinois as determined by the Treasurer;
- f) There will be no investments in mortgage-backed securities of any kind;
- g) There will be no investments in asset-backed securities of any kind;
- h) Certificates of deposit may not be purchased from The Illinois Funds' custodial institution or any of its subcontractors;
- i) Investments in bankers' acceptances of any kind are prohibited;
- j) Asset-backed commercial paper is prohibited;
- k) Commercial paper with a credit rating or evaluation that is derived from any factor other than the full faith and credit of the issuing institution and/or the guarantee of the parent company is prohibited;
- l) Obligations may not be purchased from a corporation or limited liability company that has been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code; and
- m) The authorization of the Treasurer to invest in new obligations under Section 5.0(j) of this Policy shall expire on June 30, 2019.

### 6.1 Operational Requirements

Pursuant to Securities and Exchange Commission Rule 2a7 (17 CFR § 270.2a-7), the Treasurer shall:

- a) Maintain and execute standard operating procedures for deviations beyond the normal net asset value ("NAV") of The Illinois Funds; and
- b) Annually complete a checklist that clarifies the intention of the Treasurer to operate The Illinois Funds as a Securities and Exchange Commission Rule 2a7-like fund.

## 7.0 RATINGS CRITERIA

The Illinois Funds strives to achieve AAAM fund rating guidelines. As such, the fund will meet and abide by the guidelines for a AAAM fund rating from a “Nationally Recognized Statistical Rating Organization” (NRSRO).

## 8.0 COLLATERALIZATION

All The Illinois Funds deposits and repurchase agreements shall be secured by direct U.S. Treasury and/or U.S. Agency obligations as required by the Treasurer and provided for by the Deposit of State Moneys Act (15 ILCS 520/1 et seq.) and the Treasurer's Acceptable Collateral Listing, which may change from time to time.

## 9.0 SAFEKEEPING AND CUSTODY

All direct treasury, agency and instrumentality security transactions entered into by The Illinois Funds shall be conducted on a delivery-versus-payment (“DVP”) or receipt-versus-payment (“RVP”) basis. Securities shall be held by a safekeeping agent designated by the Treasurer and evidenced by safekeeping receipts. Commercial paper will settle daily with the Depository Trust Company.

## 10.0 DIVERSIFICATION

The primary purpose of diversification in general is to control credit and market risk. The Illinois Funds portfolio will be diversified to eliminate the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The majority of The Illinois Funds' investments will be in direct obligations of the United States Treasury and United States Government Agencies and Instrumentalities and cash equivalents as listed in Section 5.0 of this Policy. In order to properly manage any risk that may be attendant to the investment of The Illinois Funds assets, The Illinois Funds portfolio will observe the following diversification guidelines, at the time of purchase:

- a) The Illinois Funds will seek to achieve diversification in the portfolio by reasonably distributing investments within authorized investment categories, and with issuers and brokers/dealers.
- b) The Illinois Funds shall at no time hold certificates of deposit constituting more than 10% of any single financial institution's total deposits.
- c) The Illinois Funds shall not hold obligations of corporations or limited liability companies that exceed 10% of the corporation's or the limited liability company's outstanding obligations.
- d) The investment portfolio shall not contain investments that exceed the following diversification limits. These limits will apply to the total assets in the portfolio at the time of the origination or purchase. As maturities and or calls of instruments occur these limits will be monitored and adjusted accordingly:
  - i. The Illinois Funds will invest no more than 50% of its total assets in securities with maturities greater than thirty (30) days issued by any single permissible United States government agency or instrumentality;
  - ii. The Illinois Funds will invest no more than 5% of its total assets in securities issued by any single commercial paper issuer;

- iii. The Illinois Funds will invest no more than 1/3 of its total assets in direct commercial paper obligations not to exceed 270 days to maturity at the time of purchase;
- iv. A maximum of 25% of total assets may be invested in any approved AAAM Money Market Fund;
- v. The Illinois Funds shall invest a minimum of 75% of its assets in authorized investments of less than one-year maturity. No investment shall exceed two (2) years maturity; and
- vi. No more than 5% of The Illinois Funds shall be invested in obligations of corporations or limited liability companies as defined by Section 5.0(j) of this Policy.

### **11.0 INTERNAL CONTROLS**

The Treasurer shall establish a system of internal controls, which shall be documented in writing and filed with the Treasurer's Chief Internal Auditor for review. The controls shall be designed to prevent loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by authorized investment staff of The Illinois Funds.

The Treasurer shall publish the current investment policy on The Illinois Funds website and in accordance with applicable statutes.

### **12.0 ASSET ALLOCATION**

The Treasurer shall approve asset allocation among investment categories authorized under Section 5.0 of this Policy.

### **13.0 COMPETITIVE BIDDING**

Authorized investment staff shall obtain competitive bids from at least three (3) brokers/dealers prior to executing repurchase agreements, purchasing United States Treasury securities, United States government agency or instrumentality securities, obligations of either corporations or limited liability companies, bonds issued by counties or municipal corporations of the State of Illinois, or commercial paper from a broker/dealer. Reverse inquiry investments, investments in a new issue, and investments defined under Section 5(a)-(b) of this Policy purchased from the agency discount window are exempt from this provision. Certificates of deposit shall be purchased by authorized investment staff on the basis of a financial institution's ability to pay the Treasurer's required interest rate.

### **14.0 LIABILITY**

Authorized investment staff, acting in accordance with written procedures and this Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. The Treasurer is bonded to a level of \$150,000 for the faithful performance of duties in relation to The Illinois Funds.

## 15.0 REPORTING

Reports shall be made available quarterly by the Director of The Illinois Funds to the Treasurer and The Illinois Funds participants. The quarterly report shall contain the following:

- a) The performance of The Illinois Funds as compared to the established benchmark;
- b) Asset allocation;
- c) Any deviation from the standards established in Section 10.0 of this Policy;
- d) Any change in investment policy adopted during the quarter; and
- e) The average number of days to maturity.

A listing of all investments in the portfolio marked to market shall be made available to the Treasurer and The Illinois Funds participants annually.

## 16.0 EMERGENCY POWERS

In the event of an emergency, the Treasurer may, at his or her discretion, invoke emergency powers and suspend any or all of the provisions of this Policy, provided that:

- a) The Treasurer shall, even in the event that emergency powers are invoked, comply with all State statutes governing the use and investment of monies;
- b) The Treasurer reasonably believes that deviating from this Policy is in the best interest of the participants;
- c) Within thirty (30) days of invoking emergency powers the Treasurer shall provide an explanation in writing to the Chief Internal Auditor and the Investment Policy Committee, a copy of which shall be posted on the Treasurer's website, that includes the following:
  - i. The date and time that the emergency powers were invoked;
  - ii. The date and time that emergency powers were repealed, if applicable;
  - iii. The Section or Sections of this Policy that were affected by the emergency or use of emergency powers; and
  - iv. The reason for deviating from this Policy.

## 17.0 STATUTORY REFERENCES

Any statutory references in this Policy shall include any amendments to or repeals of those statutes.

## 18.0 AMENDMENTS

The Treasurer reserves the right to amend this Policy at any time.

# BRIGHT START COLLEGE SAVINGS PROGRAM INVESTMENT POLICY STATEMENT

## 1.0 Statement of Purpose of Investment Policy

The purpose of this Investment Policy Statement (the “Policy”) is to assist contractors retained by the Office of the Illinois State Treasurer (the “Treasurer”) to provide services related to the management of the assets of the Illinois College Savings Pool (the “Pool”) that are contributed to the Bright Start College Savings Program (the “Program”) and to assist the Treasurer in evaluating the performance of such contractors by:

- Describing the Treasurer’s investment objectives;
- Providing general guidelines for the investment of assets of the Program;
- Describing the Treasurer’s long-term investment strategy;
- Describing the process of evaluating the performance of employees or contractors that provide investment management services to the Program; and
- Specifying the responsibilities of any contractors that provide investment management services to the Program.

This is the official Policy of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Treasurer.

## 2.0 Establishment and Authority of Entity

The Program has been established as part of the Illinois College Savings Pool, and is intended to qualify as a qualified tuition program in accordance with Section 529 of the Internal Revenue Code of 1986, as amended. The Program was established to provide families with an opportunity to invest toward future college education expenses.

## 3.0 Investment Philosophy

The Treasurer has adopted a long-term total return strategy for the Program and its investments. In order to achieve the Program’s objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results as well as prudent diversification across financial markets will be the primary risk control mechanisms.

In its investment strategy, the Treasurer has relied on prevailing financial theory, which currently utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program possesses a significant level of diversification, which produces risk reduction. In terms of impact, diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, etc.); (2) geography/country; (3) industry; (4) maturity; and (5) duration.

Contributions to the Program will be directed to one or more of the available Portfolios (the “Portfolios”), each composed of a designated mix of investments or an individual investment fund. The determination of the investment parameters of each Portfolio shall be made by the Treasurer and shall take into account the financial characteristics of the investments in the Program. The investment parameters will also give due consideration to the fact that the investment horizon for participants will vary from a few months to over 18 years.

The Treasurer will review the investment performance of each Portfolio at least quarterly and shall review this Policy at least annually.

The holdings of the Program and the Portfolios may be divided into the following broad asset categories:

- A. Short-Term Investments;
- B. Fixed Income Investments;
- C. Real Estate Investments;
- D. Domestic Equity Investments
- E. International Equity Investments

The Treasurer will establish reasonable guidelines for each Portfolio, specifying (as applicable) limits on asset and asset class exposures, risk constraints and investment return objectives. While the investment parameters offered under the Program are developed by the Treasurer, participants bear the risk of investment results. Individual participants who seek investments materially different from those offered may wish to select an investment alternative outside of the Program.

The administration and offering of the Program should not be relied upon as a guarantee to participants. Each participant should seek appropriate advice as he or she deems necessary.

Consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer will endeavor to identify and evaluate investment managers that are more than 50% owned and/or managed by minorities, women, military veterans, or disabled persons.

Consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer will prudently exercise investment stewardship to fulfill its fiduciary duty, increase expected financial returns, minimize projected risk, and contribute to a more just, accountable and sustainable State of Illinois. Sustainability factors shall be implemented within a framework predicated on the following:

- A. Prudent integration of material sustainability factors, including, but not limited to environmental, social capital, human capital, business model and innovation, and leadership and governance factors, as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership given that these tangible and intangible factors may have a material and relevant financial impacts;
- B. Recurring evaluation of sustainability factors to ensure the factors are relevant to the Program and the evolving marketplace;
- C. Attentive oversight of investment holdings to encourage the advancement of sustainability accounting and disclosure through engagement with entities, such as investment funds, investment holdings, portfolio companies, government bodies, and other organizations, and move the marketplace toward more prudent sustainability investment practices; and
- D. Consideration of other relevant factors such as legal, regulatory, and reputational risks that enable an optimal risk management framework and supports long-term investment value.

#### **4.0 Investment Objectives**

The overall investment program for the Program and, as applicable, the Portfolios provided to the participants shall seek to achieve the following long-term investment objectives:

- A. A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section 7.0 hereof; and
- B. An investment program flexible enough to meet the needs of participants based upon their age or investment objective and which provides each participant with the ability to invest in a diversified portfolio to meet his or her investment goals.

## 5.0 Investment Responsibilities

The Treasurer is responsible for the investment policy statement, the direction of investments and administration of the assets of the Program. In order to properly carry out his responsibilities, the Treasurer may rely on one or more contractors to assist in the administration of the Program. The Treasurer will engage and plan to rely heavily on said contractor (the “Manager”) for administrative services as well as the contractor’s pertinent investment advisor, should they retain one, for investment management services. The Treasurer also plans to rely heavily on an external investment consultant for investment advisory services. Among the current responsibilities of the Manager is the implementation of the investment strategy outlined in this Policy and the rebalancing of the Age-Based and Target Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. With the Treasurer’s approval, the Manager may retain an investment advisor to provide it with portfolio design, due diligence and ongoing monitoring services with respect to the Portfolios and the implementation of the investment strategy outlined in this Policy. The Treasurer and the Manager shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Portfolios, the Manager agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

In addition, the Treasurer may engage an independent investment consultant that will:

- Measure investment performance results, evaluate the investment program, and advise the Treasurer as to the performance and continuing appropriateness of each investment manager;
- Recommend modifications to the investment policies, objectives, guidelines, or management structure as appropriate; and
- Promptly inform the Treasurer regarding significant matters pertaining to the investment program.

## 6.0 Investment Parameters

Contributions will be invested in one or more of the available Portfolios, each composed of a designated mix of investments or an individual investment fund, which is appropriate for the age of the participant or the investment objective of the Portfolio. Each Portfolio may allocate assets among domestic equity, international equity, real estate, fixed-income, and/or short-term investments. The asset allocation of each Portfolio will be established by the Treasurer and managed by the Manager. The Treasurer may adjust the weighting in stocks, bonds, real estate, and cash in each Portfolio and may change the underlying investment funds within the Portfolios consistent with this Policy.

The Policy target asset allocations and benchmarks for the underlying investments within the Age-Based and Target Portfolios are shown in the following table. There is a permissible range of plus or minus 10% of the target allocation for each underlying investment fund.

## 7.0 Plan Options

### Direct Plan: Index Age-Based and Target Portfolios

| Age-Based Portfolios     |   | Age of Beneficiary      |       |       |        |         |                           |         |         |         |         |                     |
|--------------------------|---|-------------------------|-------|-------|--------|---------|---------------------------|---------|---------|---------|---------|---------------------|
| Aggressive Option        |   | 0 - 2                   | 3 - 5 | 6 - 8 | 9 - 10 | 11 - 12 | 13 - 14                   | 15 - 16 | 17 - 18 | 19 +    |         |                     |
| Moderate Option          |   |                         | 0 - 2 | 3 - 5 | 6 - 8  | 9 - 10  | 11 - 12                   | 13 - 14 | 15 - 16 | 17 - 18 | 19 +    |                     |
| Conservative Option      |   |                         |       | 0 - 2 | 3 - 5  | 6 - 8   | 9 - 10                    | 11 - 12 | 13 - 14 | 15 - 16 | 17 - 18 | 19 +                |
| <b>Target Portfolios</b> |   | <b>Equity Portfolio</b> |       |       |        |         | <b>Balanced Portfolio</b> |         |         |         |         | <b>Fixed Income</b> |
| Asset Class              | Benchmark   |                         |       |       |        |         |                           |         |         |         |         |                     |
| Domestic Equity          | CRSP U.S. Total Market Index  | 57.0%                   | 54.0% | 49.0% | 42.0%  | 36.0%   | 32.0%                     | 25.0%   | 19.0%   | 14.0%   | 7.0%    | 0.0%                |
| Real Estate              | MSCI US REIT Index  | 7.0%                    | 6.0%  | 5.0%  | 5.0%   | 5.0%    | 3.0%                      | 3.0%    | 2.0%    | 2.0%    | 1.0%    | 0.0%                |
| International Equity     | FTSE Global All Cap ex US Index   | 36.0%                   | 30.0% | 26.0% | 23.0%  | 19.0%   | 15.0%                     | 12.0%   | 9.0%    | 4.0%    | 2.0%    | 0.0%                |
| Domestic Fixed Income    | BofA/Merrill Lynch – High Yield Master II Index   | 0.0%                    | 1.0%  | 3.0%  | 5.0%   | 5.0%    | 6.0%                      | 7.0%    | 5.0%    | 5.0%    | 3.0%    | 0.0%                |
|                          | Bloomberg Barclays U.S. 1-5 Year Government / Credit Float Adjusted Index               | 0.0%                    | 2.0%  | 4.0%  | 6.0%   | 9.0%    | 11.0%                     | 14.0%   | 22.0%   | 25.0%   | 22.0%   | 20.0%               |
|                          | Bloomberg Barclays U.S. Aggregate Float Adjusted Index                                  | 0.0%                    | 4.0%  | 7.0%  | 11.0%  | 17.0%   | 23.0%                     | 24.0%   | 25.0%   | 25.0%   | 25.0%   | 15.0%               |
|                          | Bloomberg Barclays U.S. 0-5 Year TIPS Index   | 0.0%                    | 2.0%  | 3.0%  | 4.0%   | 4.0%    | 4.0%                      | 9.0%    | 13.0%   | 11.0%   | 14.0%   | 15.0%               |
| Foreign Bonds            | Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged) | 0.0%                    | 1.0%  | 3.0%  | 4.0%   | 5.0%    | 6.0%                      | 6.0%    | 5.0%    | 5.0%    | 3.0%    | 0.0%                |
| Money Market             | 3-month T-Bills   | 0.0%                    | 0.0%  | 0.0%  | 0.0%   | 0.0%    | 0.0%                      | 0.0%    | 0.0%    | 9.0%    | 23.0%   | 50.0%               |

\* Benchmarks are subject to change as mutually agreed by the Treasurer and Manager in order to ensure that they remain appropriate for each underlying investment and consistent with industry standards.

Each underlying investment fund's return objective is to equal or exceed, over a five-year rolling period, the return of the applicable benchmark. Volatility, measured by the standard deviation of quarterly returns over that period, is expected to be similar to the benchmark. Each underlying investment is also expected to perform favorably relative to its peer group.

To the extent that the assets of a Portfolio are invested in one or more underlying investments approved by the Treasurer having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such an underlying investment's assets may not be entirely invested in the asset class in which such underlying investment has been placed.

## Direct Plan: Multi-Firm Age-Based and Target Portfolios

| Age-Based Portfolios  |   | Age of Beneficiary |       |       |        |                    |         |         |         |         |         |              |
|-----------------------|---|--------------------|-------|-------|--------|--------------------|---------|---------|---------|---------|---------|--------------|
| Aggressive Option     |   | 0 - 2              | 3 - 5 | 6 - 8 | 9 - 10 | 11 - 12            | 13 - 14 | 15 - 16 | 17 - 18 | 19 +    |         |              |
| Moderate Option       |   |                    | 0 - 2 | 3 - 5 | 6 - 8  | 9 - 10             | 11 - 12 | 13 - 14 | 15 - 16 | 17 - 18 | 19 +    |              |
| Conservative Option   |   |                    |       | 0 - 2 | 3 - 5  | 6 - 8              | 9 - 10  | 11 - 12 | 13 - 14 | 15 - 16 | 17 - 18 | 19 +         |
| Target Portfolios     |   | Equity Portfolio   |       |       |        | Balanced Portfolio |         |         |         |         |         | Fixed Income |
| Asset Class           | Benchmark   |                    |       |       |        |                    |         |         |         |         |         |              |
| Domestic Equity       | Russell 1000 Value  | 12.0%              | 12.0% | 11.0% | 9.0%   | 8.0%               | 7.0%    | 6.0%    | 4.0%    | 3.0%    | 2.0%    | 0.0%         |
|                       | S & P 500 Index   | 23.0%              | 20.0% | 19.0% | 16.0%  | 14.0%              | 12.0%   | 9.0%    | 7.0%    | 6.0%    | 2.0%    | 0.0%         |
|                       | Russell 1000 Growth   | 12.0%              | 12.0% | 11.0% | 9.0%   | 8.0%               | 7.0%    | 6.0%    | 4.0%    | 3.0%    | 2.0%    | 0.0%         |
|                       | Russell 2500 Value  | 5.0%               | 5.0%  | 4.0%  | 4.0%   | 3.0%               | 3.0%    | 2.0%    | 2.0%    | 1.0%    | 1.0%    | 0.0%         |
|                       | Russell 2500 Growth   | 5.0%               | 5.0%  | 4.0%  | 4.0%   | 3.0%               | 3.0%    | 2.0%    | 2.0%    | 1.0%    | 0.0%    | 0.0%         |
| Global Real Estate    | FTSE EPRA/NAREIT Developed Real Estate Index                    | 7.0%               | 6.0%  | 5.0%  | 5.0%   | 5.0%               | 3.0%    | 3.0%    | 2.0%    | 2.0%    | 1.0%    | 0.0%         |
| International Equity  | MSCI ACWI ex-U.S. Index   | 26.0%              | 22.0% | 19.0% | 17.0%  | 14.0%              | 12.0%   | 10.0%   | 7.0%    | 4.0%    | 2.0%    | 0.0%         |
|                       | MSCI World ex-U.S. Small Cap Index                              | 5.0%               | 4.0%  | 3.0%  | 3.0%   | 2.0%               | 1.0%    | 1.0%    | 1.0%    | 0.0%    | 0.0%    | 0.0%         |
|                       | MSCI Emerging Markets Index                                     | 5.0%               | 4.0%  | 4.0%  | 3.0%   | 3.0%               | 2.0%    | 1.0%    | 1.0%    | 0.0%    | 0.0%    | 0.0%         |
| Domestic Fixed Income | BofA/Merrill Lynch – High Yield Master II Index                 | 0.0%               | 1.0%  | 2.0%  | 3.0%   | 3.0%               | 3.0%    | 4.0%    | 3.0%    | 3.0%    | 2.0%    | 0.0%         |
|                       | Bloomberg Barclays 1-3 Year U.S. Government / Credit Bond Index | 0.0%               | 2.0%  | 4.0%  | 6.0%   | 9.0%               | 11.0%   | 14.0%   | 22.0%   | 25.0%   | 22.0%   | 20.0%        |
|                       | Bloomberg Barclays U.S. Aggregate Bond Index                    | 0.0%               | 4.0%  | 7.0%  | 11.0%  | 17.0%              | 23.0%   | 24.0%   | 25.0%   | 25.0%   | 25.0%   | 15.0%        |
|                       | Bloomberg Barclays U.S. 0-5 Year TIPS Index                     | 0.0%               | 2.0%  | 3.0%  | 4.0%   | 4.0%               | 4.0%    | 9.0%    | 13.0%   | 11.0%   | 14.0%   | 15.0%        |
|                       | Credit Suisse Leveraged Loan Index                              | 0.0%               | 0.0%  | 1.0%  | 2.0%   | 2.0%               | 3.0%    | 3.0%    | 2.0%    | 2.0%    | 1.0%    | 0.0%         |
| Global Bonds          | Bloomberg Barclays Global Aggregate Index (Hedged)              | 0.0%               | 1.0%  | 3.0%  | 4.0%   | 5.0%               | 6.0%    | 6.0%    | 5.0%    | 5.0%    | 3.0%    | 0.0%         |
| Money Market          | 3-month T-Bills   | 0.0%               | 0.0%  | 0.0%  | 0.0%   | 0.0%               | 0.0%    | 0.0%    | 0.0%    | 9.0%    | 23.0%   | 50.0%        |

Approved: May 23, 2018 • Published: June 1, 2018 • Effective: August 22, 2018

## Individual Fund Portfolios:

To provide additional diversity and flexibility to participants the Individual Fund Portfolios and underlying investment funds the Treasurer selects will be described in the Program's current Program Disclosure Statement and may include the following asset classes:

| Asset Class             | Benchmark  |
|-------------------------|--|
| Money Market            | 3 Month T-Bills  |
| Short Term Fixed Income | Bloomberg Barclays 1-3 Year U.S. Government/Credit Bond Index<br>Bloomberg Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index |
| Core Bond               | Bloomberg Barclays U.S. Aggregate Float Adjusted Index<br>Bloomberg Barclays U.S. Aggregate Bond Index                                   |
| High Yield Bonds        | BofA/Merrill Lynch – High Yield Master II Index  |
| Short Term U.S. TIPS    | Bloomberg Barclays U.S. 0–5 Year TIPS Index  |
| Foreign Bonds           | Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)  |
| Global Bonds            | Bloomberg Barclays Global Aggregate Index (Hedged)   |
| Bank Loans              | Credit Suisse Leveraged Loan Index   |
| Balanced                | 60% S&P 500 Index / 40% Bloomberg Barclays U.S. Aggregate Bond Index   |
| All Cap US Equity       | CRSP U.S. Total Market Index   |
| Large Cap Value         | Russell 1000 Value   |
| Large Cap Blend         | S&P 500 Index  |
| Large Cap Growth        | Russell 1000 Growth  |
| Small-Cap Value         | Russell 2500 Value   |
| Small-Cap Growth        | Russell 2500 Growth  |
| All-Country Non-US      | FTSE Global All Cap ex US Index  |
| Emerging Market         | MSCI Emerging Markets Index  |
| Non-U.S. Small Cap      | MSCI World ex-U.S. Small Cap Index   |
| Real Estate             | MSCI U.S. REIT Index<br>FTSE EPRA/NAREIT Developed Real Estate Index   |

## 8.0 Minority- and Woman-Owned Portfolios

The Treasurer may also add additional Individual Fund Portfolios – for example, Minority, Woman, Veteran, and Disabled-Managed Portfolios – for participants who would like to have a more diverse set of investment options as new viable options become available.

# BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM INVESTMENT POLICY STATEMENT

## 1.0 Statement of Purpose of Investment Policy

The purpose of this Investment Policy Statement (the “Policy”) is to assist contractors retained by the Office of the Illinois State Treasurer (“Treasurer”) to provide services related to the management of the assets of the Illinois College Savings Pool that are contributed to the Bright Directions College Savings Program (the “Program”) and to assist the Treasurer in evaluating the performance of such contractors by:

- Describing the Treasurer’s investment philosophy for the Program;
- Describing the Treasurer’s investment objectives for the Program;
- Specifying the responsibilities of the Treasurer and any contractors that provide investment management services to the Program to thereby provide a basis to evaluate the performance of contractors that provide services to the Program;
- Providing investment parameters for the investment of assets of the Program; and
- Detailing the investment plan options available through the Program and the applicable performance benchmarks.

This is the official Policy of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Treasurer.

## 2.0 Establishment and Authority of Entity

The Bright Directions College Savings Program has been established as part of the Illinois College Savings Pool, and is intended to qualify as a qualified tuition program in accordance with Section 529 of the Internal Revenue Code of 1986, as amended. The Program is sold through financial advisors and was established to complement the existing Bright Start College Savings Program by allowing families to utilize a financial advisor to assist them with investing toward future college education expenses.

## 3.0 Participating Financial Institution

Accounts in the Program will be distributed through registered broker-dealers and financial institutions that have entered into a Selling Agent Agreement with the designated distributor for the Program. All new accounts in the Program will be processed through the designated participating financial institution.

## 4.0 Investment Philosophy

The Treasurer has adopted a long-term total return strategy for the Program and its investments. In order to achieve the Program’s objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results as well as prudent diversification across public security markets will be the primary risk control mechanisms.

As part of its investment strategy, the Treasurer has relied on prevailing financial theory, which currently utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program possesses a significant level of diversification, which produces risk reduction. In terms of impact, diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, etc.); (2) geography/country; (3) industry; and (4) maturity.

Contributions to the Program will be directed to one or more of the available Age-Based, Target, Individual, or Female- and Minority-Owned Portfolios (“Portfolios”), each composed of a designated mix of investments or an individual investment fund. The determination of the investment parameters of each Portfolio shall be made by the Treasurer and shall take into account the financial characteristics of the investments in the Program. The investment parameters will also give due consideration to the fact that the investment horizon for participants will vary from a few months to over 18 years.

The Treasurer will review the investment performance of each Portfolio at least quarterly and shall review this Policy at least annually.

The holdings of the Program and the Portfolios are divided into the following broad asset categories:

- Short-Term Investments
- Fixed Income Investments
- Real Estate Investments
- Domestic Equity Investments
- International Equity Investments

The Treasurer will establish reasonable guidelines for each Portfolio, specifying (as applicable) limits on asset and asset class exposures, risk constraints and investment return objectives. While the investment parameters offered under the Program are developed by the Treasurer, participants bear the risk of investment results. Individual participants who seek investments materially different from those offered may wish to select an investment alternative outside of the Program.

To the greatest extent feasible within the bounds of financial and fiduciary prudence, it is the policy of the Treasurer to endeavor to actively identify and evaluate investment managers that are more than 50% owned and/or managed by minorities, women, military veterans, or disabled persons.

Consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer will prudently exercise investment stewardship to fulfill its fiduciary duty, increase expected financial returns, minimize projected risk, and contribute to a more just, accountable and sustainable State of Illinois. Sustainability factors shall be implemented within a framework predicated on the following:

- A.** Prudent integration of material sustainability factors, including, but not limited to environmental, social capital, human capital, business model and innovation, and leadership and governance factors, as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership given that these tangible and intangible factors may have a material and relevant financial impacts;
- B.** Recurring evaluation of sustainability factors to ensure the factors are relevant to the Program and the evolving marketplace; and
- C.** Attentive oversight of investment holdings to encourage the advancement of sustainability accounting and disclosure through engagement with entities, such as investment funds, investment holdings, portfolio companies, government bodies, and other organizations, and move the marketplace toward more prudent sustainability investment practices.

Consideration of other relevant factors such as legal, regulatory, and reputational risks that enable an optimal risk management framework and supports long-term investment value.

## 5.0 Investment Objectives

The overall investment program for the Program and, as applicable, the Portfolios provided to the participants shall seek to achieve the following long-term investment objectives:

- A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section 7.0 hereof; and
- An investment program flexible enough to meet the needs of participants based upon their age or investment objective and which provides each individual with the ability to invest in a diversified portfolio to meet his or her long-term investment goals.

## 6.0 Investment Responsibilities

The Treasurer is responsible for the investment policy statement, the direction of investments and administration of the assets of the Program. In order to properly carry out his responsibilities, the Treasurer may rely on one or more contractors to assist in the administration of the Program. The Treasurer will engage and plan to rely on said contractor (the “Manager”) for administrative services as well as the contractor’s pertinent investment advisor, should they retain one, for certain investment management services. The Treasurer also plans to rely heavily on an external investment consultant for investment advisory services. Among the current responsibilities of the Manager is the implementation of the investment strategy outlined in this Policy and the rebalancing of the Age-Based and Target Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. With the Treasurer’s approval, the Manager may retain an investment advisor to provide it with portfolio design, due diligence and ongoing monitoring services with respect to the Portfolios and the implementation of the investment strategy outlined in this policy. The Treasurer and the Manager shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Portfolios, the Manager agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

In addition, the Treasurer may engage an independent investment consultant that will:

- Measure investment performance results, evaluate the investment program, and advise the Treasurer as to the performance and continuing appropriateness of each investment manager;
- Recommend modifications to the investment policies, objectives, guidelines, or management structure as appropriate; and
- Promptly inform the Treasurer regarding significant matters pertaining to the investment program.

## 7.0 Investment Parameters

Contributions will be invested in one or more of the available Portfolios, each composed of a designated mix of investments or an individual investment fund, which is appropriate for the age of the participant or the investment objective of the Portfolio. Each Portfolio may allocate assets among domestic equity, international equity, real estate, fixed-income, and/or short-term investments. The asset allocation of each Portfolio will be established by the Treasurer and managed by the Manager. The Treasurer may adjust the weighting in stocks, bonds, real estate, and cash in each Portfolio and may change the underlying investment funds within the Portfolios consistent with this Policy.

The policy target asset allocations and benchmarks for the underlying investments within the Age-Based and Target Portfolios are shown in the following table. There is a permissible range of plus or minus 10% of the target allocation for each underlying investment fund.

| Age-Based Portfolios  |  | Age of Beneficiary |       |         |        |         |         |         |         |         |         |              |
|-----------------------|--|--------------------|-------|---------|--------|---------|---------|---------|---------|---------|---------|--------------|
| Aggressive Option     |  | 0 - 2              | 3 - 5 | 6 - 8   | 9 - 10 | 11 - 12 | 13 - 14 | 15 - 16 | 17 - 18 | 19 +    |         |              |
| Moderate Option       |  |                    | 0 - 2 | 3 - 5   | 6 - 8  | 9 - 10  | 11 - 12 | 13 - 14 | 15 - 16 | 17 - 18 | 19 +    |              |
| Conservative Option   |  |                    |       | 0 - 2   | 3 - 5  | 6 - 8   | 9 - 10  | 11 - 12 | 13 - 14 | 15 - 16 | 17 - 18 | 19 +         |
| Target Portfolios     |  | Fund 100           |       | Fund 80 |        | Fund 60 |         | Fund 40 |         | Fund 20 | Fund 10 | Fixed Income |
| Asset Class           | Benchmark                                  |                    |       |         |        |         |         |         |         |         |         |              |
| Domestic Equity       | Russell 1000 Value                         | 15.5%              | 14.5% | 13.0%   | 11.0%  | 9.5%    | 8.0%    | 6.5%    | 4.5%    | 3.3%    | 2.0%    | 0.0%         |
|                       | S & P 500 Index                            | 20.5%              | 18.5% | 17.0%   | 14.5%  | 12.8%   | 10.5%   | 8.5%    | 6.5%    | 4.8%    | 2.0%    | 0.0%         |
|                       | Russell 1000 Growth                        | 15.5%              | 14.5% | 13.0%   | 11.0%  | 9.5%    | 8.0%    | 6.5%    | 4.5%    | 3.3%    | 2.0%    | 0.0%         |
|                       | Russell 2000 Value                         | 3.0%               | 3.0%  | 2.3%    | 2.0%   | 1.8%    | 2.0%    | 1.5%    | 1.0%    | 1.0%    | 0.3%    | 0.0%         |
|                       | Russell 2000                               | 3.0%               | 2.5%  | 2.5%    | 2.5%   | 1.5%    | 1.5%    | 1.5%    | 1.5%    | 0.5%    | 0.8%    | 0.0%         |
|                       | Russell 2000 Growth                        | 3.0%               | 3.0%  | 2.3%    | 2.0%   | 1.8%    | 2.0%    | 1.5%    | 1.0%    | 1.0%    | 0.3%    | 0.0%         |
| Global Real Estate    | FTSE EPRA/NAREIT Global                    | 5.0%               | 4.0%  | 3.5%    | 3.5%   | 3.5%    | 2.5%    | 2.5%    | 2.0%    | 1.8%    | 0.5%    | 0.0%         |
| International Equity  | MSCI EAFE                                  | 25.0%              | 22.0% | 19.5%   | 17.5%  | 14.8%   | 12.0%   | 9.6%    | 7.0%    | 4.0%    | 2.4%    | 0.0%         |
|                       | MSCI World ex- U.S. Small Cap              | 4.5%               | 3.5%  | 3.0%    | 2.5%   | 2.0%    | 1.0%    | 0.5%    | 0.5%    | 0.0%    | 0.0%    | 0.0%         |
|                       | MSCI Emerging Markets                      | 5.0%               | 4.5%  | 4.0%    | 3.5%   | 3.0%    | 2.5%    | 1.5%    | 1.5%    | 0.5%    | 0.0%    | 0.0%         |
| Domestic Fixed Income | 3-month T-Bills                            | 0.0%               | 0.5%  | 1.0%    | 2.0%   | 2.5%    | 7.5%    | 14.0%   | 17.5%   | 19.0%   | 19.0%   | 20.0%        |
|                       | Bloomberg Barclays U.S. Gov't/Credit 1-3yr | 0.0%               | 0.5%  | 1.0%    | 5.0%   | 12.0%   | 12.0%   | 12.5%   | 13.5%   | 13.5%   | 12.0%   | 10.0%        |
|                       | Bloomberg Barclays U.S. Aggregate Bond     | 0.0%               | 6.5%  | 13.0%   | 16.0%  | 18.0%   | 21.5%   | 21.5%   | 21.0%   | 21.0%   | 14.0%   | 7.5%         |
|                       | Bloomberg Barclays U.S. TIPS               | 0.0%               | 1.0%  | 1.5%    | 3.0%   | 3.5%    | 4.5%    | 8.0%    | 10.5%   | 9.5%    | 12.0%   | 12.5%        |
| Foreign Bonds         | CitiGroup Non-U.S. World Gov't Bond        | 0.0%               | 1.5%  | 3.5%    | 4.0%   | 4.0%    | 4.5%    | 4.0%    | 2.5%    | 2.5%    | 1.5%    | 0.0%         |
| Money Market          | 3-month T-Bills                            | 0.0%               | 0.0%  | 0.0%    | 0.0%   | 0.0%    | 0.0%    | 0.0%    | 5.0%    | 14.5%   | 31.5%   | 50.0%        |

Each underlying investment fund's return objective is to equal or exceed, over a five-year rolling period, the return of the applicable benchmark. Volatility, measured by the standard deviation of quarterly returns over that period, is expected to be similar to the benchmark. Each underlying investment fund is also expected to perform favorably relative to its peer group.

To the extent that the assets of a Portfolio are invested in one or more underlying investment funds approved by the Treasurer having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such underlying investment fund's underlying assets may not be entirely invested in the asset class in which such underlying investment fund has been placed.

## Individual Fund Portfolios

Participants in the Program open their Accounts through registered broker-dealers and other financial advisors. As a result, the Treasurer deems it appropriate to offer individual funds as separate Portfolios in the Program. The Individual Fund Portfolios and underlying investment funds the Treasurer selects will be described in the Program's current Program Disclosure Statement and may include the following asset classes:

| Asset Class          | Benchmark  |
|----------------------|--|
| Money Market         | 3 Month T-Bill   |
| Ultra Short Bond     | Bloomberg Barclays U.S. Gov't/Credit 1-3yr Index                   |
| Low Duration         | ML 1-3 Treasury Index  |
| Corporate Bond       | Bloomberg Barclays U.S. Credit Index                               |
| Intermediate Bond    | Bloomberg Barclays U.S. Aggregate Bond Index                       |
| Foreign Bonds        | Citigroup Non-U.S. World Government Bond Index                     |
| U.S. TIPS            | Bloomberg Barclays U.S. TIPS Index                                 |
| Balanced             | Bloomberg Barclays U.S. Aggregate Bond Index; S&P 500; MSCI EAFE   |
| Large Cap Value      | Russell 3000 Value Index, Russell 1000 Value Index                 |
| Large Cap Growth     | Russell 1000 Growth Index  |
| Large Cap Blend      | Russell 1000 Index, S&P 500  |
| Mid-Cap Value        | Russell 2500 Value Index   |
| Mid-Cap Growth       | Russell Mid-Cap Growth Index                                       |
| Mid-Cap Blend        | Wilshire 4500 Index  |
| Small-Cap Value      | Russell 2000 Value Index   |
| Small-Cap Growth     | Russell 2000 Growth Index  |
| Small-Cap Blend      | Russell 2000 Index   |
| Foreign Stock        | MSCI EAFE, MSCI World ex U.S. Small Cap, and MSCI Emerging Markets |
| Socially Responsible | S&P 500  |
| Real Estate          | DJ Wilshire Real Estate Securities                                 |

### 8.0 Female- and Minority-Owned Portfolios

The Program has included the Female- and Minority-Owned Portfolios for participants who would like to have a more diverse set of investment options. The female- and minority-owned underlying investment funds utilized in the program were screened on the following initial criteria: (1) firms with at least 50% female and/or racial minority ownership or (2) funds that have a female and/or racial minority investment manager that makes the portfolio management decisions (i.e., a minority-owned subadvisor), and (3) funds that delivered above median returns over a 3-year and/or 5-year time period. The female- and minority-owned options provided in the program include relatively high scoring female- and minority-owned investment managers representing a diverse set of asset classes.

Contributions will be invested in one or more of the available Portfolios, each composed of an individual investment fund, which is appropriate for the investment objective of the Portfolio. The Treasurer may change the underlying investment funds within specially designated portfolios, such as the Female- and Minority-Owned Portfolios, consistent with this Policy.

The Treasurer may also add additional portfolios – for example, a veteran- or disabled-owned and/or managed portfolio – as new viable options become available.

# ILLINOIS GROWTH AND INNOVATION FUND INVESTMENT POLICY

## 1.0 PURPOSE

This document sets forth the investment policy (“Policy”) for the Illinois Growth and Innovation Fund (“ILGIF”) of the Office of the Illinois State Treasurer (“Treasurer’s Office”).

The purpose of the Policy is to ensure that the Treasurer’s Office, the ILGIF Advisory Council (“Advisory Council”), as well as any contractors the Treasurer’s Office retains to provide services related to ILGIF, take prudent, measured, effective actions while supporting ILGIF. Specifically, this Policy addresses the following key areas:

- a) The investment objectives and underlying investment strategy of ILGIF;
- b) General parameters for the investment of assets in ILGIF;
- c) The roles and responsibilities of the Treasurer’s Office and any contractors retained that provide services related to ILGIF; and
- d) The processes for the performance evaluation of contractors who provide investment, administrative, advisory, and/or reporting services to the Treasurer’s Office for ILGIF.

This Policy is designed to allow for sufficient flexibility in the management oversight process to take advantage of investment opportunities as they arise, while setting forth reasonable parameters to ensure prudence and care in the execution of ILGIF.

The Treasurer’s Office establishes and executes this Policy in accordance with applicable local, State, and federal laws.

## 2.0 ESTABLISHMENT AND AUTHORITY OF ENTITY

In August of 2002, the Illinois General Assembly passed the Technology Development Act, 30 ILCS 265/1 et seq. (the “Act”), allowing the Treasurer’s Office to segregate up to 1% of the investment portfolio to invest in Illinois venture capital firms with a goal of investing in technology businesses seeking to locate, expand, or remain in Illinois. The Act established the Technology Development Account, which serves to support Illinois technology businesses, generate acceptable returns for the State of Illinois, and strengthen Illinois’ science, technology, and business communities.

In July 2011, the Act was amended to establish a second Technology Development Account, , 30 ILCS 265/11, which for the purposes of this Policy and programmatic operations, shall be referred to as ILGIF. The 2011 legislation authorizes the Treasurer’s Office to segregate an additional portion of the investment portfolio to help attract, assist, and retain quality technology businesses in Illinois. An August 2018 amendment to the Act allows the Treasurer’s Office to segregate a portion of the Treasurer’s investment portfolio, not to exceed 5% of the portfolio, in ILGIF. Assets in ILGIF may be invested by the Treasurer’s Office to provide venture capital to technology businesses, including co-investments, seeking to locate, expand, or remain in Illinois by placing money with Illinois venture capital firms for investment in technology businesses.

## 3.0 DEFINITIONS

- a) **“Illinois venture capital firm”** means
  1. an entity that (1) has a majority of its employees in Illinois (more than 50%) or that has at least one general partner or principal domiciled in Illinois, and

*Approved: September 26, 2018*

(2) that provides equity financing for starting up or expanding a company, or related purposes, such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital. This includes, but is not limited to, investment funds or fund managers classified as venture capital, mezzanine, buyout, or growth; or

2. an entity that has a “track record” of identifying, evaluating, and investing in Illinois companies and that provides equity financing for starting up or expanding a company, or related purposes, such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital.
- b) **“Track record”** means having made, on average, at least one (1) investment in an Illinois company in each of its funds if the Illinois venture capital firm has multiple funds, or at least two (2) investments in Illinois companies if the Illinois venture capital firm only has one fund. The Treasurer’s Office is authorized to invest up to 15% of ILGIF assets in venture capital firms headquartered outside of Illinois, but with a “track record” of investing in Illinois companies.
  - c) **“Venture capital”** means equity financing that is provided for starting up, expanding, or relocating a company, or related purposes such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital. This includes, but is not limited to, financing classified as venture capital, mezzanine, buyout, or growth.
  - d) **“Technology businesses”** means a company that has as its principal function the providing of services, including computer, information transfer, communication, distribution, processing, administrative, laboratory, experimental, developmental, technical, or testing services; manufacture of goods or materials; the processing of goods or materials by physical or chemical change; computer related activities; robotics, biological or pharmaceutical, industrial activities; or technology-oriented or emerging industrial activity.
  - e) **“Illinois companies”** are firms that are headquartered or that otherwise have a significant presence in the State of Illinois at the time of initial or follow-on investment.
  - f) **“Significant presence”** means at least one (1) physical office and one (1) full-time employee within the geographic borders of Illinois. A “physical office” may include a professional workplace, a co-working location, or a home office.

#### 4.0 INVESTMENT OBJECTIVES

The Treasurer’s Office maintains a number of underlying objectives for the investment of monies from ILGIF in accordance with the Act, including the following:

- a) **Performance** – ILGIF has a dual objective of achieving good performance and developing technology businesses in Illinois. ILGIF will endeavor to make investments in Illinois venture capital firms in order to attract, assist, and retain quality technology businesses in Illinois. It is expected that the returns generated by ILGIF will be sufficient to compensate the Treasurer’s Office for the long-term and illiquid commitments associated with these investments.

Recognizing the long-term nature of these investments, this relative performance will be measured over a period of multiple market cycles. As a result, the Treasurer's Office has adopted a long-term total return strategy for ILGIF investments. As such, ILGIF assets will be managed on a total return basis. While the Treasurer's Office recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally remunerated with compensating returns in the long term.

To evaluate performance, the Treasurer's Office will use both a target Internal Rate of Return (IRR) and benchmarking. The goal will be to create and utilize a customized benchmark that incorporates benchmark data from the Cambridge All Private Equity (PE) benchmark service and Preqin. As ILGIF's asset mix becomes apparent during the commitment period, a review shall be conducted to assess whether use of a blended benchmark is more appropriate for performance measurement purposes. Furthermore, the Investment Advisor shall perform and report benchmark comparisons against pertinent public market equivalents (PMEs).

- b) **Diversification** – In order to achieve ILGIF investment objectives, investments shall be diversified so as to minimize the risk of loss. A long-term focus on investment results, as well as prudent diversification and active oversight, will be the primary risk control mechanisms. Diversification shall chiefly be considered along the following lines: (1) strategy; (2) industry sector; (3) size of investment; (4) investment stage; (5) vintage year; (6) geographic location; (7) fund managers; (8) underlying portfolio companies; and (9) business model.
- c) **Strategy Classifications** – ILGIF investments may be classified by strategy, including, but not limited to the following:
  - 1. Venture Capital;
  - 2. Mezzanine;
  - 3. Buyout – Acquisition; and
  - 4. Growth.
- d) **Small Business Investment Companies** – There is a goal to invest monies in qualified fund managers that participate in the U.S. Small Business Administration's (SBA) Small Business Investment Companies (SBIC) Program (15 U.S.C. Chpt. 14B), because of the SBA's commitment of up to \$2 of debt for every \$1 an SBIC raises from investors, subject to a cap of \$150 million.
- e) **Cost-Efficiency and Fee Transparency** – The Treasurer's Office, the Advisory Council, and its contractors shall seek to minimize any fees or costs that diminish from the total assets or value of ILGIF. Furthermore, the Treasurer's Office and its contractors shall strive to achieve full transparency by delineating fees and expenses.
- f) **Encouraging Additional Investments and Investor Focus in Illinois Technology Businesses** – The Treasurer's Office, the Advisory Council, and any contractors servicing ILGIF shall encourage the investment and philanthropic community to explore and monitor investment opportunities in Illinois technology businesses in tandem with the Treasurer's Office. This may include hosting investor forums, facilitating meetings between investors and the Treasurer's Office, or various other efforts.

- g) Diversity among Fund Managers** – In addition to the pursuit of venture capital firms with a significant presence in Illinois, pursuant to 15 ILCS 505/30, it shall be an aspirational goal of the Treasurer, the Advisory Council, and any contractors servicing ILGIF to use fund managers that are more than 50% owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability for not less than 25% of the total dollar amount of moneys allocated to fund managers in ILGIF.

To the greatest extent feasible within the bounds of financial and fiduciary prudence, it shall be the policy of the Treasurer, the Advisory Council, and any contractors servicing ILGIF to identify, recruit, and recommend fund managers, and to remove any barriers to the full participation of fund managers, that are more than 50% owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability.

The terms “minority person”, “woman”, “person with a disability”, “minority-owned business”, “women-owned business”, “business owned by a person with a disability”, and “control” have the meanings provided in Section 1 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575). The terms “veteran”, “qualified veteran-owned small business”, “qualified service-disabled veteran-owned small business”, “qualified service-disabled veteran”, and “armed forces of the United States” have the meanings provided in Article 1 of the Illinois Procurement Code (30 ILCS 500).

- h) Diversity among Portfolio Companies** – The Treasurer’s Office, the Advisory Council, and any contractors servicing ILGIF shall seek to identify, recruit, and recommend fund managers that have demonstrated experience and/or an express ability to invest in (a) portfolio companies that are more than 50% owned and/or managed by minorities, women, military veterans, or persons with a disability, and/or (b) portfolio companies geographically located in diverse communities or low-to-moderate income (“LMI”) communities. A company is in an LMI area if it has an office in a census tract deemed “underserved,” with 20% or more of the population beneath the poverty line or earning a median family income of 80% or less than the metropolitan area’s median family income (per the standards of the Federal Financial Institutions Examination Council).
- i) Green Technology Investments** – Within the stated investment objectives of this Policy, the Treasurer’s Office, the Advisory Council, and any contractors servicing ILGIF shall seek to identify, recruit, and recommend fund managers that have demonstrated experience and/or an express ability to invest in “green technology” businesses located in Illinois. “Green technology” means technology that (a) promotes clean energy, renewable energy, or energy efficiency, (b) reduces greenhouse gases or carbon emissions, or (c) involves the invention, design, and application of chemical products and processes to eliminate the use and generation of hazardous substances.
- j) Sustainability Factors** – The Treasurer’s Office, the Advisory Council, and any contractors servicing ILGIF have a responsibility to recognize and evaluate risk factors that may have a material and relevant financial impact on the safety and/or performance of ILGIF investments. Thus, consistent with achieving the investment objectives set forth herein, the Treasurer’s Office, the Advisory Council, and any contractors shall prudently integrate sustainability factors in furtherance of the Treasurer’s Office investment goals to fulfill its fiduciary duty, prudently integrating

integrating sustainability factors into its investment decision-making, fund manager selection, investment analysis, portfolio construction, risk management, and due diligence.

The sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and helps assess the reliability of future cash flows and debt repayments. Sustainability accounting has both confirmatory and predictive value, thus, it can be used to evaluate past performance and be used for future planning and decision-making. As a complement to financial accounting, it provides a more complete view of an investment fund or portfolio company's performance on material factors likely to impact its long-term value.

Sustainability factors shall be implemented within a framework predicated on the following:

1. Prudent integration of material sustainability factors, including, but not limited to environmental, social capital, human capital, business model and innovation, and leadership and governance factors, as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership given that these tangible and intangible factors may have material and substantive financial impacts as well as non-financial impacts;
2. Recurring evaluation of sustainability factors to ensure the factors are relevant to ILGIF and the evolving marketplace;
3. Attentive oversight of investment holdings to encourage the advancement of sustainability accounting and disclosure through engagement with entities, such as investment funds, investment holdings, portfolio companies, government bodies, and other organizations, and move the marketplace toward more prudent sustainability investment practices; and
4. Consideration of other relevant factors such as legal, regulatory, and reputational risks that enable an optimal risk management framework and supports long-term investment value.

## 5.0 INVESTMENT PARAMETERS

- a) **Commitment Amount** – No more than 5% of the balance of the State investment portfolio, which shall be calculated as: (1) the balance at the inception of the State's fiscal year; or (2) the average balance in the immediately preceding 5 fiscal years, whichever number is greater ("TDA IIa account balance"), shall be invested in ILGIF.
- b) **Re-Investment of Distributions** – Distributions from ILGIF may be re-invested into ILGIF by the Treasurer's Office without being counted against the 5% cap on monies invested in ILGIF. The re-investment does not need to occur in the same fund.
- c) **Fund-of-Funds Approach** – ILGIF investments shall be spread across multiple venture capital firms based in Illinois and/or venture capital firms with a track record of investing in Illinois companies.

- d) **85% in Illinois Venture Capital Firms** – At least 85% of ILGIF assets shall be invested in Illinois venture capital firms. The Treasurer’s Office is authorized to invest up to 15% of ILGIF in venture capital firms headquartered outside of Illinois, but with a track record of investing in Illinois companies.
- e) **Cap on the Amount Invested in Individual Funds** – No more than 15% of the total TDA IIa account balance shall be invested in any individual fund.
- f) **2x Investment from Venture Capital Fund Managers in Illinois Companies** – Any fund in which the Treasurer’s Office places money under ILGIF shall invest a minimum of twice the aggregate amount of investable capital that is received from the Treasurer’s Office in Illinois companies during the life of the fund. Investable capital is calculated as committed capital, as defined in the firm’s applicable fund’s governing documents, less related estimated fees and expenses to be incurred during the life of the fund. For instance, if the Treasurer’s Office invests \$5 million in an ILGIF recipient fund, the recipient fund must invest at least \$10 million in Illinois companies over the life of the fund.
1. Non-Compliance – If, as of the earlier to occur of (a) the fourth year of the investment period of any ILGIF recipient fund or (b) when that ILGIF recipient fund has drawn more than 60% of the investable capital of all limited partners, an ILGIF recipient fund has failed to invest the minimum amount required in Illinois companies, then the Treasurer’s Office shall provide written notice to the manager of that fund, seeking compliance with the minimum amount requirement. If, after 180 days of receipt of notice, the ILGIF recipient fund has still failed to invest the minimum amount required in Illinois companies, then the Treasurer’s Office may elect, in writing, to terminate any further commitment to make capital contributions to that fund.
- h) **Underlying Funds** – The following investment considerations apply to all underlying as well as prospective recipient funds:
1. Utilize reputable service providers in their administration of their legal, accounting, technology, and other various needs.
  2. Provide audited financials within 150 days of fiscal year-end.
  3. Demonstrate a commitment to diversity, both amongst their staff and their portfolio companies.
- i) **Minimum Fund Size** – ILGIF investments shall have a minimum fund size of \$5 million, although, the Treasurer’s Office reserves the ability to grant exceptions to funds that are below the \$5 million fund size minimum based on the fund’s ability to significantly exceed one or more of the investment objectives set forth in Section 4.0, above.
- j) **Co-Investments** – This Policy authorizes the use of co-investments. Co-investments shall be made on the same (or better) terms and conditions as provided to the partnership.

Co-investments can only be made in investments that have received investments or commitments from a recognized, proven, uninvolved third-party lead investor who sets the terms and conditions and provides at least twice (2x) the amount of investment capital as ILGIF.

The maximum amount of each commitment shall not exceed the greater of 5% of the TDA Ila account balance or \$35 million per fund and will also not exceed the greater of 10% of the TDA Ila account balance or \$70 million per a single parent company. The Investment Advisor, in conjunction with the External Investment Consultant, will review and provide a concrete recommendation for each co-investment opportunity. Due diligence, reporting, and all other responsibilities shall be consistent, appropriate, and abide by the requirements set forth for ILGIF investments in this Policy.

Co-investments are limited to fund investing in Illinois (the business activities of the co-investment must be primarily in the State of Illinois) and to growth and buyout strategy classifications. Co-investments may take the form of equity, convertible preferred equity, or a comparable instrument, which provides an equity-type of return. Funds in the co-investment fund shall be accounted for separate and apart from moneys in the ILGIF and Treasurer's Office.

## 6.0 INVESTMENT ROLES AND RESPONSIBILITIES

### a) Treasurer's Office

The Treasurer's Office exercises authority and control over the management of ILGIF, by setting policy and procedures which the staff of the Treasurer's Office executes either internally or through the use of contractors.

Key roles and responsibilities include, but are not limited to:

- 1. Investment Policy** – The Treasurer's Office is responsible for this Policy and shall review this Policy at least annually to ensure accuracy and continued relevance.
- 2. Oversight** – The Treasurer's Office is responsible for the direction of investments and administration of the assets of ILGIF.
- 3. Contractors** – In order to properly carry out its responsibilities, the Treasurer's Office may use one or more contractors to assist in the administration of ILGIF.
- 4. Performance and Fee Monitoring** – The Treasurer's Office will review the investment performance of each ILGIF recipient fund, as well as the fees, on a quarterly or annual basis.
- 5. Due Diligence** – The Treasurer's Office will monitor investments and participate in operational due diligence activities in coordination with the contractors retained to assist in the administration of ILGIF.
- 6. Accounting** – ILGIF assets must be kept and accounted for separately from moneys in the Treasurer's Office. The Treasurer's Office will execute investment valuation procedures in compliance with Statement No. 72, Fair Value Measurement and Application, February 2015 of the Governmental Accounting Standards Board of the Financial Accounting Foundation, evaluating available inputs for investments to determine the input level most applicable.

The Treasurer's Office maintains an Investment Policy Committee that is chaired by the Treasurer and includes the following members of the Treasurer's staff: Deputy Treasurer & Chief Investment Officer, Chief of Staff, Chief Financial Products Officer, Chief Legislative and Policy Officer, General Counsel, Director of State Investments and Banking, Director of Investment Analysis and Due Diligence, Director of Fiscal Operations, Director of IPTIP Investments, Director of ePAY and The Illinois Funds, the Portfolio Investments & Cash Management Officer, and anyone else deemed appropriate by the Treasurer. The Investment Policy Committee will perform oversight and advisory duties on behalf of the Treasurer's Office to support ILGIF, including, but not limited to:

1. Monitoring and providing insight into the construction and overall strategy of the investment portfolio;
2. Reviewing and providing insight into the investment policies, objectives, parameters, responsibilities, benchmarks, or management structure as appropriate;
3. Monitoring investment performance results and associated costs/fees on a quarterly basis;
4. Providing guidance and feedback regarding the suitability of prospective investment funds that are recommended for receipt of ILGIF monies;
5. Monitoring and evaluating the performance and continuing appropriateness of each fund manager;
6. Assisting in the evaluation of the Investment Advisor, External Investment Consultant, and any other external parties hired to service ILGIF; and
7. Providing general commentary, perspective, and insights regarding market conditions in the venture capital and entrepreneurial community.

#### b) **Investment Advisor**

Should the Treasurer's Office decide to rely on an Investment Advisor to provide investment, administrative, and reporting services, chief responsibilities of such contractor shall include, but not be limited to:

1. **Implementation of Investment Strategy** –The Investment Advisor shall implement, at the direction of the Treasurer, the investment strategy and portfolio allocation in accordance with this Policy.
2. **Evaluation of Recipient Funds** – The Investment Advisor may advise and provide fund evaluations to the Treasurer's Office, taking into consideration the investment policy and objectives set forth in this Policy. This may include the screening of venture capital and private equity firms and their associated investment funds, including the screening of qualified fund managers that participate in the SBIC program. In addition, as outlined in Section 4.0 of this Policy, the Investment Advisor shall seek to identify, recruit, and recommended (a) qualified fund managers that are more than 50% owned and/or managed by minorities, women, military veterans, or persons with a disability, (b) qualified fund managers that have demonstrated experience and/or an express ability to invest in portfolio companies that are more than 50% owned and/or managed by minorities, women, military veterans, or persons with a disability or portfolio companies geographically located in diverse communities or LMI communities, (c) qualified fund managers that have demonstrated experience and/or an express

ability to invest in “green technology” businesses located in Illinois, and (d) qualified fund managers that integrate sustainability factors into investment analysis, portfolio construction, and due diligence.

While the Investment Advisor will have the responsibility to seek, recruit, screen, evaluate, and recommend funds or venture capital firms for investment through ILGIF, the Treasurer’s Office reserves the right to reject recommendations to funds or venture capital firms .

3. **Due Diligence** – The Investment Advisor is responsible for fund manager due diligence, which includes, but is not limited to, research, financial analysis, and legal, accounting, and background investigations of fund managers. The Investment Advisor will undergo due diligence activities in coordination with the Treasurer’s Office and the External Investment Consultant.
4. **Fund Monitoring** – The Investment Advisor is responsible for monitoring the performance of ILGIF recipient funds, tracking the diversification of investments and the amounts invested by recipient funds, and reconciling all reporting and accounting requirements of portfolio companies and recipient funds.
5. **Benchmarking** – The Investment Advisor is responsible for establishing applicable investment benchmarks (including public market equivalents), measuring the performance of recipient funds against set benchmarks, and reviewing benchmarks..
6. **Reporting** – The Investment Advisor is responsible for administering all pertinent reporting and recordkeeping duties of this Policy and the Act.
7. **Quarterly Meetings** – The Treasurer’s Office and the Investment Advisor shall meet at least quarterly to review fund performance as compared to applicable benchmarks and peer group performance.
8. **Annual Report** – The Investment Advisor will prepare and provide the Treasurer’s Office with an annual report that (a) contains a summary of recipient fund performance, (b) outlines the impact on Illinois companies and the Illinois economy, (c) delineates percentages and amounts of investment options/returns, and (d) notes other pertinent reporting information that illustrates ILGIF impact and pertinent developments.
9. **Webpage** – The Investment Advisor will create and maintain a publicly accessible webpage dedicated to ILGIF. The webpage shall feature a standardized submission process that allows Illinois-based, profit-driven entrepreneurial ventures to submit their endeavors for seed capital/funding consideration to the Investment Advisor. The Investment Advisor will maintain a list of submissions and make them available to the specific recipient funds. The webpage will also feature information on the purpose, impact, and general performance of ILGIF and its investments. This may include quarterly or annual reports, content that showcases the economic impact of the program, or documents that demonstrate compliance with reporting requirements. The Investment Advisor and all other pertinent contributors shall treat the information reported by recipient funds as confidential proprietary information that cannot be shared publicly.
10. **Communication and Liaison Duties** – The Investment Advisor shall create and distribute program information to existing and prospective venture capital funds and portfolio companies.

11. **Encouraging Additional Investments and Investor Focus in Illinois Technology Businesses** – The Investment Advisor, working independently as well as in active collaboration with the Treasurer’s Office, shall make a concerted effort to encourage the investment and philanthropic community to explore and monitor investment opportunities in Illinois technology businesses in tandem with the Treasurer’s Office. This may include hosting investor forums, facilitating meetings between investors and the Treasurer’s Office, or various other efforts.
12. **General Resource** – The Investment Advisor will serve as a general resource to the Treasurer’s Office and its consultants for information, guidance, and training regarding investment, reporting, fund vetting and management, portfolio company valuation, and marketing strategies.
13. **Other duties as assigned by the Treasurer’s Office** – In managing the investments of ILGIF and recipients’ funds, the Investment Advisor shall act with the skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives. Responsibilities are subject to contractual terms agreed upon between the Treasurer’s Office and the Investment Advisor.

**c) External Investment Consultant**

The Treasurer’s Office may engage an External Investment Consultant that will perform a number of advisory and reporting duties to support ILGIF, including, but not limited to the following:

1. Measuring investment performance results and associated costs/fees on a quarterly basis (at a minimum), evaluating the investment program, and advising the Treasurer’s Office as to the performance and continuing appropriateness of each investment manager;
2. Participating in quarterly due diligence meetings with the Treasurer’s Office;
3. Recommending modifications to the investment policies, objectives, parameters, responsibilities, benchmarks, or management structure as appropriate;
4. Assisting in the selection and evaluation of the Investment Advisor, including providing guidance in identifying and negotiating an acceptable fee structure;
5. Assisting in the identification, selection, and evaluation of recipient funds and venture capital firms, applying a specific focus to identify funds and venture capital firms with a significant presence in Illinois and/or an ownership and/or management status regarding minority, woman, veteran, or disabled status; and
6. Promptly informing the Treasurer’s Office about significant matters pertaining to ILGIF.

**d) ILGIF Advisory Council**

There is hereby established the ILGIF Advisory Council (“Advisory Council”), which shall consist of individuals that possess knowledge and expertise in the venture capital and private equity industry. The Treasurer shall serve as an ex officio member of the Advisory Council and may appoint additional designees from his office to serve on the Advisory Council on a temporary basis. All members of the Advisory Council shall serve at the pleasure of the Treasurer.

The Advisory Council will perform a number of consultative and outreach duties to support ILGIF, including:

1. **Identification of Potential Fund Managers** – The Advisory Council will assist in identifying and recruiting suitable fund managers for vetting, due diligence and review by the Investment Advisor;
2. **Review of Fund Recommendations** – The Advisory Council will provide guidance and feedback to the Investment Advisor regarding the suitability of prospective investment funds that are recommended by the Investment Advisor to the Treasurer’s Office for receipt of ILGIF monies;
3. **Portfolio Construction and Strategy** – The Advisory Council will provide insight and perspective into the construction and overall strategy of the investment portfolio;
4. **Investment Performance and Market Conditions** – The Advisory Council will provide general commentary, perspective, and insights to the Investment Advisor and the Treasurer’s Office in regard to the aggregate investment performance of ILGIF and market conditions in the venture capital and entrepreneurial community; and
5. **Outreach and Civic Engagement** – The Advisory Council will serve as a general resource to the entrepreneurial, venture capital, and technology business community, actively collaborating with the Treasurer’s Office and the Investment Advisor to provide stakeholders and members of the public with information on the purpose, operation, and impact of ILGIF.

Advisory Council members shall administer the affairs of the Advisory Council in good faith and will comply with all applicable laws, rules, agreements and policies pursuant to membership. This obligation includes but is not limited to any confidentiality agreements signed by ILGIF Advisory Council members.

Advisory Council members shall use their best efforts to avoid any actual or perceived conflict of interest as related to any recommendations or input provided to the Treasurer’s Office and its staff.

For all purposes, including compliance with the Open Meetings Act, 5 ILCS 120/1 et seq., five (5) members of the Advisory Council shall constitute a quorum.

## 7.0 REPORTING REQUIREMENTS

In accordance with the Act, the Treasurer’s Office is required to obtain reports with information from all ILGIF recipient funds on all investments. In order to fulfill these duties, the Investment Advisor shall track, aggregate, and report specific data and information to the Treasurer’s Office on a quarterly or annual basis, as determined by the Treasurer for all ILGIF investments. Not only is this intended to ensure compliance with pertinent statutes, but it will enable the Treasurer’s Office and the State of Illinois to obtain a more precise, comprehensive read on the outcomes and impact of ILGIF.

Key reporting components include, but are not limited to the following:

- a) The aggregate amount of capital that is invested in Illinois companies by ILGIF recipient funds during the life of the recipient fund (placed side-by-side with the amount of capital that is invested in the recipient fund from ILGIF to ensure the fund is meeting the 2x requirement by the sooner of four years, or when the fund has drawn more than 60% of the capital of all limited partners);

*Approved: September 26, 2018*

- b) The names of portfolio companies within recipient funds;
- c) The addresses of portfolio companies within recipient funds;
- d) The date of the initial and any follow-on investments;
- e) The cost of the investment, including all pertinent fees;
- f) The current fair market value of the investment;
- g) For Illinois companies within recipient funds, the number of Illinois employees on the investment date;
- h) For Illinois companies within recipient funds, the current number of Illinois employees;
- i) The annual revenue generated by portfolio companies within recipient funds;
- j) The annual State taxes paid by participating funds and portfolio companies; and
- k) The ownership and/or management status of recipient funds and portfolio companies with regard to minority, women, veteran, or disabled status.

The Investment Advisor will be required to ensure standardization of reporting across all recipient funds.

In order to maintain sound accounting and financial reporting processes in accordance with generally accepted accounting principles, ILGIF investments and disclosures must be tracked and reported at fair market value.

The Treasurer's Office shall execute ILGIF investment valuation procedures in compliance with GASB Statement 72, completing and maintaining pertinent input level review documents.

The Investment Advisor shall provide quarterly reports to the Treasurer's Office no later than one-hundred-and-twenty (120) days of the final day in the pertinent quarter.

The Investment Advisor shall provide fiscal year-end reports to the Treasurer's Office no later than one-hundred-and-fifty (150) days of the final day in the pertinent year.

If feasible, the Investment Advisor shall provide an audited financial report covering all of the investments in ILGIF to the Treasurer's Office annually.

Quarterly and annual financial statements from recipient funds shall follow Financial Accounting Standards Board (FASB) topics 820 and 946.

The Treasurer's Office supports and has subsequently adopted the fee reporting template established by the Institutional Limited Partners Association into its reporting efforts.

Penalties for the Investment Advisor's violation of this Policy and its reporting requirements may include, but are not limited to, a verbal warning, a written warning, withheld payment, or termination of the Investment Advisor's contract.

Any written information prepared, owned, used or retained by the Treasurer with respect to an ILGIF Recipient Fund may be subject to disclosure pursuant to the Illinois Freedom of Information Act, 5 ILCS 140/1 et seq.

*Approved: September 26, 2018*

## 8.0 BEST PRACTICES

As a fiduciary, the Treasurer's Office seeks transparency, good governance practices, and alignment of interests when investing ILGIF funds. Although the Treasurer's Office will examine any and all fund terms on a case-by-case basis, the principles set forth in this section provide a general framework for discussing prospective fund partnership investments and are designed to improve the long-term benefits of the program. These principles are intended to promote thought-leadership, consistency, and equity in the development of partnership agreements and in the management of funds by aligning the interests of general partners with limited partners, improving fund governance, and increasing the transparency of fees. As such, best practices for consideration may include, but not be limited to the following:

- a) **Carried Interest:** There should be a strong alignment of interest between the General Partner ("GP") and Limited Partners ("LPs") such that carried interest should be the primary motivator for investment success and profit creation for the GP. ILGIF believes that the GP should be entitled to market-based carried interest after the return of contributed capital, including management fees and fund-level expenses. Preferred returns (net of profits) are an appropriate mechanism to ensure GPs are seeking to drive above market investment returns before generating carried interest.
- b) **Management Fees:** Management fees should be market-based and reflect the fund size, team size, and operation needs of a specific manager. Budget-based fees are a preferred mechanism of ensuring a strong alignment of interest between GP and LP and that carried interest is the primary means of profit generation for the GP. Management fees should follow the J-curve of a private equity fund and step down gradually over time as successor fund(s) are formed. Management fees should be inside the fund.
- c) **Expenses:** Placement agent fees and insurance expenses should be borne solely by the general partner. Transaction fees and other fees (e.g., monitoring, directors' fees, advisory fees, etc.) should be offset 100% against management fees to ensure an alignment of interest between GP and LPs.
- d) **General Partner Commitment:** The general partner should have a substantial equity interest in the fund to maintain a strong alignment of interest with the limited partners, and a high percentage of the amount should be in cash as opposed to being contributed through the waiver of management fees. The general partner should not seek to transfer a material portion of its interest in the general partnership entity, unless for estate/tax planning purposes to an affiliated entity.
- e) **Standard for Multiple Product Firms:** Key-persons should devote substantially all their business time to the fund and its parallel vehicles. No general partner or any principal may close or act as general partner for a fund with substantially equivalent investment objectives and policies until after the investment period ends, or the fund is invested, expended, committed or reserved for investments and expenses. The general partner should not invest in opportunities that are appropriate for the fund through other investment vehicles unless such investment is made on a pro-rata basis under pre-disclosed co-investment agreements established prior to the close of the fund.

## **9.0 EXCEPTIONS TO THIS POLICY**

The Treasurer's Office shall review exceptions to this Policy to ensure activities remain relevant and appropriate with the intent of the Act, this Policy, and prudent investment standards.

## **10.0 POLICY REVIEW**

The Treasurer's Office shall review this Policy at least once every year to ensure that it remains relevant and appropriate.

# ILLINOIS ACHIEVING A BETTER LIFE EXPERIENCE PROGRAM INVESTMENT POLICY STATEMENT

## 1.0 Statement of Purpose of Investment Policy

The purpose of this Investment Policy Statement (the “Policy”) is to assist contractors retained by the Achieving a Better Life Experience Program Alliance (the “Consortium”) to provide services related to the management of the assets of the Illinois Achieving a Better Life Experience (“ABLE”) pool that are contributed to the Illinois Achieving a Better Life Experience program (the “Program”) and to assist the Consortium in evaluating the performance of such contractors by:

- Describing the Consortium’s investment objectives;
- Providing general guidelines for the investment of assets of the Program;
- Describing the Consortium’s long-term investment strategy;
- Describing the process of evaluating the performance of employees or contractors that provide investment management services to the Program; and
- Specifying the responsibilities of any contractors that provide investment management services to the Program.

This is the official Policy of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Consortium.

## 2.0 Establishment and Authority of Entity

The Illinois Achieving a Better Life Experience program has been established as part of Illinois’ State Treasurer Act, 15 ILCS 505 (“Act”). The Act creates ABLE account program to encourage and assist individuals and families in saving private funds for the purpose of supporting persons with disabilities in endeavors to maintain health, independence, and quality of life, and to provide secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, federal and State medical and disability insurance, the beneficiary’s employment, and other sources.

## 3.0 Investment Philosophy

The Illinois State Treasurer’s Office, as a member of the Consortium, has adopted a long-term total return strategy for the Program and its investments. In order to achieve the Program’s objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results as well as prudent diversification across public security markets will be the primary risk control mechanisms.

In its investment strategy, the Consortium has relied on prevailing financial theory, which currently utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program possesses a significant level of diversification, which produces risk reduction. In terms of impact, diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, etc.); (2) geography/country; (3) industry; and (4) maturity.

Contributions to the Program will be directed to one or more of the available Target Portfolios (“Portfolios”), each composed of a designated mix of investments funds. The determination of the investment parameters of each Portfolio shall be made by the Consortium and shall take into account the financial characteristics of the investments in the Program. The investment parameters will also

give due consideration to the fact that the investment horizon for participants will vary from a few months to over 25 years.

The Illinois State Treasurer's Office will review the investment performance of each Portfolio at least quarterly and shall review this Policy at least annually.

The holdings of the Program and the Portfolios are divided into the following broad asset categories:

- Short-Term Investments
- Domestic Fixed Income Investments
- International Fixed Income Investments
- Domestic Equity Investments
- International Equity Investments
- Real Estate Investments

The Consortium will establish reasonable guidelines for each Portfolio, specifying (as applicable) limits on asset and asset class exposures, risk constraints and investment return objectives. While the investment parameters offered under the Program are developed by the Consortium, participants bear the risk of investment results.

The administration and offering of the Program should not be relied upon as a guarantee to participants. Each participant should seek appropriate advice as he or she deems necessary.

Consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer and its agents shall prudently integrate sustainability factors into its investment decision-making, investment manager selection, investment analysis, portfolio construction, risk management, and due diligence. The sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and helps assess the reliability of future cash flows and debt repayments. Sustainability accounting has both confirmatory and predictive value, thus, it can be used to evaluate past performance and be used for future planning and decision-making. As a complement to financial accounting, it provides a more complete view of an investment fund or portfolio company's performance on material factors likely to impact its long-term value. Sustainability factors shall be implemented within a framework predicated on the following:

- A.** Prudent integration of material sustainability factors, including, but not limited to environmental, social capital, human capital, business model and innovation, and leadership and governance factors, as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership given that these tangible and intangible factors may have a material and substantive financial impacts as well as non-financial impacts;
- B.** Recurring evaluation of sustainability factors to ensure the factors are relevant to the Program and the evolving marketplace; and
- C.** Attentive oversight of investment holdings to encourage the advancement of sustainability accounting and disclosure through engagement with entities, such as investment funds, investment holdings, portfolio companies, government bodies, and other organizations, and move the marketplace toward more prudent sustainability investment practices.

Consideration of other relevant factors such as market, operational, legal, regulatory, financial, credit, and reputational risks that enable an optimal risk management framework and supports long-term investment value.

*Approved: September 26, 2018*

## 4.0 Investment Objectives

The overall investment program for the Program and, as applicable, the Portfolios provided to the participants shall seek to achieve the following long-term investment objectives:

- A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section 7.0 hereof; and
- An investment program flexible enough to meet the needs of participants based upon their age or investment objective and which provides each individual with the ability to invest in a diversified portfolio to meet his or her long-term investment goals.

## 5.0 Investment Responsibilities

The Consortium is responsible for the direction of investments and administration of the assets of the Program. In order to properly carry out his responsibilities, the Consortium may rely on one or more contractors to assist in the administration of the Program. The Consortium will engage and plan to rely heavily on said contractor (the "Manager") for administrative services and investment management services. Among the current responsibilities of the Manager is the implementation of the investment strategy outlined in this Policy and the rebalancing of the Target Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. With the Consortium's approval, the Manager may retain an investment advisor to provide it with portfolio design, due diligence and ongoing monitoring services with respect to the Portfolios and the implementation of the investment strategy outlined in this policy. The Consortium and the Manager shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Portfolios, the Manager agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

The Program will rely on external investment consultants for investment and administrative advisory services. The independent investment consultant will:

- Measure investment performance results, evaluate the investment program, and advise the Consortium as to the performance and continuing appropriateness of each investment manager;
- Recommend modifications to the investment policies, objectives, guidelines, or management structure as appropriate; and
- Promptly inform the Consortium regarding significant matters pertaining to the investment program.

## 5.1 Treasurer's Investment Policy Committee

The Treasurer's Office maintains an Investment Policy Committee that is chaired by the Treasurer and includes the following members of the Treasurer's staff: Deputy Treasurer & Chief Investment Officer, Chief of Staff, Chief Financial Products Officer, Chief Legislative and Policy Officer, General Counsel, Director of State Investments and Banking, Director of Investment Analysis and Due Diligence, Director of Fiscal Operations, Director of IPTIP Investments, Director of ePAY and The Illinois Funds, the Portfolio Investments & Cash Management Officer, and anyone else deemed appropriate

*Approved: September 26, 2018*

by the Treasurer. The Investment Policy Committee will perform oversight and advisory duties on behalf of the Treasurer's Office to support the Program, including, but not limited to:

- Monitoring and providing insight into the construction and overall strategy of the investment portfolio;
- Reviewing and providing insight into the investment policies, objectives, parameters, responsibilities, benchmarks, or management structure as appropriate;
- Monitoring investment performance results and associated costs/fees on a quarterly basis;
- Providing guidance and feedback regarding the suitability of prospective investment funds that are recommended for receipt of Program monies;
- Monitoring and evaluating the performance and continuing appropriateness of each fund manager;
- Assisting in the evaluation of the Manager, external investment consultants, and any other external parties hired to service the Program; and
- Providing general commentary, perspective, and insights regarding market conditions that may impact the Program.

## **5.2 Preference for Investment Managers Owned by Minorities, Women, Veterans, and Persons with Disabilities**

Pursuant to 15 ILCS 505/30, it shall be an aspirational goal of the Treasurer and its agents to use businesses owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability for not less than 25% of the total dollar amount of funds under management in the Program.

The terms "minority person", "woman", "person with a disability", "minority-owned business", "women-owned business", "business owned by a person with a disability", and "control" have the meanings provided in Section 1 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575). The terms "veteran", "qualified veteran-owned small business", "qualified service-disabled veteran-owned small business", "qualified service-disabled veteran", and "armed forces of the United States" have the meanings provided in Article 1 of the Illinois Procurement Code (30 ILCS 500).

To the greatest extent feasible within the bounds of financial and fiduciary prudence, it shall be the policy of the Treasurer and its agents to remove any barriers to the full participation in investment management services afforded via the Program by actively identifying and considering for hire investment managers that are owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability.

## **6.0 Risk Management**

The Illinois State Treasurer's Office shall develop internal processes and procedures to ensure that effective risk management systems are in place to monitor the risk levels of the Program. The processes shall ensure that the risks taken are prudent and properly managed, provide an integrated process for overall risk management, and assess investment returns as well as risk to determine if

the risks taken are adequately compensated compared to applicable performance benchmarks and standards. The Illinois State Treasurer's Office and the Manager shall meet quarterly to review Portfolio and underlying fund performance as compared to the applicable benchmarks and peer group performance and will review the asset allocation of each Portfolio on an annual basis.

## 7.0 Investment Parameters

Contributions will be invested in one or more of the available Portfolios, each composed of a designated mix of investments which is appropriate for the investment preference of the participant or the investment objective of the Portfolio. Each Portfolio may allocate assets among domestic equity, international equity, real estate, domestic and international fixed-income, and/or cash and cash equivalents. The asset allocation of each Portfolio will be established by the Consortium and managed by the Manager. The Consortium may adjust the weighting in stocks, bonds, real estate, and cash in each Portfolio and may change the underlying investment funds within the Portfolios consistent with this Policy.

The policy target asset allocations and benchmarks for the underlying investments within the Target Portfolios are shown in the following table. There is a permissible range of plus or minus 5% of the target allocation for each underlying investment fund. Please refer to Exhibit A for Target Portfolio Objectives and refer to Exhibit B for a list of underlying investment products and their corresponding benchmarks.

| Target Portfolios     |  | #1         | #2                    | #3     | #4       | #5                      | #6           |
|-----------------------|--|------------|-----------------------|--------|----------|-------------------------|--------------|
| Asset Class           | Benchmark                                      | Aggressive | Moderately Aggressive | Growth | Moderate | Moderately Conservative | Conservative |
| Domestic Equity       | S & P 500 Index                                | 31.50%     | 26.25%                | 21.00% | 15.75%   | 10.50%                  | 3.50%        |
|                       | S & P Completion                               | 27.00%     | 22.50%                | 18.00% | 13.50%   | 9.00%                   | 3.00%        |
| Real Estate           | Dow Jones U.S. Select Real Estate Index        | 9.00%      | 7.50%                 | 6.00%  | 4.50%    | 3.00%                   | 1.00%        |
| International Equity  | MSCI EAFE                                      | 16.20%     | 13.50%                | 10.80% | 8.10%    | 5.40%                   | 1.80%        |
|                       | MSCI Emerging Markets                          | 6.30%      | 5.25%                 | 4.20%  | 3.15%    | 2.10%                   | 0.70%        |
| Domestic Fixed Income | Bloomberg Barclays US Treasury TIPS 0-5 Yrs.   | 3.50%      | 8.75%                 | 14.00% | 19.25%   | 15.75%                  | 10.50%       |
|                       | Bloomberg Barclays U.S. Aggregate Bond         | 3.00%      | 7.50%                 | 12.00% | 16.50%   | 13.50%                  | 9.00%        |
|                       | Bloomberg Barclays U.S. Gov't/Credit 1-5yr     | 2.50%      | 6.25%                 | 10.00% | 13.75%   | 11.25%                  | 7.50%        |
| Foreign Bonds         | Bloomberg Barclays Global Aggregate Bond ex-US | 1.00%      | 2.50%                 | 4.00%  | 5.50%    | 4.50%                   | 3.00%        |
| Money Market          | 3-month T-Bills                                | 0.00%      | 0.00%                 | 0.0%   | 0.00%    | 25.00%                  | 60.00%       |

Each underlying investment fund's return objective is to equal or exceed, over a five-year rolling period, the return of the applicable benchmark net of fees. Volatility, measured by the standard deviation of quarterly returns over that period, is expected to be similar to the benchmark. Each underlying investment fund is also expected to perform favorably relative to its peer group.

To the extent that the assets of a Portfolio are invested in one or more underlying investment funds approved by the Consortium having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such underlying investment fund's underlying assets may not be entirely invested in the asset class in which such underlying investment fund has been placed.

Approved: September 26, 2018

## 8.0 Banking Option

The Program has included the option for participants for a short-term investment vehicle in the form of a Demand Deposit Account (the “Banking Option”). The Banking Option will be an FDIC-Insured bank account whose primary objective is the preservation and safety of the principal and the provision of a stable and low-risk rate of return. This option allows the participants the ability to execute recurring transactions with greater ease. The provider for the Banking Option will be Fifth Third Bank (the “Banking Option Provider”).

The Banking Option Provider will provide monthly account statements following any month in which an account using the Account utilizing the Banking Option had financial activity. All account statements shall be sent to the respective Account Owner and any authorized agents and may be sent via /or Authorized Agents by U.S. postal mail and/or provided via website access electronic delivery, as selected specified by the Account Owner.

## Exhibit A Target Portfolio Objectives

The **Aggressive Target Portfolio** seeks to provide very aggressive capital appreciation and some current income. The fund holds 90% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 10% in bonds, allocated among domestic and international bonds. Investors with a long-term time horizon who are looking for the most aggressive growth of principal over time and who can accept stock market volatility may wish to consider this Portfolio.

The **Moderately Aggressive Target Portfolio** seeks to provide aggressive capital appreciation and some current income. The fund holds 75% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 25% in bonds, allocated among domestic and international bonds. Investors with a long-term time horizon who are looking for aggressive growth of principal over time and who can accept stock market volatility may wish to consider this Portfolio.

The **Growth Target Portfolio** seeks to provide capital appreciation and some current income. The fund holds 60% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 40% in bonds, allocated among domestic and international bonds. Investors with a long-term time horizon who are looking for growth of principal over time and who can accept stock market volatility may wish to consider this Portfolio.

The **Moderate Target Portfolio** seeks to provide moderate capital appreciation and current income. The fund holds 45% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 55% in bonds, allocated among domestic and international bonds. Investors with a long-term time horizon who are looking for growth of principal over time and who can accept stock market volatility may wish to consider this Portfolio.

The **Moderately Conservative Target Portfolio** seeks to provide conservative capital appreciation and current income. The fund holds 30% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 70% in bonds, allocated among domestic bonds, international bonds, and short-term investments. Investors with a medium-term time horizon who are looking for conservative growth of principal over time and who can accept some stock market volatility may wish to consider this Portfolio.

The **Conservative Target Portfolio** seeks to provide very conservative capital appreciation and current income. The fund holds 10% of its assets in stocks allocated among domestic stocks, international stocks, and REITs and 90% in bonds, allocated among domestic bonds, international bonds, and short-term investments. Investors with a short-term time horizon who are looking for very conservative growth of principal over time and who can accept limited stock market volatility may wish to consider this Portfolio.

## Exhibit B Underlying Investment Products

| Underlying Investment Product                                   | Asset Class                         | Benchmark                                      |
|---|-------------------------------------|--|
| <b>Vanguard Institutional Index Fund</b>                        | U.S. Large Cap                      | S & P 500 Index                                |
| <b>Vanguard Extended Market Index Fund</b>                      | U.S. Small & Mid Cap                | S & P Completion                               |
| <b>iShares Core MSCI EAFE ETF</b>                               | Non-U.S. Multi Cap                  | MSCI EAFE                                      |
| <b>Schwab Emerging Markets Equity ETF</b>                       | Emerging Markets                    | MSCI Emerging Markets                          |
| <b>Schwab U.S. REIT ETF</b>                                     | Real Estate                         | Dow Jones U.S. Select Real Estate Index        |
| <b>Vanguard Total Bond Market Index Fund</b>                    | U.S. Core Bond                      | Bloomberg Barclays U.S. Aggregate Bond         |
| <b>Vanguard Short-Term Bond Index Fund</b>                      | Short-Term Investment Grade         | Bloomberg Barclays U.S. Gov't/Credit 1-5yr     |
| <b>Vanguard Short-Term Inflation Protected Securities Index</b> | Short-Term Inflation Protected Bond | Bloomberg Barclays US Treasury TIPS 0-5 Yrs.   |
| <b>iShares Core International Aggregate Bond ETF</b>            | International Bond                  | Bloomberg Barclays Global Aggregate Bond ex-US |
| <b>Sallie Mae High-Yield FDIC</b>                               | Cash & Cash Equivalents             | 3-month T-Bills                                |

# SUSTAINABILITY – INVESTMENT POLICY STATEMENT

## 1.0 PURPOSE

This document sets forth the Sustainability (“Sustainability”) Investment Policy (“Policy”) for the Office of the Illinois State Treasurer (“Treasurer”).

The purpose of the Policy is to outline the sustainability factors that shall be applied by the Treasurer’s internal and external investment holdings in evaluating investment decisions and ongoing business relationships.

This Policy is designed to allow for sufficient flexibility in the execution of sustainability investment responsibilities while setting forth specific sustainability factors and industry-recognized best practices that are relevant to the Treasurer’s investment portfolio and the evolving marketplace.

The Treasurer establishes and executes this Policy in accordance with applicable local, state, and federal laws.

## 2.0 AUTHORITY

Pursuant to the State Treasurer Act (15 ILCS 505), Deposit of State Moneys Act (15 ILCS 520), and the Public Fund Investment Act (15 ILCS 235), the Treasurer is authorized to serve as the fiscal agent for public agencies and specific program participants for the purpose of holding and investing assets.

Furthermore, the investment policy statements for the relevant portfolio assets under the stewardship of the Treasurer specify that the Treasurer, as trustee, while acting in accordance with its fiduciary duty, shall seek to integrate sustainability factors, as components of portfolio construction, investment decision-making, investment analysis and due diligence, risk management, and investment ownership.

## 3.0 PHILOSOPHY

The Treasurer seeks to invest all funds under its control in a manner that provides the highest risk-adjusted investment return for beneficiaries using authorized instruments. To achieve this objective, the Treasurer has a responsibility to recognize and evaluate risk factors that may have a material and relevant financial impact on the safety and/or performance of our investments.

Thus, consistent with achieving the investment objectives set forth herein, the Treasurer and its agents shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, due diligence and investment ownership in furtherance of the Treasurer’s investment goals to fulfill its fiduciary duty, to maximize anticipated financial returns, minimize projected risk, and contribute to a more just, accountable, and sustainable State of Illinois.

Sustainability factors shall be implemented within a framework predicated on the following:

- **Integration of Sustainability Factors** – Prudent integration of material sustainability factors, including, but not limited to, (1) environmental, (2) social capital, (3) human capital, (4) business model and innovation, and (5) leadership and governance factors, as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership, given that these tangible and intangible factors may have material and relevant financial impacts.

- **Regular Evaluation of Sustainability Factors** – Recurring bi-annual evaluation, at a minimum, of sustainability factors to ensure the factors are relevant to the evolving marketplace.
- **Engagements** – Attentive oversight of investment holdings to address sustainability risks and opportunities through direct engagement with entities, such as investment funds, portfolio companies, government bodies, and other organizations.
- **Additional Relevant and Financially Material Factors** – Consideration of other relevant factors such as legal, regulatory, and reputational risks that contribute to an optimal risk management framework and are necessary to create long-term investment value.

The sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and helps assess the reliability of future cash flows and debt repayments. Similar to financial accounting, sustainability accounting has both confirmatory and predictive value, thus, it can be used to evaluate past performance and be used for future planning and decision-making. As a complement to financial accounting, it provides a more complete view of an investment fund or portfolio company's performance on material factors likely to impact its long-term value.

#### 4.0 CORPORATE GOVERNANCE FACTORS

The Treasurer supports board accountability, transparency, sensible executive compensation programs, robust shareholder rights, and ethical conduct as key governance factors. The Treasurer advocates for policies and practices in support of these factors.

##### a) **Board Accountability**

The board of directors is elected by the company's shareholders and is accountable to them. The role of the board is to represent shareholders' interests in their oversight of corporate management.

The board of directors must maintain a level of independence from management to exercise proper oversight. The Treasurer considers an independent director to be one who: (1) is not an executive of the company, (2) does not have direct familial ties with executive management, (3) does not have significant business ties to the company, and (4) is not a significant shareholder.

##### b) **Board Diversity**

Research demonstrates that a diverse board of directors is better equipped to ensure multiple perspectives are considered and better positioned to enhance long-term company performance within a marketplace defined by extensive diversity and multiculturalism. Diversity is inclusive of gender, race/ethnicity, skill sets, professional backgrounds, and LGBT status.

##### c) **Transparency**

With due respect to proprietary information, companies should strive to be transparent in their business operations. Disclosure concerning matters of shareholder or public interest, such as those items outlined in this Policy, provides useful information and mitigates risks inherent with undisclosed matters.

Transparency and accuracy in the reporting of fees to the Treasurer from service providers is also essential to secure competitive rates.

*Approved: April 25, 2018*

**d) Sensible Executive Compensation Programs**

Excessive executive compensation programs may signal board entrenchment and exacerbate income inequality. Executive compensation should be reflective of company performance and within a reasonable range of compensation levels at industry leading companies.

The Treasurer believes an annual vote on executive compensation is a better option than a biennial or triennial vote because it affords shareholders the opportunity to provide the company's compensation committees more timely feedback about the appropriateness of executive pay levels, which typically are decided on an annual basis.

**e) Robust Shareholder Rights**

Shareholders should be given tools to convey their perspectives to the board of directors, which serves as their representative body. Tools that provide shareholders with the appropriate mechanisms for communication include the ability to (1) call a special meeting, (2) act by written consent, and (3) have access to the proxy to nominate their own candidate(s) for the board assuming certain threshold requirements.

In addition, a majority voting standard for the election of directors ensures that directors have the confidence of their shareholders.

Boards of directors should also be declassified to enable shareholders to weigh-in on each director on an annual basis.

**f) Ethical Conduct**

Companies conducting business with or in receipt of investments from the Treasurer must comply with all laws and regulations under which they are governed. Further, the Treasurer expects companies to meet (if not exceed) all applicable ethical and professional standards of conduct.

## **5.0 ENVIRONMENTAL FACTORS**

Environmental stewardship is a shared responsibility. Furthermore, environmental and climate-related factors may have adverse financial impacts on the Treasurer's investment portfolio. Accordingly, the Treasurer recognizes that impacts on the environment, either through the use of nonrenewable, natural resources as inputs to the factors of energy production or through harmful releases into the environment are key factors for consideration in identifying a company's value proposition and risk exposures.

**a) Greenhouse Gas Emissions**

Greenhouse gas emissions contribute to climate change, and create additional regulatory compliance costs and risks due to climate change mitigation policies. Companies that cost-effectively reduce greenhouse gas emissions from their operations by implementing industry-leading technologies and processes can create operational efficiency. They can mitigate the impact on value from increased fuel costs and regulations that limit — or put a price on — carbon emissions, which are occurring as regulatory and public concerns about climate change are increasing in the U.S. and globally.

**b) Air Quality, Energy and Fuel Management**

Companies should consider how the environment and related regulation will positively or negatively impact operations and vice versa. Routine assessment of the nexus of operations, natural resource dependency, and the environment may be communicated to investors through sustainability reports. Quantitative reporting on environmental risks, policies, performance, and goals assures investors that companies are aware of potential opportunities and/or risks and are seeking to act upon them appropriately.

**c) Water and Waste**

Impacts of water-intensive production and potential contamination of water resources include higher costs, liabilities, and lost revenues due to curtailment or suspension of operations. Similarly, companies that reduce, recycle, and effectively manage their waste streams lower their regulatory and litigation risks, remediation liabilities, and operating costs.

**d) Climate Competence**

Climate change has serious risk implications for investors and the businesses in which they invest. Shifts in temperature, weather patterns, and rising sea levels impact supply chain, consumer demand, physical capital, and communities. Extreme weather events are occurring on a more frequent basis and with increasing intensity. Events such as droughts, floods, and storms may lead to scarce resources and disruptions in operations and workforce availability. A company's awareness of environmental risks and opportunities may have a significant impact on its operational capacity, financial position, and long-term value creation. With new environmental technologies, regulations, and business strategies rapidly developing (e.g., carbon pollution regulations and energy efficiency opportunities), it is important that companies maintain the knowledge and innovation to adapt and capitalize on these evolving changes. This may include, among other strategies, maintaining a board member or senior executive with expertise or ample experience with environmental science and technology.

## **6.0 SOCIAL CAPITAL FACTORS**

Social capital factors address the management of relationships with key outside parties, such as customers, local communities, the public, and the government. They may impact investment returns, particularly if companies become involved in controversies that pose risks to their reputation. Human rights, access and affordability, customer welfare, data security and customer privacy, fair disclosure and labeling, and fair marketing and advertising, and community reinvestment are key social capital factors that warrant attention.

**a) Human Rights**

Companies have a legal duty to adhere to internationally recognized labor and human rights standards. Beyond the legal requirements, companies risk losing their social license to operate if they contribute to human rights abuses throughout their supply chain. The United Nations' "Guiding Principles on Business and Human Rights" sets out corporations' responsibility to respect human rights. Companies should regularly assess and seek to minimize any negative impact caused by their operations.

**b) Consumer Welfare**

Companies have a material interest to provide products and services that do not expose their customers to undue physical or mental harm, deception, manipulation, exploitation, or unlawful conduct. This can expose companies to significant legal, regulatory, reputational, or other financial risks that jeopardize shareholder value. In addition, research demonstrates that companies that employ socially responsible business practices have the potential to create several distinct forms of value for customers, including positive marketing outcomes and subsequent financial performance. As such, this enhances firm value and long-term shareholder value.

**c) Data Security and Consumer Privacy**

Consumers trust companies with their personal and financial data. Companies that prevent data breaches and effectively manage data security and consumer privacy avoid harming brand value, reduce contingent liabilities, and maintain market share. Furthermore, companies that address data security threats and vulnerabilities through prevention, detection, and remediation are better positioned for customer acquisition and retention and may reduce extraordinary expenses from breaches of data security.

**d) Community Relations and Community Reinvestment**

Community relations are a fundamental, strategic aspect of business for public and private corporations. They are not only a barometer of image and market presence across the world. It helps attract and retain top employees, positions itself positively among customers and, increasingly improves its position in the market. Positive, proactive community relations can translate into improved financial performance.

The Treasurer wants to encourage an open and effective banking system that grows local communities and boosts Illinois' economy. Pursuant to the Deposit of State Moneys Act (15 ILCS 520/16.3), the Treasurer is authorized to consider a financial institution's record and current level of financial commitment to its local community when deciding whether to deposit State funds in that financial institution. As such, the Treasurer shall consider applicable firms' level of community reinvestment when undertaking investment decision-making.

Furthermore, all banking and financial firms seeking to transact in investment activity with the Treasurer shall possess a minimum Community Reinvestment Act (CRA) rating of Satisfactory.

## **7.0 HUMAN CAPITAL FACTORS**

Companies that consider their workforce to be an important asset to deliver long-term value should manage their human capital with as much care and analytical insight as they manage their tangible and financial capital. It includes issues that affect the productivity of employees, such as employee engagement, diversity, incentives and compensation, as well as the attraction and retention of employees in highly competitive or constrained markets for specific talent, skills, or education. Employers should respect the right of their workers to organize under collective bargaining agreements and should provide a working environment that upholds health and safety standards.

**a) Labor Relations and Fair Labor Practices**

Companies benefit from taking a long-term perspective on managing human capital. This relates to practices involving fair compensation, workers' rights, worker safety, and workforce productivity enhancements through skills and capacity building, research and development, and capital investments. Companies that subvert the law of widely adopted international standards for labor practices are exposed to operational, legal, regulatory, and reputational risks that may create roadblocks for both its existing operations as well as efforts to expand to other markets. Conversely, companies with fair labor policies and practices may be at a competitive advantage in attracting and employing an effective workforce, leading to a healthy company culture, stronger customer loyalty, increased revenue, and reduced costs.

**b) Recruitment, Development, and Retention**

The evolution of U.S. business into a true service-based economy has led many companies to espouse that their employees are their most valuable asset. As key contributors to value creation, skilled workers are highly sought after, and many companies face challenges recruiting and retaining those assets. Shortages in skilled domestic employees have created intense competition to acquire and maintain highly skilled employees, as evidenced by high employee turnover rates. Companies that improve employee compensation, benefits, training, and engagement are likely to improve retention and productivity, which positively contributes to profitability and long-term value creation.

**c) Diversity and Inclusion**

The U.S. population is undergoing a massive demographic shift, with an increase in minority populations. Companies can benefit from ensuring that their company culture and hiring and promotion practices embrace the building of a diverse workforce at management and lower-ranking positions. Companies that respond to this demographic trend and employ staff who will recognize the needs of these populations may be better able to capture demand from these segments, which can provide companies a competitive advantage.

## **8.0 BUSINESS MODEL & INNOVATION FACTORS**

The impact of sustainability issues on innovation and business models including corporate strategy and other innovations in the production process are integral to a company's financial and operating performance. The ability of a company to plan and forecast viable opportunities and risks to its business model is critically important to its ability to create long-term shareholder value.

**a) Lifecycle Impacts of Products and Services**

Companies face increasing challenges associated with environmental and social externalities attributed to product manufacturing, transport, use and disposal. Rapid obsolescence of products exacerbates the externalities. Addressing product lifecycle concerns such as hazardous material inputs, energy efficiency, and waste, particularly through product design and end-of-life management could contribute to increased shareholder value through improved competitive positioning, greater market share, and lower regulatory, demand, and supply chain risks.

**b) Product Quality and Safety**

Companies have a material interest in ensuring the safety, proper labeling, and quality of their products. Companies that limit the incidence of safety or other product claims will be better positioned to reduce regulatory, legal, and reputational expenses and protect shareholder value. Conversely, companies with poor quality and safety standards may experience revenue loss due to damaged reputation, product recalls, or fines.

## **9.0 LEADERSHIP & GOVERNANCE FACTORS**

Leadership and governance factors involves the management of issues that are inherent to the business model or common practice in the industry and that are in potential conflict with the interest of broader stakeholder groups (e.g., government, community, customers, and employees), and therefore create a potential liability or, worse, a limitation or removal of a license to operate. This includes compliance, and regulatory and political influence.

**a) Systemic Risk Management**

The increased globalization and interconnectedness of the marketplace has become a central concern of state, federal, and international regulators. This is particularly relevant to companies in the financial sector and insurance industry, with many designated or at-risk of being designated as systemically important institutions. This designation can subject firms to stricter regulatory standards, credit limitations, and increased oversight by government officials. In an effort to demonstrate how these risks are being managed, companies should enhance their disclosures of key metrics, risk exposures, and additional aspects of systemic risk management.

**b) Ethical Business Practices**

Companies that seek short-term profits by taking disreputable or anti-social actions may risk long-term sustainability. Prior corporate scandals have clearly demonstrated that profiting from harm caused to others impacts a company's reputation and bottom line. The Treasurer expects companies to operate within the bounds of the law and ethical norms, particularly when it comes to responsible drug pricing, safe working conditions, and the sale and distribution of drugs, weapons and other products and services that may cause harm.

**c) Regulatory Capture and Political Influence**

While political contributions can benefit the strategic interests of a company, board-level policies and processes should exist to ensure that such giving is aligned with shareholders' long-term interests. While shareholders understand that corporate participation in the political process can benefit companies strategically and contribute to value creation, corporate political giving has the potential to create risks to shareholder value through reputational harm and through undesirable reactions by employees and customers. Companies should have appropriate internal controls in place to manage, monitor, and disclose political contributions and managed related risks.

**d) Supply Chain Management**

Supply chain management is crucial for companies to prevent operational disruptions, avoid legal or regulatory action, protect brand value, and improve revenues. Sourcing from suppliers that have high quality standards, employ environmentally sustainable methods, honor labor rights, and avoid socially damaging practices better positions companies to protect themselves from supply disruptions and maintain shareholder

value. In addition, appropriate supplier screening, monitoring, and engagement is necessary to ensure continued future supply and to minimize potential lifecycle impacts on company operations.

## 10.0 DIVESTMENT

The Treasurer opposes any policy or strategy that would direct the Treasurer to sell an individual or group of securities in order to achieve a goal that is not primarily investment-related. The Treasurer may consider divesting only in cases where the financial or reputational risks from a company's policies or activities are so great that maintaining the investment security is no longer prudent. The Treasurer firmly believes that active and direct engagement is the best way to resolve issues and risk factors. The Treasurer's policy of engagement over divestment is based on several key considerations: (1) divestment would eliminate our standing and rights as a shareholder and foreclose further engagement; (2) divestment would likely have a negligible impact on portfolio companies or the market; (3) divestment could result in increased costs and short-term losses; and (4) divestment could compromise the Treasurer's investment strategies and negatively affect performance. For these reasons, we believe that divestment does not offer the Treasurer an optimal strategy for changing the policies and practices of portfolio companies, nor is it the best means to produce long-term value.

## 11.0 POTENTIAL ACTIONS

It is necessary to remain informed about issues that are likely to be of interest to other investors during the review process, including the Treasurer. The total mix of information available through the existence of, or potential for, impacts on factors include: (1) direct financial impacts and risk; (2) legal, regulatory, and policy drivers; (3) industry norms, best practices, and competitive drivers; (4) stakeholder concerns that could lead to financial impact; and (5) opportunities for innovation.

Potential actions will identify issues that can or do affect operational and financial performance by analyzing the three primary drivers of financial impact: (1) revenues and costs; (2) assets and liabilities; and (3) cost of capital or risk profile. Revenue in market size or pricing power of a company will be tracked to identify trends. Costs that can impact a company's profitability include recurring costs such as COGS, R&D, CAPEX or any other capital expenditures will be monitored. Issues, like climate change, that can impair tangible and intangible assets, such as PP&E and brand value are part of the review. Sustainability issues have the potential to create contingencies and provisions, or impact pensions and other liabilities and must be part of the overall assessment. The financial condition of a company can be impacted by sustainable factors that will raise the risk profile and create uncertainty in time capital needs.

The Treasurer may undertake various activities to advance the aforementioned key sustainability factors, including, but not limited to:

1. **Internal and External Investment Management** – Prudently integrating sustainability criteria as components of portfolio construction, investment decision-making, investment analysis and due diligence, prospective value proposition, risk management, and investment ownership for internally-managed and externally-managed investment managers;
2. **Policy Advocacy** – Weighing in on the public policymaking process as it pertains to the investment landscape generally and sustainability issues specifically;
3. **Engagements** – Engaging corporate decision-makers directly on sustainability risks and opportunities to protect shareholder value;

*Approved: April 25, 2018*

4. **Coalitions** – Working in coalition with other institutional investors and with thought-leadership organizations;
5. **Proxy Voting** – Casting proxy votes in accordance with fiduciary duty and within policy guidelines; and
6. **Shareholder Proposals** – Submitting shareholder proposals to companies for inclusion in the annual stockholders’ general meeting.

# State Agency Investment Policy Statement For Investments Not Under the Control of the Illinois State Treasurer's Office

## 1.0 POLICY:

This Policy applies to all investments entered into on or after the adoption of this instrument. Until the expiration of investments made prior to the adoption of this Policy, such investments will continue to be governed by the policies in effect at the time such investments were made.

State of Illinois state agency investments shall be directed by the Illinois State Treasurer's Office and this investment policy statement. This Policy applies to State of Illinois agency investments, not under the custody of the Illinois State Treasurer's Office, for which no other specific investment policy exists.

## 2.0 OBJECTIVE

The primary objective in the investment of state agency funds is to ensure the safety of principal, while managing liquidity to pay the financial obligations related to those state agency funds, and providing the highest investment return using authorized instruments.

### 2.1 Safety

The safety of principal is the foremost objective of the investment program. State agency investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. To achieve this objective, diversification, as defined in Section 8.0 of this Policy, and investment stewardship is required to ensure that the state agency prudently manages market, operational, reputational, financial, legal, sustainability, interest rate, and credit risks.

### 2.2 Liquidity

The investment portfolio shall remain sufficiently liquid to enable the state agency to meet all operating and cash flow requirements that might be reasonably projected.

### 2.3 Return on Investment

The investment portfolio shall be designed and constructed to obtain the highest available return, given the objectives of safety of principal and liquidity. The state agency's designated investment officer shall seek to obtain the highest available return, using authorized investments during budgetary and economic cycles as mandated by Section 1.0 of this Policy. When the state agency deposits funds in support of community development efforts, the rate of return may include benefits other than direct investment earnings, as authorized by Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7).

The rate of return achieved on the investment portfolio shall be measured at regular intervals against relevant industry benchmarks to determine the effectiveness of investment decisions in meeting investment goals. The benchmarks shall be reviewed a minimum of every two (2) years to ensure accuracy and relevance.

## 2.4 Sustainability

The state agency seeks to invest all funds under its control in a manner that provides the highest risk-adjusted investment return using authorized instruments. To achieve this objective, the state agency has a responsibility to recognize and evaluate risk factors that may have a material and relevant financial impact on the safety and/or performance of investments. Consistent with achieving the investment objectives set forth herein, the state agency and its agents shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, risk management, due diligence and investment ownership.

The sustainability analysis adds an additional layer of rigor to the fundamental analytical approach and helps assess the reliability of future cash flows and debt repayments. Similar to financial accounting, sustainability accounting has both confirmatory and predictive value, thus, it can be used to evaluate past performance and be used for future planning and decision-making. As a complement to financial accounting, it provides a more complete view of an investment fund or portfolio company's performance on material factors likely to impact its long-term value.

The state agency shall develop policy guidelines to integrate material sustainability risks relevant to particular financial products, investment funds, companies, or government bodies, which shall be provided to internal and external investment managers to factor into their investment decision-making. The policy guidelines for integrating sustainability factors shall be reviewed and updated every two (2) years at a minimum to ensure consistency within the rapidly evolving global economy.

The state agency's investment officers shall identify and select authorized investment options that meet the state agency's criteria for sustainable investing opportunities and risk parameters and fall within the framework of the investment objectives.

## 3.0 ETHICS AND CONFLICTS OF INTEREST

Authorized investment officers and employees in policy-making positions shall refrain from personal business activity that could (a) conflict, or give the appearance of a conflict, with proper execution of the investment program or (b) impair their ability to make impartial investment decisions. Such individuals shall disclose to the state agency any material and relevant financial interests, as determined by the state agency, in financial institutions that conduct business within the State, and they shall further disclose any personal financial investment positions that could be related to the performance of the investment portfolio. In addition, such individuals shall subordinate their personal investment transactions to those of the investment portfolio, particularly with regard to the time of purchases and sales.

## 4.0 AUTHORIZED BROKERS/DEALERS AND FINANCIAL INSTITUTIONS

The state agency shall maintain a list of approved financial institutions, which shall be subject to the review and approval of the Illinois State Treasurer's Office and shall be utilized by authorized investment officers. The state agency shall not invest with a financial institution unless their Community Reinvestment Act ("CRA") rating is outstanding or satisfactory. No state agency funds may be deposited in any financial institution unless a safety and soundness review of the financial institution by consulting various bank rating services has been conducted. If the financial institution has not yet been rated by the bank rating services, the institution may be eligible for a deposit that at maturity will not exceed \$250,000. The amount and duration of deposits shall be based on the safety and soundness review, in accordance with guidelines established by the state agency and the diversification limits set forth in Section 8.0 of this Policy. No public deposit may be made, except in a qualified public depository, as defined by the Deposit of State Moneys Act (15 ILCS 520/et seq.).

The state agency shall maintain a list of approved financial institutions, which shall be utilized by authorized investment officers. The financial institutions shall be selected by their creditworthiness, their CRA rating, and their financial significance in the State, which shall be measured in terms of the location of the financial institution's corporate office, the number of full-time employees, the size of its payroll, or the extent that the financial institution has an economic presence in the State.

The state agency shall maintain a list of approved security brokers/dealers, which shall be subject to the review and approval of the Illinois State Treasurer's Office and which shall be utilized by authorized investment officers. The security brokers/dealers shall be selected according to their creditworthiness and their financial significance in the State, which shall be measured in terms of the location of the broker/dealer's corporate office, the number of full-time employees, the size of its payroll, or the extent that the broker/dealer has an economic presence in the State. The list may include "primary" dealers or regional dealers who qualify under Securities and Exchange Commission Rule 17 CFR § 15Cc3-1 (Net Capital Requirements for Brokers or Dealers).

#### **4.1 External Investment Consultants**

To the extent that the state agency deems it advisable to hire external investment consultants, it may do so in accordance with the state agency's procurement rules at 44 Ill. Admin. Code § 1400, subject to review and approval by the Illinois State Treasurer's Office.

#### **4.2 Preference for Broker/Dealers Owned by Minorities, Women, Veterans, and Persons with Disabilities**

It shall be the aspirational goal of the state agency to use businesses owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability for not less than 25% of the total dollar of purchases of investment securities, including, but not limited to, the use of broker/dealers. Beginning with fiscal year 2019, and at least annually thereafter, the state agency shall measure and report its utilization of broker/dealers owned or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability. The report shall be published on the state agency's official website at least annually and provided to the Illinois State Treasurer's Office.

The terms "minority person", "woman", "person with a disability", "minority-owned business", "women-owned business", "business owned by a person with a disability", and "control" have the meanings provided in Section 1 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575). The terms "veteran", "qualified veteran-owned small business", "qualified service-disabled veteran-owned small business", "qualified service-disabled veteran", and "armed forces of the United States" have the meanings provided in Article 1 of the Illinois Procurement Code (30 ILCS 500).

To the greatest extent feasible within the bounds of financial and fiduciary prudence, it is the policy of the state agency to remove any barriers to the full participation in investment transactions afforded via the investment program by actively identifying and considering for hire brokers/dealers that provide proof of minority-, female-, disabled-, and/or veteran-owned or -managed status. The state agency shall establish a process by which said specially claimed statuses are verified, and a review shall be conducted at fixed intervals to ensure that special statuses continue to apply.

#### **4.3 Preference for Broker/Dealers Headquartered in Illinois**

The state agency shall seek to provide preference to qualified brokers/dealers that provide proof that

their corporate headquarters is located in the State of Illinois. In doing so, the state agency shall establish a process to verify the location of broker/dealers' corporate headquarters, and a review shall be conducted at fixed intervals to ensure that the Illinois-based location continues to apply.

Beginning with fiscal year 2019, and at least annually thereafter, the state agency shall measure and report its utilization of broker/dealers with headquarters located in the State of Illinois. The report shall be published on the state agency's official website at least annually and provided to the Illinois State Treasurer's Office.

## **5.0 AUTHORIZED AND SUITABLE INVESTMENTS**

The state agency has authorized the following types of investments, subject to the provisions of the Deposit of State Moneys Act (15 ILCS 520) and the Public Funds Investment Act (30 ILCS 235):

- a)** Securities that are guaranteed by the full faith and credit of the United States of America ("United States") as to principal and interest;
- b)** Obligations of agencies and instrumentalities of the United States, as originally issued by the agencies and instrumentalities. For purposes of this Section, the term "agencies and instrumentalities of the United States" includes the following: federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 and Acts amendatory thereto, the federal home loan banks and the federal home loan mortgage corporation, and any other agency created by an Act of Congress and issues dollar-denominated debt;
- c)** Interest-bearing savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits of a bank as defined by Section 2 of the Illinois Banking Act (205 ILCS 5/2);
- d)** Interest-bearing accounts or certificates of deposit of any savings and loan association incorporated under the laws of the State of Illinois, any other state, or the United States;
- e)** Interest-bearing accounts for the deposit of funds in support of local community development efforts;
- f)** Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of the State of Illinois or the United States that maintains its principal office in the State of Illinois;
- g)** Commercial paper of a corporation or a limited liability company that is organized in the United States with assets exceeding \$500,000,000 and is rated at the time of purchase at one (1) of the two (2) highest classifications established by at least two (2) standard rating services (i.e., not less than an A-1 short-term rating or equivalent rating);
- h)** Money market mutual funds registered under the Investment Company Act of 1940 (15 U.S.C. § 80a-1 et seq.) and rated at the highest classification by at least one (1) standard rating service (i.e., not less than a AAA long-term rating or equivalent rating);
- i)** The Illinois Funds, created under Section 17 of the State Treasurer Act (15 ILCS 505/17);

- j) Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 (1 U.S.C. § 78o-5);
- k) Interest-bearing bonds, at a price not to exceed par, issued by counties or municipal corporations of the State of Illinois, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the State of Illinois or held under a custodial agreement at a financial institution. The bonds shall be rated at the time of purchase at one (1) of the three (3) highest classifications established by at least one (1) standard rating service with nationally recognized expertise in rating bonds of states and their political subdivisions, (i.e., not less than an A- long-term rating or equivalent). The maturity or pre-refunded date(s) of the bonds authorized by this subsection shall, at the time of purchase, not exceed ten (10) years. Notwithstanding the foregoing, a longer maturity is authorized, if the State of Illinois has a put option to tender the bonds within ten (10) years from the date of purchase;
- l) Securities of a foreign government that are guaranteed by the full faith and credit of that government as to principal and interest and rated at one (1) of the three (3) highest classifications established by at least two (2) standard rating services, (i.e., not less than an A- long-term rating or equivalent rating), and only if the foreign government has not defaulted and has met its payment obligations in a timely manner on all similar obligations for at least 25 years prior to the time of acquiring those obligations; and
- m) Obligations of either corporations or limited liability companies organized in the United States that have a significant presence in the State of Illinois, with assets exceeding \$500,000,000, and rated at the time of purchase at one (1) of the three (3) highest classifications established by at least two (2) standard rating services, (i.e., not less than an A- long-term rating or equivalent rating). At the time of purchase, the maturity or pre-refunded date(s) of the obligations authorized by this subsection shall not be less than 270 days and shall not exceed five (5) years.

## 6.0 INVESTMENT RESTRICTIONS

The following restrictions apply to the state agency when investing the funds of the state agency:

- a) Any investments not authorized by this or any other investment policy or applicable law are prohibited;
- b) Repurchase agreements may only be executed with approved financial institutions or broker/dealers that meet the state agency's standards, which include mutual execution of a Master Repurchase Agreement adopted by the state agency;
- f) Investments may not be made in any savings and loan association unless a commitment by the savings and loan association, executed by the president or chief executive officer of that association, is submitted in the form required by Section 22.5 of the Deposit of State Moneys Act (15 ILCS 520/22.5);
- g) Asset-backed commercial paper is prohibited;
- h) Commercial paper with a credit rating or evaluation that is derived from any factor other than the full faith and credit of the issuing institution and/or the guarantee of the parent company is prohibited;

- i) Obligations may not be purchased from a corporation or limited liability company that has been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code (40 ILCS 5); and
- j) The authorization of the state agency to invest in new obligations under Section 5.0(m) of this Policy shall expire on June 30, 2019.

## 7.0 COLLATERALIZATION

The following shall apply:

- a) All State deposits, repurchase agreements, and securities lending shall be secured as required by the state agency and provided for by the Deposit of State Moneys Act (15 ILCS 520) and the state agency's Acceptable Collateral Listing, which may change from time to time. The state agency may take possession and title to any securities held as collateral and hold such securities until it is prudent to dispose of them.

## 8.0 DIVERSIFICATION

The investment portfolio shall be diversified to mitigate the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In order to properly manage any risk attendant to the investment of State assets, the investment portfolio shall not deviate from the following diversification guidelines, unless specifically authorized by the Executive Management of the state agency in writing:

- a) The state agency shall seek to achieve diversification in the portfolio by distributing investments among authorized investment categories among financial institutions, issuers and broker/dealers.
- b) The investment portfolio shall not hold time deposits that constitute more than 15% of any single financial institution's total deposits. Any deposits that constitute more than 10% of an institution's total deposits must qualify as community development deposits, described in Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7).
- c) No financial institution shall at any time hold more than \$100,000,000 of time deposits other than community development deposits, described in Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7). Provided, however, that financial institutions that, as a result of a merger or acquisition, hold deposits that exceed \$100,000,000.00 may continue to be eligible to hold deposits that do not exceed the amount of deposits held on the date of the merger or acquisition.
- d) The investment portfolio shall not contain investments that exceed the following diversification limits. These limits will apply to the total assets in the investment portfolio at the time of the origination or purchase. As maturities and or calls of instruments occur, these limits will be monitored and adjusted accordingly:
  - i. With the exception of cash equivalents, treasury securities and time deposits, as defined in Section 5.0 of this Policy, no more than 55% of the investment portfolio shall be invested in other investment categories;
  - ii. No more than one-third of the investment portfolio shall be invested in commercial paper;

- iii. No more than 25% of the money market fund asset class may be placed with one money market fund investment option and the investment portfolio cannot be invested in more than 10% of each money market fund (including all share classes) at a given time;
  - iv. As much as 40% of the investment portfolio may be invested in time deposits when required by the cash flow of the State;
  - v. No more than ½ of 1% of the investment portfolio shall be invested in foreign government securities, not to exceed a five (5) year maturity, as defined in Section 5.0(l) of this Policy;
  - vi. No more than 55% of the investment portfolio shall be allocated to investments greater than two (2) years and less than or equal to three (3) years;
  - vii. No more than 30% of the investment portfolio shall be allocated to investments greater than three (3) years and less than or equal to four (4) years, not including foreign government securities;
  - viii. No more than 15% of the investment portfolio shall be allocated to investments greater than four (4) years and less than or equal to five (5) years;
  - ix. No more than 5% of the investment portfolio shall be allocated to investments greater than five (5) years and no less than or equal to ten (10) years;
  - x. There shall be no limit to the percentage of the investment portfolio that may be allocated to investments with a 0- to 2-year maturity band; and
  - xi. No more than 5% of the investment portfolio shall be invested in obligations of corporations or limited liability companies as defined by Section 5.0(m) of this Policy.
- e) The investment portfolio shall not hold obligations of corporations or limited liability companies that exceed 10% of the corporation's or the limited liability company's outstanding obligations.

## 9.0 CUSTODY AND SAFEKEEPING

The custody and safekeeping of collateral will be handled by Illinois financial institutions selected in compliance with the state agency's procurement rules. Financial institutions selected by the state agency to perform custody and safekeeping services will be required to enter into a contractual agreement approved by the state agency's Chief Legal Counsel.

All security transactions entered into by the state agency shall be conducted on a delivery-versus-payment ("DVP") or receipt-versus-payment ("RVP") basis. Securities shall be held by a safekeeping agent designated by the state agency and evidenced by safekeeping receipts or a statement of holdings.

## 10.0 INTERNAL CONTROLS

The state agency shall establish a system of internal controls and written operational procedures that shall be documented and filed with the state agency's Chief Internal Auditor for review. The controls

shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by authorized investment officers.

- a) **Asset Allocation:** The allocation of assets within investment categories authorized under Section 5.0 of this Policy shall be approved by the state agency in writing.
- b) **Competitive Bidding:** Authorized investment officers shall obtain competitive bids from at least three (3) broker/dealers prior to executing the purchase or sale of any authorized investments. Reverse inquiry investments, investments in a new issue, and investments defined under Sections 5(a)-(b) of this Policy purchased from the agency discount window are exempt from this provision.
- c) **Certificates of Deposit:** Authorized investment officers shall purchase certificates of deposit on the basis of a qualified financial institution's ability to pay a required rate of interest to the state agency, which is established daily. Such rate is generally determined on the basis of treasury or other appropriate market rates for a comparable term.

## 11.0 LIMITATION OF LIABILITY

The standard of care to be used by authorized investment officers shall be the "prudent person" standard, which shall be applied in the context of managing an overall portfolio. Authorized investment officers, acting in accordance with written procedures and this Policy and exercising due diligence, will be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and necessary action is taken to control adverse developments.

## 12.0 REPORTING

As deemed necessary by the Executive Management of the state agency, monthly reports shall be presented by the designated investment officer to Executive Management for its review. The monthly report shall contain sufficient information to enable Executive Management to review the investment portfolio, its effectiveness in meeting the needs of the agency for safety, liquidity, rate of return, and diversification, and the general performance of the portfolio. The following information shall be included in the monthly reports:

- a) The total amount of funds by book value and market value, held by the state agency;
- b) The asset allocation for the investments made by the state agency;
- c) The benchmarks established by the state agency, if any;
- d) Current and historic return information;
- e) Any circumstances resulting in a deviation from the standards established in Section 9.0 of this Policy; and
- f) The impact of any material change in investment policy adopted during the month.

As deemed necessary by Executive Management of the state agency, the state agency shall develop performance reports in compliance with established industry reporting standards within six (6) months after the adoption of this Policy. Such reporting standards shall be in accordance with

Generally Accepted Accounting Principles (“GAAP”).

### **13.0 EMERGENCY POWERS**

In the event of an emergency, the Executive Management of the state agency may, subject to the express written approval of the Illinois State Treasurer’s Office, invoke emergency powers and suspend any or all of the provisions of this Policy, provided that:

- a) The state agency shall, even in the event that emergency powers are invoked, comply with all State statutes governing the use and investment of the investment portfolio including, but not limited to, the State Treasurer Act, the Treasurer as Custodian of Funds Act, the Deposit of State Moneys Act, the Securities Safekeeping Act, and any other applicable statute;
- b) The state agency reasonably believes that deviating from this Policy is in the best interest of the taxpayers; and
- c) Within thirty (30) days of invoking emergency powers the state agency shall provide an explanation in writing to the Chief Internal Auditor of the state agency, a copy of which shall be posted on the state agency’s website, that includes the following:
  - i. The date and time that the emergency powers were invoked;
  - ii. The date and time that emergency powers were repealed;
  - iii. The Section or Sections of this Policy that were affected by the emergency or use of emergency powers; and
  - iv. The reason for invoking emergency powers resulting in the deviation from this Policy.

### **14.0 STATUTORY REFERENCES**

Any statutory references in this policy shall include any amendments to or repeals of those statutes.

### **15.0 AMENDMENTS**

The Illinois State Treasurer’s Office reserves the right to amend this Policy at any time.

# FINANCIALS



# FINANCIALS

| Fund  | Prev Year        | FY18              | FY18              | FY18              | Ending           | Warrants       | Available        |
|---|------------------|-------------------|-------------------|-------------------|------------------|----------------|------------------|
|   | Cash Bal         | Receipts          | Transfers         | Disbursements     | Cash Balance     | Outstanding    | Balance          |
| GENERAL REVENUE   | 351,428,100.98   | 31,262,543,593.38 | -4,008,042,619.33 | 27,508,276,536.66 | 97,652,538.37    | -91,134,674.42 | 6,517,863.95     |
| GR - CS SPECIAL ACCT                                    | 77,924,805.61    | 2,052,839,957.40  | -2,100,931,984.88 | 0.00              | 29,832,778.13    | 0.00           | 29,832,778.13    |
| EDUCATION ASSISTANCE                                    | 883,886,593.37   | 1,531,235,224.24  | 324,859,338.19    | 2,517,775,529.50  | 22,205,626.30    | -6,624,763.07  | 15,580,863.23    |
| ROAD  | 1,250,888,611.90 | 2,274,349,464.04  | -301,947,406.04   | 2,590,551,864.88  | 632,738,805.02   | -8,568,664.70  | 624,170,140.32   |
| MOTOR FUEL TAX  | 106,250,747.50   | 1,293,463,257.03  | -1,151,155,377.90 | 135,678,987.81    | 112,879,638.82   | -651,483.64    | 112,228,155.18   |
| PREVENT & TREAT ALCOHOLISM & SUBSTANCE ABUSE BL         | 670,362.28       | 52,198,225.17     | 0.00              | 52,483,373.65     | 385,213.80       | -385,096.89    | 116.91           |
| FOOD & DRUG SAFETY                                      | 1,343,590.73     | 410,866.00        | -30,334.89        | 1,540,193.10      | 183,928.74       | -118.95        | 183,809.79       |
| PENNY SEVERNS BREAST, CERVICAL AND OVARIAN CANCI        | 319,652.61       | 0.00              | 0.00              | 0.00              | 319,652.61       | 0.00           | 319,652.61       |
| TEACHER CERTIFICATE FEE REVOLV                          | 3,191,898.10     | 4,137,958.00      | 1,180,338.80      | 1,677,326.25      | 6,832,868.65     | -2,198.59      | 6,830,670.06     |
| TRANSPORTATION REGULATORY                               | 8,466,787.13     | 10,750,518.67     | 2,978,600.00      | 13,206,288.83     | 8,989,616.97     | -7,198.73      | 8,982,418.24     |
| GRADE CROSSING PROTECTION                               | 59,543,901.25    | 15,384.39         | 38,999,108.00     | 24,744,437.75     | 73,813,955.89    | -66,507.30     | 73,747,448.59    |
| ALZHEIMER'S AWARENESS                                   | 15,150.00        | 3,725.00          | 0.00              | 0.00              | 18,875.00        | 0.00           | 18,875.00        |
| FINANCIAL INSTITUTION                                   | 3,298,275.50     | 6,354,008.15      | -1,203,816.00     | 6,163,314.41      | 2,285,153.24     | -39.50         | 2,285,113.74     |
| GENERAL PROFESSIONS DEDICATED                           | 11,153,550.53    | 15,954,643.16     | -4,363,823.50     | 6,247,710.93      | 16,496,659.26    | -4,430.21      | 16,492,229.05    |
| ECONOMIC RESEARCH & INFO                                | 38,273.64        | 0.00              | -11,000.00        | 0.00              | 27,273.64        | 0.00           | 27,273.64        |
| IL DEPT OF AG LAB SERV REVOLV                           | 21,714.81        | 44,888.62         | -2,003.65         | 57,761.36         | 6,838.42         | 0.00           | 6,838.42         |
| GROUP HOME LOAN REVOLVING                               | 44,569.17        | 11,951.00         | 0.00              | 10,000.00         | 46,520.17        | 0.00           | 46,520.17        |
| LIVE & LEARN  | 891,525.00       | 6,797.81          | 22,646,000.00     | 22,754,477.10     | 789,845.71       | -401,191.86    | 388,653.85       |
| ILLINOIS POLICE BENEVOLENT AND PROTECTIVE ASSOCIA       | 50.00            | 0.00              | 0.00              | 0.00              | 50.00            | 0.00           | 50.00            |
| ILLINOIS NURSES FOUNDATION                              | 35,300.00        | 7,720.00          | 0.00              | 35,000.00         | 8,020.00         | 0.00           | 8,020.00         |
| AMERICAN RED CROSS                                      | 550.00           | 0.00              | 0.00              | 0.00              | 550.00           | 0.00           | 550.00           |
| SUPREME COURT SPECIAL PURPOSES                          | 4,994,691.95     | 5,684,704.79      | 1,286,256.59      | 5,617,158.67      | 6,348,494.66     | 0.00           | 6,348,494.66     |
| DRIVERS EDUCATION                                       | 3,842,322.42     | 17,310,669.24     | -462.00           | 18,749,970.04     | 2,402,559.62     | 0.00           | 2,402,559.62     |
| ILLINOIS SHERIFFS' ASSOCIATION SCHOLARSHIP & TRAINI     | 504.00           | 2,619.00          | 0.00              | 1,461.00          | 1,662.00         | 0.00           | 1,662.00         |
| ILLINOIS STATE POLICE MEMORIAL PARK                     | 20,857.00        | 19,828.00         | 0.00              | 0.00              | 40,685.00        | 0.00           | 40,685.00        |
| ACCESS TO JUSTICE                                       | 376,057.93       | 1,118,182.11      | 0.00              | 1,200,000.00      | 294,240.04       | -200,000.00    | 94,240.04        |
| IL VETERANS' REHABILITATION                             | 358,495.99       | 20,802.92         | 2,373,591.96      | 2,429,028.17      | 323,862.70       | -3,646.28      | 320,216.42       |
| ILLINOIS POLICE K-9 MEMORIAL                            | 925.00           | 0.00              | 0.00              | 0.00              | 925.00           | 0.00           | 925.00           |
| STATE BOATING ACT                                       | 6,532,639.19     | 6,204,130.74      | 4,936,834.40      | 10,966,218.13     | 6,707,386.20     | -31,949.49     | 6,675,436.71     |
| STATE PARKS   | 6,444,548.09     | 10,057,891.10     | -713,866.13       | 10,777,562.92     | 5,011,010.14     | -93,685.67     | 4,917,324.47     |
| WILDLIFE & FISH   | 18,168,522.69    | 66,576,372.64     | -505,433.87       | 60,889,096.21     | 23,350,365.25    | -522,075.45    | 22,828,289.80    |
| SALMON  | 223,833.48       | 293,882.15        | 0.00              | 296,253.95        | 221,461.68       | 0.00           | 221,461.68       |
| MILITARY AFFAIRS TRUST                                  | 278,080.87       | 65,156.99         | 0.00              | 109,919.91        | 233,317.95       | -263.28        | 233,054.67       |
| LOBBYIST REGISTRATION ADMIN                             | 2,066,945.57     | 1,223,700.00      | -9,457.00         | 1,052,938.14      | 2,228,250.43     | 0.00           | 2,228,250.43     |
| AGRICULTURAL PREMIUM                                    | 7,080,892.30     | 2,010,052.65      | 11,700,570.54     | 18,085,931.12     | 2,705,584.37     | -30,464.72     | 2,675,119.65     |
| AERONAUTICS   | 516,059.41       | 290,794.50        | 0.00              | 38,794.74         | 768,059.17       | 0.00           | 768,059.17       |
| FIRE PREVENTION   | 26,960,790.57    | 33,317,960.92     | -10,221,037.29    | 27,387,447.76     | 22,670,266.44    | -14,751.21     | 22,655,515.23    |
| RURAL/DOWNSIDE HEALTH ACCESS                            | 215,152.92       | 138,000.00        | 0.00              | 37,756.32         | 315,396.60       | 0.00           | 315,396.60       |
| MENTAL HEALTH   | 31,939,829.45    | 26,139,312.39     | -1,241,076.00     | 36,730,600.73     | 20,107,465.11    | -27,404.40     | 20,080,060.71    |
| AMUSEMENT RIDE & PATRON SAFETY                          | 702,074.07       | 289,010.67        | 0.00              | 252,602.24        | 738,482.50       | -259.80        | 738,222.70       |
| FEDERAL TITLE III SOCIAL SECURITY & EMPLOYMENT SER      | 46,991,749.57    | 198,810,295.69    | 20,444,555.00     | 190,974,103.38    | 75,272,496.88    | -45,069.68     | 75,227,427.20    |
| METRO EXPO AUD & OFFICE BLDG                            | 16,828,151.04    | 0.00              | -833.33           | 0.00              | 16,827,317.71    | 0.00           | 16,827,317.71    |
| STATE PENSIONS  | 9,863,945.80     | 1,500.83          | 221,103,098.67    | 226,285,922.95    | 4,682,622.35     | -1,552.77      | 4,681,069.58     |
| FEDERAL UNEMPLOYMENT COMPENSATION SPECIAL ADM           | 5,906,596.61     | 22,324,672.01     | -20,500,000.00    | 882,462.80        | 6,848,805.82     | 0.00           | 6,848,805.82     |
| IL STATE PHARMACY DISCIPLINARY                          | 3,575,220.54     | 5,067,932.52      | -2,634,980.40     | 1,472,483.68      | 4,535,688.98     | -780.40        | 4,534,908.58     |
| NATIONAL WILD TURKEY FEDERATION                         | 1,175.00         | 0.00              | 0.00              | 0.00              | 1,175.00         | 0.00           | 1,175.00         |
| PUBLIC UTILITY  | 15,097,515.70    | 20,176,148.75     | -52,820.53        | 24,614,596.11     | 10,606,247.81    | -3,447.09      | 10,602,800.72    |
| ALZHEIMER'S DISEASE RESEARCH                            | 209,853.08       | 0.00              | 191,301.35        | 131,892.45        | 269,261.98       | -8,426.34      | 260,835.64       |
| SUPPORTIVE LIVING FACILITY FUND                         | 0.00             | 0.00              | 0.00              | 0.00              | 0.00             | 0.00           | 0.00             |
| PUBLIC HEALTH SERVICES                                  | 10,695,163.30    | 162,711,639.83    | -165,279.39       | 161,197,590.04    | 12,043,933.70    | -765,565.23    | 11,278,368.47    |
| U. S. ENVIRONMENTAL PROTECTION                          | 4,034,189.15     | 34,454,319.50     | -58,465.20        | 35,933,689.31     | 2,496,354.14     | -131,031.30    | 2,365,322.84     |
| CURING CHILDHOOD CANCER                                 | 5,750.00         | 0.00              | 0.00              | 0.00              | 5,750.00         | 0.00           | 5,750.00         |
| RADIATION PROTECTION                                    | 6,994,627.28     | 7,952,720.27      | -4,533,900.00     | 6,420,947.30      | 3,992,500.25     | -14,211.97     | 3,978,288.28     |
| Hospital Licensure Fund                                 | 4,034,313.56     | 1,754,902.00      | -1,000,000.00     | 729,147.14        | 4,060,068.42     | 0.00           | 4,060,068.42     |
| NATURAL HERITAGE ENDOW TR                               | 422,194.08       | 5,231.11          | 0.00              | 0.00              | 427,425.19       | 0.00           | 427,425.19       |
| ICCB Research and Technology Fund                       | 210.00           | 2,960.00          | 0.00              | 3,170.00          | 0.00             | 0.00           | 0.00             |
| UNDERGROUND STORAGE TANK                                | 74,982,917.87    | 78,016,955.35     | -14,002,277.30    | 35,193,080.01     | 103,804,515.91   | -1,496,179.27  | 102,308,336.64   |
| Special Olympics IL & Special Children's Charities Fund | 513,343.87       | 960,391.00        | 0.00              | 1,175,235.00      | 298,499.87       | 0.00           | 298,499.87       |
| EPA SPEC STATE PROJ TRUST                               | 894,512.23       | 1,038,741.00      | 21,910.00         | 852,980.02        | 1,102,183.21     | -3,018.94      | 1,099,164.27     |
| COMPASSIONATE USE OF MEDICAL CANNABIS                   | 9,030,948.89     | 11,720,449.63     | -2,767,974.93     | 5,527,123.49      | 12,456,300.10    | -2,622.88      | 12,453,677.22    |
| Illinois National Guard Billeting Fund                  | 465,089.59       | 316,970.56        | -100,000.00       | 381,029.16        | 301,030.99       | -1,955.69      | 299,075.30       |
| MINES & MINERALS UIC                                    | 5,646.57         | 219,000.00        | 0.00              | 220,233.73        | 4,412.84         | -1,695.15      | 2,717.69         |
| SOLID WASTE MANAGEMENT                                  | 17,713,383.82    | 22,043,813.22     | -15,932,206.00    | 11,286,019.72     | 12,538,971.32    | -131,292.07    | 12,407,679.25    |
| VOCATIONAL REHABILITATION                               | 20,716,910.35    | 111,540,799.00    | 0.00              | 115,720,643.61    | 16,537,065.74    | -3,424,976.29  | 13,112,089.45    |
| Distance Learning Fund                                  | 171,500.00       | 105,000.00        | -180,000.00       | 16,341.26         | 80,158.74        | 0.00           | 80,158.74        |
| COUNTY WATER COMMISSION TAX                             | 380,295.43       | 27,573.28         | 0.00              | 231,128.77        | 176,739.94       | 0.00           | 176,739.94       |
| IL GAMING LAW ENFORCEMENT                               | 421,366.42       | 1,762,998.26      | -68,962.00        | 1,593,397.11      | 522,005.57       | -885.69        | 521,119.88       |
| FOREST RESERVE  | 502,530.17       | 280,491.81        | 0.00              | 398,348.98        | 384,673.00       | -329,388.53    | 55,284.47        |
| ARSONIST REGISTRATION                                   | 500.00           | 0.00              | 0.00              | 0.00              | 500.00           | 0.00           | 500.00           |
| NON-HOME RULE MUNICIPAL ROT                             | 23,367,310.35    | 143,437,792.85    | -2,763,933.75     | 135,936,669.38    | 28,104,500.07    | 0.00           | 28,104,500.07    |
| SUBTITLE D MANAGEMENT                                   | 3,698,410.91     | 2,378,556.77      | -1,005,200.00     | 1,873,442.65      | 3,198,325.03     | -5,430.00      | 3,192,895.03     |
| SPECIAL FEDERAL GRANT PROJECT                           | 53,020.59        | 561,971.15        | 0.00              | 530,160.65        | 84,831.09        | -4,700.00      | 80,131.09        |
| Clean Air Act Permit Fund                               | 8,418,730.94     | 12,682,398.36     | -848,857.97       | 12,397,770.96     | 7,854,500.37     | -11,521.12     | 7,842,979.25     |
| FEDERAL CONGRESS TEACHR SCHL                            | 50.00            | 260.00            | 0.00              | 260.00            | 50.00            | 0.00           | 50.00            |
| IL STATE MEDICAL DISCIPLINARY                           | 31,301,800.05    | 21,022,153.85     | -10,631,647.21    | 3,381,238.58      | 38,311,068.11    | -1,925.90      | 38,309,142.21    |
| FEDERAL/STATE/LOCAL AIRPORT                             | 2,509,761.50     | 49,392,349.44     | 0.00              | 49,618,493.15     | 2,283,617.79     | -93,399.17     | 2,190,218.62     |
| CEMETERY CONSUMER PROTECTION                            | 1,407.99         | 58,818.00         | 0.00              | 23,836.28         | 36,389.71        | 0.00           | 36,389.71        |
| HOME RULE MUNI SOFT DRINK ROT                           | 2,539,882.84     | 8,863,183.38      | -192,924.95       | 9,461,099.13      | 1,749,042.14     | -254,417.15    | 1,494,624.99     |
| DUQUOIN ST FAIR HARNESS RACING                          | 0.00             | 0.00              | 0.00              | 0.00              | 0.00             | 0.00           | 0.00             |
| ASSISTANCE TO THE HOMELESS                              | 642,863.55       | 0.00              | 263,304.70        | 199,508.00        | 706,660.25       | 0.00           | 706,660.25       |
| GENERAL OBLIGATION BR&I                                 | 1,219,692,336.89 | 103,321,199.92    | 3,720,082,941.35  | 3,457,130,570.36  | 1,585,965,907.80 | -4,500,000.00  | 1,581,465,907.80 |
| IL VETERANS' HOMES                                      | 0.00             | 0.00              | 0.00              | 0.00              | 0.00             | 0.00           | 0.00             |
| State Treasurer's Administrative Fund                   | 37,497.59        | 23,577.57         | 0.00              | 25,779.27         | 35,295.89        | 0.00           | 35,295.89        |
| Stroke Data Collection Fund                             | 62,520.45        | 62,382.12         | 0.00              | 523.92            | 124,378.65       | 0.00           | 124,378.65       |
| IL CIVIC CENTER BR&I                                    | 7,892,040.19     | 0.00              | 14,578,958.27     | 14,425,579.47     | 8,045,418.99     | 0.00           | 8,045,418.99     |
| ACCESSIBLE ELECTRONIC INFO SER                          | 2,368.40         | 0.00              | 0.00              | 0.00              | 2,368.40         | 0.00           | 2,368.40         |
| GENERAL OBLIGATION BOND REBATE                          | 0.00             | 0.00              | 0.00              | 0.00              | 0.00             | 0.00           | 0.00             |
| CDLIS/AA/MVA/Net/NMVTIS Trust Fund                      | 6,251,367.37     | 4,114,473.05      | -2,234.00         | 4,848,013.32      | 5,515,593.10     | -53,304.14     | 5,462,288.96     |
| COMPTROLLER'S AUDIT EXP REV                             | 6,480.87         | 51.97             | 0.00              | 0.00              | 6,532.84         | 0.00           | 6,532.84         |
| COMMUNITY HEALTH CENTER CARE                            | 856,916.83       | 137,322.48        | -800,000.00       | 0.00              | 194,239.31       | 0.00           | 194,239.31       |
| SAFE BOTTLED WATER                                      | 189,706.63       | 28,450.00         | 0.00              | 34,897.33         | 183,259.30       | -7.38          | 183,251.92       |
| ST APPELLATE DEFENDER FEDERAL                           | 34,591.70        | 59,405.00         | 0.00              | 82,160.20         | 11,836.50        | -11,145.82     | 690.68           |
| FACILITY LICENSING                                      | 2,594,376.98     | 1,942,603.38      | -12,989.00        | 861,072.77        | 3,662,918.59     | -187.20        | 3,662,731.39     |
| FORECLOSURE PREVENTION PROGRAM GRADUATED                | 11,112,431.91    | 3,109,502.29      | -2,500,000.00     | 5,784,200.00      | 5,937,734.20     | 0.00           | 5,937,734.20     |
| HOME SERVICES MEDICAID TRUST                            | 23,050,627.25    | 237,841,970.21    | 0.00              | 230,940,396.29    | 25,814,226.5     |                |                  |

# FINANCIALS

| Fund   | Prev Year      | FY18             | FY18            | FY18             | Ending         | Warrants      | Available      |
|--|----------------|------------------|-----------------|------------------|----------------|---------------|----------------|
|  | Cash Bal       | Receipts         | Transfers       | Disbursements    | Cash Balance   | Outstanding   | Balance        |
| HANSEN-THERKELSEN MEMORIAL                         | 1,037,655.41   | 16,970.39        | 0.00            | 0.00             | 1,054,625.80   | 0.00          | 1,054,625.80   |
| WORKERS' COMP BENEFIT TRUST                        | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00          | 0.00           |
| MUNICIPAL WIRELESS SERVICE EMERGENCY               | 1,970,397.94   | 6,979,117.16     | -150,510.98     | 7,375,037.34     | 1,423,966.78   | 0.00          | 1,423,966.78   |
| IL UNDERGROUND UTL FAC DAMAGE                      | 24,317.50      | 78,277.50        | 0.00            | 77,265.00        | 25,330.00      | 0.00          | 25,330.00      |
| YOUTH ALCOHOLS&SUBSTANCE ABUSE                     | 1,010,668.51   | 0.00             | 1,145,318.50    | 1,444,634.85     | 711,352.16     | 0.00          | 711,352.16     |
| STATE GAMING                                       | 36,552,948.67  | 471,638,533.10   | -340,044,331.00 | 135,234,511.12   | 32,912,639.65  | -70,746.23    | 32,841,893.42  |
| SCHOOL DIST EMERG FINAN ASST                       | 1,102,277.92   | 0.00             | 0.00            | 0.00             | 1,102,277.92   | 0.00          | 1,102,277.92   |
| COUNCIL ON DEV DISABILITIES                        | 142,596.53     | 2,647,137.93     | 0.00            | 2,595,054.29     | 194,680.17     | -45,493.13    | 149,187.04     |
| Spec Svcs for Survivors of Human Trafficking       | 650.00         | 1,150.00         | 0.00            | 0.00             | 1,800.00       | 0.00          | 1,800.00       |
| HEARTSAVER AED                                     | 4,939.87       | 0.00             | 0.00            | 0.00             | 4,939.87       | 0.00          | 4,939.87       |
| UNIVERSITY OF IL HOSPITAL SERV                     | 14,995,550.69  | 73,706,485.69    | 37,495,740.00   | 110,086,013.62   | 16,111,762.76  | -533.54       | 16,111,229.22  |
| PLUGGING & RESTORATION                             | 2,569,781.10   | 1,216,520.34     | -1,209,900.00   | 619,297.35       | 1,957,104.09   | -57,954.58    | 1,899,149.51   |
| HOME RULE MUNICIPAL ROT                            | 117,528,241.84 | 1,094,872,594.83 | -20,889,359.68  | 1,028,029,474.49 | 163,482,002.50 | 0.00          | 163,482,002.50 |
| HOME RULE COUNTY ROT                               | 106,670,867.56 | 902,162,616.18   | -16,584,913.20  | 827,355,323.62   | 164,893,246.92 | 0.00          | 164,893,246.92 |
| IL DEPT OF REVENUE FEDRL TRUST                     | 40,606.52      | 7,666.07         | 0.00            | 21,245.00        | 27,027.59      | 0.00          | 27,027.59      |
| CAPITAL DEVELOPMENT                                | 85,707,511.33  | 545,388,314.18   | 0.00            | 137,282,746.86   | 493,813,078.65 | -6,099,403.71 | 487,713,674.94 |
| COMMUNITY DEVELOPMENTAL DISABILITY SERVICES MED    | 46,321,978.03  | 63,432,043.00    | 0.00            | 59,769,226.83    | 49,984,794.20  | 0.00          | 49,984,794.20  |
| SCHOOL CONSTRUCTION                                | 31,172,054.61  | 0.00             | 0.00            | 3,943,174.63     | 27,228,879.98  | 0.00          | 27,228,879.98  |
| STATE BOARD OF EDUCATION SPECIAL PURPOSE TRUST     | 4,684,525.19   | 7,826,365.15     | 1,392,726.75    | 4,665,178.11     | 9,248,438.98   | -92,851.47    | 9,155,587.51   |
| EXPLOSIVES REGULATORY                              | 394,402.48     | 170,960.50       | -282,200.00     | 0.00             | 283,162.98     | -100.00       | 283,062.98     |
| AGGREGATE OPERATION REGULATORY                     | 593,461.84     | 283,001.00       | -502,600.00     | 69,264.87        | 304,597.97     | -1,587.43     | 303,010.54     |
| COAL MINING REGULATORY                             | 120,885.60     | 216,956.00       | -3,000.00       | 114,924.61       | 219,916.99     | -5,742.15     | 214,174.84     |
| MENTAL HEALTH REPORTING                            | 4,357,193.54   | 1,225,990.33     | 0.00            | 494,545.58       | 5,088,638.29   | 0.00          | 5,088,638.29   |
| CAPITOL RESTORATION TRUST                          | 943.53         | 126.33           | 0.00            | 0.00             | 1,069.86       | 0.00          | 1,069.86       |
| RENTAL HOUSING SUPPORT PROGRAM                     | 31,276,454.33  | 13,471,110.00    | -760,000.00     | 27,016,138.00    | 16,971,426.33  | 0.00          | 16,971,426.33  |
| REG CPA ADMIN & DISCIPLINARY                       | 3,446,229.87   | 385,329.61       | -1,653,667.09   | 467,716.70       | 1,710,175.69   | 0.00          | 1,710,175.69   |
| STATE CRIME LABORATORY                             | 11,316,284.13  | 7,036,640.80     | -149,387.90     | 7,672,205.40     | 10,531,331.63  | -653,584.55   | 9,877,747.08   |
| AGRICHEMICAL INCIDENT RESPONSE                     | 3,294.69       | 40.89            | 0.00            | 0.00             | 3,335.58       | 0.00          | 3,335.58       |
| EPA COURT ORDERED TRUST                            | 6,249.74       | 93.00            | 0.00            | 0.00             | 6,342.74       | 0.00          | 6,342.74       |
| GEN ASSEMBLY COMPUTER EQUIP                        | 138,050.96     | 16,050.85        | 0.00            | 15,864.89        | 138,236.92     | 0.00          | 138,236.92     |
| MOTOR VEHICLE THEFT PREVNTN AND INS VERIFICATION   | 15,302,592.00  | 7,124,889.13     | -6,004,803.00   | 60,060.27        | 16,362,617.86  | 0.00          | 16,362,617.86  |
| PUBLIC-PRIVATE PARTNERSHIPS FOR TRANSPORTATION     | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00          | 0.00           |
| SEXUAL ASSAULT SERVICES & PREVENTION               | 551,832.73     | 444,524.47       | 0.00            | 756,203.93       | 240,153.27     | 0.00          | 240,153.27     |
| SBE TEACHER CERTIFICATION INST                     | 1,804,054.50   | 848,013.00       | 0.00            | 1,238,715.86     | 1,413,351.64   | 0.00          | 1,413,351.64   |
| BUSINESS DISTRICT RETAILERS' OCCUPATION TAX        | 3,279,244.80   | 24,676,681.35    | 0.00            | 23,605,847.07    | 4,350,079.08   | 0.00          | 4,350,079.08   |
| High School Equivalency Testing Fund               | 168,726.05     | 62,333.31        | 0.00            | 102,737.77       | 128,321.59     | -1,081.20     | 127,240.39     |
| WEIGHTS & MEASURES                                 | 1,442,132.17   | 5,873,227.67     | -328,588.00     | 5,741,811.65     | 1,244,960.19   | -14,325.76    | 1,230,634.43   |
| KOREAN WAR MEMORIAL CONSTRUCTION                   | 672.00         | 100.00           | 0.00            | 0.00             | 772.00         | 0.00          | 772.00         |
| STATE POLICE MERIT BOARD PUBLIC SAFETY             | 4,737,713.20   | 2,191,412.66     | -58,200.00      | 3,694,437.87     | 3,176,487.99   | -4,870.66     | 3,171,617.33   |
| DIV OF CORPORATIONS REGISTERED LIMITED LIABILITY P | 631,950.16     | 598,070.00       | -430,242.00     | 135,033.90       | 664,744.26     | 0.00          | 664,744.26     |
| CMS VS AFSCME WAGES TRUST                          | 981,490.57     | 0.00             | 0.00            | 0.00             | 981,490.57     | 0.00          | 981,490.57     |
| Illinois Independent Tax Tribunal                  | 340,967.11     | 70,000.00        | 0.00            | 140,931.88       | 270,035.23     | 0.00          | 270,035.23     |
| CDB Special Projects Fund                          | 511,757.68     | 86,631.23        | 0.00            | 511,757.68       | 86,631.23      | 0.00          | 86,631.23      |
| CHILDHOOD CANCER RESEARCH                          | 70,702.27      | 0.00             | 0.00            | 0.00             | 70,702.27      | 0.00          | 70,702.27      |
| EMERGENCY PLANNING & TRAINING                      | 63,995.85      | 29,380.00        | 0.00            | 13,137.37        | 80,238.48      | -168.75       | 80,069.73      |
| IL SCHOOL ASBESTOS ABATEMENT                       | 255,293.28     | 582,644.78       | -8,558.00       | 403,917.70       | 425,462.36     | -25.00        | 425,437.36     |
| SECRETARY OF STATE FED PROJ                        | 76,537.03      | 141,385.88       | 0.00            | 106,401.96       | 111,520.95     | -213.51       | 111,307.44     |
| CHIP BOARD PAYROLL TRUST                           | 26,724.78      | 435,998.19       | 0.00            | 448,438.16       | 14,284.81      | 0.00          | 14,284.81      |
| CHILDREN'S WELLNESS CHARITIES                      | 36,232.28      | 0.00             | 0.00            | 0.00             | 36,232.28      | 0.00          | 36,232.28      |
| INJURED WORKERS' BENEFIT                           | 3,545,832.64   | 2,151,131.11     | 0.00            | 2,465,990.71     | 3,230,973.04   | -88,739.72    | 3,142,233.32   |
| HOUSING FOR FAMILIES                               | 44,932.57      | 0.00             | 0.00            | 0.00             | 44,932.57      | 0.00          | 44,932.57      |
| DRIVER SERVICES ADMINISTRATION                     | 1,081,893.48   | 2,980,202.00     | -2,644.00       | 1,263,519.16     | 2,795,932.32   | -484.46       | 2,795,447.86   |
| ICJIA VIOLENCE PREVENTION                          | 204,041.26     | 307,725.00       | -10,842.10      | 184,369.88       | 316,554.28     | 0.00          | 316,554.28     |
| SECRETARY OF STATE SPEC LIC PL                     | 4,168,184.71   | 3,842,947.01     | -17,461.00      | 3,707,713.91     | 4,285,956.81   | -3,650.45     | 4,282,306.36   |
| STATE AND LOCAL SALES TX REFRM                     | 46,492,315.86  | 443,927,527.01   | -349,952,675.17 | 90,610,052.06    | 49,857,115.64  | 0.00          | 49,857,115.64  |
| RTA OCCUP&USE TAX REPLACEMENT                      | 0.00           | 0.00             | 44,142,154.72   | 44,142,154.72    | 0.00           | 0.00          | 0.00           |
| COUNTY & MASS TRANSIT DISTRICT                     | 55,957,917.01  | 392,333,524.83   | -142,218,474.26 | 231,194,379.15   | 74,878,588.43  | 0.00          | 74,878,588.43  |
| LOCAL GOVERNMENT TAX                               | 235,277,416.82 | 1,953,417,131.50 | 3,300,000.00    | 1,847,697,216.51 | 344,297,331.81 | -1,272,026.78 | 343,025,305.03 |
| COUNTY OPTION MOTOR FUEL TAX                       | 6,167,956.47   | 35,097,883.73    | -702,777.93     | 34,496,221.16    | 6,066,841.11   | -2,262.00     | 6,064,579.11   |
| INDOOR RADON MITIGATION                            | 0.00           | 440,452.23       | 0.00            | 386,642.09       | 53,810.14      | -53,810.14    | 0.00           |
| PROFESSIONAL REGUL EVIDENCE                        | 305.87         | 0.00             | 0.00            | 0.00             | 305.87         | 0.00          | 305.87         |
| LOC GOVT HEALTH INSURANCE RES                      | 6,435,183.21   | 46,666,699.02    | -26,309.00      | 49,973,147.61    | 3,102,425.62   | -223,287.34   | 2,879,138.28   |
| ILLINOIS STATE MUSEUM                              | 43,642.00      | 44,030.00        | 0.00            | 0.00             | 87,672.00      | 0.00          | 87,672.00      |
| IPTIP ADMINISTRATIVE TR                            | 2,434,036.78   | 4,352,864.04     | -130,155.00     | 4,532,766.86     | 2,123,978.96   | -340.12       | 2,123,638.84   |
| GEN ASSEMBLY OPERATIONS REV                        | 17,002.80      | 10,786.28        | 0.00            | 15,306.00        | 12,483.08      | 0.00          | 12,483.08      |
| Epilepsy Treatment & Education Grants-In-Aid       | 26,356.50      | 0.00             | 0.00            | 0.00             | 26,356.50      | 0.00          | 26,356.50      |
| Diabetes Research Checkoff                         | 146,451.36     | 2,132.00         | 106,955.73      | 0.00             | 255,539.09     | 0.00          | 255,539.09     |
| ILLINOIS FISHERIES MANAGEMENT                      | 2,748,431.24   | 1,805,321.05     | -2,000,000.00   | 1,418,167.54     | 1,135,584.75   | -18.47        | 1,135,566.28   |
| DIRECT DEPOSIT ADMINISTRATION                      | 1,160,343.06   | 21,473,806.88    | 0.00            | 21,748,406.55    | 885,743.39     | -885,743.39   | 0.00           |
| FLEXIBLE SPENDING ACCOUNT                          | 2,999,594.11   | 32,380,138.85    | -21,170.00      | 31,650,385.26    | 3,708,197.70   | -256.79       | 3,707,940.91   |
| TCHR HEALTH INSURANCE SECURITY                     | 38,605,333.29  | 414,031,314.95   | -275,756.00     | 410,988,763.90   | 41,372,128.34  | -914,738.21   | 40,457,390.13  |
| SOCIAL SECURITY ADMINISTRATION                     | 3,857,977.61   | 1,024,296.84     | 0.00            | 511,106.77       | 4,371,167.68   | -18,880.06    | 4,352,287.62   |
| IL FARMER & AGRI-BUSINESS LN                       | 7,943,659.01   | 115,742.00       | 0.00            | 0.00             | 8,059,401.01   | 0.00          | 8,059,401.01   |
| HELP ILLINOIS VOTE                                 | 2,021,346.80   | 13,261,174.41    | 0.00            | 288,045.84       | 14,994,475.37  | 0.00          | 14,994,475.37  |
| POLLUTION CONTROL BOARD ST TR                      | 611,470.47     | 750,000.00       | 0.00            | 493,129.90       | 868,340.57     | -1,260.00     | 867,080.57     |
| Carolyn Adams Ticket For The Cure Grant            | 1,464,796.03   | 599,083.00       | -1,080.00       | 0.00             | 2,062,799.03   | 0.00          | 2,062,799.03   |
| STATE POLICE FIREARM SERVICES                      | 9,030,556.31   | 8,145,626.50     | -7,198,542.00   | 6,976,634.53     | 3,001,006.28   | -145,091.72   | 2,855,914.56   |
| DHS TECHNOLOGY INITIATIVE                          | 7,817,352.39   | 5,102,302.00     | -2,253,015.00   | 3,158,920.77     | 7,507,718.62   | 0.00          | 7,507,718.62   |
| FEDERAL FINANCING COST REIMB                       | 9,629.00       | 0.00             | 1,817,624.00    | 1,819,033.00     | 8,220.00       | 0.00          | 8,220.00       |
| RESPONSE CONTRACTORS INDEMNIF                      | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00          | 0.00           |
| BROWNFIELDS REDEVELOPMENT                          | 2,129,086.76   | 930,183.16       | 58,448.00       | 1,171,801.00     | 1,945,916.92   | 0.00          | 1,945,916.92   |
| CAPITAL DEVELOP BRD REVOLVING                      | 4,385,622.29   | 1,534,951.75     | -24,257.00      | 259,104.15       | 5,637,212.89   | 0.00          | 5,637,212.89   |
| STANDARDBRED PURSE FUND                            | 130,028.65     | 502,463.57       | 0.00            | 383,755.95       | 248,736.27     | 0.00          | 248,736.27     |
| PROFESSIONS INDIRECT COST                          | 17,623,589.54  | 161,065.16       | 14,787,573.89   | 28,289,761.16    | 4,282,467.43   | -134,052.12   | 4,148,415.31   |
| COUNTY PUBLIC SAFETY ROT                           | 16,047,808.83  | 102,812,212.20   | -1,974,039.87   | 96,933,346.04    | 19,952,635.12  | 0.00          | 19,952,635.12  |
| DCFS CHILDREN'S SERVICES                           | 46,839,361.23  | 404,016,824.19   | -723,269.52     | 301,972,698.98   | 148,160,216.92 | -1,213,213.39 | 146,947,003.53 |
| STATE POLICE DUI                                   | 2,399,225.27   | 960,320.37       | -57,709.10      | 1,851,932.21     | 1,449,904.33   | -8,550.00     | 1,441,354.33   |
| CHICAGO STATE UNIVERSITY EDUCATION IMPROVEMENT     | 601,910.19     | 19,885.00        | 1,595,823.00    | 1,574,560.18     | 643,058.01     | -749.00       | 642,309.01     |
| ASBESTOS ABATEMENT                                 | 6,488.09       | 0.00             | 0.00            | 0.00             | 6,488.09       | 0.00          | 6,488.09       |
| IL SPORTS FACILITIES                               | 6,342,000.00   | 63,169,000.00    | -6,342,000.00   | 54,000,000.00    | 9,169,000.00   | 0.00          | 9,169,000.00   |
| Autism Research Checkoff Fund                      | 4,015.97       | 57.00            | 0.00            | 0.00             | 4,072.97       | 0.00          | 4,072.97       |
| SPORTS FACILITIES TAX                              | 6,724,572.34   | 53,007,463.24    | 0.00            | 48,424,166.70    | 11,307,868.88  | -3,549,784.14 | 7,758,084.74   |
| SUPREME COURT SPEC STATE PROJ                      | 125,000.00     | 0.00             | 0.00            | 125,000.00       | 0.00           | 0.00          | 0.00           |
| Oil and Gas Resource Management Fund               | 0.00           | 13,500.00        | 0.00            | 0.00             | 13,500.00      | 0.00          | 13,500.00      |
| INTERCITY PASSENGER RAIL FUND                      | 300,866.00     | 3,111.00         | -132,400.00     | 171,577.00       | 171,577.00     | 0.00          | 171,577.00     |
| ILLINOIS VETERANS ASSISTANCE FUND                  | 659,637.51     | 12,079,043.05    | 1,876.00        | 665,364.42       | 1,075,192.14   | -81.16        | 1,075,110.98   |

# FINANCIALS

| Fund  | Prev Year      | FY18             | FY18            | FY18             | Ending         | Warrants        | Available      |
|---|----------------|------------------|-----------------|------------------|----------------|-----------------|----------------|
|   | Cash Bal       | Receipts         | Transfers       | Disbursements    | Cash Balance   | Outstanding     | Balance        |
| MEDICAID FRAUD&ABUSE PREVENT                        | 34,798.89      | 0.00             | 0.00            | 0.00             | 34,798.89      | 0.00            | 34,798.89      |
| IL HEALTH FACILITIES PLANNING                       | 3,882,743.15   | 2,077,851.81     | -2,524,716.00   | 1,443,611.25     | 1,992,267.71   | -434.74         | 1,991,832.97   |
| EMERGENCY PUBLIC HEALTH                             | 2,388,606.12   | 3,732,399.46     | -34,759.41      | 3,381,792.17     | 2,704,454.00   | -7,332.81       | 2,697,121.19   |
| TOMA CONSUMER PROTECTION                            | 318,016.71     | 2,727.00         | -200,000.00     | 0.00             | 120,743.71     | 0.00            | 120,743.71     |
| ISAC ACCOUNTS RECEIVABLE                            | 96,231.17      | 132,548.07       | -157.98         | 158,915.67       | 69,705.59      | -926.47         | 68,779.12      |
| CREDIT UNION  | 1,952,743.30   | 4,399,627.97     | -908,517.00     | 3,238,375.89     | 2,205,478.38   | 0.00            | 2,205,478.38   |
| Residential Finance Regulatory Fund                 | 4,448,071.19   | 6,293,487.64     | -1,414,709.67   | 2,891,802.40     | 6,435,046.76   | -350.55         | 6,434,696.21   |
| FAIR & EXPOSITION                                   | 2,067,476.29   | 0.00             | -713,108.50     | 900,000.00       | 454,367.79     | 0.00            | 454,367.79     |
| STATE POLICE VEHICLE                                | 22,782,219.74  | 10,515,558.68    | 1,657.00        | 16,112,739.30    | 17,186,696.12  | 0.00            | 17,186,696.12  |
| SOUTH SUBURBAN AIRPORT IMPROVEMENT                  | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00            | 0.00           |
| DEPT OF LABOR SPEC STATE TRUST                      | 1,418,526.15   | 251,858.00       | 0.00            | 235,636.55       | 1,434,747.60   | -23,453.69      | 1,411,293.91   |
| BLUE WATER DITCH FLOOD CONTROL                      | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00            | 0.00           |
| Illinois Secure Choice Administrative Fund          | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00            | 0.00           |
| PUBLIC HEALTH WATER PERMIT                          | 155,038.45     | 64,220.00        | 0.00            | 45,493.17        | 173,765.28     | 0.00            | 173,765.28     |
| AML RECLAMATION SET ASIDE                           | 40,210,941.87  | 8,670,094.00     | 0.00            | 0.00             | 48,881,035.87  | 0.00            | 48,881,035.87  |
| NURSING DEDICATED & PROFESSNL                       | 12,092,488.76  | 16,131,788.30    | -6,514,712.79   | 3,116,978.27     | 18,592,586.00  | -18,938.35      | 18,573,647.65  |
| OPTOMETRIC LICENSING & DISCIPLINARY BOARD           | 594,785.75     | 981,227.83       | -24,532.69      | 308,021.99       | 1,243,458.90   | 0.00            | 1,243,458.90   |
| FISH & WILDLIFE ENDOWMENT                           | 2,330,528.03   | 84,450.00        | 0.00            | 0.00             | 2,414,978.03   | 0.00            | 2,414,978.03   |
| UNDERGROUND RESOURCE CONSERV                        | 2,069,556.31   | 1,148,853.38     | -714,500.00     | 422,822.07       | 2,081,087.62   | -55.36          | 2,081,032.26   |
| MANDATORY ARBITRATION                               | 20,722,916.31  | 4,762,304.44     | 1,068,747.45    | 5,210,618.83     | 21,343,349.37  | -120,583.11     | 21,222,766.26  |
| Private Vehicle Use Home Rule Fund                  | 3,603,621.14   | 19,556,866.63    | -904,174.07     | 17,179,307.62    | 5,077,006.08   | 0.00            | 5,077,006.08   |
| STATE RAIL FREIGHT LOAN REPAY                       | 7,554,604.67   | 1,112,669.97     | -6,000,000.00   | 0.00             | 2,667,274.64   | 0.00            | 2,667,274.64   |
| SUPREME COURT FEDERAL PROJECTS                      | 15,818.35      | 642,087.65       | 0.00            | 640,140.51       | 17,765.49      | -10,831.02      | 6,934.47       |
| WATER REVOLVING                                     | 63,662,185.02  | 807,345,819.59   | -14,130.76      | 732,165,646.92   | 138,828,226.93 | -4,093,507.28   | 134,734,719.65 |
| IL RACING BOARD CHARITY                             | 0.00           | 1,265,012.95     | 0.00            | 750,000.00       | 515,012.95     | 0.00            | 515,012.95     |
| LASALLE VETERANS HOME                               | 12,865,295.63  | 10,489,138.82    | 9,340.00        | 14,063,699.82    | 9,300,074.63   | -20,444.31      | 9,279,630.32   |
| ANNA VETERANS HOME                                  | 6,452,279.63   | 3,298,507.37     | 2,828.00        | 5,615,988.11     | 4,137,626.89   | -21,353.67      | 4,116,273.22   |
| SELF-INSURERS ADMINISTRATION                        | 307,167.15     | 327,044.00       | -3,354.00       | 441,271.22       | 189,585.93     | 0.00            | 189,585.93     |
| DRUNK&DRUGGED DRIVING PREVENT                       | 250,700.72     | 1,479,127.09     | -19,074.00      | 1,597,116.54     | 113,637.27     | -3,220.48       | 110,416.79     |
| POLLUTION CONTROL BOARD                             | 28,085.87      | 1,725.00         | 0.00            | 0.00             | 29,810.87      | 0.00            | 29,810.87      |
| INCOME TAX REFUND                                   | 172,192,196.33 | 2,838,851,390.21 | -11,218,517.15  | 2,566,455,637.51 | 433,369,431.88 | -106,244,529.67 | 327,124,902.21 |
| METHAMPHETAMINE LAW ENFORCEMENT FUND                | 187,656.54     | 44,812.55        | 0.00            | 232,469.09       | 0.00           | 0.00            | 232,469.09     |
| HOSPITAL BASIC SERVICES PRESERVATION FUND           | 183,346.68     | 91,666.66        | -275,013.34     | 0.00             | 0.00           | 0.00            | 0.00           |
| LONG TERM CARE MONITOR/RECEIVE                      | 9,895,341.29   | 13,446,565.99    | 3,725,086.00    | 19,169,566.92    | 7,897,426.36   | -12,942.22      | 7,884,484.14   |
| IL AFFORDABLE HOUSING TRUST                         | 69,297,848.67  | 59,071,583.45    | -5,006,770.00   | 53,651,682.05    | 69,710,980.07  | -9,737.00       | 69,701,243.07  |
| HOME CARE SERVICES AGENCY LICENSURE FUND            | 1,235,681.10   | 1,302,175.00     | -3,285.00       | 1,284,420.61     | 1,250,150.49   | -592.97         | 1,249,557.52   |
| COMMUNITY WATER SUPPLY LABORATORY                   | 1,247,974.63   | 729,343.03       | -2,400.00       | 824,905.02       | 1,150,012.64   | -3,294.18       | 1,146,718.46   |
| MOTOR FUEL & PETROLEUM STRDS                        | 133,662.85     | 32,750.00        | 0.00            | 26,746.32        | 139,666.53     | 0.00            | 139,666.53     |
| FERTILIZER CONTROL                                  | 3,896,866.79   | 1,713,487.19     | -3,596,904.00   | 1,380,224.54     | 633,225.44     | -1,007.15       | 632,218.29     |
| REGULATORY  | 434,238.75     | 133,958.89       | -330,000.00     | 53,143.71        | 185,053.93     | 0.00            | 185,053.93     |
| SECURITIES INVESTORS EDUCATION                      | 9,442,198.43   | 3,300.00         | -1,500,800.00   | 198,458.85       | 7,746,239.58   | 0.00            | 7,746,239.58   |
| STATE FURBEARER                                     | 280,255.35     | 78,179.03        | 24,779.84       | 0.00             | 383,214.22     | 0.00            | 383,214.22     |
| USED TIRE MANAGEMENT                                | 20,321,664.52  | 14,163,919.28    | -18,284,358.82  | 7,743,007.02     | 8,458,217.96   | -9,548.32       | 8,448,669.64   |
| SECRETARY OF STATE INTERAGENCY                      | 1,011,111.07   | 1,851,680.78     | 0.00            | 2,551,680.78     | 311,111.07     | 0.00            | 311,111.07     |
| IL EXECUTIVE MANSION TRUST                          | 65,563.54      | 0.00             | 0.00            | 0.00             | 65,563.54      | 0.00            | 65,563.54      |
| GUARDIANSHIP & ADVOCACY                             | 3,208,976.56   | 1,483,307.73     | 0.00            | 1,243,136.12     | 3,449,148.17   | -620.83         | 3,448,527.34   |
| NATURAL AREAS ACQUISITION                           | 16,458,073.47  | 12,068,477.87    | -2,097,100.00   | 7,483,698.48     | 18,945,752.86  | -23,258.28      | 18,922,494.58  |
| OPEN SPACE LANDS ACQUIS&DEVEL                       | 64,223,397.90  | 28,107,825.31    | -55,016,400.00  | 9,969,798.85     | 27,345,024.36  | -900,000.00     | 26,445,024.36  |
| WORKING CAPITAL REVOLVING                           | 6,997,233.90   | 30,984,069.92    | -799,201.00     | 34,311,885.78    | 2,870,217.04   | -111,568.68     | 2,658,648.36   |
| STATE GARAGE REVOLVING                              | 21,248,903.15  | 51,642,304.37    | -244,213.00     | 59,925,225.74    | 12,721,768.78  | -116,627.17     | 12,605,141.61  |
| Technology Management Revolving Fund                | 104,309,014.17 | 120,935,205.96   | 2,886,936.49    | 183,128,848.29   | 45,002,308.33  | -3,658,917.31   | 41,343,391.02  |
| WORKING CAPITAL REVOLVING LOAN                      | 459,551.16     | 6,694.00         | 0.00            | 0.00             | 466,245.16     | 0.00            | 466,245.16     |
| PAPER & PRINTING REVOLVING                          | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00            | 0.00           |
| AIR TRANSPORTATION REVOLVING                        | 1,007,330.83   | 239.44           | 0.00            | 49,194.73        | 958,375.54     | -2,302.35       | 956,073.19     |
| TAX RECOVERY  | 2,644,485.20   | 1,327,424.80     | 0.00            | 1,383,697.64     | 2,588,212.36   | -200.56         | 2,588,011.80   |
| COMMUNICATIONS REVOLVING                            | 29,999,903.39  | 30,274,265.43    | -4,125,845.94   | 56,148,311.09    | 11.79          | -11.79          | 0.00           |
| FACILITIES MANAGEMENT REVOLV                        | 31,163,384.51  | 171,765,617.66   | -894,204.00     | 184,985,626.52   | 17,049,171.65  | -398,364.57     | 16,650,807.08  |
| PROFESSIONAL SERVICES                               | 2,845,791.66   | 102,769.09       | 35,763,434.00   | 29,939,396.15    | 8,772,598.60   | -12,295.50      | 8,760,303.10   |
| ICJIA Violence Prevention Special Projects Fund     | 2,581,254.92   | 175,456.94       | 74,994.41       | 1,094,317.97     | 1,737,388.30   | 0.00            | 1,737,388.30   |
| SOUTH SUBURBAN BROWNFIELDS REDEVELOPMENT            | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00            | 0.00           |
| SOUTH SUBURBAN INCREMENT                            | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00            | 0.00           |
| FAMILY RESPONSIBILITY                               | 477,564.20     | 120,870.00       | 0.00            | 168,860.44       | 429,573.76     | 0.00            | 429,573.76     |
| MOTOR VEHICLE REVIEW BOARD                          | 234,439.75     | 215,136.26       | -2,500.00       | 271,859.39       | 175,216.62     | 0.00            | 175,216.62     |
| AFRICAN-AMERICAN HIV/AIDS RESPONSE FUND             | 209,158.20     | 0.00             | -8,618.82       | 200,538.94       | 0.44           | 0.00            | 0.44           |
| TATTOO AND BODY PIERCING ESTABLISHMENT REGISTRA     | 522,697.52     | 389,533.55       | -812.00         | 157,006.13       | 754,412.94     | -4,725.00       | 749,687.94     |
| STATE POLICE VEHICLE MAINTENANCE FUND               | 48,644.01      | 171,536.12       | 0.00            | 1,900.06         | 218,280.07     | 0.00            | 218,280.07     |
| COUNTY PROVIDER TRUST                               | 39,877,265.08  | 1,967,098,542.43 | 0.00            | 1,983,774,568.73 | 23,201,238.78  | -17,222.95      | 23,184,015.83  |
| TREASURER'S RENTAL FEE                              | 12,935.95      | 24,915.20        | -36,790.55      | 0.00             | 1,060.60       | 0.00            | 1,060.60       |
| WORKERS' COMPENSATION REVOLVING                     | 26,998,665.91  | 2,246,047.99     | 97,236,956.53   | 110,017,217.52   | 16,464,452.91  | 0.00            | 16,464,452.91  |
| FEDERAL SUPPORT AGREEMENT REV                       | 1,344,411.31   | 25,940,538.91    | 11,888.08       | 24,979,223.84    | 2,317,614.46   | -116,294.93     | 2,201,319.53   |
| AMBULANCE REVOLVING LOAN FUND                       | 0.00           | 297,815.00       | 0.00            | 296,913.00       | 902.00         | 0.00            | 902.00         |
| CRIMINAL JUSTICE INFORMATION PROJECTS               | 437,674.44     | 197,945.45       | -365,628.81     | 109,255.28       | 160,735.80     | 0.00            | 160,735.80     |
| ENVIRONMENTAL LAB CERTIFICAT                        | 371,045.75     | 381,431.00       | -223,310.00     | 388,639.47       | 140,527.28     | 0.00            | 140,527.28     |
| MPEA TRUST  | 35,394,009.89  | 157,304,229.75   | -2,931,194.04   | 115,472,843.33   | 74,294,202.27  | -1,579.41       | 74,292,622.86  |
| FEDERAL HOME INVESTMENT TRUST                       | 50,971.28      | 666.00           | 0.00            | 0.00             | 51,637.28      | -5,263.00       | 46,374.28      |
| IL COMM COLL BRD CONTRCT & GRT                      | 199,169.67     | 2,167,579.48     | 0.00            | 2,220,051.46     | 146,697.69     | -1,694.08       | 145,003.61     |
| PUBLIC HEALTH LAB SERVS REV                         | 5,195,898.22   | 2,672,870.33     | -101,353.00     | 2,706,083.11     | 5,061,332.44   | -18,958.50      | 5,042,373.94   |
| PROVIDER INQUIRY TRUST                              | 1,477,798.99   | 684,966.64       | -500,000.00     | 325,813.56       | 1,336,952.07   | 0.00            | 1,336,952.07   |
| AUDIT EXPENSE                                       | 25,418,374.43  | 2,498,854.90     | 23,890,860.70   | 21,561,043.44    | 30,247,046.59  | -89,538.13      | 30,157,508.46  |
| FEDERAL NATNL COMM SERVICES                         | 476,402.09     | 0.00             | 0.00            | 0.00             | 476,402.09     | 0.00            | 476,402.09     |
| CARE PROV FOR PERSONS WITH DD                       | 6,989,857.33   | 29,787,522.40    | -1,017,737.00   | 32,000,375.17    | 3,759,267.56   | -24,941.57      | 3,734,325.99   |
| LONG TERM CARE PROVIDER                             | 22,808,931.09  | 414,228,699.14   | 19,985,962.00   | 423,961,327.24   | 33,062,264.99  | -2,103,083.10   | 30,959,181.89  |
| HOSPITAL PROVIDER                                   | 121,644,138.22 | 3,106,505,699.00 | -334,977,408.00 | 2,783,349,874.02 | 109,822,555.20 | -37,274,356.44  | 72,548,198.76  |
| EMPLOYMENT & TRAINING                               | 6,245,881.56   | 315,191,187.70   | 0.00            | 291,753,945.14   | 29,683,124.12  | -2,311,349.52   | 27,371,774.60  |
| ICCB FEDERAL TRUST                                  | 985,984.47     | 253,770.09       | 0.00            | 279,774.69       | 959,979.87     | -3,846.04       | 956,133.83     |
| SPECIAL PHEASANT                                    | 2,710,541.81   | 410,057.15       | 122,701.11      | 0.00             | 3,243,300.07   | 0.00            | 3,243,300.07   |
| SPECIAL ED MEDICAID MATCHING                        | 6,429,670.89   | 160,090,946.00   | -166.91         | 162,266,262.52   | 4,254,187.46   | -4,254,165.45   | 22.01          |
| LAW ENFORCEMENT CAMERA GRANT FUND                   | 2,902,022.68   | 2,556,958.58     | -1,500,000.00   | 0.00             | 3,958,981.26   | 0.00            | 3,958,981.26   |
| CHILD LABOR ENFORCEMENT                             | 675,014.66     | 656,258.00       | -300.00         | 554,330.11       | 776,642.55     | 0.00            | 776,642.55     |
| Illinois ABLE Accounts Administrative Fund          | 0.00           | 864.17           | 0.00            | 0.00             | 864.17         | 0.00            | 864.17         |
| IMS SPECIAL PURPOSES TRUST                          | 937,955.46     | 2,190,259.22     | 0.00            | 2,269,830.88     | 888,383.80     | -9,821.93       | 848,561.87     |
| LEAD POISONING SCREENING, PREVENTION, AND ABATEM    | 2,716,887.74   | 6,027,973.00     | -8,611.00       | 2,960,966.21     | 5,775,283.53   | -1,616.67       | 5,773,666.86   |
| SECURITIES AUDIT & ENFORCEMENT                      | 17,221,339.05  | 11,326,590.77    | -3,576,437.00   | 7,540,994.17     | 17,430,498.65  | -965.00         | 17,429,533.65  |
| DEPT OF BUSINESS SERV SP OPS                        | 7,671,384.46   | 19,718,675.00    | -6,705,299.00   | 10,988,303.71    | 9,696,456.75   | -7,749.62       | 9,688,707.13   |
| Illinois Telecommunications Access Corporation Fund |                |                  |                 |                  |                |                 |                |

# FINANCIALS

| Fund   | Prev Year      | FY18              | FY18             | FY18              | Ending           | Warrants        | Available        |
|--|----------------|-------------------|------------------|-------------------|------------------|-----------------|------------------|
|  | Cash Bal       | Receipts          | Transfers        | Disbursements     | Cash Balance     | Outstanding     | Balance          |
| PRISONER REVIEW BOARD VEHICLE AND EQUIPMENT        | 408,293.44     | 117,693.41        | 0.00             | 239,891.21        | 286,095.64       | 0.00            | 286,095.64       |
| DRUG TREATMENT                                     | 1,005,678.09   | 2,752,037.61      | -207,233.00      | 2,977,223.97      | 573,258.73       | -2,892.31       | 570,366.42       |
| FEED CONTROL                                       | 5,603,216.17   | 2,335,884.45      | -5,964,955.00    | 1,653,996.87      | 320,148.75       | 0.00            | 320,148.75       |
| TANNING FACILITY PERMIT                            | 117,708.82     | 127,500.00        | -1,000.00        | 70,434.90         | 173,773.92       | -1,700.00       | 172,073.92       |
| Equity in Long-term Care Quality                   | 2,135,631.34   | 1,385,167.99      | 0.00             | 0.00              | 3,520,799.33     | 0.00            | 3,520,799.33     |
| PLUMBING LICENSURE & PROGRAM                       | 2,689,327.63   | 2,507,220.05      | -110,948.00      | 1,433,822.59      | 3,651,777.09     | 0.00            | 3,651,777.09     |
| STATE TREASURER'S BANK SERVICE                     | 1,329,948.46   | 0.00              | 6,749,449.00     | 4,769,418.50      | 3,309,978.96     | -51,836.43      | 3,258,142.53     |
| SECRETARY OF STATE EVIDENCE                        | 18,931.49      | 16,035.97         | 75.00            | 0.00              | 35,042.46        | 0.00            | 35,042.46        |
| NATURAL HERITAGE                                   | 42,555.14      | 0.00              | 0.00             | 0.00              | 42,555.14        | 0.00            | 42,555.14        |
| MCCORMICK PLACE EXPANSION PROJ                     | 0.00           | 148,522,978.61    | -6,744,322.86    | 141,778,655.75    | 0.00             | 0.00            | 0.00             |
| INSURANCE PREMIUM TAX REFUND                       | 1,925,271.28   | 2,649,000.00      | 400.00           | 2,709,118.75      | 1,865,552.53     | 0.00            | 1,865,552.53     |
| ICC FEDERAL GRANTS TRUST                           | 1,990.85       | 116,959.76        | 0.00             | 118,950.61        | 0.00             | 0.00            | 0.00             |
| CORPORATE FRANCHISE TAX REFUND                     | 3,382,029.45   | 3,368,338.17      | -3,282,029.00    | 2,823,640.94      | 644,697.68       | -356,121.70     | 288,575.98       |
| TAX COMPLIANCE & ADMIN                             | 5,518,037.65   | 14,328,676.02     | 68,985,580.01    | 64,975,766.61     | 23,856,527.07    | -417,872.07     | 23,438,655.00    |
| APPRAISAL ADMINISTRATION                           | 1,016,817.49   | 2,147,428.06      | -749,508.18      | 994,357.26        | 1,420,380.11     | -900.00         | 1,419,480.11     |
| SMALL BUS ENVIRONMENTAL ASSIST                     | 137,416.57     | 425,000.00        | -195,078.56      | 260,355.91        | 106,982.10       | 0.00            | 106,982.10       |
| REGUL EVAL & BASIC ENFORCEMENT                     | 214,516.21     | 48,166.34         | -150,000.00      | 23,259.15         | 89,423.40        | 0.00            | 89,423.40        |
| SEXUAL ASSAULT SERVICES                            | 144,511.45     | 65,516.55         | 0.00             | 100,000.00        | 110,028.00       | 0.00            | 110,028.00       |
| IL HABITAT ENDOWMENT TRUST                         | 12,003,432.69  | 148,725.32        | 0.00             | 0.00              | 12,152,158.01    | 0.00            | 12,152,158.01    |
| IL HABITAT   | 7,069,554.85   | 1,122,712.82      | -147,480.95      | 0.00              | 8,044,786.72     | 0.00            | 8,044,786.72     |
| GAINING EARLY AWARENESS AND READINESS FOR UNDEF    | 3,257,139.04   | 57,431.41         | 0.00             | 122,482.96        | 3,192,087.49     | 0.00            | 3,192,087.49     |
| U.S.S Illinois Commissioning Fund                  | 0.00           | 0.00              | 0.00             | 0.00              | 0.00             | 0.00            | 0.00             |
| SENIOR HEALTH INSURANCE PROG                       | 72,298.30      | 1,510,737.68      | 0.00             | 1,519,539.59      | 63,496.39        | -15,427.54      | 48,068.85        |
| TRAUMA CENTER                                      | 12,000,372.39  | 12,778,695.17     | -3,012,572.00    | 15,170,888.00     | 6,595,607.56     | -354,516.07     | 6,241,091.49     |
| EMS ASSISTANCE                                     | 30,494.59      | 744,777.42        | -3,705.00        | 619,637.50        | 151,929.51       | -82.48          | 151,847.03       |
| Autism Care Fund                                   | 39,260.40      | 0.00              | 0.00             | 0.00              | 39,260.40        | 0.00            | 39,260.40        |
| MURDERER AND VIOLENT OFFENDER AGAINST YOUTH RE     | 4,602.84       | 2,638.00          | 0.00             | 0.00              | 7,240.84         | 0.00            | 7,240.84         |
| PROTEST  | 87,638,526.69  | 6,165,597.89      | -3,288,366.53    | 8,580,285.41      | 81,935,472.64    | 0.00            | 81,935,472.64    |
| DEAF AND HARD OF HEARING SPECIAL PROJECTS FUND     | 2,855.62       | 64,000.00         | 0.00             | 58,544.43         | 8,311.19         | 0.00            | 8,311.19         |
| COMPREHENSIVE REGIONAL PLANNING FUND               | 0.00           | 0.00              | 0.00             | 0.00              | 0.00             | 0.00            | 0.00             |
| Grant Accountability and Transparency Fund         | 2,238,660.71   | 1,585,650.50      | 0.00             | 1,742,494.78      | 2,061,816.43     | -50.00          | 2,061,766.43     |
| DHS SPECIAL PURPOSE TRUST                          | 62,596,771.91  | 291,944,740.18    | 1,184,354.50     | 281,541,608.70    | 74,184,257.89    | -898,795.81     | 73,285,462.08    |
| George Bailey Memorial Fund                        | 54,527.09      | 10,513.27         | 0.00             | 0.00              | 65,040.36        | 0.00            | 65,040.36        |
| SBE FEDERAL DEPT OF AGRI                           | 1,332,744.22   | 779,459,279.40    | 0.00             | 779,000,594.31    | 1,791,429.31     | -238,418.08     | 1,553,011.23     |
| COMMON SCHOOL                                      | 1,838,066.00   | 145,803,967.22    | 7,081,348,220.43 | 7,218,469,474.11  | 10,520,779.54    | 0.00            | 10,520,779.54    |
| MOTOR FUEL TAX-COUNTIES                            | 0.00           | 0.00              | 202,324,602.84   | 202,324,602.84    | 0.00             | 0.00            | 0.00             |
| MOTOR FUEL TAX-MUNICIPALITIES                      | 65,913.97      | 0.00              | 283,751,442.42   | 283,393,445.59    | 423,910.80       | -423,910.80     | 0.00             |
| MOTOR FUEL TAX-TOWN & ROAD DIS                     | 0.00           | 0.00              | 91,829,132.80    | 91,829,132.80     | 0.00             | 0.00            | 0.00             |
| STATE COLLEGE & UNIV TRUST                         | 298,626.12     | 283,900.00        | 0.00             | 265,735.30        | 316,790.82       | 0.00            | 316,790.82       |
| UNIVERSITY GRANT                                   | 110,986.00     | 96,775.00         | 0.00             | 89,500.00         | 118,261.00       | -7,200.00       | 111,061.00       |
| DCEO PROJECTS FUND                                 | 90,000.00      | 78,950.73         | 0.00             | 166,703.92        | 2,246.81         | 0.00            | 2,246.81         |
| PUBLIC AID RECOVERIES TRUST                        | 766,933,023.95 | 1,295,545,909.48  | -697,237,567.68  | 1,183,240,774.63  | 181,999,773.12   | -2,495,830.01   | 179,503,943.11   |
| ALTERNATE FUELS                                    | 663,436.31     | 1,825,160.00      | -1,300,000.00    | 309,621.30        | 878,975.01       | 0.00            | 878,975.01       |
| ILLINOIS POWER AGENCY TRUST FUND                   | 0.00           | 0.00              | 0.00             | 0.00              | 0.00             | 0.00            | 0.00             |
| ILLINOIS POWER AGENCY OPERATIONS                   | 4,641,280.85   | 5,531,308.87      | 0.00             | 4,156,191.14      | 6,016,398.58     | -91,219.61      | 5,925,178.97     |
| SUPREME COURT HISTORIC PRESERVATION FUND           | 3,302.10       | 672,412.32        | -2,060.79        | 378,758.06        | 294,895.57       | -1,889.61       | 293,005.96       |
| MULTIPLE SCLEROSIS RESEARCH                        | 122,703.31     | 553,558.00        | -5,380.00        | 396,036.13        | 274,845.18       | 0.00            | 274,845.18       |
| LIVESTOCK MGMT FACILITIES                          | 118,677.75     | 35,120.00         | -683.00          | 23,919.99         | 129,194.76       | -11,044.53      | 118,150.23       |
| SECOND INJURY                                      | 750,326.15     | 906,099.03        | 0.00             | 1,068,904.65      | 587,520.53       | -5,094.09       | 582,426.44       |
| FEDERAL HIGH SPEED RAIL TRUST                      | 35,293,936.43  | 244,237,310.32    | 266,390.50       | 236,549,937.98    | 43,247,699.27    | -40.00          | 43,247,659.27    |
| COURT OF CLAIMS ADMIN & GRANT                      | 0.00           | 249,824.36        | 0.00             | 249,824.36        | 0.00             | 0.00            | 0.00             |
| CHARITABLE TRUST STABILIZATION FUND                | 3,509,681.52   | 492,587.00        | 0.00             | 1,196,918.70      | 2,805,349.82     | 0.00            | 2,805,349.82     |
| SAFETY RESPONSIBILITY                              | 1,748,634.73   | 583,072.98        | -107,921.88      | 729,448.75        | 1,494,337.08     | -18,735.00      | 1,475,602.08     |
| QUALITY OF LIFE ENDOWMENT FUND                     | 913,263.51     | 483,076.00        | 0.00             | 403,871.80        | 992,467.71       | 0.00            | 992,467.71       |
| IL STATE FAIR                                      | 3,445,022.70   | 6,355,133.40      | -94,229.00       | 6,123,698.04      | 3,582,229.06     | -15,940.78      | 3,566,288.28     |
| FEDERAL AGRICULTURAL MARKETING SERVICE             | 4,264.40       | 15,000.00         | 0.00             | 19,048.65         | 215.75           | 0.00            | 215.75           |
| AGRICULTURAL MASTER                                | 1,127,321.57   | 1,242,707.47      | -900,000.00      | 999,003.81        | 471,025.23       | 0.00            | 471,025.23       |
| KASKASKIA COMMONS PERMANENT                        | 230,559.37     | 16,940.00         | 0.00             | 16,993.00         | 230,506.37       | -360.00         | 230,146.37       |
| FLOOD CONTROL LAND LEASE                           | 59,148.54      | 694,102.45        | 0.00             | 725,284.56        | 27,966.43        | 0.00            | 27,966.43        |
| SEX OFFENDER INVESTIGATION                         | 55,625.02      | 78,629.07         | 0.00             | 114,021.88        | 20,432.21        | 0.00            | 20,432.21        |
| EMPLOYEE CALSSSIFICATION                           | 210,715.59     | 48,615.56         | 0.00             | 76,778.43         | 182,552.72       | 0.00            | 182,552.72       |
| GI EDUCATION                                       | 1,133,634.75   | 1,260,275.04      | 1,625.93         | 1,014,088.03      | 1,381,447.69     | -14.95          | 1,381,432.74     |
| INTERPRETERS FOR THE DEAF                          | 454,313.35     | 183,485.00        | 0.00             | 52,641.60         | 585,156.75       | -3,727.80       | 581,428.95       |
| ILLINOIS STATE TOLL HIGHWAY CONSTRUCTION           | 0.00           | 0.00              | 0.00             | 0.00              | 0.00             | 0.00            | 0.00             |
| INDIGENT BAID                                      | 48,707.45      | 246,479.16        | 0.00             | 243,197.12        | 51,989.49        | -1,888.92       | 50,100.57        |
| IL TOURISM TAX                                     | 4,864,073.89   | 25,609,345.85     | -1,050,086.42    | 25,427,992.94     | 3,995,340.38     | -140,243.26     | 3,855,097.12     |
| MONITORING DEVICE DRIVING PERMIT ADMINISTRATION F  | 4,599,333.03   | 1,615,464.00      | -1,403.00        | 1,103,178.89      | 5,110,215.14     | 0.00            | 5,110,215.14     |
| ROTARY CLUB  | 2,652.00       | 4,470.00          | 0.00             | 2,652.00          | 4,470.00         | 0.00            | 4,470.00         |
| ILLINOIS STATE TOLL HIGHWAY AUTHORITY FUND         | 817,647,052.68 | 1,824,778,258.70  | -619,200.00      | 1,466,481,950.69  | 1,175,324,160.69 | -2,311,630.50   | 1,173,012,530.19 |
| GROUP INSURANCE PREMIUM                            | 8,110,487.60   | 101,140,490.95    | -56,692.00       | 98,105,692.52     | 11,088,594.03    | -23,933.59      | 11,064,660.44    |
| AUTISM AWARENESS                                   | 16,875.00      | 21,175.00         | 0.00             | 10,000.00         | 28,050.00        | 0.00            | 28,050.00        |
| OVARIAN CANCER AWARENESS                           | 3,713.00       | 13,906.00         | 0.00             | 0.00              | 17,619.00        | 0.00            | 17,619.00        |
| PAYROLL CONSOLIDATION                              | 115,249,701.13 | 4,685,735,421.35  | 0.00             | 4,676,145,188.03  | 124,839,934.45   | -124,839,934.45 | 0.00             |
| COMMERCIAL CONSOLIDATION                           | 400,240,682.18 | 63,156,055,304.68 | 0.00             | 62,902,606,669.93 | 653,689,316.93   | -653,689,316.93 | 0.00             |
| ILL PROFESSIONAL GOLFERS ASSOC. FOUNDATION JUNIC   | 64,981.00      | 49,391.00         | 0.00             | 75,000.00         | 39,372.00        | 0.00            | 39,372.00        |
| BOY SCOUT AND GIRL SCOUT                           | 19,350.00      | 19,850.00         | 0.00             | 19,700.00         | 19,500.00        | 0.00            | 19,500.00        |
| LAND & WATER RECREATION                            | 356,943.64     | 942,724.47        | 0.00             | 1,123,346.59      | 176,321.52       | 0.00            | 176,321.52       |
| AGRICULTURE IN THE CLASSROOM                       | 18,800.00      | 121,850.00        | 0.00             | 95,000.00         | 45,650.00        | 0.00            | 45,650.00        |
| ERIC Operations Trust Fund                         | 0.00           | 0.00              | 0.00             | 0.00              | 0.00             | 0.00            | 0.00             |
| SHEET METAL WORKERS INTERNATIONAL ASSOCIATION O    | 17,730.00      | 2,888.00          | 0.00             | 0.00              | 20,618.00        | 0.00            | 20,618.00        |
| AUTOIMMUNE DISEASE RESEARCH                        | 45,599.20      | 665.00            | 0.00             | 0.00              | 46,264.20        | 0.00            | 46,264.20        |
| LIBRARY SERVICES                                   | 27,329.81      | 6,231,178.50      | 0.00             | 6,118,208.84      | 140,299.47       | -57,619.00      | 82,680.47        |
| STATE LIBRARY                                      | 14,060.72      | 7,749.81          | 0.00             | 6,818.08          | 14,992.45        | -350.00         | 14,642.45        |
| TEACHERS RETIREMENT SYSTEM                         | 511,863,451.36 | 6,533,983,706.48  | -266,895.00      | 6,510,751,333.71  | 534,828,929.13   | -534,541,782.44 | 287,146.69       |
| HUMAN SERVICES PRIORITY CAPITAL PROGRAM            | 3,208.11       | 46.00             | -1,600.00        | 0.00              | 1,654.11         | 0.00            | 1,654.11         |
| WHOLESALE MEAT                                     | 1,083,154.04   | 7,723,058.63      | 0.00             | 7,254,662.72      | 1,551,549.95     | -22,371.99      | 1,529,177.96     |
| JUDGES RETIREMENT SYSTEM                           | 24,925,970.90  | 163,019,534.70    | -31,137.00       | 159,691,895.87    | 28,222,472.73    | -145,228.76     | 28,077,243.97    |
| STATE EMPLOYEES RETIREMENT SYS                     | 231,348,320.60 | 2,616,846,614.92  | -70,659.27       | 2,637,542,324.31  | 210,581,951.94   | -4,748,229.55   | 205,833,722.39   |
| SEC OF STATE IDENTIFICATION SECURITY AND THEFT PRE | 35,763,852.60  | 32,946.00         | 11,275,391.00    | 11,027,000.99     | 36,045,188.61    | 0.00            | 36,045,188.61    |
| GENERAL ASSEMBLY RETIREMENT                        | 4,499,652.61   | 24,535,967.94     | -34,155.00       | 24,279,071.00     | 4,722,394.55     | -55,385.22      | 4,667,009.33     |
| UNCLAIMED PROPERTY TRUST                           | 40,539,795.08  | 451,632,424.22    | -221,233,455.12  | 137,238,487.26    | 133,700,276.92   | -13,389,159.21  | 120,311,117.71   |
| SECRETARY OF STATE SPEC SERV                       | 7,322,488.47   | 19,697,203.11     | -113,493.00      | 17,448,509.70     | 9,457,688.88     | -150,747.05     | 9,306,941.83     |
| NUCLEAR CIVIL PROTECTION PLAN                      | 24,244.79      | 600,363.80        | 0.00             | 498,579.99        | 126,028.60       | -13,146.64      | 112,881.96       |
| WARRANT ESCHEAT                                    | 1,237,840.75   | 12,440,621.01     | -8,796,126.03    | 3,905,035.73      | 977,300.00       | -477,300.00     | 500,000.00       |
| CRIMINAL JUSTICE TRUST                             | 17,527,560.19  | 51,609,624.48     | 2,796.23         | 59,249,834.26     | 9,890,146.64     | -356,958.57     | 9,533,188.07     |
| Roadside Monarch Habitat Fund                      | 0.00           | 0.00              | 0.00             | 0.00              | 0.00             | 0.00            | 0.00             |

# FINANCIALS

| Fund  | Prev Year      | FY18             | FY18              | FY18             | Ending         | Warrants      | Available      |
|---|----------------|------------------|-------------------|------------------|----------------|---------------|----------------|
|   | Cash Bal       | Receipts         | Transfers         | Disbursements    | Cash Balance   | Outstanding   | Balance        |
| FEDERAL AID DISASTER                              | 46,795.69      | 13,949,348.05    | 0.00              | 13,752,731.18    | 243,412.56     | -19,785.00    | 223,627.56     |
| Child Bereavement Fund                            | 0.00           | 0.00             | 0.00              | 0.00             | 0.00           | 0.00          | 0.00           |
| OLD AGE SURVIVORS INSURANCE                       | 595,493.60     | 74,153,628.15    | -783.60           | 74,168,360.94    | 579,977.21     | -97,021.54    | 482,955.67     |
| SUPPORT OUR TROOPS                                | 120,050.00     | 40,875.00        | 0.00              | 75,000.00        | 85,925.00      | 0.00          | 85,925.00      |
| FEDERAL CIVIL PREPARED ADMIN                      | 86,039.69      | 591,352.21       | 0.00              | 553,540.86       | 123,851.04     | -5,669.43     | 118,181.61     |
| SCHOOL FACILITY OCCUPATION TAX                    | 18,606,707.14  | 128,196,432.20   | -1,442.00         | 120,544,055.42   | 26,257,641.92  | 0.00          | 26,257,641.92  |
| DOMESTIC VIOLENCE                                 | 268,382.73     | 380,243.00       | 0.00              | 300,000.00       | 348,625.73     | 0.00          | 348,625.73     |
| State Military Justice Fund                       | 0.00           | 0.00             | 0.00              | 0.00             | 0.00           | 0.00          | 0.00           |
| VETERANS' AFFAIRS STATE PROJECTS FUND             | 0.00           | 50,000.00        | 0.00              | 21,512.36        | 28,487.64      | 0.00          | 28,487.64      |
| EARLY INTERVENTION SERVICES REVOLVING             | 4,701,475.58   | 188,866,542.85   | -102,234.00       | 184,467,676.48   | 8,998,107.95   | -904,679.47   | 8,093,428.48   |
| ELECTRONIC HEALTH RECORD INCENTIVE                | 378,660.99     | 60,678,789.25    | -1,155.00         | 60,938,009.50    | 118,285.74     | -114,742.50   | 3,543.24       |
| WILDLIFE PRAIRIE PARK                             | 39,072.26      | 16,978.00        | 0.00              | 0.00             | 56,050.26      | 0.00          | 56,050.26      |
| ATHLETICS SUPERVISION & REGULATION                | 145,523.01     | 72,307.77        | -88,792.00        | 39,098.98        | 89,939.80      | 0.00          | 89,939.80      |
| STATE SMALL BUSINESS CREDIT INITIATIVE            | 30,400,971.20  | 13,261,779.10    | -214,860.71       | 6,436,238.45     | 37,011,651.14  | 0.00          | 37,011,651.14  |
| Healthy Local Food Incentives Fund                | 0.00           | 0.00             | 0.00              | 0.00             | 0.00           | 0.00          | 0.00           |
| MASTER MASON                                      | 16,321.00      | 39,378.50        | 0.00              | 35,962.50        | 19,737.00      | 0.00          | 19,737.00      |
| DEPARTMENT OF HUMAN SERVICES COMMUNITY            | 10,433,648.03  | 20,740,821.58    | 4,733,428.00      | 24,139,760.02    | 11,768,137.59  | -79,162.50    | 11,688,975.09  |
| IL FIRE FIGHTERS' MEMORIAL                        | 6,009,071.00   | 558,306.00       | 0.00              | 87,682.76        | 6,479,694.24   | 0.00          | 6,479,694.24   |
| AFTER-SCHOOL RESCUE                               | 50,364.91      | 0.00             | 0.00              | 0.00             | 50,364.91      | 0.00          | 50,364.91      |
| IL STATE CRIME STOPPERS ASSOCIATION               | 7,706.06       | 43.73            | 0.00              | 0.00             | 7,749.79       | 0.00          | 7,749.79       |
| STATE ASSET FORFEITURE                            | 3,391,458.29   | 1,896,961.42     | -227,157.38       | 2,114,986.57     | 2,946,275.76   | -16,205.14    | 2,930,070.62   |
| LOCAL GOVERNMENT DISTRIBUTIVE                     | 674,582.68     | 1,155,264,084.36 | 646,512,579.47    | 1,690,643,388.87 | 111,807,857.64 | -1,552,511.33 | 110,255,346.31 |
| POLICE TRAINING BOARD SERVICES                    | 4,008.40       | 0.00             | 0.00              | 49.98            | 3,958.42       | 0.00          | 3,958.42       |
| FEDERAL ASSET FORFEITURE                          | 733,459.45     | 310,639.77       | 259.00            | 920,920.65       | 123,437.57     | 0.00          | 123,437.57     |
| THE MONEY FOLLOWS THE PERSON BUDGET TRANSFER      | 5,512,298.59   | 807,369.50       | 0.00              | 449,323.93       | 5,870,344.16   | 0.00          | 5,870,344.16   |
| DEPT OF CORRECTIONS REIMBURSEMENT                 | 27,161,821.10  | 22,988,583.73    | -1,233,001.91     | 34,433,554.66    | 14,483,848.26  | -29,979.89    | 14,453,868.37  |
| HEALTH FACILITY PLAN REVIEW                       | 1,264,603.65   | 1,610,763.27     | -94,904.00        | 1,300,420.60     | 1,480,042.32   | 0.00          | 1,480,042.32   |
| SEX OFFENDER MANAGEMENT BOARD                     | 124,821.91     | 25,303.24        | 0.00              | 0.00             | 150,125.15     | 0.00          | 150,125.15     |
| DOMESTIC VIOLENCE ABUSER SERV                     | 74,918.39      | 26,651.63        | 0.00              | 0.00             | 101,570.02     | 0.00          | 101,570.02     |
| IL STATE BOARD OF INVESTMENTS                     | 577,180.67     | 7,537,576.85     | -243,000.00       | 6,915,486.69     | 956,270.83     | -99,790.32    | 856,480.51     |
| ENERGY EFFICIENCY PORTFOLIO STANDARDS             | 27,705,243.09  | 26,618,277.90    | 5,744.00          | 54,071,579.45    | 257,685.54     | -13.83        | 257,671.71     |
| IL DEPT OF CORRECTIONS PAROLE DIVISION OFFENDER E | 20,343.88      | 1,861.80         | 0.00              | 0.00             | 22,205.68      | 0.00          | 22,205.68      |
| ATTORNEY GENERAL TOBACCO                          | 797,880.64     | 2,000,617.20     | 0.00              | 2,384,274.15     | 414,223.69     | -990.71       | 413,232.98     |
| IL WORKERS' COMP COMM OPERATNS                    | 22,430,664.97  | 30,378,682.22    | -11,456,332.00    | 28,374,874.94    | 12,978,140.25  | -1,374.42     | 12,976,765.83  |
| SEX OFFENDER REGISTRATION                         | 283,696.93     | 134,227.63       | 0.00              | 92,150.72        | 325,773.84     | 0.00          | 325,773.84     |
| LEADS MAINTENANCE                                 | 1,893,122.63   | 1,689,863.87     | -118,610.00       | 2,764,770.39     | 699,606.11     | -79,000.00    | 620,606.11     |
| STATE OFFENDER DNA IDENTIFICAT                    | 1,268,759.70   | 1,900,556.53     | 533.00            | 1,777,450.01     | 1,392,399.22   | -915.29       | 1,391,483.93   |
| IL HISTORIC SITES                                 | 369,400.39     | 2,096,604.88     | -21,100.00        | 1,573,113.44     | 871,791.83     | -5,658.43     | 866,133.40     |
| DEATH PENALTY ABOLITION                           | 6,882,474.14   | 380.58           | 0.00              | -318,167.00      | 5,904,167.44   | 0.00          | 5,904,167.44   |
| ELECTRONIC BENEFITS TRANSFERS                     | 0.00           | 106,840,499.00   | 0.00              | 106,840,499.00   | 0.00           | 0.00          | 0.00           |
| AG COURT ORDER & VOL COMPLY                       | 21,470,126.94  | 5,205,975.15     | 3,151.00          | 12,244,346.92    | 14,434,906.17  | -33,522.98    | 14,401,383.19  |
| COMPTROLLER'S ADMINISTRATIVE                      | 1,322,196.56   | 827,845.07       | 0.00              | 356,187.63       | 1,793,854.00   | -5,118.22     | 1,788,735.78   |
| PUBLIC PENSION REGULATION                         | 3,995,169.46   | 2,203,552.39     | -94,237.90        | 1,416,987.25     | 4,687,496.70   | 0.00          | 4,687,496.70   |
| CONSERVATION POLICE OPERATIONS ASSISTANCE         | 2,406,248.94   | 1,061,322.84     | -1,399,134.40     | 1,375,391.72     | 693,045.66     | -5,000.00     | 688,045.66     |
| DRYCLEANER ENVIRON RESPONSE TR                    | 2,130,276.31   | 2,039,312.64     | 0.00              | 2,390,322.24     | 1,779,266.71   | -30,871.22    | 1,748,395.49   |
| IL CHARITY BUREAU                                 | 32,763.11      | 1,648,600.00     | 631.00            | 1,502,114.45     | 179,879.66     | -320.00       | 179,559.66     |
| SUPPLEMENTAL LOW INCOME ENERGY                    | 81,248,048.79  | 111,357,290.52   | -14,989,564.00    | 86,640,517.81    | 90,975,257.50  | -24,113.80    | 90,951,143.70  |
| ANTI-POLLUTION                                    | 4,737,744.29   | 0.00             | 0.00              | 2,573,465.65     | 2,164,278.64   | 0.00          | 2,164,278.64   |
| WORKFORCE, TECHNOLOGY, AND ECO                    | 98,474.24      | 425.00           | -65,000.00        | 0.00             | 33,899.24      | 0.00          | 33,899.24      |
| TRANSPORTATION BOND, SERIES A FUND                | 24,690,049.03  | 2,414,885.20     | -14,255.00        | 25,791,471.43    | 1,299,207.80   | 0.00          | 1,299,207.80   |
| TRANSPORTATION BOND, SERIES B FUND                | 138,093,066.07 | 407,912,919.53   | 303,645.00        | 225,430,771.87   | 320,878,858.73 | -229.73       | 320,878,629.00 |
| GOOD SAMARITAN ENERGY TRUST                       | 28,972.78      | 0.00             | -14,500.00        | 0.00             | 14,472.78      | 0.00          | 14,472.78      |
| IL PREPAID TUITION TRUST                          | 2,851,680.34   | 152,564,128.18   | -140,192.00       | 153,305,932.09   | 1,969,684.43   | -1,341,427.96 | 628,256.47     |
| FLOOD PREVENTION OCCUPATION TAX                   | 2,760,757.46   | 11,880,680.70    | 0.00              | 12,136,608.81    | 2,504,829.35   | 0.00          | 2,504,829.35   |
| DOWNSIDE TRANSIT IMPROVEMENT                      | 29,623,504.59  | 0.00             | 8,046,355.00      | 4,781,811.11     | 32,888,048.48  | 0.00          | 32,888,048.48  |
| SBE FEDERAL AGENCY SERVICES                       | 11,184.72      | 4,392,067.90     | 0.00              | 4,397,979.99     | 5,272.63       | -122.00       | 5,150.63       |
| SBE FEDERAL DEPT OF EDUCATION                     | 3,325,496.13   | 1,387,723,662.62 | -6,143,660.85     | 1,380,899,225.82 | 4,006,272.08   | -3,161,334.45 | 844,937.63     |
| PAWNROKER REGULATION                              | 396,670.72     | 11,000.00        | -77,562.00        | 177,879.88       | 152,228.84     | 0.00          | 152,228.84     |
| RENEWABLE ENERGY RESOURCES TR                     | 17,271,184.79  | 5,502,125.07     | -11,999,740.00    | 4,000,000.00     | 6,773,569.86   | 0.00          | 6,773,569.86   |
| DCFS FEDERAL PROJECTS                             | 330,010.59     | 3,356,533.36     | -35,000.00        | 2,902,094.78     | 749,449.17     | 0.00          | 749,449.17     |
| CHARTER SCHOOLS REVOLVING LOAN                    | 26,832.78      | 0.00             | 0.00              | 0.00             | 26,832.78      | 0.00          | 26,832.78      |
| SCHOOL INFRASTRUCTURE                             | 105,368,450.54 | 71,565,191.16    | -110,005,216.56   | 12,398,499.32    | 54,529,925.82  | 0.00          | 54,529,925.82  |
| SCHOOL TECHNOLOGY REVOLV LN                       | 2,160,586.66   | 2,054,285.47     | -1,125,000.00     | 2,228,850.00     | 861,022.13     | 0.00          | 861,022.13     |
| IL & MICHIGAN CANAL                               | 20,529.00      | 7,050.00         | 0.00              | 23,168.42        | 4,410.58       | 0.00          | 4,410.58       |
| ENERGY EFFICIENCY TRUST                           | 8,791,580.53   | 1,506,420.00     | -7,800,000.00     | 0.00             | 2,698,000.53   | 0.00          | 2,698,000.53   |
| FIRE TRUCK REVOLVING LOAN                         | 169,927.05     | 2,439,922.07     | 0.00              | 2,400,645.09     | 209,204.03     | 0.00          | 209,204.03     |
| OFF HIGHWAY VEHICLE TRAILS                        | 1,509,727.54   | 383,938.66       | 0.00              | 0.00             | 1,893,666.20   | 0.00          | 1,893,666.20   |
| JUVENILE REHAB SERV MEDICAID                      | 3,453.53       | 42,322.00        | 0.00              | 37,728.87        | 8,046.66       | 0.00          | 8,046.66       |
| PESTICIDE CONTROL                                 | 3,651,475.11   | 7,347,917.23     | -497,787.68       | 6,862,304.87     | 3,639,299.79   | -2,078.92     | 3,637,220.87   |
| COMMUNITY COLLEGE HEALTH INSUR                    | 2,134,958.95   | 28,000,563.66    | -17,025.00        | 27,872,326.63    | 2,246,170.98   | -34,116.76    | 2,212,054.22   |
| MPEA Reserve Fund                                 | 0.00           | 0.00             | 0.00              | 0.00             | 0.00           | 0.00          | 0.00           |
| Savings Bank Regulatory Fund                      | 758,142.01     | 497,781.35       | -127,659.81       | 204,038.99       | 924,224.56     | 0.00          | 924,224.56     |
| FIRE PREVENTION DIVISION                          | 3,300.16       | 146,754.00       | -3,254.94         | 146,799.22       | 0.00           | 0.00          | 0.00           |
| JUVENILE ACCT INCENTIVE BLOCK                     | 94,139.44      | 12,503.00        | -6,530.09         | 56,045.79        | 44,066.56      | 0.00          | 44,066.56      |
| DCFS SPECIAL PURPOSE TRUST                        | 116,276.20     | 546,487.55       | 35,000.00         | 515,609.55       | 182,154.20     | -150.00       | 182,004.20     |
| TAX SUSPENSE TRUST                                | 18,851.00      | 58,165.31        | 0.00              | 75,871.77        | 1,144.54       | 0.00          | 1,144.54       |
| IL PAN HELLENIC TRUST                             | 92,796.22      | 64,425.00        | 0.00              | 12,799.00        | 144,422.22     | -48,323.00    | 96,099.22      |
| PARK DISTRICT YOUTH PROGRAM                       | 10,500.00      | 27,625.00        | 0.00              | 24,225.00        | 13,900.00      | 0.00          | 13,900.00      |
| HOSPICE FUND                                      | 29,249.00      | 2,835.00         | 0.00              | 30,000.00        | 2,084.00       | 0.00          | 2,084.00       |
| Professional Sports Teams Education               | 612,125.00     | 1,576,125.00     | -1,517,325.00     | 0.00             | 670,925.00     | 0.00          | 670,925.00     |
| SEPTEMBER 11TH                                    | 738,085.60     | 126,925.00       | 0.00              | 53,498.00        | 811,512.60     | 0.00          | 811,512.60     |
| TRANS SAFETY HIGHWAY HIRE-BACK                    | 363,011.54     | 176,934.38       | 0.00              | 0.00             | 539,945.92     | 0.00          | 539,945.92     |
| DHS FEDERAL PROJECTS                              | 3,760,912.12   | 13,491,082.09    | 3,721.85          | 14,072,324.55    | 3,183,391.51   | -187,595.09   | 2,995,796.42   |
| Income Tax Bond Fund                              | 0.00           | 6,482,112,621.86 | -6,482,112,621.86 | 0.00             | 0.00           | 0.00          | 0.00           |
| IL ROUTE 66 HERITAGE PROJECT                      | 45,150.00      | 192,425.00       | 0.00              | 145,000.00       | 92,575.00      | -35,000.00    | 57,575.00      |
| ILLIANA EXPRESSWAY PROCEEDS                       | 0.00           | 0.00             | 0.00              | 0.00             | 0.00           | 0.00          | 0.00           |
| FOREIGN LANGUAGE INTERPRETER                      | 595,708.60     | 26,244.50        | 0.00              | 61,373.32        | 560,579.78     | 0.00          | 560,579.78     |
| POLICE MEMORIAL COMMITTEE                         | 66,198.00      | 186,869.00       | 0.00              | 178,650.00       | 74,417.00      | 0.00          | 74,417.00      |
| MAMMOGRAM   | 46,294.00      | 121,815.00       | 0.00              | 112,092.00       | 56,017.00      | 0.00          | 56,017.00      |
| ATTORNEY GENERAL WHISTLEBLOWER                    | 5,650,765.31   | 7,188,270.43     | 2,302.00          | 6,877,508.93     | 5,963,828.81   | -18,024.48    | 5,945,804.33   |
| Prostate Cancer Awareness Fund                    | 0.00           | 0.00             | 0.00              | 0.00             | 0.00           | 0.00          | 0.00           |
| STATE COOPERATIVE EXTEN SERV                      | 855,217.00     | 10,073,611.00    | 0.00              | 10,925,508.00    | 3,320.00       | 0.00          | 3,320.00       |
| PORT DEVELOPMENT REVOLVING LOAN                   | 409,153.96     | 0.00             | -205,000.00       | 0.00             | 204,153.96     | 0.00          | 204,153.96     |
| TEMPORARY RELOCATION EXPENSES                     | 403,556.39     | 54,668.81        | 0.00              | 0.00             | 458,225.20     | 0.00          | 458,225.20     |
| HEALTH INFORMATION EXCHANGE                       | 604,028.48     | 253,229.00       | 0.00              | 550,087.35       | 307,170.13     | 0.00          | 307,170.13     |
| SPECIAL PROJECTS DIVISION                         | 2,026,594.51   | 2,441,338.80     | 0.00              | 2,051,385.29     | 2,416,548.02   | -4,381.43     | 2,412,166.59   |

# FINANCIALS

| Fund   | Prev Year      | FY18             | FY18            | FY18             | Ending         | Warrants       | Available      |
|--|----------------|------------------|-----------------|------------------|----------------|----------------|----------------|
|  | Cash Bal       | Receipts         | Transfers       | Disbursements    | Cash Balance   | Outstanding    | Balance        |
| PARTNERS FOR CONSERVATION                        | 552,249.67     | 4,926.00         | 13,097,546.66   | 10,936,743.72    | 2,717,978.61   | -100,918.97    | 2,617,059.64   |
| PARTNERS FOR CONSERVATION PROJECTS               | 1,424,426.88   | 0.00             | 0.00            | 0.00             | 1,424,426.88   | 0.00           | 1,424,426.88   |
| FUND FOR ILLINOIS' FUTURE                        | 16,857.94      | 27,208.77        | 0.00            | 16,857.94        | 27,208.77      | 0.00           | 27,208.77      |
| Statewide 9-1-1 Fund                             | 26,015,641.89  | 147,809,037.30   | 1,659,616.07    | 150,099,108.06   | 25,385,187.20  | -2,789,647.94  | 22,595,539.26  |
| WIRELESS CARRIER REIMBURSEMENT                   | 2,956,286.98   | 3,431,924.39     | -2,221,723.86   | 1,644,627.10     | 2,521,860.41   | -635,191.68    | 1,886,668.73   |
| DEBT SETTLEMENT CONSUMER PROTECTION              | 373,031.64     | 5,378.00         | 0.00            | 11,491.96        | 366,917.68     | 0.00           | 366,917.68     |
| CDB CONTRIBUTORY TRUST                           | 15,351,014.72  | 15,483,731.24    | 0.00            | 16,005,582.59    | 14,829,163.37  | 0.00           | 14,829,163.37  |
| SERVICES FOR OLDER AMERICANS                     | 4,738,386.47   | 57,237,896.78    | 0.00            | 55,908,797.60    | 6,067,485.65   | -1,446,988.07  | 4,620,497.58   |
| QUINCY VETERAN HOME                              | 18,953,269.52  | 20,016,555.10    | 22,763.99       | 22,811,957.12    | 16,180,631.49  | -88,399.29     | 16,092,232.20  |
| Horsemen's Council of Illinois Fund              | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00           | 0.00           |
| INTERNATIONAL TOURISM                            | 5,335,014.26   | 5,684,202.26     | -17,493.91      | 5,071,479.80     | 5,930,242.81   | -5,712.63      | 5,924,530.18   |
| MOTOR VEHICLE LICENSE PLATE                      | 17,193,384.06  | 13,494,908.89    | -25,400.00      | 12,747,271.18    | 17,915,621.77  | -31,282.44     | 17,884,339.33  |
| SPECIAL OLYMPICS ILLINOIS                        | 15,210.00      | 16,070.00        | 0.00            | 29,485.00        | 1,795.00       | 0.00           | 1,795.00       |
| CHICAGO TRAVEL INDUSTRY PROMOTION                | 3,676,041.94   | 10,989,195.83    | 0.00            | 14,200,000.00    | 465,237.77     | 0.00           | 465,237.77     |
| MATURED BOND & COUPON                            | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00           | 0.00           |
| PROSTATE CANCER RESEARCH                         | 25,566.05      | 0.00             | 0.00            | 0.00             | 25,566.05      | 0.00           | 25,566.05      |
| PUBLIC TRANSPORTATION                            | 478,285.10     | 250,983,404.38   | 267,158,629.91  | 516,509,636.31   | 2,110,683.08   | 0.00           | 2,110,683.08   |
| REAL ESTATE RECOVERY                             | 1,504,283.20   | 188,887.18       | 0.00            | 152,686.26       | 1,540,484.12   | 0.00           | 1,540,484.12   |
| ILLINOIS RACING QUARTER HORSE BREEDERS           | 59,284.01      | 11,128.33        | 0.00            | 172.56           | 70,237.78      | 0.00           | 70,237.78      |
| HORSE RACING                                     | 3,169,514.22   | 6,714,699.03     | -212,400.00     | 5,807,968.14     | 3,863,845.11   | -30,596.62     | 3,833,248.49   |
| DEATH CERTIFICATE SURCHARGE                      | 1,100,585.19   | 1,800,080.40     | -80,043.00      | 1,736,104.76     | 1,084,517.83   | -272,411.00    | 812,106.83     |
| COMMERCE & COMM AFFAIRS ASST                     | 920,496.62     | 6,222,825.75     | -1,088,788.36   | 4,899,027.10     | 1,155,505.91   | -1,810.31      | 1,153,695.60   |
| STATE POLICE WIRELESS SERVICE                    | 73,389.40      | 235,235.34       | 212.00          | 75,382.32        | 233,454.42     | 0.00           | 233,454.42     |
| IL ADOPT REGISTRY & MED INFO                     | 56,850.00      | 24,660.00        | -40,000.00      | 0.00             | 41,510.00      | 0.00           | 41,510.00      |
| CHICAGO POLICE MEMORIAL FOUNDATION               | 37,753.00      | 38,471.00        | 0.00            | 0.00             | 76,224.00      | 0.00           | 76,224.00      |
| FUND FOR THE ADVANCEMENT OF EDUCATION            | 31,424,466.53  | 617,053,772.24   | -11,853.00      | 619,042,709.59   | 29,423,676.18  | 0.00           | 29,423,676.18  |
| DHS STATE PROJECTS                               | 11,881,272.73  | 150.00           | -967.00         | 5,548,351.49     | 6,332,104.24   | -1,150,629.78  | 5,181,474.46   |
| COMMITMENT TO HUMAN SERVICES                     | 249,469,412.14 | 661,406,740.41   | 339,126.57      | 881,688,209.51   | 29,527,069.61  | -403,327.81    | 29,123,741.80  |
| ALCOHOLISM & SUBSTANCE ABUSE                     | 1,003,564.84   | 15,028,723.00    | 0.00            | 15,010,258.62    | 1,022,029.22   | -204,746.80    | 817,282.42     |
| DOWNSTATE PUBL. TRANSPORTATION                   | 8,400,747.41   | 194,820,097.96   | 42,382,455.22   | 227,783,869.90   | 17,819,430.69  | -1,553,407.82  | 16,266,022.87  |
| MOTOR CARRIER SAFETY INSPECTIO                   | 641,610.04     | 2,302,200.00     | -139,482.00     | 2,408,822.72     | 395,505.32     | 0.00           | 395,505.32     |
| WATERSHED PARK                                   | 4,353.74       | 0.00             | 0.00            | 4,353.74         | 0.00           | 0.00           | 4,353.74       |
| OVER DIMENSIONAL LOAD POLICE ESCORT              | 169,089.17     | 181,800.00       | 0.00            | 229,356.39       | 121,532.78     | 0.00           | 121,532.78     |
| COAL DEVELOPMENT                                 | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00           | 0.00           |
| HEALTHY SMILES                                   | 146,426.18     | 327,031.00       | 0.00            | 317,116.14       | 156,341.04     | 0.00           | 156,341.04     |
| ILLINOIS POLICE ASSOCIATION                      | 54,362.00      | 104,779.00       | 0.00            | 100,000.00       | 59,141.00      | 0.00           | 59,141.00      |
| IL ARTS COUNCIL FEDERAL GRANT                    | 110,223.13     | 875,029.93       | 0.00            | 885,886.53       | 99,366.53      | -5,271.06      | 94,095.47      |
| STATE OFF-SET CLAIMS                             | 8,967,233.10   | 98,520,327.21    | 0.00            | 99,026,114.57    | 8,461,445.74   | -1,961,270.57  | 6,500,175.17   |
| HISTORIC PROPERTY ADMINISTRATIVE FUND            | 190,961.61     | 403,883.55       | 0.00            | 225,346.87       | 369,498.29     | 0.00           | 369,498.29     |
| ACADEMIC QUALITY ASSURANCE FUND-BD OF HIGHER ED  | 952,813.90     | 715,400.00       | 0.00            | 297,802.00       | 1,370,411.90   | 0.00           | 1,370,411.90   |
| PRIVATE COLLEGE ACADEMIC QUALITY ASSURANCE       | 192,839.67     | 108,857.14       | 0.00            | 76,550.07        | 225,146.74     | -91.44         | 225,055.30     |
| OCTAVE CHANUTE AEROSPACE HERITAGE                | 28,492.00      | 20,871.00        | 0.00            | 0.00             | 49,363.00      | 0.00           | 49,363.00      |
| FEDERAL STUDENT LOAN                             | 43,124,580.16  | 132,951,836.03   | 0.00            | 133,843,650.01   | 42,232,766.18  | -2,999,330.55  | 39,233,435.63  |
| STUDENT LOAN OPERATION                           | 55,065,452.30  | 30,226,144.61    | -125.20         | 27,573,680.26    | 57,717,791.45  | -86,898.61     | 57,630,892.84  |
| PRESCRIPTION PILL AND DRUG DISPOSAL              | 245,684.61     | 69,917.65        | 0.00            | 16,435.00        | 299,167.26     | 0.00           | 299,167.26     |
| DISASTER RESPONSE AND RECOVERY                   | 1,827,967.99   | 1,679.76         | 0.00            | 218,885.75       | 1,610,762.00   | -1,476.30      | 1,609,285.70   |
| COLLEGE SAVINGS POOL ADMINISTR                   | 3,695,528.42   | 2,196,664.66     | -198,950.00     | 2,920,614.23     | 2,772,628.85   | -13,293.96     | 2,759,334.89   |
| AIRPORT LAND LOAN REVOLVING                      | 94,167.18      | 1,372.00         | 0.00            | 0.00             | 95,539.18      | 0.00           | 95,539.18      |
| FEDERAL TITLE IV FIRE PROT                       | 192,587.85     | 108,503.00       | 0.00            | 0.00             | 301,090.85     | 0.00           | 301,090.85     |
| Rental Purchase Agreement Tax Refund Fund        | 0.00           | 1,000.00         | 0.00            | 0.00             | 1,000.00       | 0.00           | 1,000.00       |
| DEPT OF INSURANCE FED TRUST                      | 877,561.98     | 236,415.96       | 0.00            | 301,832.53       | 812,145.41     | 0.00           | 812,145.41     |
| STATE CHARTER SCHOOL COMMISSION                  | 576,257.58     | 982,931.29       | -100,000.00     | 996,042.62       | 463,146.25     | -4,670.98      | 458,475.27     |
| ELECTRONICS RECYCLING                            | 765,328.30     | 465,403.00       | -450,000.00     | 406,436.99       | 374,294.31     | 0.00           | 374,294.31     |
| IL STDTN ASST COMM CONTR & GRT                   | 40,465.50      | 1,550.00         | 0.00            | 39,159.88        | 2,855.62       | 0.00           | 2,855.62       |
| RATE ADJUSTMENT                                  | 5,432,575.82   | 13,189,633.69    | 0.00            | 11,688,765.05    | 6,933,444.46   | -129,334.58    | 6,804,109.88   |
| BUDGET STABILIZATION                             | 10,163,332.46  | 90,808.44        | -2,052.34       | 6,451,615.40     | 3,800,473.16   | -1,672.06      | 3,798,801.10   |
| COURT OF CLAIMS FEDERAL GRANT                    | 374,345.43     | 510,486.84       | 0.00            | 852,842.50       | 31,989.77      | -4,716.94      | 27,272.83      |
| AGRICULTURE PESTICIDE CONTROL                    | 824,224.16     | 606,147.00       | 0.00            | 461,998.30       | 968,372.86     | 0.00           | 968,372.86     |
| DHS PRIVATE RESOURCE                             | 3,151,815.25   | 14,809.62        | -1,000,000.00   | 152,203.47       | 2,014,421.40   | 0.00           | 2,014,421.40   |
| LEUKEMIA TREATMENT & EDUCATION                   | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00           | 0.00           |
| ICCB ADULT EDUCATION                             | 44,021.32      | 20,929,922.52    | 28,147.56       | 20,278,312.19    | 723,779.21     | -152,815.14    | 570,964.07     |
| CAPITAL PROJECTS                                 | 168,813,401.59 | 856,565,814.00   | -872,507,251.85 | 0.00             | 152,871,963.74 | 0.00           | 152,871,963.74 |
| TRANSPORTATION BOND SERIES d                     | 73,975,281.08  | 348,546,010.49   | 0.00            | 40,090,837.67    | 382,430,453.90 | -47,333.00     | 382,383,120.90 |
| ROADSIDE MEMORIAL                                | 654,903.41     | 408,666.54       | -200,000.00     | 233,770.00       | 629,799.95     | -2,500.00      | 627,299.95     |
| LONG TERM CARE OMBUDSMAN                         | 2,065,505.20   | 33,840.00        | 1,250,000.00    | 1,018,337.77     | 2,331,007.43   | -58,706.00     | 2,272,301.43   |
| USDA WOMEN, INFANTS & CHILDREN                   | 2,216,257.81   | 238,109,572.64   | 0.00            | 235,860,781.23   | 4,665,049.22   | -705,945.06    | 3,959,104.16   |
| FEDERAL STUDENT INCENTIVE TR                     | 5,784.99       | 1,397,103.03     | 0.00            | 1,297,201.08     | 105,686.94     | -68,817.68     | 36,869.26      |
| ASSISTED LIVING & SHARED HOUSING REGULATORY      | 1,313,482.30   | 1,397,193.00     | -7,631.00       | 913,876.98       | 1,789,167.32   | -262.69        | 1,788,904.63   |
| STATE WHISTLEBLOWER REWARD                       | 1,528,439.17   | 41,720,621.50    | -10,339,929.38  | 32,881,335.98    | 27,795.31      | 0.00           | 27,795.31      |
| STATE POLICE WHISTLEBLOWER REW                   | 11,839,300.15  | 7,189,704.43     | -631,300.78     | 7,160,973.84     | 11,236,729.96  | -37,534.63     | 11,199,195.33  |
| HUNGER RELIEF                                    | 71.67          | 0.00             | 0.00            | 0.00             | 71.67          | 0.00           | 71.67          |
| IL STANDARDBRED BREEDERS                         | 2,533,522.90   | 1,150.00         | 318,598.52      | 1,880,690.13     | 972,581.29     | -4,000.00      | 968,581.29     |
| IL THOROUGHbred BREEDERS                         | 2,136,477.32   | 550.00           | 1,598,348.68    | 2,318,740.51     | 1,416,635.49   | -294,798.50    | 1,121,836.99   |
| HOMELAND SECURITY EMERGENCY PREPAREDNESS TRU     | 2,677,096.38   | 85,031,473.80    | 0.00            | 82,312,175.01    | 5,396,395.17   | -531,340.22    | 4,865,054.95   |
| STATE LOTTERY                                    | 79,035,255.36  | 1,506,242,074.18 | -719,098,448.00 | 797,967,279.71   | 68,211,601.83  | -2,251,403.70  | 65,960,198.13  |
| SPINAL CORD INJURY PARALYSIS CURE RESEARCH TRUST | 243,610.17     | 92,157.23        | -150,000.00     | 0.00             | 185,767.40     | 0.00           | 185,767.40     |
| ORGAN DONOR AWARENESS                            | 161,545.00     | 149,905.00       | 0.00            | 161,545.00       | 149,905.00     | 0.00           | 149,905.00     |
| STATE METRO-EAST PARK AND RECREATION DISTRICT FU | 1,295,930.63   | 4,466,685.29     | -94,466.65      | 4,636,532.03     | 1,031,617.24   | 0.00           | 1,031,617.24   |
| COMMUNITY MENTAL HEALTH MEDICA                   | 27,502,477.53  | 68,804,791.74    | -30,952.00      | 47,932,750.81    | 48,343,566.46  | -8,004.03      | 48,335,562.43  |
| MUNICIPAL TELECOMMUNICATIONS                     | 50,209,194.98  | 191,952,962.26   | 0.00            | 199,926,316.92   | 42,235,840.32  | -479,794.46    | 41,756,045.86  |
| MEDICAL INTERAGENCY PROGRAM                      | 491,063.76     | 54,439,915.85    | -1,343.00       | 54,453,403.04    | 476,233.57     | -41,588.65     | 434,644.92     |
| NATIONAL GUARD AND NAVAL MILITIA GRANT           | 0.00           | 0.00             | 0.00            | 0.00             | 0.00           | 0.00           | 0.00           |
| COMPTROLLER DEBT RECOVERY TRUST                  | 20,713,477.15  | 47,241,554.50    | 0.00            | 46,290,212.76    | 21,664,818.89  | -157,770.89    | 21,507,048.00  |
| DEPT OF LABOR FEDERAL PROJECTS                   | 61,101.17      | 580,550.45       | 0.00            | 591,464.66       | 50,186.96      | -809.84        | 49,377.12      |
| IL MILITARY FAMILY RELIEF                        | 1,612,423.56   | 21,822.00        | 0.00            | 411,500.00       | 1,222,745.56   | -49,000.00     | 1,173,745.56   |
| FEDERAL INDUSTRIAL SERVICES                      | 20,903.77      | 929,773.75       | 0.00            | 872,878.05       | 77,999.47      | -1,498.78      | 76,300.69      |
| DRUG REBATE FUND                                 | 13,894,887.28  | 1,229,984,593.98 | 615,306,483.68  | 1,714,163,290.62 | 145,022,674.32 | -1,722,475.77  | 143,300,198.55 |
| ILLINOIS NATIONAL GUARD STATE ACTIVE DUTY        | 1,144,409.88   | 0.00             | 0.00            | 717,012.74       | 427,397.14     | -1,778.81      | 425,618.33     |
| IL CLEAN WATER FUND                              | 7,910,376.69   | 16,781,056.66    | -4,394,800.00   | 14,210,785.99    | 6,085,847.36   | -20,137.53     | 6,065,709.83   |
| SECRETARY OF STATE DUI ADMINIS                   | 4,040,659.95   | 2,270,850.00     | -10,136.00      | 1,968,130.64     | 4,333,243.31   | -3,226.98      | 4,330,016.33   |
| TOBACCO SETTLEMENT RECOVERY                      | 16,933,894.63  | 252,539,452.58   | -23,084.00      | 149,641,512.68   | 119,808,750.53 | -52,376,962.15 | 67,431,788.38  |
| BHE STATE PROJECTS                               | 1,261,128.16   | 308,840.34       | 0.00            | 1,321,960.92     | 248,007.58     | 0.00           | 248,007.58     |
| ENERGY ADMINISTRATION                            | 161,917.10     | 11,154,007.55    | -265,308.11     | 10,960,218.07    | 90,398.47      | -85,398.47     | 5,000.00       |
| ALTERNATIVE COMPLIANCE MARKET                    | 422,162.94     | 16,464.68        | 0.00            | 195,229.50       | 243,398.12     | 0.00           | 243,398.12     |
| GROUP WORKERS' COMP POOL INSOL                   | 2,168,924.86   |                  |                 |                  |                |                |                |

# FINANCIALS

| Fund   | Prev Year<br>Cash Bal | FY18<br>Receipts | FY18<br>Transfers | FY18<br>Disbursements | Ending<br>Cash Balance | Warrants<br>Outstanding | Available<br>Balance |
|--|-----------------------|------------------|-------------------|-----------------------|------------------------|-------------------------|----------------------|
| IL ANIMAL ABUSE  | 6,603.50              | 0.00             | 0.00              | 0.00                  | 6,603.50               | 0.00                    | 6,603.50             |
| STATE'S ATTY APPEL PROSEC CO                                     | 1,326,800.32          | 1,555,183.06     | 0.00              | 662,757.46            | 2,219,225.92           | -3,850.06               | 2,215,375.86         |
| HOME INSPECTOR ADMINISTRATION                                    | 1,142,364.73          | 131,453.09       | -568,961.00       | 112,280.04            | 592,576.78             | 0.00                    | 592,576.78           |
| Police Training Academy Job Training and Scholarship Fund        | 0.00                  | 0.00             | 0.00              | 0.00                  | 0.00                   | 0.00                    | 0.00                 |
| REAL ESTATE AUDIT  | 202,325.05            | 2,947.00         | 0.00              | 0.00                  | 205,272.05             | 0.00                    | 205,272.05           |
| PRIVATE BUSINESS & VOCATIONAL SCHOOLS QUALITY AS                 | 338,054.66            | 308,524.29       | 0.00              | 290,691.53            | 355,887.42             | -145.40                 | 355,742.02           |
| Thriving Youth Income Tax Checkoff Fund                          | 0.00                  | 0.00             | 61,190.13         | 0.00                  | 61,190.13              | 0.00                    | 61,190.13            |
| GOLDEN APPLE SCHOLARS OF ILLINOIS                                | 33,976.42             | 48,142.00        | 0.00              | 0.00                  | 82,118.42              | 0.00                    | 82,118.42            |
| IL AGRIFIRST PROGRAM   | 2,098.66              | 0.00             | 0.00              | 0.00                  | 2,098.66               | 0.00                    | 2,098.66             |
| STATE EMPLOYEES DEF COMP PLAN                                    | 3,320,450.23          | 167,343,669.19   | -85,500.00        | 167,668,706.67        | 2,909,912.75           | -103,574.06             | 2,806,338.69         |
| CHILD SUPPORT ADMINISTRATIVE                                     | 5,129,000.17          | 138,467,306.80   | 15,051,490.00     | 153,454,514.76        | 5,193,282.21           | -871,205.05             | 4,322,077.16         |
| SECRETARY OF STATE POLICE DUI                                    | 2,793.35              | 4,716.80         | 0.00              | 0.00                  | 7,510.15               | 0.00                    | 7,510.15             |
| SECRETARY OF STATE POLICE SERV                                   | 735,657.17            | 385,178.72       | -375.00           | 491,712.43            | 628,748.46             | -3,753.68               | 624,994.78           |
| MARINE CORPS SCHOLARSHIP   | 65,175.00             | 138,932.00       | 0.00              | 140,000.00            | 64,107.00              | 0.00                    | 64,107.00            |
| LOCAL INITIATIVE   | 2,836,291.27          | 10,451.52        | 20,986,500.00     | 18,239,114.23         | 5,594,126.56           | -87,592.55              | 5,506,536.01         |
| TOURISM PROMOTION  | 13,222,321.76         | 47,096,805.16    | 29,619,633.29     | 54,754,152.27         | 35,184,607.94          | -107,288.76             | 35,077,319.18        |
| PET POPULATION CONTROL   | 238,280.41            | 172,672.00       | -526.00           | 92,675.79             | 317,750.62             | -3,618.25               | 314,132.37           |
| FEDERAL SURFACE MINING CONTROL                                   | 199,811.70            | 3,386,824.54     | 0.00              | 3,218,095.88          | 368,540.36             | -39,583.51              | 328,956.85           |
| BHE Data and Research Cost Recovery Fund                         | 0.00                  | 0.00             | 0.00              | 0.00                  | 0.00                   | 0.00                    | 0.00                 |
| COMMEMORATIVE MEDALLIONS FUND                                    | 0.00                  | 3,645.00         | 0.00              | 0.00                  | 3,645.00               | 0.00                    | 3,645.00             |
| IL MATH & SCIENCE ACAD INCOME                                    | 1,496,190.17          | 2,364,623.31     | -12,075.00        | 1,622,638.67          | 2,226,098.81           | -12,077.88              | 2,214,021.93         |
| LAWYERS' ASSISTANCE PROGRAM                                      | 734,756.00            | 744,030.00       | 0.00              | 732,394.00            | 746,392.00             | 0.00                    | 746,392.00           |
| DIGITAL DIVIDE ELIMINATION                                       | 1,459,102.94          | 21,270.63        | -1,009,928.00     | 0.00                  | 470,445.57             | 0.00                    | 470,445.57           |
| DIGITAL DIVIDE ELIMINATION INF                                   | 0.00                  | 0.00             | 0.00              | 0.00                  | 0.00                   | 0.00                    | 0.00                 |
| CAREER AND TECHNICAL EDUCATION                                   | 95,804.91             | 321,523.64       | 15,206,094.96     | 15,603,581.30         | 19,842.21              | -4,662.16               | 15,180.05            |
| ISAC LOAN PURCH PROG PAYROLL                                     | 137.78                | 624,898.59       | -695.00           | 624,224.91            | 116.46                 | 0.00                    | 116.46               |
| OIL SPILL RESPONSE   | 84,887.28             | 1,238.00         | 0.00              | 0.00                  | 86,125.28              | 0.00                    | 86,125.28            |
| VETERANS AFFAIRS LIBRARY GRANT                                   | 33,548.53             | 50,000.00        | -3,337.99         | 60,202.24             | 20,008.30              | 0.00                    | 20,008.30            |
| PRES LIBR & MUSEUM OPERATING                                     | 393,641.59            | 2,011,225.30     | 0.00              | 1,108,506.63          | 1,296,360.26           | -180,034.73             | 1,116,325.53         |
| DEPARTMENT OF HUMAN RIGHTS TRAINING & DEVELOPMI                  | 78,943.03             | 15,955.57        | 0.00              | 6,661.18              | 88,237.42              | 0.00                    | 88,237.42            |
| INTERMODAL FACILITIES PROMOTION                                  | 0.00                  | 0.00             | 0.00              | 0.00                  | 0.00                   | 0.00                    | 0.00                 |
| STATE PARKING FACILITY MAINT                                     | 329,568.44            | 178,743.00       | 0.00              | 155,936.06            | 352,375.38             | -1,267.57               | 351,107.81           |
| QUARTER HORSE PURSE  | 41,000.00             | 100,000.00       | 0.00              | 100,500.00            | 40,500.00              | 0.00                    | 40,500.00            |
| GENERAL ASSEMBLY RETIRE EXCESS                                   | 75,841.74             | 60,369.00        | 0.00              | 82,589.21             | 53,621.53              | -2,364.67               | 51,256.86            |
| JUDGES RETIRE EXCESS BENEFIT                                     | 855,850.13            | 1,744,473.00     | 0.00              | 1,700,471.78          | 899,851.35             | -2,813.52               | 897,037.83           |
| STATE EMPLOYEE EXCESS BENEFIT                                    | 337,676.03            | 538,592.93       | 0.00              | 528,602.13            | 347,666.83             | -1,195.71               | 346,471.12           |
| TEACHER RETIRE SYS EX BENEFIT                                    | 42,522,604.67         | 50,489,317.00    | -2,230.00         | 56,447,792.99         | 36,561,898.68          | -4,811,735.98           | 31,750,162.70        |
| PRIVATE SEWAGE DISPOSAL PROGRAM                                  | 176,346.13            | 233,553.00       | 0.00              | 172,694.47            | 237,204.66             | -2,543.23               | 234,661.43           |
| CEMETERY OVERSIGHT LICENSING & DISCIPLINARY                      | 2,614,106.10          | 1,804,434.22     | -168,461.18       | 870,357.21            | 3,379,721.93           | 0.00                    | 3,379,721.93         |
| HEALTHCARE PROVIDER RELIEF                                       | 52,898,944.42         | 4,719,353,842.36 | 204,991,651.00    | 4,963,408,880.46      | 13,835,557.32          | -7,401,815.36           | 6,433,741.96         |
| METRO-EAST PUB TRANSPORTATION                                    | 0.00                  | 0.00             | 0.00              | 0.00                  | 0.00                   | 0.00                    | 0.00                 |
| BANK & TRUST COMPANY   | 13,903,485.92         | 21,083,936.17    | -3,498,561.44     | 14,065,818.03         | 17,423,042.62          | -10,007.01              | 17,413,035.61        |
| NUC SAFETY EMERG PREPAREDNESS                                    | 10,252,810.58         | 21,213,405.78    | -6,000,000.00     | 17,435,759.83         | 8,030,456.53           | -9,839.15               | 8,020,617.38         |
| DEPARTMENT OF HUMAN RIGHTS SPECIAL FUND                          | 448,091.16            | 117,298.98       | -100,000.00       | 149,114.23            | 316,275.91             | 0.00                    | 316,275.91           |
| REHAB SERV EL & SECOND ED ACT                                    | 675,270.07            | 780,808.88       | 300.00            | 671,812.23            | 784,566.72             | -19,868.64              | 764,698.08           |
| ILLINOIS EMS MEMORIAL SCHOLARSHIP & TRAINING                     | 12,480.00             | 0.00             | 0.00              | 0.00                  | 12,480.00              | 0.00                    | 12,480.00            |
| Attorney General's State Projects and Court Ordered Distribution | 19,350,969.20         | 5,346,634.70     | 0.00              | 14,274,477.28         | 10,423,126.62          | -58,167.50              | 10,364,959.12        |
| PERSONAL PROPERTY TAX REPLACE                                    | 234,371,696.74        | 1,514,662,709.53 | 10,756,626.07     | 1,512,259,103.83      | 247,531,928.51         | -1,425,817.28           | 246,106,111.23       |
| INTERNATIONAL BROTHERHOOD OF TEAMSTERS                           | 2,825.00              | 6,200.00         | 0.00              | 4,800.00              | 4,225.00               | 0.00                    | 4,225.00             |
| PRE-NEED FUNERAL CONSUMER PROTECTION                             | 122,621.28            | 89,358.00        | 0.00              | 41,875.55             | 170,103.73             | -150.00                 | 169,953.73           |
| MEDICAL SPECIAL PURPOSE TRUST                                    | 4,974,489.23          | 2,872,912.16     | 0.00              | 3,688,747.42          | 4,158,653.97           | -2,171.80               | 4,156,482.17         |
| RTA SALES TAX  | 144,712,919.75        | 1,237,172,926.61 | 118,955,404.56    | 1,290,048,974.48      | 210,792,276.44         | -545,591.43             | 210,246,685.01       |
| METROPOLITAN PIER & EXPOSITION AUTHORITY INCENTIV                | 2,727,213.02          | 0.00             | 12,272,787.00     | 0.00                  | 15,000,000.02          | -14,464,696.00          | 535,304.02           |
| MONEY LAUNDERING ASSET RECOVERY                                  | 3,333,378.18          | 1,114,172.26     | -63,700.00        | 2,850,002.89          | 1,533,847.55           | 0.00                    | 1,533,847.55         |
| STATE POLICE OPERATIONS ASSISTANCE                               | 19,437,903.13         | 9,840,387.57     | -1,022,000.00     | 15,506,697.95         | 12,749,592.75          | -9,361.88               | 12,740,230.87        |
| GRANT V DIMAS ESCROW FUND  | 0.00                  | 15,280,279.10    | 0.00              | 0.00                  | 15,280,279.10          | 0.00                    | 15,280,279.10        |
| DCEO ENERGY PROJECTS   | 6,372,980.04          | 16,426.70        | 0.00              | 6,096,683.65          | 292,723.09             | 0.00                    | 292,723.09           |
| DRAM SHOP  | 7,328,413.36          | 11,038,095.09    | -400,700.00       | 6,355,027.99          | 11,610,780.46          | -94,222.50              | 11,516,557.96        |
| IL STATE DENTAL DISCIPLINARY                                     | 3,322,123.90          | 309,808.01       | -1,812,779.00     | 860,524.16            | 958,628.75             | -254.70                 | 958,374.05           |
| AGRICULTURE FEDERAL PROJECTS                                     | 2,822,295.71          | 1,827,366.60     | 11,351.16         | 1,812,462.25          | 2,848,551.22           | -31,458.48              | 2,817,092.74         |
| HAZARDOUS WASTE  | 8,042,701.29          | 4,710,019.95     | 1,568,400.00      | 6,915,004.84          | 7,406,116.40           | -8,002.06               | 7,398,114.34         |
| COMMUNITY ASSOCIATION MANAGER LICENSING & DISCIF                 | 139,074.66            | 453,300.75       | -67,017.00        | 53.19                 | 525,305.22             | 0.00                    | 525,305.22           |
| DEPT ON AGING STATE PROJECTS                                     | 212,857.95            | 0.00             | 25.00             | 212,832.95            | 0.00                   | 0.00                    | 212,832.95           |
| NATURAL RESOURCES RESTORATION                                    | 2,317,089.70          | 442,938.14       | 0.00              | 373,126.14            | 2,386,901.70           | -217.20                 | 2,386,684.50         |
| CEMETERY RELIEF  | 199,702.95            | 3,756.00         | 78,423.18         | 0.00                  | 281,882.13             | 0.00                    | 281,882.13           |
| STATE FAIR PROMO ACTIVITIES                                      | 341.05                | 0.00             | 0.00              | 0.00                  | 341.05                 | 0.00                    | 341.05               |
| IL POWER AGENCY RENEWABLE ENERGY RESOURCES                       | 174,476,073.65        | 13,136.00        | -112,500,000.00   | 4,085,642.56          | 57,903,567.09          | 0.00                    | 57,903,567.09        |
| PUBLIC HEALTH FEDERAL PROJECTS                                   | 44,272.63             | 116,191.00       | -9,870.00         | 108,275.29            | 42,318.26              | -1,560.73               | 40,757.53            |
| HAZARDOUS WASTE RESEARCH   | 830,189.39            | 362,776.16       | -543.00           | 489,029.17            | 703,393.38             | 0.00                    | 703,393.38           |
| METRO EAST MASS TRANS DIST TAX                                   | 4,923,296.12          | 33,802,887.84    | -629,419.35       | 31,439,181.68         | 6,657,582.93           | 0.00                    | 6,657,582.93         |
| LOCAL GOVERNMENT VIDEO GAMING DISTRIBUTIVE                       | 5,788,339.16          | 69,470,097.61    | 0.00              | 68,763,523.83         | 6,494,912.94           | -240,660.60             | 6,254,252.34         |
| COURT OF CLAIMS FEDERAL RECOVERY VICTIM COMPEN                   | 518.95                | 0.00             | 0.00              | 0.00                  | 518.95                 | 0.00                    | 518.95               |
| CONTINUING LEGAL EDUC TRUST                                      | 62,479.82             | 78,796.50        | 0.00              | 40,405.90             | 100,870.42             | 0.00                    | 100,870.42           |
| ENVIRONMENTAL PROTECTION TRUST                                   | 5,970,414.18          | 1,630,915.66     | -265,000.00       | 2,950,000.00          | 4,386,329.84           | 0.00                    | 4,386,329.84         |
| STATE POLICE STREETGANG-RELATED CRIME                            | 472.24                | 2,108.55         | 0.00              | 1,772.75              | 808.04                 | 0.00                    | 808.04               |
| SETTLEMENT FUND - ILLINOIS CHAMBER OF COMMERCE V                 | 26,977,990.51         | 0.00             | 0.00              | 2,111,675.93          | 24,866,314.58          | -3,620.64               | 24,862,693.94        |
| REAL ESTATE RESEARCH & EDUC                                      | 625,218.87            | 7,770.00         | -130,500.00       | 13,500.00             | 488,988.87             | 0.00                    | 488,988.87           |
| REAL ESTATE LICENSE ADMIN  | 7,559,985.80          | 8,292,195.22     | -3,921,258.23     | 5,274,956.48          | 6,655,966.31           | -360.30                 | 6,655,606.01         |
| FEDERAL MASS TRANSIT TRUST                                       | 496,869.48            | 25,915,769.00    | 0.00              | 26,238,801.99         | 173,836.49             | -173,820.38             | 16.11                |
| SHARE THE ROAD   | 23,982.00             | 41,471.00        | 0.00              | 45,000.00             | 20,453.00              | 0.00                    | 20,453.00            |
| NATIONAL FLOOD INSURANCE PROG                                    | 362,618.55            | 562,194.51       | -6,000.00         | 372,777.56            | 546,035.50             | 0.00                    | 546,035.50           |
| LAND RECLAMATION   | 4,515,528.87          | 0.00             | 0.00              | 159,538.28            | 4,355,990.59           | 0.00                    | 4,355,990.59         |
| FEDERAL ENERGY   | 132,541.01            | 263,759.37       | -12,166.51        | 344,418.30            | 39,715.57              | 0.00                    | 39,715.57            |
| TENN VALLEY AUTH LOCAL TRUST                                     | 0.00                  | 221,032.44       | 0.00              | 221,032.44            | 0.00                   | 0.00                    | 0.00                 |
| CYCLE RIDER SAFETY TRAINING                                      | 12,548,206.31         | 4,173,520.86     | -22,294.00        | 3,230,515.63          | 13,468,917.54          | 0.00                    | 13,468,917.54        |
| FARMERS' MARKET TECHNOLOGY IMPROVEMENT                           | 0.00                  | 0.00             | 0.00              | 0.00                  | 0.00                   | 0.00                    | 0.00                 |
| DOMESTIC VIOLENCE SHELTER&SERV                                   | 1,130,817.69          | 430,045.03       | 0.00              | 642,075.36            | 918,787.36             | 0.00                    | 918,787.36           |
| SNOWMOBILE TRAIL ESTABLISHMENT                                   | 423,120.10            | 165,737.00       | -150,000.00       | 0.00                  | 438,857.10             | 0.00                    | 438,857.10           |
| FRATERNAL ORDER OF POLICE  | 5,119.00              | 16,813.00        | 0.00              | 13,000.00             | 8,932.00               | 0.00                    | 8,932.00             |
| MUNICIPAL AUTO RENTING TAX                                       | 1,168,569.07          | 7,121,749.84     | -112,028.17       | 6,891,356.24          | 1,286,934.50           | -2,403.56               | 1,284,530.94         |
| COUNTY AUTOMOBILE RENTING TAX                                    | 39,973.90             | 244,752.73       | -4,831.04         | 236,746.98            | 43,148.61              | 0.00                    | 43,148.61            |
| LOW INC HOME ENERGY BLOCK GRNT                                   | 215,074.34            | 121,812,921.78   | -2,662,785.02     | 119,363,733.67        | 1,477.43               | -1,420.00               | 57.43                |
| COMMUNITY SERVICES BLOCK GRANT                                   | 36,675.44             | 35,259,869.26    | -762,511.94       | 34,514,242.89         | 19,789.87              | -56.32                  | 19,733.55            |
| MATERNAL & CHILD HLTH SERV BLK                                   | 1,521,464.17          | 20,599,494.27    | 0.00              | 20,663,218.69         | 1,457,739.75           | -92,319.45              | 1,365,420.30         |
| PREVENTIVE HEALTH&HLTH SERV BL                                   | 1,101,473.26          | 3,679,344.04     | -2,346.05         | 2,573,049.02          | 2,255,422.23           | -49,819.00              | 2,155,603.23         |
| COM DEV/SMALL CITY BLK GRANT                                     | 264,734.69            | 40,884,768.00    | -463,816.40       | 27,631,180.14         | 13,054,506.15          | -810,704.23             | 12,243,801.92        |

# FINANCIALS

| Fund  | Prev Year      | FY18             | FY18             | FY18             | Ending         | Warrants       | Available      |
|---|----------------|------------------|------------------|------------------|----------------|----------------|----------------|
|   | Cash Bal       | Receipts         | Transfers        | Disbursements    | Cash Balance   | Outstanding    | Balance        |
| COMMUNITY MH SERV BLOCK GRNT                                  | 330,606.75     | 15,792,240.15    | 0.00             | 15,699,093.75    | 423,753.15     | -12,565.50     | 411,187.65     |
| DRUG TRAFFIC PREVENTION                                       | 140,428.19     | 112,603.10       | 0.00             | 98,738.95        | 154,292.34     | 0.00           | 154,292.34     |
| TRAFFIC & CRIM CONVICTION SUR                                 | 3,503,844.19   | 18,177,209.91    | -636,942.00      | 16,698,630.33    | 4,345,481.77   | -1,584,338.14  | 2,761,143.63   |
| SHEFFIELD 2/1982 AGREED ORDER                                 | 2,883,253.88   | 71,695.05        | 0.00             | 207,223.64       | 2,747,725.29   | 0.00           | 2,747,725.29   |
| INTRA-AGENCY SERVICES   | 506,927.38     | 1,462.97         | 9,656,960.25     | 9,328,777.79     | 836,572.81     | -251,667.45    | 584,905.36     |
| DNR SPECIAL PROJECTS  | 3,047,202.17   | 768,780.90       | 0.00             | 647,902.87       | 3,168,080.20   | 0.00           | 3,168,080.20   |
| Wage Theft Enforcement  | 38,255.44      | 76,370.09        | 0.00             | 86,310.27        | 28,315.26      | 0.00           | 28,315.26      |
| DESIGN PROFESSIONALS ADMINISTRATION & INVESTIGATI             | 862,248.72     | 1,633,235.67     | -275,849.00      | 788,173.84       | 1,431,461.55   | -974.27        | 1,430,487.28   |
| SECRETARY OF STATE INTERNL RE                                 | 888,026.66     | 178,614,560.26   | 0.00             | 91,346,491.19    | 88,156,095.73  | -786.04        | 88,155,309.69  |
| FORECLOSURE PREVENTION PROGRAM                                | 4,320,279.13   | 4,315,301.20     | -2,500,000.00    | 3,897,901.00     | 2,237,679.33   | 0.00           | 2,237,679.33   |
| ABANDONED RESIDENTIAL PROPERTY MUNICIPALITY RELI              | 15,281,602.12  | 3,841,250.49     | -6,600,000.00    | 8,691,023.61     | 3,831,829.00   | 0.00           | 3,831,829.00   |
| DNR FEDERAL PROJECTS  | 2,137,273.68   | 9,300,788.30     | 6,000.00         | 8,816,461.55     | 2,627,600.43   | -192,883.32    | 2,434,717.11   |
| SOIL AND WATER CONSERVATION DISTRICT                          | 400.00         | 5.00             | 0.00             | 0.00             | 405.00         | 0.00           | 405.00         |
| PUBLIC HEALTH SPEC STATE PROJ                                 | 40,096,970.16  | 12,717,149.68    | -10,152,732.50   | 17,578,088.00    | 25,083,299.34  | -2,577.43      | 25,080,721.91  |
| VETERANS' AFFAIRS FEDERAL PROJECTS FUND                       | 95.22          | 0.00             | 138.98           | 0.00             | 234.20         | 0.00           | 234.20         |
| ST. JUDE CHILDREN'S RESEARCH                                  | 3,334.00       | 49.00            | 0.00             | 0.00             | 3,383.00       | 0.00           | 3,383.00       |
| STATE CONSTRUCTION ACCOUNT                                    | 419,194,348.09 | 500,926,198.73   | 221,052,915.94   | 559,535,709.92   | 581,637,752.84 | -1,049,629.07  | 580,588,123.77 |
| STATE SURPLUS PROPERTY REV                                    | 1,002,796.24   | 2,205,247.82     | -2,025.00        | 1,528,314.61     | 1,677,704.45   | 0.00           | 1,677,704.45   |
| IL STATE POLICE FEDERAL PROJ                                  | 192,949.61     | 16,250,412.29    | 5,446.57         | 16,220,331.64    | 228,476.83     | -9,361.21      | 219,115.62     |
| IL FORESTRY DEVELOPMENT                                       | 1,104,954.96   | 2,664,819.17     | -264,300.00      | 2,672,087.73     | 833,386.40     | -4,600.97      | 828,785.43     |
| STATE POLICE SERVICES   | 22,984,967.29  | 24,770,154.05    | -3,661,402.91    | 21,572,282.70    | 22,521,435.73  | -428,415.15    | 22,093,020.58  |
| HEALTH INSURANCE RESERVE                                      | 58,531,566.15  | 2,223,369,955.62 | 3,982,112,621.86 | 6,181,663,998.86 | 82,350,144.77  | -26,651,232.14 | 55,698,912.63  |
| IL WILDLIFE PRESERVATION                                      | 2,191,970.72   | 400,868.00       | 216,594.82       | 65,009.94        | 2,744,423.60   | -98,407.00     | 2,646,016.60   |
| YOUTH DRUG ABUSE PREVENTION                                   | 863,946.64     | 241,037.62       | 0.00             | 0.00             | 1,104,984.26   | 0.00           | 1,104,984.26   |
| JUVENILE JUSTICE TRUST  | 1,069,414.62   | 1,332,252.02     | 6,530.09         | 1,510,834.68     | 897,362.05     | -25,132.94     | 872,229.11     |
| FEDERAL WORKFORCE TRAINING                                    | 463,511.95     | 151,140,862.26   | -4,153,813.54    | 147,182,178.92   | 268,381.75     | -239,877.89    | 28,503.86      |
| 4-H   | 0.00           | 0.00             | 0.00             | 0.00             | 0.00           | 0.00           | 0.00           |
| DUCKS UNLIMITED   | 12,250.00      | 18,925.00        | 0.00             | 20,000.00        | 11,175.00      | 0.00           | 11,175.00      |
| METABOLIC SCREENING & TREATMNT                                | 13,178,857.46  | 19,474,053.94    | -5,119,355.95    | 16,333,495.82    | 11,200,059.63  | -44,816.64     | 11,155,242.99  |
| DHS RECOVERIES TRUST  | 18,119,041.51  | 16,940,559.99    | -5,524,935.90    | 15,454,601.93    | 14,080,063.67  | -91,198.62     | 13,988,865.05  |
| INSURANCE PRODUCER ADMIN                                      | 41,160,062.18  | 34,316,310.62    | -25,040,853.22   | 17,060,224.06    | 33,375,295.52  | -21,757.37     | 33,353,538.15  |
| LAW ENF OFF TRNG BD FED PROJ                                  | 2,848.38       | 45,136.60        | 0.00             | 47,983.97        | 1.01           | 0.00           | 1.01           |
| COAL TECHNOLOGY DEV ASSIST                                    | 21,057,942.00  | 5,765,455.56     | -12,080,651.63   | 2,167,222.06     | 12,575,523.87  | -3,919.62      | 12,571,604.25  |
| IL NATNL GUARD ARMORY CONSTR                                  | 132,372.87     | 27,351.00        | 0.00             | 0.00             | 159,723.87     | 0.00           | 159,723.87     |
| VIOLENT CRIME VICTIMS ASSIST                                  | 6,675,199.03   | 7,794,236.51     | 27,564.00        | 9,765,954.60     | 4,731,044.94   | -51,547.32     | 4,679,497.62   |
| SENIOR CITIZEN REAL EST DEF TA                                | 11,200,833.51  | 7,067,761.22     | 0.00             | 3,759,911.01     | 14,508,683.72  | -9,429.98      | 14,499,253.74  |
| J.J. WOLF MEMORIAL INVESTIGAT                                 | 92,290.95      | 2.00             | 0.00             | 30.00            | 92,262.95      | 0.00           | 92,262.95      |
| STATE TREASURER CRT ORDER ESCR                                | 572,528.94     | 8,342.00         | 0.00             | 0.00             | 580,870.94     | 0.00           | 580,870.94     |
| CONVENTION CENTER SUPPORT                                     | 526,731.03     | 1,674,650.99     | 9,999,095.00     | 7,034,122.33     | 5,166,354.69   | 0.00           | 5,166,354.69   |
| CHILD ABUSE PREVENTION  | 75,058.14      | 6,486.72         | 0.00             | 79,086.00        | 2,458.86       | 0.00           | 2,458.86       |
| SOCIAL SERV BLOCK GRANT                                       | 500,000.00     | 22,725,562.00    | -22,725,562.00   | 0.00             | 500,000.00     | 0.00           | 500,000.00     |
| RAIL FREIGHT LOAN REPAYMENT                                   | 3,513,818.57   | 32,296.00        | -1,000,000.00    | 884,813.55       | 1,661,301.02   | 0.00           | 1,661,301.02   |
| HEARING INSTRUMENT DISPEN EXAM                                | 28,935.73      | 63,903.00        | 3,785.00         | 74,700.23        | 21,923.50      | -3,881.67      | 18,041.83      |
| SELF-INSURERS SECURITY FUND                                   | 19,783,296.35  | 882,223.87       | -13,020.00       | 1,664,942.76     | 18,987,557.46  | -16,626.71     | 18,970,930.75  |
| MPEA GRANTS   | 553,776.92     | 5,023,952.97     | 0.00             | 5,577,729.89     | 0.00           | 0.00           | 0.00           |
| LOW-LEVEL RADIOACTIVE WASTE FACILITY DEVELOPMEN               | 1,464,234.31   | 565,030.82       | -1,301,800.00    | 262,305.76       | 465,159.37     | 0.00           | 465,159.37     |
| LOW-LEVEL RADIOACTIVE WASTE FACILITY CLOSURE, PO              | 2,007.38       | 24.91            | 0.00             | 0.00             | 2,032.29       | 0.00           | 2,032.29       |
| ENVIRO PROTECT PERMIT & INSP                                  | 12,218,813.23  | 10,335,436.03    | -518,575.69      | 9,028,474.67     | 13,007,199.90  | -8,714.35      | 12,998,484.55  |
| LANDFILL CLOSURE & POST-CLOSE                                 | 305,244.04     | 17,632.00        | 0.00             | 0.00             | 322,876.04     | 0.00           | 322,876.04     |
| GOVERNOR'S GRANT  | 10,331.51      | 0.00             | 0.00             | 0.00             | 10,331.51      | 0.00           | 10,331.51      |
| SECRETARY OF STATE'S GRANT                                    | 576,070.81     | 19,254.95        | 0.00             | 145,745.50       | 449,580.26     | -4,491.39      | 445,088.87     |
| NARCOTICS PROFIT FORFEITURE                                   | 1,395,290.76   | 1,615,134.83     | 14,152.50        | 1,049,033.20     | 1,975,544.89   | -27,178.67     | 1,948,366.22   |
| STATE MIGRATORY WATERFOWL STAM                                | 5,385,761.17   | 1,007,100.50     | 0.00             | 403,178.83       | 5,989,682.84   | -1,950.00      | 5,987,732.84   |
| IL STATE PODIATRIC DISCIPLINE                                 | 787,128.56     | 47,858.41        | -253,273.00      | 100,981.18       | 480,732.79     | 0.00           | 480,732.79     |
| CHILD SUPPORT ENFORCE TRUST                                   | 26,254,548.79  | 180,701,315.59   | -15,500,000.00   | 158,404,322.43   | 33,051,541.95  | -5,860,161.64  | 27,191,380.31  |
| Attorney General Sex Offender Awareness, Training, and Educat | 553,231.80     | 74,007.81        | -25,000.00       | 150,000.00       | 452,239.61     | -30.00         | 452,209.61     |
| BUILD ILLINOIS  | 0.00           | 630,522,697.63   | -630,522,697.63  | 0.00             | 0.00           | 0.00           | 0.00           |
| PARK & CONSERVATION   | 37,553,140.44  | 27,313,644.42    | -504,500.00      | 37,226,609.51    | 27,135,675.35  | -222,614.20    | 26,913,061.15  |
| VEHICLE INSPECTION  | 25,303,084.32  | 30,069,160.00    | -12,467.78       | 17,377,699.13    | 37,982,077.41  | -2,701.00      | 37,979,376.41  |
| LOCAL TOURISM   | 5,452,253.40   | 18,413,569.53    | -32,205.57       | 16,673,113.51    | 7,160,503.85   | -8,922.37      | 7,151,581.48   |
| BUILD ILLINOIS B R & I  | 41,007,016.13  | 218,631.00       | 478,841,164.12   | 479,262,249.61   | 40,804,561.64  | -31,339,565.78 | 9,464,995.86   |
| BUILD ILLINOIS BOND   | 185,884,054.04 | 797,145.69       | 0.00             | 34,934,065.50    | 151,747,134.23 | -1,781,774.00  | 149,965,360.23 |
| ILLINOIS CAPITAL REVOLVING LOAN FUND                          | 2,918,299.77   | 1,020,229.37     | -1,272,903.00    | 484,905.56       | 2,180,720.58   | 0.00           | 2,180,720.58   |
| IL EQUITY   | 803,954.25     | 116,788.15       | -535,000.00      | 0.00             | 385,742.40     | 0.00           | 385,742.40     |
| LARGE BUSINESS ATTRACTION                                     | 1,871,801.31   | 40,760.36        | -1,562,000.00    | 0.00             | 350,561.67     | 0.00           | 350,561.67     |
| DEFERRED LOTTERY PRIZE WINNERS                                | 2,291,392.89   | 24,177,586.86    | 0.00             | 24,471,704.59    | 1,997,274.96   | -105,752.85    | 1,891,522.11   |
| MANITENO VETERANS HOME  | 14,060,846.30  | 19,843,069.78    | 10,925.97        | 12,690,231.91    | 21,224,610.14  | -93,848.51     | 21,130,761.63  |
| ADELINE JAY GEO-KARIS ILLINOIS BEACH MARINA FUND              | 15,327.75      | 328,223.50       | -195,601.13      | 40,943.22        | 107,006.90     | -4,821.82      | 102,185.08     |
| BHE FEDERAL GRANTS  | 95,252.81      | 2,134,244.66     | 0.00             | 2,229,497.47     | 0.00           | 0.00           | 0.00           |
| INTERNATIONAL & PROMOTIONAL                                   | 65,974.32      | 23,850.00        | -37,000.00       | 10,347.10        | 42,477.22      | 0.00           | 42,477.22      |
| ATTORNEY GENERAL FEDERAL GRANT                                | 75,615.01      | 734,213.64       | 0.00             | 747,998.98       | 61,829.67      | -16,644.26     | 45,185.41      |
| ABANDONED MINED LANDS RECLAM                                  | 2,917,120.62   | 16,897,491.90    | 0.00             | 17,253,102.74    | 2,561,509.78   | -379,532.15    | 2,181,977.63   |
| PUBLIC INFRASTRUCTURE CONST LN                                | 2,352,674.29   | 19,986.00        | -1,500,000.00    | 0.00             | 872,660.29     | 0.00           | 872,660.29     |
| IL AGRICULTURAL LOAN GUARANTEE                                | 10,129,630.39  | 147,593.00       | 0.00             | 0.00             | 10,277,223.39  | 0.00           | 10,277,223.39  |
| EDUC LABOR REL BD FAIR SHARE                                  | 125,270.60     | 2,118.50         | 0.00             | 15,028.48        | 112,360.62     | 0.00           | 112,360.62     |
| INSURANCE FINANCIAL REGULATION                                | 34,274,735.46  | 25,459,993.16    | -15,987,087.78   | 17,807,535.55    | 25,940,105.29  | -20,961.25     | 25,919,144.04  |

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