

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPLIANCE EXAMINATION**

For the Year Ended June 30, 2007

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2007

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DEPARTMENT OF REVENUE

AGENCY OFFICIALS

Director	Brian A. Hamer
Assistant Director	Pat Welch
Associate Director	Jodie Winnett
Chief of Staff	Lainie Krozel (10/26/07 - current) Lainie Krozel (Acting 2/5/07 – 10/25/07) Jennifer Ricker (9/7/04 – 2/4/07)
Chief Fiscal Officer	Mark Lewis (10/26/07 – current) Mark Lewis (Acting 10/1/06 – 10/25/07) Dave Hunt (5/1/90 – 9/18/06)
Lottery	Jodie Winnett (Acting 3/27/07 – current) Carolyn Adams (6/18/03 – 3/26/07)
Liquor Control Commission	Lainie Krozel (Acting 5/29/07 – current) Jennifer Ricker (Acting 8/26/06 – 2/4/07) Michael Malone (12/15/03 – 8/25/06)
Gaming Board	Mark Ostrowski
Racing Board	Marc Laino
Program Administrators:	
Administrative Services	Stephanie Arkin
Account Processing	Carol Davlin
Information Services	Curt Smith
Tax Enforcement	Pat Welch (Acting 1/19/07 - current) Luke Hartigan (Acting 1/16/07 – 1/18/07) Terrance Neathery (Acting 12/18/06 – 1/15/07) Luke Hartigan (Acting 9/30/06 – 12/17/06) August Yount (2/1/05 – 9/29/06)
Policy and Communications Office	Mike Klemens

Managers:

Financial Control Bureau

Larry Lascody, Jr.

Returns & Deposits

Patti Walbaum (1/16/07 – current)

Laurie Riva (1/1/03 – 12/31/06)

General Counsel

John McCaffrey (5/1/07 – current)

Louise Calvert (Acting 3/16/07 - 4/30/07)

Mark Hellner (3/1/05 - 3/15/07)

Agency offices are located at:

Willard Ice Building
101 West Jefferson
Springfield, Illinois 62702

James R. Thompson Center
100 West Randolph, Suite 7-500
Chicago, Illinois 60601-3274



STATE OF ILLINOIS
DEPARTMENT OF REVENUE

101 WEST JEFFERSON STREET
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Springfield Office: 217 785-7570
Chicago Office: 312 814-3190

BRIAN A. HAMER
Director

ROD R. BLAGOJEVICH
Governor

April 24, 2008

Honorable William G. Holland
State of Illinois Auditor General
Iles Park Plaza
740 East Ash
Springfield, IL 62703-3154

Dear Auditor General Holland:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Department of Revenue (Department). We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Department's compliance with the following assertions during the period ended June 30, 2007. Based on this evaluation, we assert that during the year ended June 30, 2007, the Department has materially complied with the assertions below.

- A. The Department has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. Other than what has been previously disclosed, the Department has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. Other than what has been previously disclosed, the Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The Department State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

Auditor General Wm. G. Holland

April 24, 2008

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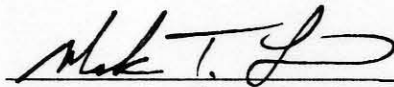
- E. The money or negotiable securities or similar assets handled by the Department on behalf of the State or held in trust by the Department have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

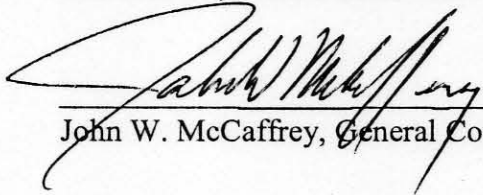
State of Illinois, Department of Revenue



Brian Hamer, Director of Revenue



Mark Lewis, Chief Fiscal Officer



John W. McCaffrey, General Counsel

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORTS

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

SUMMARY OF FINDINGS

<u>Number of Findings</u>	<u>Compliance Report</u>	<u>Financial Report</u>	<u>Prior Compliance Report</u>
Findings	*8	*2	2
Repeated findings	1	0	0
Prior recommendations implemented or not repeated	1	0	1

Details of *State Compliance* findings are presented in the separately tabbed report section of this report. Details of *Government Auditing Standards* findings are issues related to significant deficiencies and material weaknesses in internal control over financial reporting. Findings related to *Government Auditing Standards* have been issued separately with the Department of Revenue's Financial Statement Audit.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
CURRENT FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)		
*07-1		Lack of control and monitoring over tax allocation methodology utilized (This finding has been issued separately with the Department's Financial Statement Audit)
*07-2	10	Inappropriate lapse period expenditures (This finding has been issued separately with the Department's Financial Statement Audit, as well as included in this State Compliance report)

CURRENT FINDINGS (STATE COMPLIANCE)

07-3	14	Payments for consolidated services
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- 07-4 16 Lack of Adequate Disaster Contingency Planning or Testing to Ensure Recovery of Applications and Data
- 07-5 18 Improper fiscal year expenditure
- 07-6 20 Inadequate controls over contractual agreements
- 07-7 22 Inadequate controls over personal services
- 07-8 24 Inadequate control over personal use of State vehicles
- 07-9 26 Vouchers not processed timely from the Tax Increment Fund

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

- 07-10 28 Inadequate Maintenance and Response Procedures for the Fire Suppression System

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on April 2, 2008. Attending were:

Department of Revenue

Brian A. Hamer	Director
Jose Borjon	Audit Liaison
Mark Lewis	Chief Fiscal Officer
Curt Smith	Program Administrator-Information Services
John McCaffrey	General Counsel
Lainie Krozel	Chief of Staff
Larry Lascody, Jr.	Manager-Financial Control Bureau
Mike Klemens	Program Administrator-Policy and Communications Office
Dave Hunt	Administrative and Regulatory Shared Services Center
Shelly Banks	Administrative and Regulatory Shared Services Center

Office of the Auditor General

McGladrey & Pullen, LLP

Candice Long	Audit Manager	Joe Evans	Partner
Kathy Lovejoy	IS Audit Manager	Linda Abernethy	Partner
Joe Butcher	Audit Manager		
Alison Schertz	Audit Supervisor		
Patrick Meridith	Staff Auditor		

Responses to the recommendations were provided by Brian A. Hamer, Director, in a letter dated April 11, 2008.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Department of Revenue's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended June 30, 2007. The management of the State of Illinois, Department of Revenue is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Revenue's compliance based on our examination.

- A. The State of Illinois, Department of Revenue has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Department of Revenue has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Department of Revenue has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Department of Revenue are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Department of Revenue on behalf of the State or held in trust by the State of Illinois, Department of Revenue have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis,

evidence about the State of Illinois, Department of Revenue's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Revenue's compliance with specified requirements.

As described in findings 07-2 and 07-5 in the accompanying schedule of findings, the State of Illinois, Department of Revenue did not comply with requirements regarding the limitations, restrictions, conditions or mandatory directions imposed by law upon the obligation, expenditure, receipt or use of public funds of the State and with requirements regarding laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Department of Revenue to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois, Department of Revenue complied, in all material respects, with the requirements listed in the first paragraph of this report during the year ended June 30, 2007. However, the results of our procedures disclosed other instances of noncompliance, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as findings 07-3, 07-4, 07-6, 07-7, 07-8, and 07-9.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter.

Internal Control

The management of the State of Illinois, Department of Revenue is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Department of Revenue's internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Revenue's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Revenue's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements

listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance as described in the accompanying schedule of findings as findings 07-2, 07-3, 07-4, 07-5, 07-6, 07-7, 07-8, and 07-9 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings, we consider items 07-2 and 07-5 to be material weaknesses.

As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter.

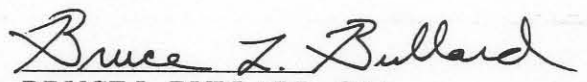
The State of Illinois, Department of Revenue's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Department of Revenue's responses and, accordingly, we express no opinion on them.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2007 Supplementary Information for State Compliance Purposes, except for the Illinois Gaming Board Statistics, the Audit Collections Statistics and the Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2006 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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


BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

April 24, 2008

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(GOVERNMENT AUDITING STANDARDS)
For the Year Ended June 30, 2007

*Note: Finding Number 07-1 appears in the Financial Statement Audit report.
Finding Number 07-2 appears in both the Financial Statement Audit report and the State Compliance Examination report.*

07-2. **FINDING** (Inappropriate lapse period expenditures)

The Department of Revenue (Department) violated provisions of the State Finance Act by prepaying future fiscal years' expenses out of appropriated funds and creating false and misleading billing invoices to support the payments.

During our testing we noted the following:

- The Department paid \$1,592,300 out of FY06 appropriations (10 separate invoices) towards the FY07 Department of Central Management Services (DCMS) Internal Service Fund billings.
- The Department paid \$2,825,621 out of FY07 appropriations (8 separate invoices) towards the FY08 DCMS Internal Service Fund billings.

Fund	FY06 prepaid for FY07	FY07 prepaid for FY08
001 - General Revenue Fund	\$407,973	\$1,574,821
012 - Motor Fuel Tax Fund	\$94,907	\$102,800
129 – State Gaming Fund	\$79,000	\$162,000
384 – Tax Compliance and Administration Fund	\$53,415	\$0
711 – State Lottery Fund	\$950,000	\$950,000
802 – Personal Property Tax Replacement Fund	\$7,005	\$36,000
TOTAL	\$1,592,300	\$2,825,621

- In FY07, the Department created or falsified six invoices with DCMS headings as supporting documentation in order to make these prepayments. Of these invoices, 1 of the 6 invoices stated it was for FY07 charges or leases when, in fact, it was to prepay FY08 costs. The remaining five invoices stated they were prepayments. All six invoice vouchers (Form C-13) submitted to the State Comptroller stated they were “FY2007 Contracted Prior to July 1.”
- In FY07, the Department created two invoices on Department of Revenue letterhead, in essence charging itself, in order to prepay two invoices to DCMS. Both invoices appeared to be for FY07 charges and did not clearly state they were prepayments for FY08. Both invoice vouchers (Form C-13) submitted to the State Comptroller stated they were “FY2007 Contracted Prior to July 1.”

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(GOVERNMENT AUDITING STANDARDS)
For the Year Ended June 30, 2007

"Billing Vendor" noted on IDOR created invoice	Amount
FY08 Prepay - DCMS manual billing invoice	\$1,050,000
FY08 Prepay - DCMS manual billing invoice	\$50,000
FY08 Prepay - DCMS manual billing invoice	\$474,821
FY08 Prepay - DCMS manual billing invoice	\$102,800
FY08 Prepay - DCMS manual billing invoice	\$36,000
FY07 DCMS manual billing invoice	\$950,000
FY07 IDOR voucher	\$140,000
FY07 IDOR voucher	\$22,000

The State Finance Act (Act) (30 ILCS 105/25 (a)) states that "All appropriations shall be available for expenditure for the fiscal year or for a lesser period if the Act making that appropriation so specifies." The Illinois Administrative Code (74 Ill. Adm. Code 1000.20 (e)) states "The Department (DCMS) shall not issue advance billings for the purpose of creating undocumented credit balances which intentionally transfer a user agency's unexpended appropriation balances to the following fiscal year through the credit process..." The Act (30 ILCS 105/9.04) states the certification on behalf of the State agency on every State voucher for goods and services other than a payroll or travel voucher shall be as follows:

"I certify that the goods or services specified on this voucher were for the use of this agency and that the expenditure for such goods or services was authorized and lawfully incurred; that such goods or services meet all the required standards set forth in the purchase agreement or contract to which this voucher relates; and that the amount shown on this voucher is correct and is approved for payment. If applicable, the reporting requirements of Section 5.1 of the Governor's Office of Management and Budget Act have been met.

.....
(Date).....(Signature)"

For departments under the Civil Administrative Code, the foregoing certification shall be executed by the Chief Executive Officer of the department from whose appropriation the payment will be made or his designee, in addition to any other certifications or approvals which may be required by law.

The Act (30 ILCS 105/9.05) further states:

"In the event that a voucher is submitted for advance payment of goods or services, the certification prescribed by Section 9.04 shall be made. In addition, the voucher shall state on its face that the goods or services are being procured pursuant to a formal, written contract the terms of which **require advance payment**. If it is not possible to execute a written contract, the voucher shall so state. **The voucher shall also state that the contract requires the goods or services to be delivered or received prior to the expiration of the lapse period of the fiscal year to which the expenditures are charged**, provided however, that such a statement shall not be required on vouchers submitted for periodical subscriptions or organizational memberships." (Emphasis Added)

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(GOVERNMENT AUDITING STANDARDS)
For the Year Ended June 30, 2007

The Act (30 ILCS 105/9.06) specifically states, “To execute knowingly and intentionally a false certification under Section 9.03 or 9.04 of this Act shall result in removal from office if done by an officer or discharge if done by an employee.”

Good internal controls require that payments be made to vendors and other similar parties based on original approved vendor invoices. Another critical component of internal control is the control environment. The control environment sets the tone of the organization, influencing the control consciousness of the organization’s personnel. It is the foundation for all other components of internal control, providing discipline and structure. Department personnel had full knowledge that false and misleading DCMS invoices were created and processed in order to accelerate the recognition of expenditures. By participating in and condoning an inappropriate practice such as this, management has undermined an effective internal control over compliance.

Department personnel stated that they identified and paid for liabilities incurred during the fiscal year before receiving a billing invoice from DCMS. In addition, the Department paid additional monies from lapsed funds to be applied as credits against future DCMS billings in the next fiscal year. The Department internally prepared and paid these invoices in absence of a formal billing invoice from DCMS. In addition, Department personnel stated at times there are delays in the DCMS billing process that adds complexity to the process of managing appropriated resources. Therefore, the Department made payments to DCMS for information technology and telecommunications to ensure that liabilities were paid in full on or ahead of schedule. The Department stated this has been a practice for several years and it had worked with DCMS to apply their unapplied credits to future DCMS billings.

Because of the significance of the exceptions noted, specifically the falsifying of documents and noncompliance with the State Finance Act, we consider this to be a significant deficiency in the Department’s internal control over compliance and a material weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department’s ability to comply with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. A material weakness is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance will not be prevented or detected by the Department’s internal control.

Falsifying documents in order to prepay appropriated funds into the next fiscal year is in direct violation of the State Finance Act and increases the risk that external parties cannot determine if invoices are for actual charges or for prepayments. Additionally, prepayments do not allow for an accurate depiction of the Department’s financial information.

Prepayments for future year’s obligations, in order to use up a current year appropriation, circumvents the appropriations passed by the General Assembly and approved by the Governor. (Finding Code No. 07-2)

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(GOVERNMENT AUDITING STANDARDS)
For the Year Ended June 30, 2007

RECOMMENDATION

We recommend the Department implement strict rules and policies to forbid the manual creation of invoices for any vendor or service and comply with fiscal year limitations as set forth in the State Finance Act in making expenditures. Further, we recommend the Department examine its internal controls to determine how false vouchers were created and paid and implement changes to prevent similar activity in the future.

DEPARTMENT RESPONSE

The Department agrees to the recommendation.

The Department did not intend any violation of the State Finance Act by making prepayments to another state agency (DCMS) that provides services to the Department through revolving funds. The Department was not aware that prepayments to DCMS were prohibited by the State Finance Act. Past practice had been to make similar payments for information technology and telecommunications services to assure liabilities were paid on or ahead of schedule.

The Department interpreted a section within the State Finance Act that provides for advance payments of goods or services to permit what are characterized as prepayments.

In following its interpretation of the statute, the Department made no attempt to deceive. The Department internally prepared and paid these invoices in the absence of a formal billing from DCMS. These invoices were not intended to be misleading, rather they were instruments to detail and document our prepayments. With three exceptions, the Department prominently marked these as "prepayments" on the invoices.

Prepayments were not an effort to circumvent the appropriations process. In FY07 for its telecommunications appropriation [the year and budget line at the center of this issue], the Department lapsed 10 percent of its appropriation.

The prepayments were to a sister agency, DCMS, to whom the Department makes payments for a variety of services. The prepayments moved money from one state fund to another, and did not involve a private vendor.

The Department has communicated to staff that no payments should be processed in the future without a proper invoice.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

07-3. **FINDING** (Payments for consolidated services)

The Department of Revenue (Department) made payments for Information Technology (consolidated services) to the Department of Central Management Services (CMS), without supporting documentation.

Each month, the Department of Central Management Services provided the Department a billing statement indicating the total charged to the Department. The Department did not receive sufficient supporting documentation to ensure the charges were for services incurred on their behalf.

During our audit, we reviewed nine months of billings, totaling \$3,053,727, specifically noting:

- The Department did not obtain detailed support for payroll charges of \$1,440,930. The Department received a spreadsheet indicating the charge for each employee; however, there was no detail to determine if the employee worked on behalf of Revenue.
- The Department paid \$515 in interest charges which were incurred by CMS as a result of late payments to vendors, even though the Department paid the bills in the allotted timeframe.

The Statewide Accounting Management System (SAMS) Procedure 17.10.30 states, “Agency level pre-auditing is defined as an examination by the agency head or designated individual for the purpose of determining the legality and propriety of a proposed transaction or a transaction in process.” Without proper detailed documentation, the Department was unable to determine propriety of the charges.

Department personnel stated that, despite numerous requests for detail back up, CMS did not provide any support for the billings. Also, an Affidavit was provided by CMS that ensures that they will provide the detail cost information for all Personal Services and other expenditures needed for internal and external auditors; however, this was not done.

Failure to obtain adequate supporting documentation could lead to the Department paying for goods and services not incurred on their behalf. (Finding Code No. 07-3)

RECOMMENDATION

The Department should obtain adequate supporting documentation to ensure all billings are for expenses incurred on behalf of the Department.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The Department was able to confirm that all CMS staff listed performed work for Revenue. However, we were not able to determine the number of hours that were for Revenue related work. We believe the DCMS LPAR rate structure will eliminate / prevent this finding from repeating in FY08 and going forward.

Due to the audit finding, CMS will not be billing prompt pay interest in FY08 and will credit IDOR for that paid in FY07.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

07-4. **FINDING** (Lack of Adequate Disaster Contingency Planning or Testing to Ensure Recovery of Applications and Data)

The Department of Revenue (Department) had not provided adequate planning for the recovery of its applications and data. Additionally, recovery testing of the applications had not been performed since March 2005 and all systems were not appropriately backed-up.

Many of the Department's IT functions were consolidated into the Department of Central Management Services (DCMS). As a result, the Department and DCMS have a shared responsibility over disaster contingency planning.

The Department had established 24 individual contingency plans representing the major business functions and operational areas.

The plans have not been updated within the last three to five years and do not depict the current environment. During our review of a sample of plans, we specifically noted the plans did not include sufficient details specific to applications and data. For example, the plans did not:

- Provide procedures and requirements regarding backup of application and data,
 - Provide backup schedules and procedures for applications and data, and
 - Provide requirements and procedures for testing backups to ensure complete and accurate data exists on the backup.
- Provide procedures to recover applications and data lost/suspended, and
- Provide testing procedures and schedules associated with the recovery procedures for applications and data.

Although the Department shares some responsibility with DCMS, the Department has the ultimate responsibility to ensure it has the capability to recover its applications and data. Since this issue was identified in the prior audit (prior to physical consolidation), it was incumbent upon the Department to ensure corrective actions were implemented to ensure its applications and data could be recovered to meet business requirements.

Information technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorse the formal development and testing of disaster recovery plans. Tests of disaster recovery plans (and the associated documentation of the test results) verify that the plan, procedures, and resources provide the capability to recover critical systems within the required timeframe.

Department personnel stated that due to staff turnover the Disaster Recovery Coordinator position was vacant for a majority of the year.

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DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

The lack of an adequate and tested disaster contingency plan leaves the Department exposed to the possibility of major disruptions of services. A comprehensive test of the plan across all platforms utilized will assist management in identifying weaknesses to ensure recovery procedures are adequate in the event of a disaster. Continuous reviews and tests of plans would help management ensure the plans are appropriately modified, as the Department's computing environment and disaster recovery needs change. (Finding Code No. 07-4, 06-2)

RECOMMENDATION

The Department should formally communicate to DCMS its recovery requirements, and establish and document guidelines that outline both the Department's and DCMS responsibilities. Specifically, the Department should upgrade its contingency plans to include details specific to applications and data, and formally communicate its recovery requirements to DCMS. The Department should coordinate with DCMS and ensure all systems are appropriately backed-up, and perform and document tests at least once a year. In addition, the contingency plans should be continuously updated to reflect environmental changes and improvements identified from tests.

DEPARTMENT RESPONSE

The Department recognizes weaknesses in the area of disaster recovery preparedness and intends to address the deficiencies. The Department began taking steps to make improvements in May 2007 through the hiring of an experienced continuity planner who is responsible for the disaster recovery efforts.

The weaknesses identified in the audit finding will be addressed as the business continuity review phases are completed. Phase I, estimated completion date of January 2009, includes legacy mainframe recovery plans, testing backup and file restoration processes on all platforms, rebuilding of the recovery team, reengineering of the continuity methodology, renewal of application categorization, building of a Test/Training/Exercise program, completion of a Business Impact Analysis, and submission of application information into the CMS Business Reference data base.

The Department intends to mitigate any risks in its control that could create a major disruption in services. In those instances where services are not in the control of the Department, steps will be taken to obtain documentation from the responsible party on what services are provided and how disruptions to the service will be handled.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

07-5. **FINDING** (Improper fiscal year expenditure)

The Illinois Department of Revenue - Gaming Board (Board) receives a yearly appropriation from the State Gaming Fund for distributions to local governments for admissions and wagering taxes received in accordance with the Riverboat Gambling Act (Act) (230 ILCS 10/12-13).

In FY06, the admissions and wagering taxes received in accordance with the Act exceeded the authorized appropriation for the State Gaming Fund. As a result, the Board improperly expended \$4,932,848 of its FY07 appropriation for payments owed to local governments for FY06. A deficiency appropriation was not requested for this amount as required.

The State Finance Act (30 ILCS 105/25) states, "All appropriations shall be available for the fiscal year or for a lesser period if the Act making that appropriation so specifies. A deficiency or emergency appropriation shall be available for expenditure only through June 30 of the year when the Act making that appropriation is enacted unless that Act otherwise provides." SAMS procedure 11.10.20 describes a deficiency appropriation as "appropriations which are made when the purpose of the regular appropriation has not been completed but the regular appropriation monies have been exhausted." In addition, good business practices require proper internal controls to be established to prevent improper expenditures, encourage adherence to legal requirements and prescribed management policies, and to ensure the accuracy and reliability of accounting data.

Department officials stated revenues for the Riverboats increased more than expected. Further, Department officials stated they were in the process of proposing legislation to amend the FY09 final Appropriation bill to take care of any future problems. The Board did not anticipate a shortage for FY08.

Because of the significance of the exception noted, specifically the failure to pay for expenditures out of the correct fiscal year, we consider this to be a significant deficiency in the Department's internal control over compliance and a material weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to comply with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. A material weakness is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance will not be prevented or detected by the Department's internal control.

Failure to pay for expenditures out of the correct fiscal year is noncompliance with the State Finance Act and fails to match fiscal year expenditures with correct fiscal year appropriations, thus reducing the overall reliability of financial information. (Finding Code No. 07-5)

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

RECOMMENDATION

We recommend the Board put controls in place to ensure all expenditures are paid out of the proper fiscal year appropriation.

DEPARTMENT RESPONSE

The Illinois Gaming Board agrees with the finding. If the appropriation is underfunded, the remaining amount due must still be paid to local governments. Some local governments rely on their share of taxes to fund their day-to-day operations. A supplemental appropriation can take up to 90 days. The delay could potentially place a financial hardship on some local governments. In the future we will include language in our appropriations bill that allows prior year obligations for gaming distributions to home dock local government agencies to be paid from the current year appropriation, if necessary.

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DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

07-6. **FINDING** (Inadequate controls over contractual agreements)

The Department of Revenue (Department) did not have adequate controls over contractual agreements. During testing, we noted:

- The Department entered into a contractual agreement (contract) for legal services which contained inadequate supporting documentation for the rate per hour for one legal associate. The contract specified a rate of \$150 per hour for the associate; however, a verbal agreement made between the Department and the law firm specified \$200 per hour for the associate. The Department did not submit an amendment to the contract with the Comptroller's Office detailing the change in rate per hour. This resulted in a discrepancy of \$12,965 between what the contract filed with the Comptroller's Office stipulated and the amount billed to and paid by the Department.

The Illinois Administrative Code (74 Ill. Adm. Code 290.1204(b)) requires that contracts for professional or artistic services contain: 1) Contractor's full name and address; 2) Agency name; 3) Reasonably detailed description of services to be rendered; 4) The contract term, where applicable; 5) The maximum or estimated amount to be paid, if applicable; 6) Payment rates, where applicable; 7) Signature of contractor and authorized agency representative; and 8) Execution date.

Good internal controls require a system to control, manage, and evaluate the performance of contractual agreements and compliance with contract terms. In addition, good internal controls require amending the written contract when contractual requirements change.

- Eleven of 68 (16%) contractual agreements tested, totaling \$1,343,730, were not signed by all necessary parties before the effective date. The agreements were signed 2 to 133 days late.
- Nine of 10 (90%) interagency agreements tested, totaling \$428,916, were not signed by all necessary parties before the effective date. The agreements were signed 93 to 314 days late.
- Three of 10 (30%) interagency agreements tested did not include supporting documentation detailing the methodology used for determining the percent allocation to be paid by the Department for billing of shared services.

Good internal controls require the approval of agreements prior to the effective date and proper documentation supporting the billing and payment of services. The Statewide Accounting Management System (SAMS) procedure 15.20.30 indicates that a contract is reduced to writing when the contract is signed by the vendor and then by more than one authorized agency representative at the earliest dated signature.

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SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
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Department personnel stated that there was an inadvertent administration error when the original contract was approved which did not reflect the agreed upon billing rate. The Department also stated that frequently with interagency agreements the need for a vendor to begin work or even appear in court may be prior to a fully executed contract or agreement being filed.

Failure to file updated documentation with the Comptroller's Office increases the risk that contracts on file are not in accordance with the Department's intent. Failure to approve contractual agreements prior to the performance of services may result in loss of State funds and may subject the State to unnecessary legal risks. In order to assess whether the interagency agreements are reasonable, appropriate, and sufficiently document the responsibilities of appropriate parties, the agreements need to be approved prior to the effective date and include proper documentation supporting the percent allocation used for billings. (Finding Code No. 07-6)

RECOMMENDATION

We recommend the Department:

- Increase the level of documentation and oversight of contractual agreements and follow good business practices by amending contracts if changes are necessary;
- Ensure all contracts and interagency agreements are approved prior to the start of the contract period or receipt of services; and
- Require interagency agreements to include methodology supporting the percent allocation used for billing of shared services.

DEPARTMENT RESPONSE

The Department concurs with the recommendation to increase oversight of contractual agreements and follow good business practices. The Department will also implement controls as appropriate to ensure that, to the extent possible, interagency agreements have proper signature approvals prior to the effective date and to include the methodology supporting the percent allocation used for billing of shared services.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

07-7. **FINDING** (Inadequate controls over personal services)

The Department of Revenue (Department) did not have adequate controls over personal services. During testing, we noted the following:

- Thirteen of 50 (26%) annual performance evaluations for employees tested were not completed timely by the Department. The employee evaluations were completed 14 to 174 days late. This caused one employee to receive a retroactive bonus and raise 13 days after he had already left the Department.
- Four of 50 (8%) employees in our sample did not receive an annual evaluation during the examination period.
- Three of 50 (6%) employees in our sample who began employment during the examination period did not receive probationary evaluations.

The Department's Employee Handbook (Handbook) states initial probationary employees are evaluated twice during the six-month probationary period, with one evaluation at the midpoint of the period and one two weeks prior to the end of such probation. Certified employees are evaluated annually. In addition, good business practices require employee evaluations to be performed to communicate the employee's strengths and weaknesses in meeting their job responsibilities.

- Seven of 30 (23%) employees tested did not have complete support for time spent on "official State business". The Department of Central Management Services' (DCMS) reports from the Central Time and Attendance System were either missing or lacked the required signatures of the employee, timekeeper or division manager.

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/5-5(c)) requires the Department to adopt personnel policies consistent with the Act. The Act states, "The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour."

Department personnel stated that the established procedures were not adhered to.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. By not maintaining appropriate time sheets, the Department is not in compliance with the State Officials and Employees Ethics Act. (Finding Code No. 07-7)

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

RECOMMENDATION

We recommend:

- The Department take appropriate measures to ensure performance evaluations are conducted annually and on time as required by policy; and
- The Department require all employees to maintain time sheets in compliance with the State Officials and Employees Ethics Act.

DEPARTMENT RESPONSE

The Department accepts the finding. Currently the Administrative & Regulatory Shared Services Center (A&R Center) Human Resource (HR) Office sends notices to the supervisors/managers of evaluations that are due. To improve the timeliness the A&R SSC HR Office will follow up on the notices to remind supervisors/managers that evaluations are due.

The A&R SSC HR Office sends a cover letter with the timekeeping reports to the timekeepers stating the process for obtaining the appropriate sign offs and for maintaining a copy in the timekeepers' file. The A&R SSC HR Office will remind the timekeepers to adhere to the procedures.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

07-8. **FINDING** (Inadequate control over personal use of State vehicles)

The Department of Revenue (Department) did not have adequate controls over the personal use of State vehicles reporting. During testing, we noted:

- One of 15 (7%) employees tested with the personal use of a State vehicle was being charged a fringe benefit for personal use of a vehicle included in her taxable income, but had not had a vehicle assigned to her since Lottery merged with the Department in FY03. The Department charged her \$32 a pay period as a fringe benefit she did not receive, which resulted in the employee being taxed for approximately \$3,840 in fringe benefits that she did not receive.
- Two of 15 (13%) employees tested with personal use of a State vehicle did not have the \$33 per pay period fringe benefit included in their taxable income.
- One of 15 (7%) employees tested was being charged the \$33 per pay period fringe benefit, when the employee worked from his home. Other employees in similar positions with similar situations were not taxed for this fringe benefit.
- In addition, auditors noted that eleven employees were charged for the personal use of a State vehicle and the amount charged differed among employees. Six of 11 (55%) employees were charged \$32 per pay period instead of \$33 per pay period for the personal use of a State vehicle. The Department did not have support for how the \$32 amount was calculated.

The IRS Employers Tax Guide to Fringe Benefits (Publication 15-B) requires employers to determine the value of a vehicle they provide to an employee for commuting use by multiplying each one-way commute by \$1.50. This multiplies out to \$3 per day, or \$33 per pay period. This amount must be included in the employee's wages or be reimbursed by the employee.

Department personnel stated that in part this relates to the completion of the Agency Consolidation. This finding involved employees and vehicles from the consolidated agencies. The Department further stated this was an agency oversight in not applying and/or removing the taxable fringe benefit for personal use of a State vehicle.

Failure to properly apply the fringe benefit for the personal use of a vehicle is noncompliance with tax guides regarding fringe benefits. (Finding Code No. 07-8)

RECOMMENDATION

We recommend the Department review relevant authoritative guidance and its listing of employees assigned a State vehicle or charged the fringe benefit for personal use of a vehicle to ensure that the fringe benefit is being applied properly.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

DEPARTMENT RESPONSE

The Department agrees with the recommendation. All employees have been corrected. The HR Payroll Office receives a monthly Vehicle Usage Report and also receives the vehicle usage forms from the employees. The Vehicle Usage Report is used to track and verify employees assigned a State vehicle.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

07-9. **FINDING** (Vouchers not processed timely from the Tax Increment Fund)

The Department of Revenue (Department) did not process vouchers for payment from the Illinois Tax Increment Fund within the required time limits.

We noted 4 of 4 vouchers tested (100%), totaling \$20,567,426, were processed for payment 6 to 14 days late. These vouchers were all part of the payment for Tax Increment Financing (TIF). All vouchers were dated in the month after the month stipulated in the Illinois Municipal Code.

The Illinois Municipal Code (65 ILCS 5/11-74.4 – 8a) states that each January, April, July and October, the Department of Revenue shall certify to the Treasurer and the Comptroller the amounts payable quarter annually during the fiscal year to each municipality under this section. The Comptroller shall promptly then draw warrants, ordering the State Treasurer to pay such amounts from the Illinois Tax Increment Fund in the State treasury.

The Auditors noted that Public Act 93-0839 caused \$1,500,000 to be swept from the TIF Fund in FY05. Below is an analytical summary of the Fund's activities for the last four fiscal years:

Quarter End Date	FY04				FY05			
	9/30/2003	12/31/2003	3/31/2004	6/30/2004	9/30/2004	12/31/2004	3/31/2005	6/30/2005
Beginning Avail. Cash Bal.	\$ 841,484	\$ 896,920	\$ 801,548	\$ 788,992	\$ 117,449	\$(2,162,748)	\$(2,314,597)	\$(1,850,037)
Qtr Cash Receipts	4,507,285	4,771,031	4,349,078	4,545,181	4,784,396	4,787,172	4,587,037	4,793,333
Other Expenses	(58,750)	(238,069)	(142,633)	(79,598)	(69,169)	(295,242)	(69,365)	(64,758)
Transfers In/(Out)	(20,707)	-	-	(728,000)	(2,354,339)	-	396,696	(450,000)
Qtr End Cash Balance	\$ 5,269,312	\$ 5,429,882	\$ 5,007,993	\$ 4,526,575	\$ 2,478,337	\$ 2,329,182	\$ 2,599,771	\$ 2,428,538
TIF payment <u>after</u> Qtr End	\$(4,372,392)	\$(4,628,334)	\$(4,219,001)	\$(4,409,126)	\$(4,641,084)	\$(4,643,779)	\$(4,449,809)	\$(4,650,086)

Quarter End Date	FY06				FY07			
	9/30/2005	12/31/2005	3/31/2006	6/30/2006	9/30/2006	12/31/2006	3/31/2007	6/30/2007
Beginning Avail. Cash Bal.	\$(2,221,548)	\$(2,133,902)	\$(2,051,829)	\$(2,136,698)	\$(2,124,859)	\$(2,051,123)	\$(1,966,534)	\$(1,895,840)
Qtr Cash Receipts	5,219,571	4,997,532	4,991,870	5,240,967	5,372,927	5,300,737	4,861,158	5,055,482
Other Expenses	(67,787)	(67,063)	(233,829)	(144,403)	(85,050)	(73,325)	(74,183)	(216,232)
Transfers In/(Out)	(906)	-	-	-	(1,359)	-	-	-
Qtr End Cash Balance	\$ 2,929,330	\$ 2,796,567	\$ 2,706,211	\$ 2,959,866	\$ 3,161,658	\$ 3,176,288	\$ 2,820,440	\$ 2,943,410
TIF payment <u>after</u> Qtr End	\$(5,063,232)	\$(4,848,396)	\$(4,842,909)	\$(5,084,725)	\$(5,212,782)	\$(5,142,823)	\$(4,716,280)	\$(4,904,514)

Note: Beginning available Cash balance is for analytical purposes and represents Quarter Ending Cash Balance less the TIF Payment made after quarter end.

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SCHEDULE OF FINDINGS
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

Department personnel stated that they do not send vouchers to the Comptroller if there is not enough money in the fund to make payments to TIF districts. The deposit amount, which is State funds and comes from the State share of sales tax receipts, is governed by total sales tax collections. The payment amount is set by appropriation of the Legislature. The Department has monitored the balance in the TIF fund and sends the vouchers to the Comptroller as soon as there are funds available.

Failure to promptly process TIF vouchers resulted in late certifications to the Treasurer and the Comptroller in accordance with the Illinois Municipal Code. (Finding Code No. 07-9)

RECOMMENDATION

We recommend the Department perform a thorough review of the TIF Fund allocation and payment process. Further, the Department should formulate a plan to return the TIF payments to the statutory time frames required by the Illinois Municipal Code or seek legislative remedy.

DEPARTMENT RESPONSE

The Department agrees with the recommendation.

The Department agrees that payments were not made to municipalities within statutory timeframes, and it agrees with the auditors' analysis that shows there was not sufficient money in the TIF Fund to make the payments within statutory deadlines.

The Department did not delay payments; lack of available funds delayed the payments.

The Department will make the certifications on a timely basis if funds are available. Otherwise it will seek a legislative remedy.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
PRIOR FINDINGS NOT REPEATED
(STATE COMPLIANCE)
For the Year Ended June 30, 2007

07-10. **FINDING** (Inadequate Maintenance and Response Procedures for the Fire Suppression System)

During the prior engagement, it was determined the Department had not ensured adequate maintenance was performed in compliance with the agreed upon Facilities Service Agreement (FSA) and all security personnel were adequately trained on all aspects of the fire suppression system to ensure the availability, security or safety of the Department's staff, physical assets and data.

During the current engagement it was determined that periodic maintenance had been performed and all staff had been trained in regards to the fire suppression system. (Finding Code 06-1)

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2007

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

- Schedule of Expenditures of Federal Awards
- Notes to the Schedule of Expenditures of Federal Awards
- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Receipts, Disbursements, and Fund Balance (Cash Basis) – Locally Held Funds
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts
- Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Receipts
- Analysis of Significant Lapse Period Spending
- Analysis of Accounts Receivable

- Analysis of Operations:

- Agency Functions and Planning Program
- Average Number of Employees
- Emergency Purchases
- Illinois Gaming Board Statistics (Not Examined)
- Audit Collections Statistics (Not Examined)
- Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Illinois Gaming Board Statistics, the Audit Collections Statistics and the Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2007
(Expressed in Thousands)

	Federal CFDA Number	Project Number	Total Expenditures
U.S. Department of Transportation			
Highway Planning and Construction	20.205	TCP-0001 (002)	\$ 57
U.S. Department of Justice			
Federal Equitable Sharing Agreement	16.XXX	IL 08484BI	\$ 60
Total Expenditures of Federal Awards			\$ 117

Note: The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2007

Note 1 – General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the State of Illinois, Department of Revenue that includes federal financial assistance received directly from federal agencies.

The Schedule of Expenditures of Federal Awards was prepared for State compliance purposes only. A separate single audit of the Illinois Department of Revenue was not conducted. A separate single audit of the entire State of Illinois (which includes the Illinois Department of Revenue) was performed and released under separate cover.

Note 2 – Basis of Presentation

The Schedule of Expenditures of Federal Awards was prepared in accordance with generally accepted accounting principles on the modified accrual basis of accounting as prescribed in pronouncements issued by the Governmental Accounting Standards Board.

Note 3 – Description of Programs

A. U.S. Department of Transportation

Highway Planning and Construction CFDA #20.205 – This program is an international initiative designed to combat motor fuel tax evasion by conducting random inspections in cooperation with the State police, State transportation authority police and State local police departments.

B. U.S Department of Justice

Federal Equitable Sharing Agreement CFDA #16.XXX – This program sets forth the requirements for participation in the Federal Equitable Sharing Program and the restrictions upon use of federally forfeited cash, property, and proceeds which are equitably – shared with participating law enforcement agencies.

Note 4 – Non-cash Awards

The Department did not receive any non-cash awards.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

For the Fiscal Year Ended June 30, 2007

P. A. 94-0798 & P.A. 95-0144	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31			
Fiscal Year 2007							
General Revenue Fund - (001)							
Personal Services	\$ 80,213,700	\$ 72,462,196	\$ 3,376,351	\$ 75,838,547	\$ -	\$ 4,375,153	
Extra Help	87,100	80,481	2,174	82,655	-	4,445	
State Contributions to State Employees' Retirement System	9,224,900	8,366,195	389,281	8,755,476	-	469,424	
State Contributions to Social Security	5,550,900	5,209,919	242,451	5,452,370	-	98,530	
Contractual Services	12,619,800	9,830,396	2,501,685	12,332,081	-	287,719	
Travel	1,262,500	1,175,427	53,097	1,228,524	-	33,976	
Commodities	483,100	456,492	17,761	474,253	-	8,847	
Printing	1,164,600	1,065,195	64,086	1,129,281	-	35,319	
Equipment	126,800	115,765	4,393	120,158	-	6,642	
Electronic Data Processing	3,317,900	2,893,067	362,550	3,255,617	-	62,283	
Telecommunications	2,363,200	910,740	1,414,216	2,324,956	-	38,244	
Operation of Automotive Equipment	37,400	36,997	-	36,997	-	403	
For Study to Determine Impact of P.A. 93-715	100,000	-	-	-	-	100,000	
South Suburban Reactivation Project	1,500,000	1,500,000	-	1,500,000	-	-	
Expenses Related to Government Services							
Shared Services Center	6,084,000	3,710,318	2,215,615	5,925,933	-	158,067	
Grants for Additional Compensation for Local Assessors (Section 2.7)	702,000	351,000	213,000	564,000	-	138,000	
Grants for State's Share of County Supervisors of Assessments' or County Assessors' Salaries	2,550,000	2,431,845	13,377	2,445,222	-	104,778	
Grants for Additional Compensation for Local Assessors (Section 2.3 and 2.6)	500,000	278,000	36,500	314,500	-	185,500	
Grants for Additional Compensation for County Treasurers	663,000	663,000	-	663,000	-	-	
Grants for the State's Share of State's Attorneys' and Assistant State's Attorneys' Salaries	12,372,700	12,368,886	-	12,368,886	-	3,814	
Grants for the Annual Stipend for Sheriffs	663,000	663,000	-	663,000	-	-	
Grants for the State's Share of County Public Defenders' Salaries	5,400,000	3,501,702	1,802,699	5,304,401	-	95,599	
Grants for the Annual Stipend to County Coroners	663,000	656,500	-	656,500	-	6,500	
Other Tax Refunds	6,576,500	6,571,121	4,978	6,576,099	-	401	
Total General Revenue Fund	\$ 154,226,100	\$ 135,298,242	\$ 12,714,214	\$ 148,012,456	\$ -	\$ 6,213,644	

Note: Amounts were obtained from Agency records and reconciled to Comptroller records.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

P. A. 94-0798 & P. A. 95-0144 Fiscal Year 2007	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31			
Motor Fuel Tax Fund - (012)							
Personal Services	\$ 12,532,000	\$ 11,822,344	\$ 546,002	\$ 12,368,346	\$ -	\$ 163,654	
State Contributions to State Employees' Retirement System	1,444,200	1,363,923	62,985	1,426,908	-	17,292	
State Contributions to Social Security	939,300	878,097	40,627	918,724	-	20,576	
Group Insurance	2,637,000	2,392,551	104,685	2,497,236	-	139,764	
Contractual Services	1,581,400	504,238	970,283	1,474,521	-	106,879	
Travel	1,143,500	844,436	187,029	1,031,465	-	112,035	
Commodities	60,600	36,351	16,121	52,472	-	8,128	
Printing	172,600	142,972	9,860	152,832	-	19,768	
Equipment	65,000	10,117	52,128	62,245	-	2,755	
Electronic Data Processing	1,148,400	757,161	299,079	1,056,240	-	92,160	
Telecommunications	235,900	173,766	61,333	235,099	-	801	
Operation of Automotive Equipment	45,400	24,844	18,688	43,532	-	1,868	
Administration of Joint State/Federal Motor Fuel Tax Enforcement Program	71,000	68,287	346	68,633	-	2,367	
Expenses Related to Government Services Shared Services Center	865,400	803,598	35,168	838,766	-	26,634	
Reimbursement to International Fuel Tax Agreement Member States	42,000,000	33,589,959	6,675,166	40,265,125	-	1,734,875	
Motor Fuel Tax Refunds	16,016,200	12,347,769	1,615,308	13,963,077	-	2,053,123	
Total Motor Fuel Tax Fund	\$ 80,957,900	\$ 65,760,413	\$ 10,694,808	\$ 76,455,221	\$ -	\$ 4,502,679	
Transportation Regulatory Fund - (018)							
Electronic Data Processing	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	

Note: Amounts were obtained from Agency records and reconciled to Comptroller records.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

P. A. 94-0798 & P. A. 95-0144	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31			
Fiscal Year 2007						
Underground Storage Tank Fund - (072)						
Personal Services	\$ 552,400	\$ 528,725	\$ 23,311	\$ 552,036	\$ -	\$ 364
State Contributions to State						
Employees' Retirement System	63,800	60,964	2,687	63,651	-	149
State Contributions to Social Security	41,300	39,324	1,725	41,049	-	251
Group Insurance	174,000	125,018	5,686	130,704	-	43,296
Contractual Services	6,800	6,800	-	6,800	-	-
Travel	15,200	15,159	-	15,159	-	41
Commodities	2,100	1,676	28	1,704	-	396
Printing	1,500	1,386	-	1,386	-	114
Telecommunications	28,000	27,958	-	27,958	-	42
Motor Fuel Tax Refunds	8,800	-	-	-	-	8,800
Total Underground Storage Tank Fund	\$ 893,900	\$ 807,010	\$ 33,437	\$ 840,447	\$ -	\$ 53,453
Illinois Gaming Law Enforcement Fund - (085)						
Personal Services	\$ 616,000	\$ 531,280	\$ 26,565	\$ 557,845	\$ -	\$ 58,155
State Contributions to State						
Employees' Retirement System	70,800	61,267	3,063	64,330	-	6,470
State Contributions to Social Security	45,700	34,712	1,562	36,274	-	9,426
Group Insurance	174,000	137,470	7,041	144,511	-	29,489
Contractual Services	180,700	180,661	-	180,661	-	39
Travel	25,200	22,721	-	22,721	-	2,479
Commodities	2,900	2,868	-	2,868	-	32
Printing	1,500	529	-	529	-	971
Electronic Data Processing	57,000	54,619	-	54,619	-	2,381
Telecommunications	10,500	5,735	4,746	10,481	-	19
Operation of Automotive Equipment	18,600	18,100	34	18,134	-	466
Grants for Allocation to Local Law Enforcement Agencies	1,300,000	3,743	1,205,578	1,209,321	-	90,679
Total Illinois Gaming Law Enforcement Fund	\$ 2,502,900	\$ 1,053,705	\$ 1,248,589	\$ 2,302,294	\$ -	\$ 200,606

Note: Amounts were obtained from Agency records and reconciled to Comptroller records.

STATE OF ILLINOIS
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For the Fiscal Year Ended June 30, 2007

P. A. 94-0798 & P.A. 95-0144	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31			
Fiscal Year 2007						
State Gaming Fund - (129)						
Personal Services	\$ 6,060,300	\$ 4,625,299	\$ 253,193	\$ 4,878,492	\$ -	\$ 1,181,808
State Contributions to State						
Employees' Retirement System	696,900	533,246	29,191	562,437	-	134,463
State Contributions to Social Security	277,800	164,969	8,814	173,783	-	104,017
Group Insurance	1,291,000	854,036	38,230	892,266	-	398,734
Contractual Services	859,300	316,141	523,341	839,482	-	19,818
Travel	86,000	70,978	5,912	76,890	-	9,110
Commodities	20,000	7,932	903	8,835	-	11,165
Printing	5,900	3,223	-	3,223	-	2,677
Equipment	289,100	220,629	63,418	284,047	-	5,053
Electronic Data Processing	54,000	32,841	6,783	39,624	-	14,376
Telecommunications	213,000	48,267	163,826	212,093	-	907
Operation of Automotive Equipment	50,500	21,884	28,591	50,475	-	25
Expenses Related to the Illinois State Police	8,300,000	7,408,636	889,118	8,297,754	-	2,246
Expenses Related to Govt Serv. Shared Services Center	490,700	449,905	21,200	471,105	-	19,595
Distributions to Local Governments for						
Admissions and Wagering Tax	122,000,000	106,784,610	12,339,478	119,124,088	-	2,875,912
Refunds	50,000	-	-	-	-	50,000
Total State Gaming Fund	\$ 140,744,500	\$ 121,542,596	\$ 14,371,998	\$ 135,914,594	\$ -	\$ 4,829,906
Home Rule Municipal ROT Fund - (138)						
Personal Services	\$ 180,400	\$ 170,791	\$ 7,623	\$ 178,414	\$ -	\$ 1,986
State Contributions to State						
Employees' Retirement System	20,800	19,687	879	20,566	-	234
State Contributions to Social Security	13,500	12,688	568	13,256	-	244
Group Insurance	43,500	36,924	1,605	38,529	-	4,971
Contractual Services	132,300	132,300	-	132,300	-	-
Travel	25,800	25,796	-	25,796	-	4
Telecommunications	3,700	3,376	324	3,700	-	-
Total Home Rule Municipal ROT Fund	\$ 420,000	\$ 401,562	\$ 10,999	\$ 412,561	\$ -	\$ 7,439

Note: Amounts were obtained from Agency records and reconciled to Comptroller records.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

For the Fiscal Year Ended June 30, 2007

P. A. 94-0798 & P. A. 95-0144 Fiscal Year 2007	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31			
Federal Trust Fund - (140) Administrative Costs	\$ 250,000	\$ 25,450	\$ 17,112	\$ 42,562	\$ -	\$ 207,438
Rental Housing Support Program - (150) Administration of the Rental Housing Program Grants to Provide Rental Assistance Total Rental Housing Support Program	\$ 1,750,000 25,000,000 26,750,000	\$ 83,890 712,500 796,390	\$ 65,415 10,750,000 10,815,415	\$ 149,305 11,462,500 11,611,805	\$ - - -	\$ 1,600,695 13,537,500 15,138,195
State and Local Sales Tax Reform Fund - (186) For Allocation to Chicago for Additional 1.25% Use Tax Pursuant to P.A. 86-0928	\$ 46,386,400	\$ 45,715,588	\$ 670,812	\$ 46,386,400	\$ -	\$ -
RTA Occupation and Use Tax Replacement Fund - (187) For Allocation to RTA for 10 % of the 1.25% Use Tax Pursuant to P.A. 86-0928	\$ 23,193,200	\$ 22,857,125	\$ 336,075	\$ 23,193,200	\$ -	\$ -
County Option Motor Fuel Tax Fund - (190) Personal Services State Contributions to State Employees' Retirement System State Contributions to Social Security Group Insurance Contractual Services Travel Commodities Telecommunications Total County Option Motor Fuel Tax Fund	\$ 320,800 37,000 23,900 101,500 18,000 15,300 2,400 12,500	\$ 300,694 34,668 22,269 85,867 18,000 15,231 2,356 12,240	\$ 12,608 1,454 933 3,832 - - - 254	\$ 313,302 36,122 23,202 89,699 18,000 15,231 2,356 12,494	\$ - - - - - - - -	\$ 7,498 878 698 11,801 - 69 44 6 20,994
Debt Collection Fund - (279) Administrative Costs Associated with Statewide Debt Collection	\$ 10,000	\$ 3,427	\$ 1,540	\$ 4,967	\$ -	\$ 5,033

Note: Amounts were obtained from Agency records and reconciled to Comptroller records.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
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For the Fiscal Year Ended June 30, 2007

P. A. 94-0798 & P.A. 95-0144 Fiscal Year 2007	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31			
Tax Increment Fund - (281)						
Personal Services	\$ 199,200	\$ 183,176	\$ 11,542	\$ 194,718	\$ -	\$ 4,482
State Contributions to State Employees' Retirement System	22,900	21,115	1,330	22,445	-	455
State Contributions to Social Security Group Insurance	14,900	13,482	858	14,340	-	560
Contractual Services	59,200	50,807	2,173	52,980	-	6,220
Telecommunications	265,200	128,500	-	128,500	-	136,700
Grants for Distribution to Local Tax Increment Finance Districts	14,600	14,400	-	14,400	-	200
Total Tax Increment Fund	21,076,600	15,662,912	4,904,514	20,567,426	-	509,174
	\$ 21,652,600	\$ 16,074,392	\$ 4,920,417	\$ 20,994,809	\$ -	\$ 657,791
Illinois Affordable Housing Trust Fund - (286)						
Administration of Affordable Housing Act Grants to Other State Agencies	\$ 2,600,000	\$ 1,856,592	\$ 709,793	\$ 2,566,385	\$ -	\$ 33,615
Grants, Mortgages, Loans, or for the Purpose of Securing Bonds	6,300,000	5,886,000	414,000	6,300,000	-	-
Total Illinois Affordable Housing Trust Fund	62,400,000	40,552,517	21,691,428	62,243,945	-	156,055
	\$ 71,300,000	\$ 48,295,109	\$ 22,815,221	\$ 71,110,330	\$ -	\$ 189,670
Federal HOME Investment Trust Fund - (338)						
Administration of the Illinois HOME Investment Partnerships Program	\$ 33,208,795	\$ 27,729,096	\$ -	\$ 27,729,096	\$ 5,479,699	\$ -

Note: Amounts were obtained from Agency records and reconciled to Comptroller records.

STATE OF ILLINOIS
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For the Fiscal Year Ended June 30, 2007

P. A. 94-0798 & P. A. 95-0144 Fiscal Year 2007	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31			
Tax Compliance and Administration Fund - (384)						
Personal Services	\$ 279,000	\$ 260,678	\$ 11,628	\$ 272,306	\$ -	\$ 6,694
State Contributions to State						
Employees' Retirement System	32,100	30,044	1,340	31,384	-	716
State Contributions to Social Security	21,100	19,507	868	20,375	-	725
Group Insurance	87,000	64,408	2,747	67,155	-	19,845
Electronic Data Processing	105,000	23,900	81,100	105,000	-	-
Telecommunications	5,700	5,516	145	5,661	-	39
Administration of the Dyed Diesel Fuel						
Roadside Enforcement Plan	29,600	26,932	1,054	27,986	-	1,614
Expenses Related to Govt Serv. Shared Services Center	76,100	69,206	3,524	72,730	-	3,370
Administration of the Illinois Petroleum						
Education and Marketing Act	9,000	8,750	-	8,750	-	250
Administration of the Dry Cleaners						
Environmental Response Trust Fund Act	63,600	55,358	2,467	57,825	-	5,775
Administration of the Simplified						
Telecommunications Act	1,455,800	1,341,379	63,223	1,404,602	-	51,198
Administrative Costs Associated with						
the Municipality Sales Tax	130,000	77,412	3,380	80,792	-	49,208
Total Tax Compliance and Administration Fund	\$ 2,294,000	\$ 1,983,090	\$ 171,476	\$ 2,154,566	\$ -	\$ 139,434
Local Government Distributive Fund - (515)						
For Allocation to Local Governments for Additional						
1.25% Use Tax Pursuant to P. A. 86-0928	\$ 123,489,700	\$ 114,883,617	\$ 8,606,078	\$ 123,489,695	\$ -	\$ 5

Note: Amounts were obtained from Agency records and reconciled to Comptroller records.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

P. A. 94-0798 & P.A. 95-0144 Fiscal Year 2007	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31			
Horse Racing Fund - (632)							
Personal Services	\$ 1,002,900	\$ 934,469	\$ 46,821	\$ 981,290	\$ -	\$ 21,610	
State Contributions to State Employees' Retirement System	115,300	107,821	5,404	113,225	-	2,075	
State Contributions to Social Security	75,100	68,434	3,516	71,950	-	3,150	
Group Insurance	246,500	172,794	7,564	180,358	-	66,142	
Contractual Services	285,200	69,893	10,201	80,094	-	205,106	
Travel	32,700	14,766	1,816	16,582	-	16,118	
Commodities	7,500	5,483	89	5,572	-	1,928	
Printing	10,700	42	2,026	2,068	-	8,632	
Equipment	18,400	16,561	55	16,616	-	1,784	
Electronic Data Processing	140,100	45,450	22,798	68,248	-	71,852	
Telecommunications	91,600	66,923	13,205	80,128	-	11,472	
Operation of Automotive Equipment	21,500	13,308	2,702	16,010	-	5,490	
Expenses Related to Laboratory Program	1,893,100	1,375,409	309,650	1,685,059	-	208,041	
Expenses Related to Regulation of Racing Program	3,962,200	3,345,697	211,051	3,556,748	-	405,452	
Expenses Related to Govt Serv. Shared Services Center	62,100	14,108	-	14,108	-	47,992	
Refunds	300	25	-	25	-	275	
Total Horse Racing Fund	\$ 7,965,200	\$ 6,251,183	\$ 636,898	\$ 6,888,081	\$ -	\$ 1,077,119	

Note: Amounts were obtained from Agency records and reconciled to Comptroller records.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
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P. A. 94-0798 & P. A. 95-0144 Fiscal Year 2007	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31			
State Lottery Fund - (711)	\$ 7,868,100	\$ 6,835,177	\$ 340,834	\$ 7,176,011	\$ -	\$ 692,089
Personal Services						
State Contributions to State Employees' Retirement System	904,800	788,782	39,333	828,115	-	76,685
State Contributions to Social Security	589,200	507,722	25,328	533,050	-	56,150
Group Insurance	2,239,000	1,775,535	78,479	1,854,014	-	384,986
Contractual Services	30,438,300	22,105,375	7,004,497	29,109,872	-	1,328,428
Travel	107,400	18,449	7,826	26,275	-	81,125
Commodities	58,400	9,820	364	10,184	-	48,216
Printing	29,700	1,216	-	1,216	-	28,484
Equipment	260,500	179,606	-	179,606	-	80,894
Electronic Data Processing	2,505,700	1,915,345	125,180	2,040,525	-	465,175
Telecommunications	9,138,200	4,716,485	3,223,350	7,939,835	-	1,198,365
Operation of Automotive Equipment	425,000	358,318	48,314	406,632	-	18,368
Expenses of Developing and Promoting Lottery Games	7,533,200	2,836,280	1,073,221	3,909,501	-	3,623,699
Expenses of Lottery Board	8,300	1,609	358	1,967	-	6,333
Expenses Related to Govt Serv. Shared Services Center For Payment of Prizes to Holders of Winning Lottery Tickets or Shares	832,700	744,279	32,877	777,156	-	55,544
Refunds	315,050,000	250,543,950	26,048,349	276,592,299	-	38,457,701
Total State Lottery Fund	\$ 378,036,500	\$ 293,373,801	\$ 38,053,583	\$ 331,427,384	\$ -	\$ 46,609,116
Municipal Telecommunications Fund - (719)						
Simplified Municipal Telecommunications Tax Refunds	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ 12,000
Tobacco Settlement Recovery Fund - (733)						
Operation of the Local Government Tobacco Enforcement Grant Program	\$ 165,500	\$ 87,149	\$ 6,345	\$ 93,494	\$ -	\$ 72,006
Grants to Local Governmental Units to Establish Enforcement Programs	1,000,000	998,350	(203)	998,147	-	1,853
Total Tobacco Settlement Recovery Fund	\$ 1,165,500	\$ 1,085,499	\$ 6,142	\$ 1,091,641	\$ -	\$ 73,859

Note: Amounts were obtained from Agency records and reconciled to Comptroller records.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
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For the Fiscal Year Ended June 30, 2007

P. A. 94-0798 & P.A. 95-0144 Fiscal Year 2007	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31			
Child Support Administrative Fund - (757)							
Personal Services	\$ 1,455,700	\$ 1,080,891	\$ 38,007	\$ -	\$ 1,118,898	\$ -	\$ 336,802
State Contributions to State							
Employees' Retirement System	167,400	124,601	4,382	-	128,983	-	38,417
State Contributions to Social Security	109,200	79,966	2,817	-	82,783	-	26,417
Group Insurance	435,000	251,320	9,375	-	260,695	-	174,305
Contractual Services	6,800	6,800	-	-	6,800	-	-
Electronic Data Processing	1,400	-	869	-	869	-	531
Telecommunications	15,600	9,615	882	-	10,497	-	5,103
Total Child Support Administrative Fund	\$ 2,191,100	\$ 1,553,193	\$ 56,332	\$ -	\$ 1,609,525	\$ -	\$ 581,575
Personal Property Tax Replacement Fund - (802)							
Personal Services	\$ 5,311,700	\$ 4,893,963	\$ 226,171	\$ -	\$ 5,120,134	\$ -	\$ 191,566
State Contributions to State							
Employees' Retirement System	610,900	564,539	26,093	-	590,632	-	20,268
State Contributions to Social Security	398,400	362,854	16,775	-	379,629	-	18,771
Group Insurance	1,725,500	1,372,366	60,368	-	1,432,734	-	292,766
Contractual Services	1,273,800	1,169,892	52,614	-	1,222,506	-	51,294
Travel	163,900	152,515	5,310	-	157,825	-	6,075
Commodities	52,500	28,314	20,379	-	48,693	-	3,807
Printing	24,600	23,078	-	-	23,078	-	1,522
Equipment	46,000	15,416	11,349	-	26,765	-	19,235
Electronic Data Processing	2,952,800	2,901,717	40,292	-	2,942,009	-	10,791
Telecommunications	147,200	94,989	52,198	-	147,187	-	13
Operation of Automotive Equipment	16,000	16,000	-	-	16,000	-	-
Total Personal Property Tax Replacement Fund	\$ 12,723,300	\$ 11,595,643	\$ 511,549	\$ -	\$ 12,107,192	\$ -	\$ 616,108

STATE OF ILLINOIS
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For the Fiscal Year Ended June 30, 2007

P. A. 94-0798 & P.A. 95-0144 Fiscal Year 2007	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31			
Dram Shop Fund - (821)	\$ 2,249,600	\$ 2,089,247	\$ 26,548	\$ 2,115,795	\$ -	\$ 133,805
Personal Services						
State Contributions to State						
Employees' Retirement System	258,700	241,176	3,227	244,403	-	14,297
State Contributions to Social Security	167,400	154,774	2,031	156,805	-	10,595
Group Insurance	594,500	489,562	-	489,562	-	104,938
Contractual Services	326,100	127,701	21,001	148,702	-	177,398
Travel	117,000	88,352	17,644	105,996	-	11,004
Commodities	15,800	2,747	3,394	6,141	-	9,659
Printing	5,900	773	295	1,068	-	4,832
Equipment	19,500	435	-	435	-	19,065
Electronic Data Processing	44,800	35,765	8,441	44,206	-	594
Telecommunications	54,900	49,350	4,706	54,056	-	844
Operation of Automotive Equipment	75,000	61,593	5,074	66,667	-	8,333
Expenses Related to Govt. Services Shared Serv. Center	97,600	88,013	17	88,030	-	9,570
For Study to Determine Extent of Enforcement of Laws						
Relating to Access by Minors to Tobacco Products	281,700	134,414	8,640	143,054	-	138,646
Expenses Related to Retailer Education Program	196,700	138,870	11,301	150,171	-	46,529
For Operation of the Beverage Alcohol Sellers and						
Servers Education and Training (BASSET) Program	268,600	136,976	7,468	144,444	-	124,156
Refunds	10,000	2,150	500	2,650	-	7,350
Total Dram Shop Fund	\$ 4,783,800	\$ 3,841,898	\$ 120,287	\$ 3,962,185	\$ -	\$ 821,615
Senior Citizens Real Estate Deferred Tax Fund - (930)						
For Payments to Counties	\$ 5,900,000	\$ 4,767,743	\$ 148,943	\$ 4,916,686	\$ -	\$ 983,314
SUBTOTAL - Appropriated Funds	\$ 1,141,589,795	\$ 926,188,097	\$ 126,981,006	\$ 1,053,169,103	\$ 5,479,699	\$ 82,940,993

Note: Amounts were obtained from Agency records and reconciled to Comptroller records.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
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For the Fiscal Year Ended June 30, 2007

P.A. 94-0798 & P.A. 95-0144 Fiscal Year 2007	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31			
<u>CONTINUING APPROPRIATIONS</u>						
Income Tax Refund Fund - (278) Income Tax Refunds	\$ 1,429,410,637	\$ 1,429,410,637	\$ -	\$ 1,429,410,637	\$ -	\$ -
Local Government Distributive Fund - (515) Grants to Local Governments	\$ 1,107,581,954	\$ 1,107,581,954	\$ -	\$ 1,107,581,954	\$ -	\$ -
Personal Property Tax Replacement Fund - (802) Shared Revenue Payments	\$ 1,415,827,735	\$ 1,415,827,735	\$ -	\$ 1,415,827,735	\$ -	\$ -
SUBTOTAL - Continuing Appropriated Funds	\$ 3,952,820,326	\$ 3,952,820,326	\$ -	\$ 3,952,820,326	\$ -	\$ -
SUBTOTAL - All Appropriated Funds	\$ 5,094,410,121	\$ 4,879,008,423	\$ 126,981,006	\$ 5,005,989,429	\$ 5,479,699	\$ 82,940,993
<u>NONAPPROPRIATED EXPENDITURES</u>						
County Water Commission Tax Fund - (084) Shared Revenue Payments		\$ 36,716,563	\$ -	\$ 36,716,563		
Non-Home Rule Municipal ROT Fund - (088) Shared Revenue Payments		\$ 48,919,366	\$ -	\$ 48,919,366		
Home Rule Municipal Soft Drink ROT Fund - (097) Shared Revenue Payments Refunds Total Home Rule Municipal Soft Drink ROT Fund		\$ 8,370,576	\$ -	\$ 8,370,576		
		7,106	5,152	12,258		
		\$ 8,377,682	\$ 5,152	\$ 8,382,834		
Home Rule Municipal ROT Fund - (138) Shared Revenue Payments		\$ 719,692,117	\$ -	\$ 719,692,117		

Note: Amounts were obtained from Agency records and reconciled to Comptroller records.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

P.A. 94-0798 & P.A. 95-0144 Fiscal Year 2007	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31			
Home Rule County ROT Fund - (139)						
Shared Revenue Payments		\$ 321,053,502	\$ -	\$ 321,053,502		
Business District Sales Tax Fund - (160)						
Shared Revenue Payments		\$ 476,834	\$ -	\$ 476,834		
County and Mass Transit District Fund - (188)						
Shared Revenue Payments		\$ 214,385,220	\$ -	\$ 214,385,220		
Local Government Tax Fund - (189)						
Shared Revenue Payments		\$ 1,625,075,981	\$ -	\$ 1,625,075,981		
County Option Motor Fuel Tax Fund - (190)						
Shared Revenue Payments		\$ 29,743,676	\$ -	\$ 29,743,676		
County Public Safety ROT Fund - (219)						
Shared Revenue Payments		\$ 72,588,438	\$ -	\$ 72,588,438		
Sports Facility Tax Trust Fund - (229)						
Interfund Cash Transfers		\$ 27,914,131	\$ -	\$ 27,914,131		
Shared Revenue Payments		7,439,146	-	7,439,146		
Total Sports Facility Tax Trust Fund		\$ 35,353,277	\$ -	\$ 35,353,277		
Racing Board Fingerprint License Fund - (248)						
Contractual Services		\$ 80,960	\$ 18,972	\$ 99,932		
Illinois Racing Board Charity Fund - (271)						
Grants to Non-Profit Organizations		\$ 750,000	\$ -	\$ 750,000		
Illinois Racing Board Grant Fund - (280)						
Shared Revenue Payments		\$ 455,054	\$ 174,330	\$ 629,384		

Note: Amounts were obtained from Agency records and reconciled to Comptroller records.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

P. A. 94-0798 & P. A. 95-0144 Fiscal Year 2007	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balance Reappropriated July 1, 2007	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31			
Illinois Tourism Tax Fund - (452)						
Shared Revenue Payments		\$ 17,142,731	\$ -	\$ 17,142,731		
Tax Suspense Trust Fund - (583)						
Refunds		\$ 196,265	\$ -	\$ 196,265		
Metro East Park and Recreation Fund - (717)						
Shared Revenue Payments		\$ 4,275,483	\$ -	\$ 4,275,483		
Municipal Telecommunications Fund - (719)						
Grants to Local Governments		\$ 272,295,836	\$ -	\$ 272,295,836		
RTA Sales Tax Trust Fund - (812)						
Shared Revenue Payments		\$ 729,266,755	\$ -	\$ 729,266,755		
Metro East Mass Transit District Tax Fund - (841)						
Shared Revenue Payments		\$ 28,680,821	\$ -	\$ 28,680,821		
Tennessee Valley Authority Local Trust Fund - (861)						
Shared Revenue Payments		\$ 237,507	\$ -	\$ 237,507		
Municipal Automobile Renting Tax Fund - (868)						
Shared Revenue Payments		\$ 5,824,087	\$ -	\$ 5,824,087		
County Automobile Renting Tax Fund - (869)						
Shared Revenue Payments		\$ 47,364	\$ -	\$ 47,364		
Deferred Lottery Prize Winners Fund - (978)						
Lottery Prizes - Monetary		\$ 146,634,261	\$ -	\$ 146,634,261		
SUBTOTAL - Nonappropriated Expenditures		\$ 4,318,269,780	\$ 198,454	\$ 4,318,468,234		
DEPARTMENT TOTAL - ALL FUNDS		\$ 9,197,278,203	\$ 127,179,460	\$ 9,324,457,663		

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
General Revenue Fund - 001		
Appropriations (Net of Transfers)	\$ 154,226,100	\$ 133,824,150
<u>Expenditures</u>		
Personal Services	\$ 75,838,547	\$ 73,496,231
Extra Help	82,655	80,746
Employee Retirement Contributions Paid by Employer	-	560,788
State Contributions to State Employees' Retirement System	8,755,476	5,735,994
State Contributions to Social Security	5,452,370	5,299,311
Contractual Services	12,332,081	11,030,219
Travel	1,228,524	1,378,594
Commodities	474,253	439,098
Printing	1,129,281	974,738
Equipment	120,158	137,982
Electronic Data Processing	3,255,617	2,800,869
Telecommunications	2,324,956	1,867,285
Operation of Automotive Equipment	36,997	27,708
For Study to Determine Impact of P.A. 93-715	-	42,700
South Suburban Reactivation Project	1,500,000	-
Expenses Related to Govt Services Shared Services Center	5,925,933	-
Grants for Additional Compensation for Local Assessors (Section 2.7)	564,000	579,000
Grants for State's Share of County Supervisors of Assessments' or County Assessors' Salaries	2,445,222	2,337,547
Grants for Additional Compensation for Local Assessors (Section 2.3 and 2.6)	314,500	324,250
Grants for Additional Compensation for County Treasurers	663,000	663,000
Grants for the State's Share of State's Attorneys' and Assistant State's Attorneys' Salaries	12,368,886	11,464,553
Grants for the Annual Stipend for Sheriffs	663,000	662,458
Grants for the State's Share of County Public Defenders' Salaries	5,304,401	-
Grants for the Annual Stipend to County Coroners	656,500	656,500
Other Tax Refunds	6,576,099	6,576,500
Total General Revenue Fund	<u>\$ 148,012,456</u>	<u>\$ 127,136,071</u>
Lapsed Balances	<u>\$ 6,213,644</u>	<u>\$ 6,688,079</u>
Motor Fuel Tax Fund - 012		
Appropriations (Net of Transfers)	\$ 80,957,900	\$ 79,801,100
<u>Expenditures</u>		
Personal Services	\$ 12,368,346	\$ 12,338,516
Employee Retirement Contributions Paid by Employer	-	75,338
State Contributions to State Employees' Retirement System	1,426,908	962,313
State Contributions to Social Security	918,724	910,193
Group Insurance	2,497,236	2,755,576
Contractual Services	1,474,521	1,431,770
Travel	1,031,465	973,598
Commodities	52,472	50,990

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For the Fiscal Years Ended June 30,

	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
<u>Motor Fuel Tax Fund - 012 (continued)</u>		
<u>Expenditures</u>		
Printing	\$ 152,832	\$ 110,357
Equipment	62,245	34,633
Electronic Data Processing	1,056,240	960,626
Telecommunications	235,099	244,900
Operation of Automotive Equipment	43,532	25,245
Administration of Joint State/Federal Motor Fuel Tax Enforcement Program	68,633	24,326
Expenses Related to Govt Services Shared Services Center	838,766	-
Reimbursement to International Fuel Tax Agreement Member States	40,265,125	41,999,959
Motor Fuel Tax Refunds	13,963,077	16,014,911
Total Motor Fuel Tax Fund	\$ 76,455,221	\$ 78,913,251
Lapsed Balances	\$ 4,502,679	\$ 887,849
<u>Transportation Regulatory Fund - 018</u>		
Appropriations (Net of Transfers)	\$ 1,000	\$ 1,000
<u>Expenditures</u>		
Electronic Data Processing	\$ 1,000	\$ 1,000
Lapsed Balances	\$ -	\$ -
<u>Underground Storage Tank - 072</u>		
Appropriations (Net of Transfers)	\$ 893,900	\$ 908,900
<u>Expenditures</u>		
Personal Services	\$ 552,036	\$ 522,091
Employee Retirement Contributions Paid by Employer	-	4,134
State Contributions to State Employees' Retirement System	63,651	40,688
State Contributions to Social Security	41,049	38,756
Group Insurance	130,704	133,222
Contractual Services	6,800	6,800
Travel	15,159	15,183
Commodities	1,704	1,835
Printing	1,386	1,010
Telecommunications	27,958	27,991
Total Underground Storage Tank	\$ 840,447	\$ 791,710
Lapsed Balances	\$ 53,453	\$ 117,190

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For the Fiscal Years Ended June 30,

	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
<u>Illinois Gaming Law Enforcement Fund - 085</u>		
Appropriations (Net of Transfers)	\$ 2,502,900	\$ 2,490,500
<u>Expenditures</u>		
Personal Services	\$ 557,845	\$ 510,376
Employee Retirement Contributions Paid by Employer	-	3,950
State Contributions to State Employees' Retirement System	64,330	39,809
State Contributions to Social Security	36,274	32,775
Group Insurance	144,511	112,856
Contractual Services	180,661	233,043
Travel	22,721	25,133
Commodities	2,868	2,019
Printing	529	1,089
Electronic Data Processing	54,619	610
Telecommunications	10,481	10,489
Operation of Automotive Equipment	18,134	18,252
Grants for Allocation to Local Law Enforcement Agencies	1,209,321	1,263,814
Total Illinois Gaming Law Enforcement Fund	<u>\$ 2,302,294</u>	<u>\$ 2,254,215</u>
Lapsed Balances	<u>\$ 200,606</u>	<u>\$ 236,285</u>
<u>State Gaming Fund - 129</u>		
Appropriations (Net of Transfers)	\$ 140,744,500	\$ 120,050,400
<u>Expenditures</u>		
Personal Services	\$ 4,878,492	\$ 4,780,099
Employee Retirement Contributions Paid by Employer	-	35,155
State Contributions to State Employees' Retirement System	562,437	372,681
State Contributions to Social Security	173,783	187,457
Group Insurance	892,266	909,881
Contractual Services	839,482	549,898
Travel	76,890	51,149
Commodities	8,835	9,436
Printing	3,223	3,426
Equipment	284,047	126,120
Electronic Data Processing	39,624	15,475
Telecommunications	212,093	220,012
Operation of Automotive Equipment	50,475	58,255
Expenses Related to the Illinois State Police	8,297,754	7,065,435
Expenses Related to Govt Services Shared Services Center	471,105	-
Distributions to Local Government for Admissions and Wagering Tax	119,124,088	104,400,000
Refunds	-	25,000
Total State Gaming Fund	<u>\$ 135,914,594</u>	<u>\$ 118,809,479</u>
Lapsed Balances	<u>\$ 4,829,906</u>	<u>\$ 1,240,921</u>

STATE OF ILLINOIS
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COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
<u>Home Rule Municipal ROT Fund - 138</u>		
Appropriations (Net of Transfers)	\$ 420,000	\$ 395,000
<u>Expenditures</u>		
Personal Services	\$ 178,414	\$ 164,285
Employee Retirement Contributions Paid by Employer	-	1,635
State Contributions to State Employees' Retirement System	20,566	12,802
State Contributions to Social Security	13,256	12,200
Group Insurance	38,529	38,297
Contractual Services	132,300	132,300
Travel	25,796	25,800
Telecommunications	3,700	3,700
Total Home Rule Municipal ROT Fund	<u>\$ 412,561</u>	<u>\$ 391,019</u>
Lapsed Balances	<u>\$ 7,439</u>	<u>\$ 3,981</u>
<u>Federal Trust Fund - 140</u>		
Appropriations (Net of Transfers)	\$ 250,000	\$ -
<u>Expenditures</u>		
Administrative Costs	\$ 42,562	\$ -
Lapsed Balances	<u>\$ 207,438</u>	<u>\$ -</u>
<u>Rental Housing Support Program Fund - 150</u>		
Appropriations (Net of Transfers)	\$ 26,750,000	\$ 7,490,000
<u>Expenditures</u>		
Administration of Rental Housing Program	\$ 149,305	\$ -
Grants to Provide Rental Assistance	11,462,500	7,000,000
Total Rental Housing Support Program Fund	<u>\$ 11,611,805</u>	<u>\$ 7,000,000</u>
Lapsed Balances	<u>\$ 15,138,195</u>	<u>\$ 490,000</u>
<u>State and Local Sales Tax Reform Fund - 186</u>		
Appropriations (Net of Transfers)	\$ 46,386,400	\$ 43,383,400
<u>Expenditures</u>		
For Allocation to Chicago for Additional 1.25% Use Tax Pursuant to P.A. 86-0928	\$ 46,386,400	\$ 43,383,400
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>
<u>RTA Occupation and Use Tax Replacement Fund - 187</u>		
Appropriations (Net of Transfers)	\$ 23,193,200	\$ 21,691,700
<u>Expenditures</u>		
For Allocation to RTA for 10% of the 1.25% Use Tax Pursuant to P.A. 86-0928	\$ 23,193,200	\$ 21,691,700
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>

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For the Fiscal Years Ended June 30,

	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
<u>County Option Motor Fuel Tax Fund - 190</u>		
Appropriations (Net of Transfers)	\$ 531,400	\$ 489,000
<u>Expenditures</u>		
Personal Services	\$ 313,302	\$ 285,921
Employee Retirement Contributions Paid by Employer	-	2,752
State Contributions to State Employees' Retirement System	36,122	22,286
State Contributions to Social Security	23,202	21,251
Group Insurance	89,699	84,773
Contractual Services	18,000	18,000
Travel	15,231	15,285
Commodities	2,356	2,309
Telecommunications	12,494	12,492
Total County Option Motor Fuel Tax Fund	<u>\$ 510,406</u>	<u>\$ 465,069</u>
Lapsed Balances	<u>\$ 20,994</u>	<u>\$ 23,931</u>
<u>Debt Collection Fund - 279</u>		
Appropriations (Net of Transfers)	\$ 10,000	\$ -
<u>Expenditures</u>		
Administrative Costs Associated with Statewide Debt Collection	\$ 4,967	\$ -
Lapsed Balances	<u>\$ 5,033</u>	<u>\$ -</u>
<u>Illinois Tax Increment Fund - 281</u>		
Appropriations (Net of Transfers)	\$ 21,652,600	\$ 19,940,700
<u>Expenditures</u>		
Personal Services	\$ 194,718	\$ 180,685
Employee Retirement Contributions Paid by Employer	-	823
State Contributions to State Employees' Retirement System	22,445	14,081
State Contributions to Social Security	14,340	13,376
Group Insurance	52,980	49,905
Contractual Services	128,500	265,200
Telecommunications	14,400	14,589
Grants for Distribution to Local Tax Increment Finance Districts	20,567,426	19,386,895
Total Illinois Tax Increment Fund	<u>\$ 20,994,809</u>	<u>\$ 19,925,554</u>
Lapsed Balances	<u>\$ 657,791</u>	<u>\$ 15,146</u>

STATE OF ILLINOIS
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COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
<u>Illinois Affordable Housing Trust Fund - 286</u>		
Appropriations (Net of Transfers)	\$ 71,300,000	\$ 82,850,000
<u>Expenditures</u>		
Administration of Illinois Affordable Housing Act	\$ 2,566,385	\$ 2,496,739
Grants to Other State Agencies	6,300,000	-
Grants, Mortgages, Loans, or for the Purpose of Securing Bonds	62,243,945	79,811,573
Total Illinois Affordable Housing Trust Fund	<u>\$ 71,110,330</u>	<u>\$ 82,308,312</u>
Lapsed Balances	<u>\$ 189,670</u>	<u>\$ 541,688</u>
<u>Federal Home Investment Trust Fund - 338</u>		
Appropriations (Net of Transfers)	\$ 33,208,795	\$ 40,402,054
<u>Expenditures</u>		
Administration of the Illinois HOME Investment Partnerships Program	\$ 27,729,096	\$ 30,193,260
Balances Reappropriated	\$ 5,479,699	\$ 10,208,794
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>
<u>Tax Compliance and Administration Fund - 384</u>		
Appropriations (Net of Transfers)	\$ 2,294,000	\$ 2,141,400
<u>Expenditures</u>		
Personal Services	\$ 272,306	\$ 262,123
Employee Retirement Contributions Paid by Employer	-	2,102
State Contributions to State Employees' Retirement System	31,384	20,429
State Contributions to Social Security	20,375	19,573
Group Insurance	67,155	70,335
Electronic Data Processing	105,000	97,096
Telecommunications	5,661	5,694
Administration of the Dyed Diesel Fuel Roadside Enforcement Plan	27,986	28,661
Expenses Related to Govt Services Shared Services Center	72,730	-
Administration of the Illinois Petroleum Education and Marketing Act	8,750	8,786
Administration of the Dry Cleaners Environmental Response Trust Fund Act	57,825	56,752
Administration of the Simplified Telecommunications Act	1,404,602	1,413,175
Administrative Costs Associated with the Municipality Sales Tax	80,792	-
Total Tax Compliance and Administration Fund	<u>\$ 2,154,566</u>	<u>\$ 1,984,726</u>
Lapsed Balances	<u>\$ 139,434</u>	<u>\$ 156,674</u>

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	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
Local Government Distributive Fund - 515		
Appropriations (Net of Transfers)	\$ 123,489,700	\$ 117,740,200
<u>Expenditures</u>		
For Allocation to Local Governments for Additional 1.25% Use Tax Pursuant to P.A. 86-0928	\$ 123,489,695	\$ 117,740,200
Lapsed Balances	\$ 5	\$ -
Horse Racing Fund - 632		
Appropriations (Net of Transfers)	\$ 7,965,200	\$ 7,438,700
<u>Expenditures</u>		
Personal Services	\$ 981,290	\$ 948,163
Employee Retirement Contributions Paid by Employer	-	1,651
State Contributions to State Employees' Retirement System	113,225	74,021
State Contributions to Social Security	71,950	69,623
Group Insurance	180,358	185,535
Contractual Services	80,094	127,168
Travel	16,582	16,479
Commodities	5,572	3,832
Printing	2,068	2,088
Equipment	16,616	12,283
Electronic Data Processing	68,248	84,698
Telecommunications	80,128	82,796
Operation of Automotive Equipment	16,010	15,089
Expenses Related to Laboratory Program	1,685,059	1,716,864
Expenses Related to Regulation of Racing Program	3,556,748	3,346,640
Expenses Related to Govt Services Shared Services Center	14,108	-
Refunds	25	100
Total Horse Racing Fund	\$ 6,888,081	\$ 6,687,030
Lapsed Balances	\$ 1,077,119	\$ 751,670

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	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
<u>State Lottery Fund - 711</u>		
Appropriations (Net of Transfers)	\$ 378,036,500	\$ 353,237,500
<u>Expenditures</u>		
Personal Services	\$ 7,176,011	\$ 7,424,037
Employee Retirement Contributions Paid by Employer	-	42,042
State Contributions to State Employees' Retirement System	828,115	580,210
State Contributions to Social Security	533,050	553,580
Group Insurance	1,854,014	2,038,383
Contractual Services	29,109,872	28,524,591
Travel	26,275	45,679
Commodities	10,184	7,955
Printing	1,216	19,979
Equipment	179,606	208,256
Electronic Data Processing	2,040,525	2,339,401
Telecommunications	7,939,835	7,971,827
Operation of Automotive Equipment	406,632	373,458
Expenses of Developing and Promoting Lottery Games	3,909,501	4,581,108
Expenses of Lottery Board	1,967	2,635
Expenses Related to Govt Services Shared Services Center	777,156	-
For Payment of Prizes to Holders of Winning Lottery Tickets or Shares	276,592,299	288,273,307
Refunds	41,126	47,288
Total State Lottery Fund	<u>\$ 331,427,384</u>	<u>\$ 343,033,736</u>
Lapsed Balances	<u>\$ 46,609,116</u>	<u>\$ 10,203,764</u>
<u>Municipal Telecommunications Fund - 719</u>		
Appropriations (Net of Transfers)	\$ 12,000	\$ 98,000
<u>Expenditures</u>		
Simplified Municipal Telecommunications Tax Refunds	\$ -	\$ -
Lapsed Balances	<u>\$ 12,000</u>	<u>\$ 98,000</u>
<u>Tobacco Settlement Recovery Fund - 733</u>		
Appropriations (Net of Transfers)	\$ 1,165,500	\$ 1,167,900
<u>Expenditures</u>		
Operation of the Local Government Tobacco Enforcement Grant Program	\$ 93,494	\$ 92,463
Grants to Local Governmental Units to Establish Enforcement Programs	998,147	999,214
Total Tobacco Settlement Recovery Fund	<u>\$ 1,091,641</u>	<u>\$ 1,091,677</u>
Lapsed Balances	<u>\$ 73,859</u>	<u>\$ 76,223</u>

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	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
<u>Child Support Administrative Fund - 757</u>		
Appropriations (Net of Transfers)	\$ 2,191,100	\$ 1,996,000
<u>Expenditures</u>		
Personal Services	\$ 1,118,898	\$ 1,278,892
Employee Retirement Contributions Paid by Employer	-	10,956
State Contributions to State Employees' Retirement System	128,983	99,679
State Contributions to Social Security	82,783	94,641
Group Insurance	260,695	345,998
Contractual Services	6,800	6,800
Electronic Data Processing	869	1,018
Telecommunications	10,497	11,614
Total Child Support Administrative Fund	<u>\$ 1,609,525</u>	<u>\$ 1,849,598</u>
Lapsed Balances	<u>\$ 581,575</u>	<u>\$ 146,402</u>
<u>Personal Property Tax Replacement Fund - 802</u>		
Appropriations (Net of Transfers)	\$ 12,723,300	\$ 8,470,800
<u>Expenditures</u>		
Personal Services	\$ 5,120,134	\$ 5,022,585
Employee Retirement Contributions Paid by Employer	-	42,080
State Contributions to State Employees' Retirement System	590,632	391,463
State Contributions to Social Security	379,629	372,929
Group Insurance	1,432,734	1,450,928
Contractual Services	1,222,506	391,473
Travel	157,825	157,234
Commodities	48,693	49,363
Printing	23,078	16,107
Equipment	26,765	10,647
Electronic Data Processing	2,942,009	152,283
Telecommunications	147,187	62,200
Operation of Automotive Equipment	16,000	16,000
Total Personal Property Tax Replacement Fund	<u>\$ 12,107,192</u>	<u>\$ 8,135,292</u>
Lapsed Balances	<u>\$ 616,108</u>	<u>\$ 335,508</u>

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	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
<u>Dram Shop Fund - 821</u>		
Appropriations (Net of Transfers)	\$ 4,783,800	\$ 4,685,700
<u>Expenditures</u>		
Personal Services	\$ 2,115,795	\$ 2,115,521
Employee Retirement Contributions Paid by Employer	-	13,758
State Contributions to State Employees' Retirement System	244,403	164,995
State Contributions to Social Security	156,805	156,823
Group Insurance	489,562	493,072
Contractual Services	148,702	165,672
Travel	105,996	107,217
Commodities	6,141	4,809
Printing	1,068	3,632
Equipment	435	143,780
Electronic Data Processing	44,206	40,266
Telecommunications	54,056	39,578
Operation of Automotive Equipment	66,667	72,547
Expenses Related to Govt Services Shared Services Center	88,030	-
For Study to Determine Extent of Enforcement of Laws		
Relating to Access by Minors to Tobacco Products	143,054	140,104
Expenses Related to Retailer Education Program	150,171	106,225
For Operation of the Beverage Alcohol Sellers and		
Servers Education and Training (BASSET) Program	144,444	120,238
Refunds	2,650	1,423
Total Dram Shop Fund	\$ 3,962,185	\$ 3,889,660
Lapsed Balances	\$ 821,615	\$ 796,040
<u>Senior Citizen Real Estate Deferred Tax Fund - 930</u>		
Appropriations (Net of Transfers)	\$ 5,900,000	\$ 5,900,000
<u>Expenditures</u>		
For Payments to Counties	\$ 4,916,686	\$ 4,749,404
Lapsed Balances	\$ 983,314	\$ 1,150,596
<u>TOTAL - APPROPRIATED FUNDS</u>		
Total Appropriations (Net of Transfers)	\$ 1,141,589,795	\$ 1,056,594,104
Total Appropriated Expenditures	\$ 1,053,169,103	\$ 1,022,425,363
Balances Reappropriated July 1	\$ 5,479,699	\$ 10,208,794
Lapsed Balances	\$ 82,940,993	\$ 23,959,947

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
<u>CONTINUING APPROPRIATED FUNDS</u>		
<u>Income Tax Refund Fund - 278</u>		
Appropriations (Net of Transfers)	\$ 1,429,410,637	\$ 1,436,749,961
<u>Expenditures</u>		
Income Tax Refunds	\$ 1,429,410,637	\$ 1,436,749,961
Lapsed Balances	\$ -	\$ -
<u>Local Government Distributive Fund - 515</u>		
Appropriations (Net of Transfers)	\$ 1,107,581,954	\$ 1,001,008,139
<u>Expenditures</u>		
Grants to Local Governments	\$ 1,107,581,954	\$ 1,001,008,139
Lapsed Balances	\$ -	\$ -
<u>Personal Property Tax Replacement Fund - 802</u>		
Appropriations (Net of Transfers)	\$ 1,415,827,735	\$ 1,273,813,413
<u>Expenditures</u>		
Shared Revenue Payments	\$ 1,415,827,735	\$ 1,273,813,413
Lapsed Balances	\$ -	\$ -
<u>TOTAL - CONTINUING APPROPRIATED FUNDS</u>		
Total Continuing Appropriations (Net of Transfers)	\$ 3,952,820,326	\$ 3,711,571,513
Total Expenditures	\$ 3,952,820,326	\$ 3,711,571,513
Lapsed Balances	\$ -	\$ -

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	Fiscal Year	
	2007 P.A. 94-0798 & P.A. 95-0144	2006 P.A. 94-0015
<u>NONAPPROPRIATED FUNDS</u>		
<u>County Water Commission Tax Fund - 084</u>		
Shared Revenue Payments	\$ 36,716,563	\$ 34,953,731
<u>Non-Home Rule Municipal ROT Fund - 088</u>		
Shared Revenue Payments	\$ 48,919,366	\$ 30,888,472
<u>Home Rule Municipal Soft Drink ROT Fund - 097</u>		
Shared Revenue Payments	\$ 8,370,576	\$ 8,070,596
Refunds	12,258	1,877
Total Home Rule Municipal Soft Drink ROT Fund	\$ 8,382,834	\$ 8,072,473
<u>Home Rule Municipal ROT Fund - 138</u>		
Shared Revenue Payments	\$ 719,692,117	\$ 648,025,997
<u>Home Rule County ROT Fund - 139</u>		
Shared Revenue Payments	\$ 321,053,502	\$ 303,468,553
<u>Federal Trust Fund - 140</u>		
Shared Revenue Payments	\$ -	\$ 170,930
<u>Business District Sales Tax Fund - 160</u>		
Shared Revenue Payments	\$ 476,834	\$ 67,753
<u>County and Mass Transit District Fund - 188</u>		
Shared Revenue Payments	\$ 214,385,220	\$ 205,454,457
<u>Local Government Tax Fund - 189</u>		
Shared Revenue Payments	\$ 1,625,075,981	\$ 1,542,449,463
<u>County Option Motor Fuel Tax Fund - 190</u>		
Shared Revenue Payments	\$ 29,743,676	\$ 30,005,960
<u>County Public Safety ROT Fund - 219</u>		
Shared Revenue Payments	\$ 72,588,438	\$ 65,741,266
<u>Sports Facility Tax Trust Fund - 229</u>		
Interfund Cash Transfers	\$ 27,914,131	\$ 25,717,151
Shared Revenue Payments	7,439,146	4,711,632
Total Sports Facility Tax Trust Fund	\$ 35,353,277	\$ 30,428,783
<u>Racing Board Fingerprint License Fund - 248</u>		
Contractual Services	\$ 99,932	\$ 185,318
<u>Illinois Racing Board Charity Fund - 271</u>		
Grants to Non-Profit Organizations	\$ 750,000	\$ 750,000

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
<u>Illinois Racing Board Grant Fund - 280</u>		
Shared Revenue Payments	\$ 629,384	\$ 292,121
Lump Sums	-	162,864
Total Illinois Racing Board Grant Fund	<u>\$ 629,384</u>	<u>\$ 454,985</u>
<u>Illinois Tourism Tax Fund - 452</u>		
Shared Revenue Payments	<u>\$ 17,142,731</u>	<u>\$ 14,107,116</u>
<u>Tax Suspense Trust Fund - 583</u>		
Refunds	<u>\$ 196,265</u>	<u>\$ 168,843</u>
<u>Metro East Park and Recreation Fund - 717</u>		
Shared Revenue Payments	<u>\$ 4,275,483</u>	<u>\$ 4,080,099</u>
<u>Municipal Telecommunications Fund - 719</u>		
Grants to Local Governments	<u>\$ 272,295,836</u>	<u>\$ 279,285,931</u>
<u>RTA Sales Tax Trust Fund - 812</u>		
Shared Revenue Payments	<u>\$ 729,266,755</u>	<u>\$ 687,647,638</u>
<u>Metro East Mass Transit District Tax Fund - 841</u>		
Shared Revenue Payments	<u>\$ 28,680,821</u>	<u>\$ 27,170,319</u>
<u>Tennessee Valley Authority Local Trust Fund - 861</u>		
Shared Revenue Payments	<u>\$ 237,507</u>	<u>\$ 202,307</u>
<u>Municipal Automobile Renting Tax Fund - 868</u>		
Shared Revenue Payments	<u>\$ 5,824,087</u>	<u>\$ 5,420,299</u>
<u>County Automobile Renting Tax Fund - 869</u>		
Shared Revenue Payments	<u>\$ 47,364</u>	<u>\$ 40,587</u>
<u>Deferred Lottery Prize Winners Fund - 978</u>		
Lottery Prizes - Monetary	<u>\$ 146,634,261</u>	<u>\$ 170,373,068</u>
TOTAL EXPENDITURES - NONAPPROPRIATED FUNDS		
	<u>\$ 4,318,468,234</u>	<u>\$ 4,089,614,348</u>
GRAND TOTAL EXPENDITURES - ALL FUNDS		
	<u>\$ 9,324,457,663</u>	<u>\$ 8,823,611,224</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	Fiscal Year	
	2007	2006
	P.A. 94-0798 & P.A. 95-0144	P.A. 94-0015
State Officers' Salaries		
General Revenue Fund - 001 State Comptroller		
Appropriations (Net of Transfers)	\$ 544,200	\$ 517,400
<u>Expenditures</u>		
Department of Revenue:		
Director	\$ 129,114	\$ 122,618
Assistant Director	107,719	96,205
Liquor Control Commission:		
Chairman	33,056	33,056
Members (6 total)	180,476	172,326
Secretary	33,442	31,912
Chairman and 1 member, per diem for work on License Appeal Commission	50,771	60,200
Total Expenditures	<u>\$ 534,578.00</u>	<u>\$ 516,317.00</u>
Lapsed Balances	<u>\$ 9,622</u>	<u>\$ 1,083</u>
Horse Racing Fund - 632 State Comptroller		
Appropriations (Net of Transfers)	\$ 122,700	\$ 117,100
Illinois Racing Board:		
Members (11 total) Per diem	\$ 30,600	\$ 28,500
Lapsed Balances	<u>\$ 92,100</u>	<u>\$ 88,600</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(CASH BASIS) - LOCALLY HELD FUNDS
For the Fiscal Year Ended June 30,

<u>Fund Name/Fund Number</u>	<u>2007</u>
Surety Bond-1151	
Beginning Cash Balance 7/1/06	\$ 2,058,650
Receipts:	
Bond Operations	563,085
Disbursements:	
Refunds	251,164
Ending Cash Balance 6/30/07	<u>\$ 2,370,571</u>
Prize Payment Fund-1279	
Beginning Cash Balance 7/1/06	\$ 2,682,698
Receipts:	
Fund Transfers-In	62,193,720
Investment Income	137,648
Disbursements:	
Awards or Grants	63,057,517
Fund Transfers-Out	129,578
Ending Cash Balance 6/30/07	<u>\$ 1,826,971</u>
Agent Security Deposit Fund-1309	
Beginning Cash Balance 7/1/06	\$ 435,420
Receipts:	
Fund Transfers-In	112,091
Investment Income	22,804
Miscellaneous	65,918
Disbursements:	
Refunds	172,767
Ending Cash Balance 6/30/07	<u>\$ 463,466</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(CASH BASIS) - LOCALLY HELD FUNDS
For the Fiscal Year Ended June 30,

<u>Fund Name/Fund Number</u>	<u>2007</u>
Agent Sales Sweep Account-1373	
Beginning Cash Balance 7/1/06	\$ 2,001,699
Receipts:	
Lottery Sales	1,002,101,294
Disbursements:	
Fund Transfers-Out	1,002,100,613
Ending Cash Balance 6/30/07	<u>\$ 2,002,380</u>
Agent Sales Concentration Account-1374	
Beginning Cash Balance 7/1/06	\$ 279,737
Receipts:	
Fund Transfers-In	1,002,100,613
Lottery Sales	1,741,316
Disbursements:	
Contractual Services	55,055,196
Fund Transfers-Out	949,031,956
Ending Cash Balance 6/30/07	<u>\$ 34,514</u>
Evidence Fund-1369	
Beginning Cash Balance 7/1/06	\$ 5,000
Receipts:	
Surety Bond Recapture	500
Disbursements:	
Purchase of Evidence	1,240
Ending Cash Balance 6/30/07	<u>\$ 4,260</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Year Ending June 30, 2007

	Total	Financed Equipment	Buildings and Building Improvements	Equipment
Balance at July 1, 2006	\$ 27,543,808	\$ 1,640,326	\$ 6,322	\$ 25,897,160
Additions	1,766,278	-	-	1,766,278
Deletions	(20,790)	(1,228)	-	(19,562)
Net Transfers	(8,180,950)	(908,888)	-	(7,272,062)
Balance at June 30, 2007	<u>\$ 21,108,346</u>	<u>\$ 730,210</u>	<u>\$ 6,322</u>	<u>\$ 20,371,814</u>

Note: The above schedule has been derived from Agency records which have been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ending June 30,

FUND/TAX SOURCE	FUND #	2007	2006
Deposits into the State Treasury were designated as follows:			
General Funds:			
General Revenue Fund	1		
Income Tax		\$ 10,343,388,866	\$ 9,327,990,126
Retailers' Occupation (Sales) Tax		5,321,687,221	5,288,711,240
Public Utility Tax		1,007,314,939	964,214,325
Liquor Tax		155,680,406	152,299,807
Cigarette Tax		135,601,177	179,354,196
Hotel Operators' Occupation Tax		44,636,347	38,562,203
Cigarette Use Tax		43,106,835	65,861,536
Private Vehicle Use Tax		32,544,380	33,766,940
Auto Renting Tax		30,856,657	28,897,722
Liquor Control Commission		6,733,447	6,165,360
General Office		2,497,106	856,527
Coin Operators' Amusement Tax		2,348,931	2,292,016
IL Racing Board		545,996	585,330
Bingo License Fees		177,647	195,245
Tennessee Valley Authority		101,789	86,703
Charitable Games Act		19,610	19,050
Replacement Vehicle Tax		3,276	-
Total General Revenue Fund		\$ 17,127,244,630	\$ 16,089,858,326
Common School Fund	412		
Cigarette Tax		\$ 130,283,484	\$ 125,379,601
Public Utility Tax		108,910,353	101,082,392
Cigarette Use Tax		41,408,503	29,004,668
Pull Tabs & Jar Games Tax and License Fees		3,250,661	3,398,594
Bingo Tax		1,538,729	1,697,588
Interest Income (Lottery)		141,514	107,708
Riverboat Wagering Tax		-	3,691,916
Total Common School Fund		\$ 285,533,244	\$ 264,362,467
Common School Special Account Fund	5		
Retailers' Occupation (Sales) Tax		\$ 1,783,665,835	\$ 1,774,171,241
Education Assistance Fund	7		
Income Tax		\$ 814,527,921	\$ 734,566,639
Civil Penalties		778,250	1,000,038
Total Education Assistance Fund		\$ 815,306,171	\$ 735,566,677
Income Tax Refund Fund	278		
Income Tax		\$ 1,639,287,737	\$ 1,532,945,462
Special State Funds:			
Build Illinois Fund	960		
Retailers' Occupation (Sales) Tax		\$ 420,443,636	\$ 420,347,139
Hotel Operators' Occupation Tax		101,515,130	90,749,605
Private Vehicle Tax		5,000,000	5,000,000
Total Build Illinois Fund		\$ 526,958,766	\$ 516,096,744

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ending June 30,

FUND/TAX SOURCE	FUND #	2007	2006
Business District ROT Fund	160		
Retailers' Occupation (Sales) Tax		\$ 476,834	\$ 67,753
Coal Technology Development Assistance Fund	925		
Public Utility Tax		\$ 5,084,737	\$ 5,241,242
County and Mass Transit District Fund	188		
Retailers' Occupation (Sales) Tax		\$ 341,317,428	\$ 331,961,502
Debt Collection Fund	279		
General Office		\$ 27,083	\$ 4,780
Deferred Lottery Prize Winners Trust Fund	978		
Interest Income (Lottery)		\$ 149,675,249	\$ 170,533,028
Dram Shop Fund	821		
Liquor Control Commission		\$ 6,121,294	\$ 5,949,509
Drycleaner Environmental Response Trust Fund	548		
Retailers' Occupation (Sales) Tax		\$ 3,544,316	\$ 2,317,825
Emergency Public Health Fund	240		
Retailers' Occupation (Sales) Tax		\$ 3,425,773	\$ 3,408,245
Energy Efficiency Trust Fund	571		
Public Utility Tax		\$ 2,163,191	\$ 2,147,696
Fingerprint License Fund	248		
IL Racing Board		\$ 107,055	\$ 98,190
Horse Racing Fund	632		
Racing Privilege Tax		\$ 8,489,815	\$ 10,526,325
Illinois Affordable Housing Trust Fund	286		
Real Estate Transfer Tax		\$ 49,817,745	\$ 58,297,381
Illinois Gaming Law Enforcement Fund	85		
Pull Tabs & Jar Games Tax and License Fees		\$ 3,250,661	\$ 3,398,595
Charitable Games Tax and License Fees		366,091	392,853
Total Illinois Gaming Law Enforcement Fund		\$ 3,616,752	\$ 3,791,448
Illinois Racing-Quarterhorse Fund	631		
Racing Privilege Tax		\$ 22,267	\$ 19,398
Illinois Sports Facility Fund	225		
Hotel Operators Occupation Tax		\$ 31,500,000	\$ 29,500,000
Illinois Tax Increment Fund	281		
Retailers' Occupation (Sales) Tax		\$ 20,454,015	\$ 20,345,136

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ending June 30,

FUND/TAX SOURCE	FUND #	2007	2006
Illinois Veterans Assistance Fund	236		
Lottery Ticket Sales		\$ 2,149,903	\$ 1,299,981
International Tourism Fund	621		
Hotel Operators Occupation Tax		\$ 9,136,362	\$ 8,167,464
Local Government Tax Fund	189		
Retailers' Occupation (Sales) Tax		\$ 1,625,230,812	\$ 1,546,258,705
Local Tourism Fund	969		
Hotel Operators Occupation Tax		\$ 16,242,421	\$ 14,519,937
Long Term Care Provider Fund	345		
Cigarette Tax		\$ 176,776,808	\$ 144,963,983
Cigarette Use Tax		30,683,445	16,413,425
Other Tobacco		20,935,604	19,356,654
Total Long Term Care Provider Fund		\$ 228,395,857	\$ 180,734,062
Mental Health Fund	50		
Bingo Tax		\$ 1,538,729	\$ 1,697,589
Motor Fuel Fund	12		
Motor Fuel Tax		\$ 1,376,280,591	\$ 1,372,766,488
General Office		-	157
Total Motor Fuel Fund		\$ 1,376,280,591	\$ 1,372,766,645
Municipal Economic Development Fund	650		
Solid Waste Facilities		\$ 260,225	\$ 320,892
Natural Areas Acquisition Fund	298		
Real Estate Transfer Tax		\$ 14,945,324	\$ 17,489,214
Open Space Lands Acquisition and Development Fund	299		
Real Estate Transfer Tax		\$ 34,872,422	\$ 40,808,167
Personal Property Replacement Tax Fund	802		
Income Tax		\$ 1,186,877,885	\$ 972,816,184
Public Utility Tax		212,097,335	226,385,990
Total Personal Property Replacement Tax Fund		\$ 1,398,975,220	\$ 1,199,202,174
Public Utility Fund	59		
Public Utility Tax		\$ 12,233,330	\$ 12,263,920
Racing Board Charity Fund	271		
Annual Charity Assessment		\$ 750,000	\$ 387,974
Racing Board Grant Fund	280		
Admission Tax		\$ 620,426	\$ 457,056

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ending June 30,

FUND/TAX SOURCE	FUND #	2007	2006
Renewable Energy Resource Trust Fund	564		
Public Utility Tax		\$ 5,084,737	\$ 5,241,242
Rental Housing Support Fund	150		
Real Estate Transfer Tax		\$ 26,512,443	\$ 20,336,580
Revenue Federal Trust Fund	140		
From Federal Agencies		\$ 59,569	\$ 192,500
School Infrastructure Fund	568		
Public Utility Tax		\$ 96,910,352	\$ 89,032,390
Cigarette Tax		51,688,502	48,793,691
Cigarette Use Tax		8,311,498	11,206,309
Total School Infrastructure Fund		<u>\$ 156,910,352</u>	<u>\$ 149,032,390</u>
Senior Citizen Real Estate Deferred Tax Fund	930		
Senior Citizens Deferred Real Estate Tax Reimbursement		\$ 4,991,440	\$ 4,691,141
State Gaming Fund	129		
Riverboat Gambling Taxes and License Fees		\$ 812,593,574	\$ 813,480,281
State and Local Sales Tax Reform Fund	186		
Retailers' Occupation (Sales) Tax		\$ 241,728,098	\$ 227,831,487
State Lottery Fund	711		
Lottery Ticket Sales		\$ 955,942,679	\$ 980,557,162
General Office - Returned Petty Cash Fund		1,000	-
Total State Lottery Fund		<u>\$ 955,943,679</u>	<u>\$ 980,557,162</u>
Supplemental Low Income Energy Assistance Fund	550		
Public Utility Tax		\$ 81,306,062	\$ 83,784,496
Tax Compliance and Administration Fund	384		
Public Utility Tax		\$ 1,368,272	\$ 1,403,398
Motor Fuel Tax		275,383	170,235
Retailers' Occupation (Sales) Tax		157,411	97,959
Oil and Gas Assessment		5,250	9,000
Total Tax Compliance and Administration Fund		<u>\$ 1,806,316</u>	<u>\$ 1,680,592</u>
Ticket for the Cure Fund	208		
Lottery Ticket Sales		\$ 1,936,502	\$ 2,372,861
Underground Storage Tank Fund	72		
Motor Fuel Tax - Underground Storage		\$ 78,171,468	\$ 74,248,389
Used Tire Management Fund	294		
Retailers' Occupation (Sales) Tax - Sale of Tires		\$ 13,017,938	\$ 12,948,477

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ending June 30,

FUND/TAX SOURCE	FUND #	2007	2006
State Trust Funds:			
County Auto Renting Tax Fund	869		
Auto Renting Tax		\$ -	\$ 28,146
County Option Motor Fuel Tax Fund	190		
Retailers' Occupation (Sales) Tax		\$ 30,395,742	\$ 30,561,069
County Public Safety ROT Fund	219		
Retailers' Occupation (Sales) Tax		\$ 74,235,864	\$ 66,539,671
County Water Commission Tax Fund	84		
Retailers' Occupation (Sales) Tax		\$ 31,737,521	\$ 37,373,088
Home Rule County ROT Tax Fund	139		
Retailers' Occupation (Sales) Tax		\$ 318,441,183	\$ 313,274,416
Home Rule Municipal ROT Tax Fund	138		
Retailers' Occupation (Sales) Tax		\$ 754,686,540	\$ 633,389,980
Home Rule Municipal Soft Drink ROT Fund	97		
Retailers' Occupation (Sales) Tax		\$ 8,460,048	\$ 8,331,420
Illinois Tourism Tax Fund	452		
Hotel Operators Occupation Tax		\$ 17,952,896	\$ 15,363,122
McCormick Place Expansion Fund	377		
Retailers' Occupation (Sales) Tax		\$ 29,467,435	\$ 31,852,151
Metro-East Mass Transit Tax Fund	841		
Retailers' Occupation (Sales) Tax		\$ 28,021,690	\$ 27,544,861
Metro East Park and Recreation Fund	717		
Retailers' Occupation (Sales) Tax		\$ 4,262,453	\$ 4,143,157
Metropolitan Pier and Exposition Fund	337		
Hotel Operators Occupation Tax		\$ 41,453,453	\$ 35,421,028
Retailers' Occupation (Sales) Tax		31,767,780	30,054,103
Auto Renting Tax		30,913,489	25,611,579
Total Metropolitan Pier and Exposition Fund		\$ 104,134,722	\$ 91,086,710
Municipal Auto Renting Tax Fund	868		
Auto Renting Tax		\$ 5,925,530	\$ 5,497,883
Municipal Telecommunications Fund	719		
Public Utility Tax		\$ 278,213,702	\$ 275,795,170
Non-Home Rule Municipal ROT Tax Fund	88		
Retailers' Occupation (Sales) Tax		\$ 51,807,913	\$ 31,100,793
Petroleum Resources Revolving Fund	573		

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ending June 30,

FUND/TAX SOURCE	FUND #	2007	2006
Oil and Gas Assessment		\$ 349,302	\$ 555,821
RTA Public Transportation Tax Fund	741		
RTA Public Transportation Tax		\$ -	\$ 3,366
RTA Sales Tax Trust Fund	812		
Retailers' Occupation (Sales) Tax		\$ 599,849,709	\$ 592,473,369
Sports Facility Tax Trust Fund	229		
Hotel Operators Occupation Tax		\$ 35,544,880	\$ 30,409,587
Tax Suspense Trust Fund	583		
Tax Suspense		\$ 192,361	\$ 168,843
Tennessee Valley Authority Trust Fund	861		
Tennessee Valley Authority		\$ 237,507	\$ 202,307
Monies Paid Under Protest:			
Income and Replacement Tax	401	\$ 62,561,113	\$ 38,083,690
Illinois Racing Board	401	39,552,069	2,694,740
Sales Tax	401	1,308,597	854,964
Total Monies Paid Under Protest		\$ 103,421,779	\$ 41,633,394
Total Receipts Collected by the Department		\$ 32,382,872,514	\$ 30,567,310,077
Items not considered collections by the Department:			
Federal Home Investment Trust Fund Receipts		\$ 27,630,552	
Repayment from the Sports Facility Authority		26,500,000	
Repayment from the Illinois Housing Development Authority (IHDA) Pursuant to Law		10,434,244	
Loan Repayment from the IHDA - Principal		7,459,447	
Transfer from the Local Government Distributive Fund		5,000,000	
Prior Year Warrant Voids		3,151,909	
Loan Repayment from the IHDA - Interest		2,063,746	
Administrative Fee from the Sports Facility Authority		1,314,897	
Prior Year Refunds		640,948	
Private Organization or Individual		500,000	
Unidentified Tax Source		77,350	
Yearly Payment from Commonwealth Edison to the IHDA		35,075	
Nonoperating Prior Year Refund		1,761	
		\$ 84,809,929	
Total Deposits into the State Treasury		\$ 32,467,682,443	

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
RECONCILIATION OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
For the Fiscal Years Ended June 30,

Receipts	2007	2006
Tax and fee collections, including assessments, penalties, and interest:		
Income: individual, corporate, and personal property replacement tax	\$ 14,132,824,600	\$ 12,612,491,657
Sales:		
State, municipal, county, county water commission, RTA, MED retailer's and service occupation tax	11,678,859,678	11,456,366,645
Public Utilities:		
Message, gas, electric	1,803,399,625	1,758,633,440
Motor Fuel Tax	1,378,004,677	1,373,236,099
Other:		
Underground Storage Tank	74,365,765	74,266,884
Cigarette, Cigarette Use, and Other Tobacco Products	624,925,601	655,484,350
Racing Privilege	8,496,816	10,535,942
Hotel Operator and Occupation	301,665,957	268,043,747
Liquor	155,822,148	152,111,031
Vehicle Use	37,379,845	40,005,878
Real Estate Transfer	124,456,496	137,762,647
Bingo	3,246,352	3,600,764
Coin Operated Amusement Device	2,219,491	2,407,538
Automobile Renting	67,713,699	60,056,805
Replacement Vehicle	2,462	815
Charitable Games	391,345	410,544
Pull Tabs and Jar Games	6,499,828	6,804,415
Riverboat Gambling	817,396,587	805,166,596
RTA Sales/Use	-	-
Petroleum Marketer's Assessment	330,656	580,682
Solid Waste	265,511	284,548
Lottery	1,110,856,697	1,154,810,619
Liquor Control Commission	12,846,932	12,172,462
Illinois Racing Board	41,267,318	5,368,728
Miscellaneous Collections	7,956,047	6,281,021
Total Receipts	\$ 32,391,194,133	\$ 30,596,883,857
Unallocated Collections:		
Beginning of year	(28,267,828)	(14,876,159)
End of year	101,364,201	28,267,828
Collections reported, but not yet deposited into clearing:		
Beginning of year	165,587,454	137,564,299
End of year	(98,295,680)	(165,587,454)
Balances in State Treasurer's clearing account:		
Beginning of year	146,560,569	131,618,275
End of year	(210,460,406)	(146,560,569)
Deposits into the State Treasury	<u>\$ 32,467,682,443</u>	<u>\$ 30,567,310,077</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Year Ended June 30, 2007

General Revenue Fund (001)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Telecommunications

The increase in telecommunications expenditures during FY07 was due to the purchase of wireless voice radios for investigators and a prepayment to the Department of Central Management Services. See finding 07-2 in the Schedule of Findings.

Operation of Automotive Equipment

The increase in operation of automotive equipment expenditures during FY07 was due to an increase in gas prices and the purchase of two sport utility vehicles.

South Suburban Reactivation Project

The increase in South Suburban Reactivation Project expenditures during FY07 was due to the Department receiving an appropriation for this project for the first time in FY07.

Shared Services

The increase in shared services expenditures during FY07 was due to the Department receiving a lump sum appropriation for costs associated with the first phase of implementation of a government services shared services center.

Payments to Local Government Employees

The increase in payments to local government employees expenditures during FY07 was due to the addition of payments to County Public Defenders pursuant to the County Code.

Motor Fuel Tax Fund (012)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Year Ended June 30, 2007

Motor Fuel Tax Fund (012) (cont.)

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Printing

The increase in printing expenditures during FY07 was due to an increase in the number of envelopes purchased.

Equipment

The increase in equipment expenditures during FY07 was due to the purchase of a box truck.

Operation of Automotive Equipment

The increase in operation of automotive equipment expenditures during FY07 was due to an increase in gas prices and the purchase of two sport utility vehicles.

Administration of Joint State/Federal Motor Fuel Tax Enforcement Program

The increase in administration of joint State/Federal Motor Fuel Tax Enforcement Program expenditures during FY07 was due to the purchase of two sport utility vehicles.

Shared Services

The increase in shared services expenditures during FY07 was due to the Department receiving a lump sum appropriation for costs associated with the first phase of implementation of a government services shared services center.

Underground Storage Tank (072)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Year Ended June 30, 2007

Underground Storage Tank (072) (cont.)

Printing

The increase in printing expenditures during FY07 was due to an increased amount of miscellaneous paper purchased.

Illinois Gaming Law Enforcement (085)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Group Insurance

The increase in group insurance expenditures during FY07 was due to the employment of two more full time employees in FY07 than in FY06.

Contractual Services

The decrease in contractual services expenditures during FY07 was due to computer maintenance being paid from contractual services in FY06 and paid from electronic data processing in FY07.

Commodities

The increase in commodities expenditures during FY07 was due to the purchase of additional supplies for investigators.

Printing

The decrease in printing expenditures during FY07 was due to a reduced amount of miscellaneous paper purchases.

Electronic Data Processing

The increase in electronic data processing expenditures during FY07 was due to computer maintenance being paid from contractual services in FY06 and paid from electronic data processing in FY07.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Year Ended June 30, 2007

Non-Home Rule Municipal ROT (088)

Shared Revenue Payments

The increase in shared revenue payments during FY07 was due to the normal growth of sales, along with the units of local government adding or increasing tax rates.

Home Rule Municipal Soft Drink ROT (097)

Refunds

The increase in refunds expenditures during FY07 was due to an increase in the number of refunds requested.

State Gaming Fund (129)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Contractual Services

The increase in contractual services expenditures during FY07 was due to the training of five Illinois State Police cadets in FY07.

Travel

The increase in travel expenditures during FY07 was due to an increased number of employees that resulted in additional travel costs.

Equipment

The increase in equipment expenditures during FY07 was due to the purchase of replacement and new vehicles for investigators.

Electronic Data Processing

The increase in electronic data processing expenditures during FY07 was due to a large purchase of personal computers in FY07.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Year Ended June 30, 2007

State Gaming Fund (129) (cont.)

Shared Services

The increase in shared services expenditures during FY07 was due to the Department receiving a lump sum appropriation for costs associated with the first phase of implementation of a government services shared services center.

Refunds

The decrease in refund expenditures during FY07 was due to a new casino project in FY06 that was not continued in FY07.

Home Rule Municipal ROT (138)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Federal Trust Fund (140)

Lump Sums

The decrease in lump sums expenditures during FY07 was due to the purchase of six vehicles and additional equipment used in the vehicles during FY06.

Rental Housing Support Program Fund (150)

Administration of Rental Housing Program

The increase in administration of Rental Housing Program expenditures during FY07 was due to the Illinois Housing Development Authority not requesting reimbursement for any administrative expenses in FY06.

Grants to Provide Rental Assistance

The increase in grants to provide rental assistance expenditures during FY07 was due to increased program activities in FY07, the first full fiscal year that the program was in operation.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Year Ended June 30, 2007

Business District Sales Tax Fund (160)

Shared Revenue Payments

The increase in shared revenue payments during FY07 was due to FY06 being the first year for the Business District Tax. This program will continue to grow at a fast rate.

County Option Motor Fuel Tax Fund (190)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Sports Facility Tax Trust Fund (229)

Shared Revenue Payments

The increase in shared revenue payments during FY07 was due to increased deposits into this fund resulting from an overall increase in Hotel/Motel tax collections during FY07.

Racing Board Fingerprint License (248)

Contractual Services

The decrease in contractual services expenditures during FY07 was due to both FY05 and FY06 charges being paid during FY06. In FY07, only FY07 charges were paid.

Debt Collection Fund (279)

Administrative Costs Associated with Statewide Debt Collection

The increase in administrative costs associated with Statewide Debt Collection during FY07 was due to the Department receiving an appropriation for the program for the first time in FY07.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Year Ended June 30, 2007

Illinois Racing Board Grant Fund (280)

Shared Revenue Payments

The increase in shared revenue payments during FY07 was due to Cook County being added as a grant recipient in FY07.

Tax Increment Financing Fund (281)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Contractual Services

The decrease in contractual services expenditures during FY07 was due to cash flow issues.

Illinois Affordable Housing Trust Fund (286)

Grants to Other State Agencies

The increase in grants to other State agencies expenditures during FY07 was due to the Department receiving an appropriation for the program for the first time in FY07.

Awards and Grants

The decrease in awards and grants expenditures during FY07 was due to a \$30 million supplemental appropriation received in FY06 that was not awarded in FY07.

Tax Compliance and Administration Fund (384)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Year Ended June 30, 2007

Tax Compliance and Administration Fund (384) (cont.)

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Horse Racing Fund (632)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Contractual Services

The decrease in contractual services expenditures during FY07 was due to a Department of Central Management Services (DCMS) employee who was assigned to the Racing Board in FY06 but not in FY07.

Commodities

The increase in commodities expenditures during FY07 was due to the purchase of six Physicians' Desk Reference books and additional binders and copier toner in FY07.

Equipment

The increase in equipment expenditures during FY07 was due to the purchase price of the car acquired in FY07 being \$4,666 more than the purchase price of the car acquired in FY06.

Refunds

The decrease in refunds expenditures during FY07 was due to only one refund of erroneously paid license fees in FY07 versus four in FY06.

Shared Services

The increase in shared services expenditures during FY07 was due to the Department receiving a lump sum appropriation for costs associated with the first phase of implementation of a government services shared services center.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Year Ended June 30, 2007

State Lottery Fund (711)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Travel

The decrease in travel expenditures during FY07 was due to reduced travel by Lottery senior staff and a reduction in the number of sales and retailer meetings requiring travel.

Commodities

The increase in commodities expenditures during FY07 was due to the purchase of additional note pads, binders and envelopes in FY07.

Printing

The decrease in printing expenditures during FY07 was due to the purchase of copy paper being delayed until FY08.

Shared Services

The increase in shared services expenditures during FY07 was due to the Department receiving a lump sum appropriation for costs associated with the first phase of implementation of a government services shared services center.

Child Support Administrative Fund (757)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Year Ended June 30, 2007

Child Support Administrative Fund (757) (cont.)

Group Insurance

The decrease in group insurance expenditures during FY07 was due to having six more full time employees in FY06 than in FY07.

Personal Property Tax Replacement Fund (802)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Contractual Services

The increase in contractual services expenditures during FY07 was due to additional CMS Statistical Services Revolving Fund consolidation payments of \$625,000 and additional postage costs of \$211,000.

Printing

The increase in printing expenditures during FY07 was due to the purchase of additional paper.

Equipment

The increase in equipment expenditures during FY07 was due to the purchase of cafeteria equipment, staple detector machines, and payments on a box truck.

Electronic Data Processing

The increase in electronic data processing expenditures during FY07 was due to a payment for the implementation of an integrated tax system.

Telecommunications

The increase in telecommunications expenditures during FY07 was due to the purchase of additional cellular phone service and an increased rate for regular line charges.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Year Ended June 30, 2007

Dram Shop Fund (821)

Employee Retirement Contributions Paid by Employer

Employee retirement contributions paid by employer expenditures decreased during FY07 due to the State no longer paying retirement pickup on employees. In FY06, retirement pickup was paid by the State for six months.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07.

Commodities

The increase in commodities expenditures during FY07 was due to the purchase of uniforms and clothing for Liquor Control Special Agents.

Printing

The decrease in printing expenditures during FY07 was due to there being no License Certificates purchased in FY07.

Equipment

The decrease in equipment expenditures during FY07 was due to the purchase of twelve vehicles in FY06 and none in FY07.

Telecommunications

The increase in telecommunications expenditures during FY07 was due to additional charges for cell phones for Liquor Agents.

Shared Services

The increase in shared services expenditures during FY07 was due to the Department receiving a lump sum appropriation for costs associated with the first phase of implementation of a government services shared services center.

Expenses Related to Retailer Education Program

The increase in expenses related to the Retailer Education Program during FY07 was due to the addition of underage alcohol compliance checks, additional Synar checks and additional mail house charges.

Refunds

The increase in refunds expenditures during FY07 was due to more refunds being requested in FY07.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Year Ended June 30, 2007

County Water Commission Fund (084)

The decrease in sales tax receipts during FY07 was due to a \$5 million receipt account adjustment in March 2007 moving money to the Home Rule Municipal Tax Fund (Fund 138).

Non-Home Rule Municipal Tax Fund (088)

The increase in sales tax receipts during FY07 was due to more local governments imposing the non-home rule sales tax in FY07 resulting in an increase in allocations to local governments. Allocations to local governments increased from \$30 million in FY06 to \$49 million in FY07.

Home Rule Municipal Tax Fund (138)

The increase in sales tax receipts during FY07 was partially due to an increase in the deposit percentage to this fund. The percentage increased from 4.8% in FY06 to 6.8% during the fourth quarter of FY07. The remainder of the increase was due to the transfer of \$55 million from various funds in order to replenish this fund and correct the allocation estimation.

Rental Housing Support Fund (150)

The increase in real estate transfer tax receipts during FY07 was due to FY07 being the first full year for deposit of real estate money into this fund per Public Act 94-0118.

Business District ROT Tax Fund (160)

The increase in sales tax receipts during FY07 was due to an increase in the number of municipalities imposing this tax. During FY07, there were 12 municipalities imposing this tax, compared to 2 during FY06.

Ticket for the Cure Fund (208)

The decrease in lottery ticket sales receipts during FY07 was due to a decrease in lottery ticket sales related to this special ticket where proceeds go to Susan K. Komen Cancer Research.

Sports Facilities Tax Trust Fund (229)

The increase in hotel operators' occupation tax receipts was due to a 13% increase in hotel tax collections during FY07. The increase in hotel tax collections resulted in an increase in money allocated to the Sports Facilities Tax Trust Fund.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Year Ended June 30, 2007

Illinois Veteran's Assistance Fund (236)

The increase in lottery ticket receipts during FY07 was due to a special lottery ticket being introduced with proceeds going to the Illinois Veteran's Assistance Fund.

Racing Board Charity Fund (271)

The increase in annual charity assessment receipts during FY07 was due to cash in transit of \$361,000 at the end of FY06. In FY07 there was no cash in transit.

Illinois Affordable Housing Fund (286)

The decrease in real estate transfer tax receipts was due to a decline in real estate tax collections during FY07. This fund receives 50% of the real estate tax collected. This decline was attributable to a depressed housing market.

Natural Areas Acquisition Fund (298)

The decrease in real estate transfer tax receipts was due to a decline in real estate tax collections during FY07. This fund receives 15% of the real estate tax collected. This decline was attributable to a depressed housing market.

Open Space Lands Fund (299)

The decrease in real estate transfer tax receipts was due to a decline in real estate tax collections during FY07. This fund receives 35% of the real estate tax collected. This decline was attributable to a depressed housing market.

Long Term Care Provider Fund (345)

The increase in cigarette and cigarette use tax receipts during FY07 was due to a decrease in the monthly specified amount for deposit into the General Revenue Fund and the Common School Fund. The amount specified for deposit into these funds decreased from \$33 million in FY06 to \$29 million in FY07 per Senate Bill 1977.

Monies Deposited under Protest Fund (401)

The increase in receipts related to income and replacement taxes, the Illinois Racing Board, and sales tax was due to an increase in the number of taxpayers protesting their tax liability during FY07.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Year Ended June 30, 2007

Illinois Tourism Fund (452)

The increase in hotel operators' occupation tax receipts was due to an increase in overall hotel tax collections during FY07. A portion of the hotel tax collected is deposited into the Illinois Tourism Fund.

Drycleaner Environmental Response Fund (548)

The increase in receipts was due to an increase in license fees collected during FY07. License fees are based on usage of dry-cleaning solvent, with tiers of \$500, \$1,000, and \$1,500. An increase in the amount of dry-cleaning solvent used would increase the license fee paid by a taxpayer. This would result in an increase in collections and subsequent deposits into this fund.

Horse Racing Fund (632)

The decrease in racing privilege tax receipts during FY07 was due to racing privilege tax collections decreasing 19% during FY07 due to lower attendance at the horse racing tracks. This would result in a corresponding decrease of revenues for this fund.

Personal Property Replacement Tax (PPRT) Fund (802)

The increase in tax receipts during FY07 was due to an increase in business income tax collections during FY07.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Year Ended June 30, 2007

General Revenue Fund (001)

Contractual Services

The Department received and paid several Department of Central Management Services (DCMS) consolidation bills during the lapse period. In addition, several interagency agreements for legal services were not signed until late in the year so numerous bills for legal services provided prior to June 30 were received and paid during lapse period. In addition, prior months' invoices for temporary services were corrected and paid during the lapse period.

Telecommunications

The Department made a \$1.05 million prepayment to DCMS during the lapse period. See finding 07-2 in the Schedule of Findings.

Shared Services

The Department made a \$1.9 million payment to Deloitte Consulting LLP for phase III of the Shared Services Project during the lapse period. In addition, the Department made a \$50,000 prepayment to DCMS during the lapse period. See finding 07-2 in the Schedule of Findings.

Motor Fuel Tax (012)

Contractual Services

The Department received and paid invoices during the lapse period for DCMS consolidation payments.

Commodities

The Department received and paid invoices during the lapse period for office supplies ordered prior to June 30.

Equipment

The Department received and paid an invoice during the lapse period for a box truck ordered and received prior to June 30.

Electronic Data Processing

The Department received and paid invoices during the lapse period for computer maintenance, June data entry, training, laptop memory, printer cartridges, and printers ordered and received prior to June 30.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Year Ended June 30, 2007

Motor Fuel Tax (012) (cont.)

Telecommunications

The Department received and paid invoices during the lapse period for telecommunications services received prior to June 30.

Operation of Automotive Equipment

The Department received and paid invoices during the lapse period for repair and maintenance of State vehicles received prior to June 30.

Illinois Gaming Law Enforcement (085)

Telecommunications

The Department received and paid invoices during the lapse period for telecommunications services received prior to June 30.

Grants for Allocation to Local Law Enforcement Agencies

The annual distributions to local governments for charitable gaming regulation purposes were paid during the lapse period.

Home Rule Municipal Soft Drink ROT (097)

Refunds

The Department paid refunds during the lapse period for refund requests that were received prior to June 30.

State Gaming Fund (129)

Contractual Services

The Gaming Board (Board) paid an invoice to the Illinois State Police during the lapse period for expenses relating to a cadet class that started on June 24.

Equipment

The Board received and paid an invoice during the lapse period for a vehicle ordered and received prior to June 30.

Telecommunications

The Board received and paid invoices during the lapse period for telecommunications services received prior to June 30. In addition, the Board made a \$140,000 prepayment to DCMS during the lapse period. See finding 07-2 in the Schedule of Findings.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Year Ended June 30, 2007

State Gaming Fund (129) (cont.)

Operation of Automotive Equipment

The Board made a \$22,000 prepayment to DCMS during the lapse period. See finding 07-2 in the Schedule of Findings. In addition, the Board received and paid several invoices for gas purchases made prior to June 30.

Federal Trust Fund (140)

Administrative Costs

The Department paid invoices for overtime and travel for June during the lapse period. In addition, the Department received and paid invoices during the lapse period for uniforms for investigations, supplies purchased in May, and two computers ordered and received prior to June 30.

Rental Housing Support Program (150)

Administration of the Rental Housing Program

The Department made the fourth quarter administrative expense payment to the Illinois Housing Development Authority (IHDA) during the lapse period.

Grants to Provide Rental Assistance

The Department made a grant payment to the City of Chicago during the lapse period.

Debt Collection Fund (279)

Administrative Costs Associated with Statewide Debt Collection

The Department received and paid an invoice during the lapse period for a printer ordered and received prior to June 30.

Illinois Racing Board Grant (280)

Shared Revenue Payments

The Racing Board made shared revenue payments to the City of Chicago for the months of May and June during the lapse period.

Tax Increment Financing Fund (281)

Grants for Distribution to Local Tax Increment Finance Districts

The Department processed the fourth quarter Tax Increment Financing distribution during lapse period.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Year Ended June 30, 2007

Illinois Affordable Housing Trust Fund (286)

Administration of Affordable Housing Act

The Department made the fourth quarter administrative expense payment to IHDA during the lapse period.

Grants, Mortgages, Loans, or for the Purpose of Securing Bonds

The Department made payments for numerous projects that were approved late in the fiscal year and processed during lapse period.

Tax Compliance and Administration (384)

Electronic Data Processing

The Department received and paid an invoice during the lapse period for software upgrades to Captiva that were ordered and received prior to June 30.

Horse Racing Fund (632)

Printing

The Racing Board (Board) received and paid an invoice during the lapse period for envelopes that were ordered and received prior to June 30.

Electronic Data Processing

The Board received and paid an invoice during the lapse period for eight computers that were ordered and received prior to June 30. In addition, the Department received and paid invoices during the lapse period for data center charges incurred prior to June 30.

State Lottery Fund (711)

Contractual Services

The Department received and paid numerous invoices for marketing fees during the lapse period for services that were rendered prior to June 30. In addition, the Department received and paid several DCMS consolidation bills during the lapse period.

Travel

The Department received and paid travel vouchers during the lapse period for travel incurred by Lottery legal and promotional staff near the end of the fiscal year.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Year Ended June 30, 2007

State Lottery Fund (711) (cont.)

Telecommunications

The Department received and paid invoices during the lapse period for telecommunications services received prior to June 30. In addition, the Department made a \$950,000 prepayment to DCMS during the lapse period. See finding 07-2 in the Schedule of Findings.

Expenses of Developing and Promoting Lottery Games

The Department received and paid invoices during the lapse period for experimental marketing, May and June promotional event sponsorship fees, and Lottery premium items received prior to June 30.

Child Support Administrative Fund (757)

Electronic Data Processing

The Department received and paid an invoice during the lapse period for a printer and Flash memory that were ordered and received prior to June 30.

Personal Property Tax Replacement (802)

Commodities

The Department received and paid invoices during the lapse period for office supplies ordered prior to June 30.

Equipment

The Department received and paid invoices during the lapse period for a box truck, a staple detector, a chair, and two oscillating fans that were ordered prior to June 30.

Telecommunications

The Department received and paid invoices during the lapse period for telecommunications services received prior to June 30.

Dram Shop Fund (821)

Commodities

The Liquor Control Commission (Commission) received and paid invoices during the lapse period for uniforms and clothing for Liquor Control Special Agents and office supplies that were ordered prior to June 30.

Printing

The Commission received and paid an invoice during the lapse period for envelopes that were ordered prior to June 30.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Year Ended June 30, 2007
(Not Examined)

Taxes receivable (amounts expressed in thousands) at June 30, 2007 are as follows:

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Fiduciary Funds
Taxes receivable:				
Income	\$ 775,840	\$ -	\$ 131,441	\$ -
Sales	575,239	-	210,888	122,733
Motor fuel tax	-	143,424	11,914	-
Public utility	16,582	-	14,039	8,493
Other	30,899	-	25,093	1,963
Total taxes receivable	1,398,560	143,424	393,375	133,189
Less: allowance for uncollectible taxes	475,782	17,576	88,637	-
Taxes receivable, net	\$ 922,778	\$ 125,848	\$ 304,738	\$ 133,189

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Year Ended June 30, 2007

Collection Methods

The Department of Revenue (Department) utilizes two methods to collect past due receivables. The Department has offset procedures and they also utilize the services of an outside Collections Bureau. The Department has several different types of offsets which include: internal, Comptroller, federal, professional license revocation, certificate of registration revocation, liquor license revocation, liens, and assistance from the Attorney General's office. For small balanced and aged receivables, the Department utilizes the services of an outside Collections Bureau on a contingent fee basis.

Taxes Paid under Protest

Taxes paid under protest are received by the Department and are remitted to the State Treasurer, who holds such monies in a special fund known as the "Protest Fund." The taxpayer making a payment under protest has 30 days to file a complaint in chancery court and secure a temporary injunction. If an injunction is not secured within 30 days of deposit, the Treasurer transfers the money to the appropriate fund in the State Treasury.

Amounts paid under protest in any one fiscal period do not necessarily bear a direct relationship to such monies in another fiscal period, but depend on the frequency of challenges made by taxpayers to the various aspects of the multiple tax laws and regulations.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF OPERATIONS
For the Year Ended June 30, 2007

AGENCY FUNCTIONS AND PLANNING PROGRAM

General Operations

The Department of Revenue (Department) was established by the Civil Administrative Code of 1917 and is empowered to administer, collect, enforce and determine the distribution of the taxes imposed by the State's major tax acts. The Department collects approximately 70 percent of the receipts deposited into the General Revenue Fund.

A significant portion of the Department's total effort relates to the collection of the Retailers' Occupation and Related Taxes (ROT), income taxes, and personal property tax replacement taxes. The revenue collected from these sources approximates 80 percent of taxes collected by the Department. The remaining 20 percent of the Department's revenue is derived from the following taxes which the Department is empowered to collect:

- Public Utilities:
 - Electric Tax
 - Telecommunications Tax
 - Infrastructure Maintenance Fee
 - Energy Assistance Charge
 - Gas
 - Electric
 - Gas Revenue Tax
 - Invested Capital Tax
- Hotel Operators Occupation Tax (HOOT)
- Motor Fuel Tax
- Cigarette and Cigarette Use Tax
- Liquor Gallonage Tax
- Racing Privilege Tax
- Motor Vehicle Use Tax
- Bingo License and Tax
- Real Estate Transfer Tax
- Coin-Operated Amusement Device Tax
- Private Vehicle Tax
- Automobile Renting Tax
- Replacement Vehicle Tax
- Charitable Games Tax
- Pull Tabs and Jar Games Fee Tax
- Underground Storage Tanks Tax
- Riverboat Gambling Tax
- Other Tobacco Products Tax
- Oil and Gas Production Assessment
- Qualified Solid Waste Energy Facility Payments

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF OPERATIONS
For the Year Ended June 30, 2007

General Operations – Continued

The Department administers and enforces the ordinances and resolutions of local governmental units that impose the following taxes:

- County Supplemental Tax
- Regional Transportation Authority ROT
- Metro East Transit District ROT
- Regional Transportation Authority Public Transportation Tax (RTA)
- Municipal Hotel Operators' Occupation Tax (HOOT)
- Illinois Sports Facilities Tax
- County Water Commission Tax
- County and Municipal Automobile Renting Tax
- County and Municipal Replacement Vehicle Tax
- Tennessee Valley Authority Tax
- Home Rule Municipal Retailers Occupation Tax
- Home Rule County Option Motor Fuel Tax
- Home Rule County Retailers Occupation Tax
- Metropolitan Pier and Exposition Authority Tax
- Chicago Home Rule Use Tax
- County Public Safety Tax
- Chicago Soft Drink Tax

An administrative fee (2 percent - County Replacement Vehicle Tax; 1.6 percent - Municipal Replacement Vehicle Tax; 2 percent - County Automobile Renting Tax; 1.6 percent - Municipal Automobile Renting Tax; 2 percent - County Option Motor Fuel Tax; 2 percent - Chicago Home Rule Use Tax; 2 percent - Metropolitan Pier and Exposition Authority; 2 percent - Chicago Soft Drink Tax; 4 percent - Illinois Sports Facility; ½ percent - RTA; 4 percent - HOOT) is withheld to cover the administrative costs in rendering the collection service for the local governmental units. The fee related to the RTA pertains to the RTA Motor Fuel Use Tax Act which was abolished on November 1, 1979.

In 1973, the Department was given the responsibility for administering and enforcing the "Senior Citizens' and Disabled Persons' Property Tax Relief Act" and the "Additional Tax Relief Act." These acts grant relief payments to senior citizens and disabled persons for real estate and other taxes. Contrary to the Department's primary mission of collection taxes, its responsibility in this regard is to disburse funds.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF OPERATIONS
For the Year Ended June 30, 2007

General Operations – Continued

In 1979, the Department assumed the remaining responsibilities of the Department of Local Government Affairs which was the Property Tax Administration Bureau. The Property Tax Administration Bureau is responsible for insuring the equitable and efficient local assessments and taxation of real property by calculating and certifying equalization formulas for each county to achieve uniform assessment levels. In addition, the Property Tax Administration Bureau provides technical assistance to local governments and prescribes forms and records for use by local officials.

The Department's operations are financed primarily from the General Revenue Fund. In addition, the cost of administrating the Motor Fuel Tax Collections is funded from the Motor Fuel Tax Fund; the State's distributions under the corporate income tax sharing program are paid out of the Local Government Distributive Fund.

Accounting Policies

Revenues

The financial records of the Department are maintained on a cash basis, except for Hotel Operators' Occupation Tax collections. These collections are recorded as of the month when the returns are due if they are received within the first seven working days after month end, even though the Department does not process the returns or deposit the remittances until the following month. Accelerated ROT collections received from certain large taxpayers are deferred on the Department's records until the returns are received and processed and the amount of the liability is established. Revenue schedules presented in this report are on the cash basis.

Expenditures

Expenditures are recorded when an invoice voucher has been approved for payment and forwarded to the Comptroller's office for preparation of a warrant. Expenditures are charged to appropriations of the fiscal year in which the obligation for the expenditure is established.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF OPERATIONS
For the Year Ended June 30, 2007

General Operations – Continued

Operating Expense Analysis

Operating expenses are not reduced for the fees collected by the Department for administering the Metropolitan Pier and Exposition Authority Taxes, County Water Commission Retailers' Occupation Taxes, Regional Transportation Authority Taxes, Municipal Hotel Operators' Occupation Tax, Illinois Sports Facilities, Municipal and County Automobile Renters' Occupation Use Tax and Municipal and County Replacement Vehicle Tax. The fees collected are as follows:

<u>Years Ended June 30</u>	<u>Fees Deposited in General Revenue Fund</u>	<u>Fees Deposited in Tax Compliance and Administrative Fund</u>
2007	\$2,218,411	\$808,095
2006	2,479,685	756,540
2005	1,733,603	694,566

Operating expenses, derived by using only operations spending, subtracting out the General Revenue Fund transfers into the Senior Citizens Tax Deferral Fund, the Nursing Home Fund, Illinois Affordable Housing Costs, and equipment purchases from appropriated expenditures for the 14 months ended August 31, 2007, 2006, and 2005 per \$1,000 of tax collected is summarized below.

<u>Years Ended June 30</u>	<u>Tax Collections (in thousands)</u>	<u>Operating Expenses (in thousands)</u>	<u>\$1,000 of Tax Collection</u>
2007	\$30,406,497	\$164,066	\$5.11
2006	28,580,584	147,669	5.17
2005	28,547,732	141,951	4.97

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF OPERATIONS
For the Year Ended June 30, 2007

Agency Functions and Planning Program

The mission statement of the Illinois Department of Revenue (Department) is to maximize collection of revenues for the State of Illinois; ensure the integrity of the State's wagering activities; and effectively regulate the manufacture, distribution and sale of alcoholic beverages; all in a manner that promotes fair and consistent enforcement of State laws.

The current Director of the Department is Mr. Brian A. Hamer. The headquarters is located at 101 West Jefferson, Springfield, Illinois.

The Department's tax operations are divided into the following primary areas:

Account Processing

This function processes, controls, and stores Illinois State tax returns and associated documents. In addition, tax processing maintains taxpayer accounts.

Tax Enforcement/Bureau of Audits

Through field and in-house audit activities, Tax Enforcement promotes voluntary compliance with Illinois tax laws by review of tax records to ensure the establishment and payment of all taxes due. The collections function pursues the collection of delinquent taxes and assists taxpayers with the accurate completion of Illinois tax returns. This function also promotes voluntary compliance through determination of criminal noncompliance and recommendation for prosecution of criminal violations of Illinois tax law.

Taxpayer Services

This function includes the Customer Services Bureau and Problems Resolutions Office. It also has jurisdiction over the Central Registration Division.

Information Services

This area provides application development, oversees automation support and maintains daily computer operations.

Administrative Services

This area includes major support functions for the Department including: Human Resource Management, Revenue Accounting, and Property Management. Human Resource Management is responsible for training, benefit coordination, Equal Employment Opportunity advocacy, labor relations and coordination of personnel and payroll. Administrative Services also coordinates the purchase and payment of items procured through a voucher processing system, as well as centralized printing, mail, and facility coordination services.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF OPERATIONS
For the Year Ended June 30, 2007

Agency Functions and Planning Program – Continued

Illinois Gaming Board

The Illinois Gaming Board regulates riverboat gambling in Illinois.

Liquor Control Commission

The Liquor Control Commission regulates the manufacture, distribution and sale of alcoholic beverages.

Lottery

The Lottery program administers lottery wagering activities in Illinois.

Racing Board

The Racing Board regulates horse racing activities in Illinois.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
AVERAGE NUMBER OF EMPLOYEES
For the Year Ended June 30, 2007

	FY07 Average Headcount	FY06 Average Headcount
Government Services		
General Revenue	49	52
Motor Fuel Tax	2	6
Personal Property Tax Replacement	17	18
Illinois Tax Increment	<u>4</u>	<u>4</u>
Total Government Services	72	80
Tax Enforcement		
General Revenue	652	636
Motor Fuel Tax	104	104
County Motor Fuel Tax	2	2
Illinois Gaming Law Enforcement	3	9
Personal Property Tax Replacement	22	22
Underground Storage Tank	3	3
Home Rule Municipal ROT	3	3
Child Support Enforcement Trust	<u>21</u>	<u>28</u>
Total Tax Enforcement	810	807
Tax Operations		
General Revenue	633	612
Motor Fuel Tax	82	79
County Motor Fuel Tax	5	5
Illinois Gaming Law Enforcement	7	-
Personal Property Tax Replacement	77	78
Underground Storage Tank	9	9
Tax Compliance and Administration	<u>27</u>	<u>26</u>
Total Tax Operations	840	809
Illinois Gaming Board		
State Gaming Fund	74	72
Liquor Control Commission		
Dram Shop	43	43
Tobacco Settlement Recovery	<u>1</u>	<u>1</u>
Total Liquor Control Commission	44	44
Illinois Racing Board		
Horse Racing	70	68
Illinois State Lottery		
State Lottery	179	178
TOTAL DEPARTMENT	2,089	2,058

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
EMERGENCY PURCHASES
For the Year Ended June 30, 2007

The Department reported the following emergency purchases to the Office of the Auditor General during FY07 :

<u>DESCRIPTION OF EMERGENCY PURCHASE</u>	<u>AMOUNT</u>
The Department engaged a vendor to provide data entry services for key entry and verification of tax returns.	<u>\$ 34,875</u>
TOTAL COST	<u><u>\$ 34,875</u></u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
GAMING BOARD STATISTICS
For the Year Ended June 30, 2007

2006 Calendar Year Summary
(Not Examined)

Calendar Year Comparison	2002	2003	2004	2005	2006
Number of Licensees	10	10	10	10	10
Adjusted Gross Receipts (AGR)	\$ 1,831,550,836	\$ 1,709,943,480	\$ 1,717,991,115	\$ 1,798,912,344	\$ 1,923,528,409
Table Games	\$ 286,980,831	\$ 251,895,773	\$ 236,157,413	\$ 231,446,105	\$ 233,322,595
Electronic Gaming Devices (EGD)	\$ 1,544,570,005	\$ 1,458,047,707	\$ 1,481,833,702	\$ 1,567,466,239	\$ 1,690,205,814
Number of Admissions	18,821,582	16,597,552	15,331,021	15,323,166	16,180,360
AGR Per Admission	\$ 97	\$ 103	\$ 112	\$ 117	\$ 119
Total Tax	\$ 666,101,823	\$ 719,858,219	\$ 802,161,018	\$ 749,745,417	\$ 830,239,764
Wagering Tax	\$ 619,255,784	\$ 659,882,032	\$ 736,786,218	\$ 692,806,990	\$ 782,391,975
Admissions Tax	\$ 46,846,039	\$ 59,976,187	\$ 65,374,800	\$ 56,938,427	\$ 47,847,789
State Share	\$ 555,702,432	\$ 617,797,595	\$ 700,930,079	\$ 644,462,903	\$ 717,881,351
Local Share	\$ 110,399,391	\$ 102,060,624	\$ 101,230,939	\$ 105,282,514	\$ 112,358,413

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
GAMING BOARD STATISTICS
For the Year Ended June 30, 2007

2006 Calendar Year Statistics
(Not Examined)

	Totals		% Change
	2005	2006	
Adjusted Gross Receipts (AGR)	\$ 1,798,912,344	\$ 1,923,528,409	6.93 %
Taxable AGR (includes adjustments)	\$ 1,799,095,572	\$ 1,923,561,074	6.92 %
Number of Table Games	233	228	(2.15) %
Table Drop	\$ 1,341,783,144	\$ 1,334,464,111	(0.55) %
Table AGR	\$ 231,446,105	\$ 233,322,595	0.81 %
AGR/Table/Day	\$ 2,721	\$ 2,804	3.05 %
Table Game AGR to Drop %	17.20 %	17.50 %	1.74 %
Number of Electronic Gaming Devices (EGD)	9,823	9,888	0.66 %
EGD Handle	\$ 23,262,908,557	\$ 24,101,839,242	3.61 %
EGD AGR	\$ 1,567,466,239	\$ 1,690,205,814	7.83 %
AGR/EGD/Day	\$ 437	\$ 468	7.09 %
EGD AGR to Handle %	6.70 %	7.00 %	4.48 %
Admissions	15,323,166	16,180,360	5.59 %
AGR Per Admission	\$ 117.40	\$ 118.88	1.26 %
Total Tax	\$ 749,745,417	\$ 830,239,764	10.74 %
Wagering Tax	\$ 692,806,990	\$ 782,391,975	12.93 %
Admission Tax	\$ 56,938,427	\$ 47,847,789	(15.97) %
Other Revenues	\$ 1,672,987	\$ 1,700,979	1.67 %

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
GAMING BOARD STATISTICS
For the Year Ended June 30, 2007

**2006 Calendar Year Sources of Revenue
(Not Examined)**

Table Games and Electronic Gaming Devices

Docksite	Total AGR	Table Games	% of Total	Electronic Gaming Devices	% of Total
Alton	\$ 121,690,377	\$ 7,792,784	6.4 %	\$ 113,897,593	93.6 %
East Peoria	130,986,242	12,853,055	9.8	118,133,187	90.2
Rock Island	39,117,613	2,438,311	6.2	36,679,302	93.8
Joliet-Empress	253,766,059	24,369,457	9.6	229,396,602	90.4
Metropolis	160,446,240	20,689,395	12.9	139,756,845	87.1
Joliet-Harrah's	347,537,343	33,719,156	9.7	313,818,187	90.3
Aurora	265,688,563	31,195,343	11.7	234,493,220	88.3
East St. Louis	174,279,291	27,218,659	15.6	147,060,632	84.4
Elgin	430,016,681	73,046,435	17.0	356,970,246	83.0
Total	\$ 1,923,528,409	\$ 233,322,595	12.1 %	\$ 1,690,205,814	87.9 %

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
GAMING BOARD STATISTICS
For the Year Ended June 30, 2007

Distribution of Gaming Taxes (Not Examined)

Distribution to Local Governments	2002	2003	2004	2005	2006	% Change 2005 to 2006
Alton	\$ 7,596,181	\$ 6,915,011	\$ 6,774,624	\$ 7,097,896	\$ 7,554,349	6.43%
East Peoria	9,213,774	8,707,604	8,253,947	8,117,498	7,901,581	-2.66%
Rock Island	2,857,850	2,755,559	2,670,644	2,714,536	2,649,411	-2.40%
Joliet	32,858,253	29,494,538	28,775,387	31,721,572	34,864,387	9.91%
Metropolis	8,451,441	8,163,312	8,469,446	8,413,434	9,330,506	10.90%
Aurora	16,259,193	14,253,797	12,923,396	13,606,013	15,105,581	11.02%
East St. Louis	9,895,991	9,926,617	10,483,145	10,545,446	10,820,363	2.61%
Elgin	23,266,708	21,844,186	22,880,350	23,066,119	24,132,235	4.62%
Total	\$ 110,399,391	\$ 102,060,624	\$ 101,230,939	\$ 105,282,514	\$ 112,358,413	6.72%

Local Share of Gaming Taxes			
Distribution	Admission Tax	Wagering Tax	Total
2005	41,615,261	602,847,642	644,462,903
2006	31,667,429	686,213,922	717,881,351
% Change	-23.90%	13.83%	11.39%

Local Share of Gaming Taxes			
Distribution	Admission Tax	Wagering Tax	Total
2005	15,323,166	89,959,348	105,282,514
2006	16,180,360	96,178,053	112,358,413
% Change	5.59%	6.91%	6.72%

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
GAMING BOARD STATISTICS
For the Year Ended June 30, 2007

Summary of Illinois Riverboat Data
(Not Examined)

Month	Admission Total	AGR Total	Taxes Collected		Net Proceeds Per Admission
			State	Local	
1994 Total	\$ 20,367,119	\$ 979,551,111	\$ 167,299,786	\$ 69,344,675	\$ 48.09
1995 Total	24,835,833	1,178,311,827	201,582,607	83,751,424	47.44
1996 Total	25,211,329	1,131,491,531	194,935,058	81,785,907	44.88
1997 Total	24,972,139	1,054,573,793	183,158,208	77,700,830	42.23
1998 Total	24,813,818	1,106,751,600	256,782,080	80,117,488	44.60
1999 Total	21,991,689	1,362,931,231	328,665,137	90,132,196	61.97
2000 Total	19,014,939	1,658,004,361	410,328,901	101,884,222	87.19
2001 Total	18,808,281	1,783,958,166	447,228,898	107,975,415	94.85
2002 Total	18,821,582	1,831,550,836	555,702,432	110,399,391	97.31
2003 Total	16,597,552	1,709,943,480	617,797,595	102,060,624	103.02
2004 Total	15,331,021	1,717,991,115	700,930,079	101,230,939	112.06
Jan	1,166,040	139,686,137	18,566,116	8,148,499	119.80
Feb	1,239,665	144,218,457	31,418,075	8,463,690	116.34
Mar	1,297,173	152,317,392	47,043,714	8,903,506	117.42
Apr	1,277,484	152,157,844	56,308,887	8,878,766	119.11
May	1,297,119	153,759,183	63,247,549	8,994,820	118.54
June	1,237,693	144,415,180	62,353,536	8,452,290	116.68
July	1,435,268	161,274,893	58,750,672	9,498,054	112.37
Aug	1,331,916	152,922,183	58,901,346	8,993,115	114.81
Sept	1,257,047	147,814,503	59,144,516	8,643,263	117.59
Oct	1,288,198	149,079,977	60,423,679	8,738,901	115.73
Nov	1,251,381	148,987,831	62,861,188	8,701,194	119.06
Dec	1,244,182	152,278,764	65,443,625	8,866,416	122.39
2005 Total	15,323,166	1,798,912,344	644,462,903	105,282,514	117.40
Jan	1,350,159	161,573,750	19,936,570	9,419,168	119.67
Feb	1,285,732	153,776,757	26,725,015	8,979,219	119.60
Mar	1,382,377	167,846,272	38,724,698	9,775,285	121.42
Apr	1,323,459	160,477,808	43,507,993	9,355,790	121.26
May	1,354,341	161,705,826	49,771,763	9,434,441	119.40
June	1,309,247	152,515,361	146,529,199	8,927,999	116.49
July	1,458,249	171,177,932	61,706,097	10,015,778	117.39
Aug	1,407,345	161,307,918	64,244,975	9,472,982	114.62
Sept	1,375,048	160,012,042	64,661,802	9,377,521	116.37
Oct	1,316,411	155,360,177	65,093,319	9,103,649	118.02
Nov	1,266,856	153,185,693	65,445,214	8,916,814	120.92
Dec	1,351,136	164,588,873	71,534,706	9,579,767	121.82
2006 Total	\$ 16,180,360	\$ 1,923,528,409	\$ 717,881,351	\$ 112,358,413	\$ 118.88

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
AUDIT COLLECTIONS STATISTICS
(Not Examined)

The following tables provide an analysis of the revenue collected by audit staff of the Department compared to the costs associated with the audit:

Audit Collections per Audit Staff:

	<u>Revenue Collections</u> <u>(Audits)</u>	<u>Audit Staff</u> <u>(Average)</u>	<u>Revenue / Audit</u> <u>Staff</u>
FY05	\$ 205,616,197	437	\$ 470,518
FY06	214,020,180	464	461,250
FY07	<u>290,791,333</u>	<u>476</u>	<u>610,906</u>
Average	<u>\$ 236,809,236</u>	<u>459</u>	<u>\$ 515,924</u>

Audit Collections per Audit Related Expenditures:

	<u>Revenue Collections</u>	<u>Audit Related</u> <u>Expenditures</u>	<u>Revenue / \$ Spent</u>
FY05	\$ 205,616,197	\$ 37,131,256	\$ 5.5
FY06	214,020,180	38,033,371	5.6
FY07	<u>290,791,333</u>	<u>41,707,747</u>	<u>7.0</u>
Average	<u>\$ 236,809,236</u>	<u>\$ 38,957,458</u>	<u>\$ 6.1</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Year Ended June 30, 2007
(Not Examined)

Administer State and Local Tax Laws:

Mission Statement: To maximize collection of revenues for the State of Illinois.

Program Goals:

Objectives:

1. Enhance tax enforcement.
 - a. Re-deploy resources to focus on enforcement.
2. Improve efficiency and effectiveness.
 - a. Expand electronic filing and payment offerings.
3. Advocate sound tax policies.
 - a. Close tax loopholes and eliminate unjustified tax avoidance schemes.
 - b. Develop accurate revenue forecasts.
4. Improve the quality and accessibility of taxpayer education and information.
 - a. Increase self-help and interactive tax assistance options.

Funds:

- General Revenue Fund,
- Motor Fuel Tax – State Fund,
- Transportation Regulatory Fund,
- Underground Storage Tank Fund,
- Home Rule Municipal Retailers Occupation Tax Fund,
- Illinois Department of Revenue Federal Trust Fund,
- State and Local Sales Tax Reform Fund,
- RTA Occupation and Use Tax Replacement Fund,
- County Option Motor Fuel Tax Fund,
- Income Tax Refund Fund,
- Debt Collection Fund,
- Illinois Tax Increment Fund,
- Tax Compliance and Administration Fund,
- Local Government Distributive Fund,
- Municipal Telecommunications Fund, and
- Personal Property Tax Replacement Fund.

Statutory Authority: 35 ILCS

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Year Ended June 30, 2007
(Not Examined)

Administer State and Local Tax Laws

	Fiscal Year 2005 Actual	Fiscal Year 2006 Actual	Fiscal Year 2007 Target/ Projected	Fiscal Year 2007 Actual	Fiscal Year 2008 Target/ Projected
<u>Input Indicators</u>					
Total expenditures all sources (in thousands)	\$ 3,682,643	\$ 4,125,824	\$ 4,508,214	\$ 4,400,887	\$ 5,512,638
Total expenditures - State appropriated funds (in thousands)	\$ 379,325	\$ 414,253	\$ 458,214	\$ 448,067	\$ 509,608
Average monthly full-time equivalents	1,671	1,627	1,671	1,662	1,769
Total expenditures - operations (State appropriated funds - in thousands)	\$ 135,864	\$ 134,676	\$ 163,803	\$ 154,665	\$ 179,006
Total expenditures - grants and refunds (State appropriated funds - in thousands)	\$ 243,462	\$ 279,577	\$ 294,411	\$ 293,402	\$ 330,602

Output Indicators

Number of State and local taxes administered	70	70	70	70	70
State and local tax and fee collections (in millions)	\$ 26,606	\$ 28,580	\$ 30,009	\$ 30,246	\$ 31,800
Number of tax return documents processed- includes alternatively filed methods	16,689,879	17,002,025	17,207,500	17,177,634	17,200,000
Number of individual income tax returns processed	5,798,585	5,712,563	5,725,000	5,963,636	5,800,000
Number of individual income tax refunds issued	3,724,868	3,778,660	3,800,000	3,677,188	3,700,000
Number of direct deposits	1,604,142	1,727,327	1,865,000	1,873,933	1,950,000
Number of new registration applications processed	87,585	93,395	95,000	88,435	90,000
Number of active registration accounts	795,757	826,608	830,000	847,646	860,000
Delinquent tax debt cases closed	267,706	277,697	283,000	282,112	290,000
Delinquent tax debt collections (in thousands)	\$ 318,765	\$ 335,658	\$ 322,500	\$ 365,496	\$ 350,000
Number of phone calls answered on toll-free assistance lines	513,806	489,759	550,000	602,873	620,000

STATE OF ILLINOIS
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SERVICE EFFORTS AND ACCOMPLISHMENTS

For the Year Ended June 30, 2007
(Not Examined)

Administer State and Local Tax Laws - (Continued)	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal
	Year	Year	Year 2007	Year 2007	Year 2008
	2005	2006	Target/	2007	Target/
	Actual	Actual	Projected	Actual	Projected
Outcome Indicators					
Number of individual income tax returns filed electronically	2,425,886	2,534,669	2,675,000	27,555,376	2,900,000
Percent of individual income tax returns filed electronically	42%	45%	47%	47%	50%
Percent of tax and fee collections received via electronic funds transfer (EFT)	57%	62%	65%	61%	63%
Total tax and fee collections received via Electronic Funds					
Transfer (EFT) (in millions)	\$ 15,370	\$ 17,136	\$ 18,400	\$ 18,583	\$ 20,000
Average number of days from receipt of registration application to mailing of certificate					
	9.8	8.7	8.0	7.5	8.3
Average number of days from receipt of payment until deposit					
	1.0	1.0	1.0	1.0	1.0
Percent of dollars deposited on same day as receipt					
	91%	92%	92%	89%	89%
Percent of accurately and timely filed individual income tax returns					
	94%	95%	95%	94%	94%
Average number of days to issue an individual income tax refund					
	35.6	36.7	36.0	35.2	35.0

Efficiency/Cost-Effectiveness

Cost to collect \$1,000 of tax and fees (in dollars)	\$ 5.11	\$ 5.00	\$ 5.00	\$ 5.10	\$ 5.60
Tax and fee collections per staff (in millions)	\$ 15.9	\$ 17.6	\$ 18.0	\$ 18.2	\$ 18.0
Delinquent tax debt collections per dollar spent on delinquent debt collection process (in dollars)					
	\$ 24	\$ 27	\$ 24	\$ 28	\$ 26

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Year Ended June 30, 2007
(Not Examined)

Gaming Board:

Mission Statement: Ensure the integrity of riverboat gambling in Illinois through effective regulation and oversight.

Program Goals:

Objectives:

1. Ensure fair gaming in a safe environment.
2. Maintain the integrity of the tax and fee payment, collection and distribution process.
3. Ensure that individuals and entities engaged in riverboat gambling are suitable.
4. Effectively maintain the self-exclusion program, which allows individuals with gambling problems to ban themselves from all Illinois Riverboat Casinos.

Funds: State Gaming Board

Statutory Authority: 230 ILCS 10

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SERVICE EFFORTS AND ACCOMPLISHMENTS

For the Year Ended June 30, 2007
(Not Examined)

Gaming Board	Fiscal Year 2005		Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008	
	Actual	Target/Projected	Actual	Target/Projected	Actual	Target/Projected	Actual	Target/Projected
Input Indicators								
Total expenditures all sources (in thousands)	\$ 14,282.7	\$ 14,409.5	\$ 14,409.5	\$ 18,744.0	\$ 16,790.5	\$ 18,781.8		
Total expenditures - State appropriated funds (in thousands)	\$ 14,282.7	\$ 14,409.5	\$ 14,409.5	\$ 18,744.0	\$ 16,790.5	\$ 18,781.8		
Average monthly full-time equivalents	70.0	69.0	86.0	77.0	95.0			

Output Indicators								
Number of operating riverboats in Illinois	9.0	9.0	9.0	9.0	9.0	9.0		
Number of active occupational licenses	8,491	8,931	9,000	8,422	8,500	8,500		
Number of incident reports filed	2,466	3,590	3,600	4,451	4,500	4,500		
Number of level one occupational investigations	15.0	16.0	20.0	17.0	20.0	20.0		
Number of payments received	2,303	2,484	2,500	2,501	2,495	2,495		
Number of payments and transfers made	36.0	36.0	36.0	38.0	36.0	36.0		
Number of quarterly and annual audits	45.0	45.0	45.0	45.0	45.0	45.0		

Outcome Indicators								
Percentage of audits reviewed in 90 days	100%	100%	100%	100%	100%	100%		
Percent of Level One investigations completed within six months of receipt of complete application	64%	44%	100%	70%	100%	100%		
Percent of payments received on time	100%	100%	100%	100%	100%	100%		
Percent of transfers made on time	100%	100%	100%	100%	100%	100%		
Complete investigations of all key persons within one year of application and within three months prior to renewal	83%	32%	20%	86%	100%	100%		
Total 12 month attendance at riverboat casinos	15,218,657	15,813,307	16,000,000	16,257,640	16,500,000	16,500,000		

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Year Ended June 30, 2007
(Not Examined)

Liquor Control Commission:

Mission Statement: To effectively regulate the manufacture, distribution, and sale of alcoholic beverages, and reduce youth access to tobacco products.

Program Goals:

Objectives:

1. Ensure Statewide compliance with the provisions, rules and regulations of the Illinois Liquor Control Act.
2. Reduce youth access to tobacco products in Illinois.
3. Review and determine eligibility of business entities to hold a liquor license in the State of Illinois.
4. Develop a public awareness campaign related to minimum-age liquor laws and to educate retail liquor establishments on how to guard against illegal sales and services to minors.

Funds: Tobacco Settlement Recovery Fund, Dram Shop Fund

Statutory Authority: 235 ILCS 5/1 et seq.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SERVICE EFFORTS AND ACCOMPLISHMENTS

For the Year Ended June 30, 2007
(Not Examined)

Liquor Control Commission

	Fiscal Year 2005 Actual	Fiscal Year 2006 Actual	Fiscal Year 2007 Target/ Projected	Fiscal Year 2007 Actual	Fiscal Year 2008 Target/ Projected
<u>Input Indicators</u>					
Total expenditures all sources (in thousands)	\$ 5,138.1	\$ 4,981.0	\$ 5,949.3	\$ 5,053.8	\$ 5,913.2
Total expenditures - State appropriated funds (in thousands)	\$ 5,138.1	\$ 4,981.0	\$ 5,949.3	\$ 5,053.8	\$ 5,913.2
Average monthly full-time equivalents	46.0	44.0	46.0	41.0	47.0

Output Indicators

Inspections- Total	12,404	17,036	18,000	15,464	16,000
Licenses Issued	24,691	23,365	25,000	26,454	27,000

Outcome Indicators

Liquor inspections compliance rate	68.8%	76.7%	80.0%	69.4%	80.0%
Tobacco retailers compliance rate on State Annual Survey	93.6%	94.0%	90.0%	90.5%	90.0%

STATE OF ILLINOIS
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SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Year Ended June 30, 2007
(Not Examined)

Lottery:

Mission Statement: To help generate revenue for public education through the sale of entertaining lottery tickets.

Program Goals:

Objectives:

1. To develop and market lottery games that maximize public participation and focus public attention on the Lottery as the preferred choice for legal gaming
 - a. Develop a multi-faceted public relations/earned media campaign that builds public awareness and approval of the Lottery's role in public education funding.
 - b. Develop game and/or marketing changes to enhance sales of under performing online game portfolio.
 - c. Continue to grow game sales by increasing the use and proliferation of later point-of-purchase technology.
2. To award all prizes and incentives in a timely, efficient and secure manner.

Funds: State Lottery Fund

Statutory Authority: 20 ILCS 1605

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Year Ended June 30, 2007
(Not Examined)

Lottery

	Fiscal Year 2005 Actual	Fiscal Year 2006 Actual	Fiscal Year 2007 Target/ Projected	Fiscal Year 2007 Actual	Fiscal Year 2008 Target/ Projected
<u>Input Indicators</u>					
Total expenditures all sources (in thousands)	\$ 1,842,900.0	\$ 1,989,200.0	\$ 2,057,429.0	\$ 2,021,258.2	\$ 2,027,199.9
Total expenditures - State appropriated funds (in thousands)	\$ 295,277.8	\$ 343,033.7	\$ 378,036.0	\$ 331,427.4	\$ 376,641.5
Average monthly full-time equivalents	182.0	178.0	191.0	183.0	191.0
Operating Expenses (in millions)	\$ 56.9	\$ 54.7	\$ 62.9	\$ 54.8	\$ 61.5

Output Indicators

Sales (in millions)	\$ 1,842.9	\$ 1,989.2	\$ 2,057.4	\$ 2,021.3	\$ 2,027.2
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Outcome Indicators

Transfers to the Common School Fund (in millions)	\$ 614.0	\$ 671.0	\$ 650.0	\$ 607.4	\$ 650.0
Percentage of sales transferred to the Common School Fund	33.3%	33.7%	31.6%	30.1%	32.1%

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Year Ended June 30, 2007
(Not Examined)

Racing Board:

Mission Statement: To ensure the honest and integrity of thoroughbred, standardbred and quarter horse racing and pari-mutuel wagering through the enforcement of the Illinois Horse Racing Act.

Program Goals:

Objectives:

1. Ensure that horse racing is conducted in a fair and competitive manner and is strict compliance of all rules and regulations of the Board.
2. Protect and maintain the integrity of the pari-mutuel wagering system.
3. Encourage, promote and stimulate growth within the horse racing industry.
4. Enforce the Illinois Racing Board's medication rules through drug testing to ensure races are conducted without the presence of prohibited substances and are within the limits of permissible race day medication.

Funds: Horse Racing Fund.

Statutory Authority: 230 ILCS 5

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SERVICE EFFORTS AND ACCOMPLISHMENTS

For the Year Ended June 30, 2007
(Not Examined)

<u>Racing Board</u>	Fiscal Year 2005 Actual	Fiscal Year 2006 Actual	Fiscal Year 2007 Target/Projected	Fiscal Year 2007 Actual	Fiscal Year 2008 Target/Projected
<u>Input Indicators</u>					
Total expenditures all sources (in thousands)	\$ 6,977.4	\$ 6,687.0	\$ 7,965.2	\$ 6,888.1	\$ 8,096.5
Total expenditures - State appropriated funds (in thousands)	\$ 6,977.4	\$ 6,687.0	\$ 7,965.2	\$ 6,888.1	\$ 8,096.5
Average monthly full-time equivalents	70.0	68.0	76.0	75.0	76.0
<u>Output Indicators</u>					
Total number of steward rulings issued	1,923	1,203	1,500	1,056	1,000
<u>Outcome Indicators</u>					
Horse laboratory proficiency testing score (test sample accuracy)	100%	100%	100%	100%	100%
Total number of administrative appeals of steward's rulings issued	21.0	40.0	40.0	47.0	45.0
Number of live races contested per steward ruling issued (violations)	3.8	5.8	4.6	6.3	6.0