

STATE OF ILLINOIS  
OFFICE OF THE SECRETARY OF STATE

Financial Audit

For the Year Ended June 30, 2010

Performed as Special Assistant Auditors for  
the Auditor General, State of Illinois

STATE OF ILLINOIS  
OFFICE OF THE SECRETARY OF STATE  
FINANCIAL AUDIT  
For the Year Ended June 30, 2010

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STATE OF ILLINOIS  
OFFICE OF THE SECRETARY OF STATE

AGENCY OFFICIALS

Secretary of State	Honorable Jesse White
Deputy Secretary of State and Chief of Staff	Thomas N. Benigno
Chief Auditor	Nancy Bowyer
General Counsel	Irene Lyons
Inspector General	Jim Burns
Accounting Revenue, Director	Carl Forn
Chief Financial Officer	Amanda Trimmer

Secretary of State offices are located throughout the State of Illinois. Secretary of State financial records are processed and maintained at the Howlett Building, Springfield, Illinois 62756. Executive offices of the Secretary of State are located at Room 213, Capitol Building, Springfield, Illinois, 62756 and Suite 5-400, 100 W. Randolph, Chicago, Illinois 60601.

## **FINANCIAL STATEMENT REPORT**

### **SUMMARY**

The audit of the accompanying financial statements of the State of Illinois, Office of the Secretary of State was performed by Sikich LLP.

Based on their audit, the auditors expressed an unqualified opinion on the agency's basic financial statements.



132 South Water Street, Suite 300, P.O. Box 1460 Decatur, IL 62525-1460

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Office of the Secretary of State, as of and for the year ended June 30, 2010, which collectively comprise the Office of the Secretary of State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Illinois, Office of the Secretary of State's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the financial statements of the State of Illinois, Office of the Secretary of State are intended to present the financial position and changes in financial position of only that portion of the governmental activities, each major fund, and the aggregate remaining fund information of the State that is attributable to the transactions of the State of Illinois, Office of the Secretary of State. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Office of the Secretary of State, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 9, 2011 on our consideration of the State of Illinois, Office of the Secretary of State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The State of Illinois, Office of the Secretary of State has not presented a management's discussion and analysis and budgetary comparison information for any of its funds that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Illinois, Office of the Secretary of State's basic financial statements. The accompanying supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying supplementary information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

*Sikich LLP*

Decatur, Illinois  
February 9, 2011

State of Illinois

Office of the Secretary of State

Statement of Net Assets and Governmental Funds Balance Sheet

June 30, 2010 (Expressed in Thousands)

	General Fund	Road Fund	State Construction Account 0902	Other Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Net Assets
<b>ASSETS</b>							
Unexpended appropriations	\$ 16,822	\$ -	\$ -	\$ 137	\$ 16,959	\$ -	\$ 16,959
Cash equity with State Treasurer	63,257	14,358	70,367	94,282	242,264	-	242,264
Cash and cash equivalents	83	-	-	10	93	-	93
Securities lending collateral of State Treasurer	-	-	-	6,170	6,170	-	6,170
Taxes receivable, net	2,544	-	-	-	2,544	-	2,544
Intergovernmental receivables, net	41	3,766	2,213	358	358	-	358
Other receivables, net	765	-	-	1,058	7,078	-	7,078
Inventories	-	-	-	4,822	4,822	(765)	-
Prepaid expenses	-	-	-	-	-	-	4,822
Capital assets not being depreciated	-	-	-	-	-	2,809	2,809
Capital assets being depreciated, net	-	-	-	-	-	6,688	6,688
<b>Total assets</b>	<b>\$ 83,512</b>	<b>\$ 18,124</b>	<b>\$ 72,580</b>	<b>\$ 106,837</b>	<b>\$ 281,053</b>	<b>183,712</b>	<b>183,712</b>
						<b>192,444</b>	<b>473,497</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ 15,083	\$ -	\$ -	\$ 1,511	\$ 16,594	-	\$ 16,594
Intergovernmental payables	15,729	-	-	502	16,231	-	16,231
Due to other State fiduciary funds	176	-	-	20	196	-	196
Due to other Office funds	-	-	-	765	765	(765)	-
Due to other State funds	566	-	-	313	879	-	879
Due to State of Illinois component units	3	-	-	59	62	-	62
Unavailable revenue	-	-	-	1,296	1,296	(1,296)	-
Unearned revenue	4,083	11,822	6,830	367	23,102	-	23,102
Obligations under securities lending of State Treasurer	-	-	-	6,170	6,170	-	6,170
Long-term obligations:							
Due within one year	-	-	-	-	-	2,952	2,952
Due subsequent to one year	-	-	-	-	-	19,225	19,225
<b>Total liabilities</b>	<b>35,640</b>	<b>11,822</b>	<b>6,830</b>	<b>11,003</b>	<b>65,295</b>	<b>20,116</b>	<b>85,411</b>
<b>FUND BALANCES/NET ASSETS</b>							
Reserved for:							
Encumbrances	579	-	-	1,459	2,038	(2,038)	-
Inventories	-	-	-	4,822	4,822	(4,822)	-
Unreserved:							
General fund	47,293	-	-	-	47,293	(47,293)	-
Special revenue funds	-	6,302	65,750	89,553	161,605	(161,605)	-
Invested in capital assets, net of related debt	-	-	-	-	-	190,400	190,400
Unrestricted net assets	-	-	-	-	-	197,686	197,686
<b>Total fund balances/net assets</b>	<b>47,872</b>	<b>6,302</b>	<b>65,750</b>	<b>95,834</b>	<b>215,758</b>	<b>172,328</b>	<b>\$ 388,086</b>
<b>Total liabilities and fund balances</b>	<b>\$ 83,512</b>	<b>\$ 18,124</b>	<b>\$ 72,580</b>	<b>\$ 106,837</b>	<b>\$ 281,053</b>		<b>\$ 388,086</b>

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

**State of Illinois**  
**Office of the Secretary of State**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to Statement of Net Assets**  
**June 30, 2010**  
**(Expressed in Thousands)**

<b>Total fund balances-governmental funds</b>	\$	215,758
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		190,400
<p>Prepaid expenses for governmental activities are current uses of financial resources for funds.</p>		2,809
<p>Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.</p>		1,296
<p>Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of:</p>		
Compensated absences		(22,177)
<b>Net assets of governmental activities</b>	<b>\$</b>	<b><u>388,086</u></b>

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



State of Illinois

Office of the Secretary of State

Statement of Activities and Governmental Revenues,  
Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2010 (Expressed in Thousands)

	General Fund	Road Fund	State Construction Account 0902	Other Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Activities
Expenditures/expenses:							
General government	\$ 275,534	\$ 95	\$ -	\$ 59,467	\$ 335,096	\$ 20,390	\$ 355,486
Capital outlays	2,030	-	-	1,228	3,258	(3,258)	-
<b>Total expenditures/expenses</b>	<u>277,564</u>	<u>95</u>	<u>-</u>	<u>60,695</u>	<u>338,354</u>	<u>17,132</u>	<u>355,486</u>
Program revenues:							
Charges for services:							
Licenses and fees	370,150	820,962	464,480	82,059	1,737,651	1,018	1,738,669
Other	8	-	-	52	60	1	61
Total charges for services	<u>370,158</u>	<u>820,962</u>	<u>464,480</u>	<u>82,111</u>	<u>1,737,711</u>	<u>1,019</u>	<u>1,738,730</u>
Operating grant revenue:							
Federal	-	-	-	7,769	7,769	(809)	6,960
Other	-	-	-	645	645	-	645
Total operating grant revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,414</u>	<u>8,414</u>	<u>(809)</u>	<u>7,605</u>
<b>Net program revenues</b>	<u>92,594</u>	<u>820,867</u>	<u>464,480</u>	<u>29,830</u>	<u>1,407,771</u>	<u>(16,922)</u>	<u>1,390,849</u>
General revenues:							
Interest and investment income	-	-	-	54	54	-	54
Other taxes	211,123	-	-	-	211,123	-	211,123
Other	620	3	-	12,213	12,836	-	12,836
<b>Total general revenues</b>	<u>211,743</u>	<u>3</u>	<u>-</u>	<u>12,267</u>	<u>224,013</u>	<u>-</u>	<u>224,013</u>
Other sources (uses):							
Appropriations from State resources	260,277	4,473	-	6,912	271,662	-	271,662
Lapsed appropriations	(3,922)	(4,473)	-	(2,161)	(10,556)	-	(10,556)
Receipts collected and transmitted to State Treasury	(555,548)	(836,424)	(463,005)	(18,407)	(1,873,384)	-	(1,873,384)
Capital transfers from other State agencies	-	-	-	-	-	4,446	4,446
Amount of SAMS transfers-in	(231)	-	-	-	(231)	-	(231)
Amount of SAMS transfers-out	10,452	-	-	100	10,552	-	10,552
Transfers-in	765	-	-	7,447	8,212	(8,140)	72
Transfers-out	(2,500)	-	-	(5,944)	(8,444)	8,140	(304)
Transfers of administration of funds to other State Agencies	-	-	-	(447)	(447)	-	(447)
<b>Total other sources (uses)</b>	<u>(290,707)</u>	<u>(836,424)</u>	<u>(463,005)</u>	<u>(12,500)</u>	<u>(1,602,636)</u>	<u>4,446</u>	<u>(1,598,190)</u>
Change in fund balance/net assets	13,630	(15,554)	1,475	29,597	29,148	(12,476)	16,672
Fund balance/net assets, July 1, 2009, as reclassified	34,242	21,856	64,275	67,454	187,827	183,587	371,414
Increase (decrease) for changes in inventories	-	-	-	(1,217)	(1,217)	1,217	-
Fund balance/net assets, June 30, 2010	<u>\$ 47,872</u>	<u>\$ 6,302</u>	<u>\$ 65,750</u>	<u>\$ 95,834</u>	<u>\$ 215,758</u>	<u>\$ 172,328</u>	<u>\$ 388,086</u>

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

**State of Illinois**  
**Office of the Secretary of State**  
**Reconciliation of Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to Statement of Activities**  
**For the Year Ended June 30, 2010**  
**(Expressed in Thousands)**

<b>Net change in fund balances</b>	\$	29,148
Change in inventories		(1,217)
	\$	<u>27,931</u>
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation in the current period exceeded capital outlays.		(12,683)
Some capital assets were transferred in from other State agencies and therefore, were received at no cost.		4,446
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the increase in unavailable revenue over the prior year.		210
Prepaid expenses in the Statement of Activities are not reported as expenses in governmental funds. This amount represents the decrease in prepaid expenses over the prior year.		(2,528)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Below are such activities:		
Increase in compensated absences obligation		<u>(704)</u>
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>16,672</u></b>

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

**State of Illinois**  
**Office of the Secretary of State**

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**Statement of Fiduciary Net Assets**  
June 30, 2010 (Expressed in Thousands)

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash equity with State Treasurer	\$ 10,395
Cash and cash equivalents	112
Investments	893
Other receivables, net	18
<b>Total assets</b>	<u>\$ 11,418</u>
<b>LIABILITIES</b>	
Other liabilities	\$ 11,418
<b>Total liabilities</b>	<u>\$ 11,418</u>

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

**STATE OF ILLINOIS  
OFFICE OF THE SECRETARY OF STATE**

Notes to Financial Statements

June 30, 2010

**(1) Organization**

The Office of the Secretary of State (the Office) is a part of the executive branch of government of the State of Illinois (State) and operates under the authority of and review by the Illinois General Assembly. The Office operates under a budget approved by the General Assembly in which resources primarily from the General Revenue Fund are appropriated for the use of the Office. Activities of the Office are subject to the authority of the Office of the Governor, the State's chief executive officer, and other departments of the executive and legislative branches of government (such as the Department of Central Management Services, the Governor's Office of Management and Budget, the State Treasurer's Office, and the State Comptroller's Office) as defined by the Illinois General Assembly. All funds appropriated to the Office and all other cash received are under the custody and control of the State Treasurer, with the exception of the Secretary of State Antique Vehicle Show fund, a nonmajor special governmental fund, the Go-Back Fund and the Safekeeping Fund, fiduciary funds, and the Special Advance Fund, a subaccount of the General Revenue Fund, which are all locally held funds, and various petty cash funds, which are under the direct control of the Office.

The Office has a broad range of responsibilities for the maintenance of official records of the acts of the General Assembly and of the Executive Branch as provided by law as well as to perform other duties as may be prescribed by law, including administration of the Illinois Vehicle Code. The Office is organized into twenty-five departments under three broad operating divisions to carry out its responsibilities. The operating divisions of the Office are the Executive, General and Administrative, and Motor Vehicle divisions.

**(2) Summary of Significant Accounting Policies**

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

**(a) Financial Reporting Entity**

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

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

Based upon the required criteria, the Office has no component units and is not a component unit of any other entity. However, because the Office is not legally separate from the State of Illinois, the financial statements of the Office are included in the financial statements of the State of Illinois. The State of Illinois' Comprehensive Annual Financial Report may be obtained by

**STATE OF ILLINOIS  
OFFICE OF THE SECRETARY OF STATE**

Notes to Financial Statements

June 30, 2010

writing to the State Comptroller's Office, Division of Financial Reporting, 325 West Adams Street, Springfield, Illinois, 62704-1871.

***Basis of Presentation***

The financial statements of the State of Illinois, Office of the Secretary of State, are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund of the State of Illinois, and the aggregate remaining fund information of the State of Illinois that is attributable to the transactions of the Office. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2010 and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial activities of the Office, which consist only of governmental activities, are reported under the general government function in the State of Illinois' Comprehensive Annual Financial Report. For reporting purposes, the Office has combined the fund and government-wide financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column. A brief description of the Office's government-wide and fund financial statements is as follows:

***Government-wide Statements.*** The government-wide statement of net assets and statement of activities report the overall financial activity of the Office, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the Office. The financial activities of the Office consist only of governmental activities, which are primarily supported by taxes, charges for services, and other nonexchange transactions.

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

The statement of activities presents a comparison between direct expenses and program revenues for the general government function of the Office's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

***Fund Financial Statements.*** The fund financial statements provide information about the Office's funds, including fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

**STATE OF ILLINOIS  
OFFICE OF THE SECRETARY OF STATE**

Notes to Financial Statements

June 30, 2010

The Office administers the following major governmental funds (or portions thereof in the case of shared funds – see note 2(d)) of the State:

**General** – This is the State’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Office and accounted for in the general fund include, among others, the operations of various Executive and General and Administrative departments throughout the Office. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements. The Office’s portion of the General Fund is composed of two primary sub-accounts (General Revenue and Common School) and four secondary sub-accounts (Live and Learn, Corporate Franchise Tax Refund, Capital Projects and Special Advance).

**Road** – This fund accounts for the activities of the State highway programs including highway maintenance and construction, traffic control and safety, and administering motor vehicle laws and regulations. Funding sources include federal aid, State motor fuel taxes and various license and fee charges.

**State Construction Account** – This fund accounts for the construction, reconstruction, and maintenance of the State maintained highway system. Funding sources include a portion of motor vehicle registration fees, weight taxes, and transfers from the Motor Fuel Tax Fund.

Additionally, the Office administers the following fund types:

**Governmental Funds:**

**Special Revenue** – These funds account for resources obtained from specific revenue sources that are legally restricted to expenditures for specified purposes. Special revenue funds account for, among other things, federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

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

**Capital Projects** – These funds account for resources obtained and used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general and special obligation bond issues and certificates of participation.

**Fiduciary Funds:**

**Agency** – These funds account for the following activities in which the Office acts in the capacity of an agent and distributes any revenue collected to other governmental units or designated beneficiaries: collection of registration fees from truckers of other states and disbursement of funds to other states under reciprocity agreements; collection of deposits from uninsured motorists as proof of financial responsibility and reimbursement of those

**STATE OF ILLINOIS  
OFFICE OF THE SECRETARY OF STATE**

Notes to Financial Statements

June 30, 2010

funds in the absence of a court judgment; and the repayment of fees collected by the Office in excess of the required fees.

**(c) *Measurement Focus and Basis of Accounting***

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Office gives (or receives) value without directly receiving (or giving) equal value in exchange, include corporate taxes and intergovernmental grants. Revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on formal debt issues, claims and judgments, and compensated absences are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Significant revenue sources which are susceptible to accrual include corporate taxes and certain fees. All other revenue sources including licenses, fines, and certain fees, are considered to be measurable and available only when cash is received.

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

**(d) *Shared Fund Presentation***

The financial statement presentation for the General Revenue Account, Common School Account and Capital Projects Account of the General Fund and the Road Fund, Motor Fuel Tax Fund, Drivers Education Fund, General Obligation Bond Retirement and Interest Fund, Capital Development Fund, State College and University Trust Fund, Alternative Fuels Fund, Off Highway Vehicle Trails Fund, FY09 Budget Relief Fund, State Parking Facility Maintenance Fund, Cycle Rider Safety Training Fund, Vehicle Inspection Fund, and State Construction Account Fund represents only the portion of the shared fund that can be directly attributed to the operations of the Office. Financial statements for total fund operations of the shared State funds are presented in the State of Illinois' Comprehensive Annual Financial Report.

**STATE OF ILLINOIS**  
**OFFICE OF THE SECRETARY OF STATE**

Notes to Financial Statements

June 30, 2010

In presenting these financial statements, certain unique accounts are used for the presentation of shared funds. The following accounts are used in these financial statements to present the Office's portion of shared funds:

Unexpended Appropriations

This "asset" account represents lapse period warrants issued between July and December for fiscal year 2010 in accordance with the Statewide Accounting Management System (SAMS) records plus any liabilities relating to obligations re-appropriated to the subsequent fiscal year.

Appropriations from State Resources

This "other financing source" account represents the final legally adopted appropriation according to SAMS records.

Reappropriations to Future Year(s)

This contra revenue account reduces current year appropriations by the amount of the reappropriation to reflect the State's realignment of the budgetary needs to the subsequent year and avoid double counting of a portion of the appropriation in more than one fiscal year.

Lapsed Appropriations

Lapsed appropriations are the legally adopted appropriations less net warrants issued during the 18 month period from July to December of the following year and re-appropriations to subsequent years according to SAMS records.

Receipts Collected and Transmitted to State Treasury

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

Amount of SAMS Transfers-In

This "other financing use" account represents cash transfers made by the Office of the Comptroller in accordance with statutory provisions to the corresponding fund during the fiscal year per SAMS records in which the Office did not make a deposit into the State Treasury.

Amount of SAMS Transfers-Out

This "other financing source" account represents cash transfers made by the Office of the Comptroller in accordance with statutory provision from the corresponding fund during the fiscal year per SAMS records in which a legally adopted appropriation was not charged.



**STATE OF ILLINOIS  
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**(e) Eliminations**

Eliminations have been made in the government-wide statement of net assets to minimize the “grossing-up” effect on assets and liabilities within the governmental activities column of the Office. As a result, amounts reported in the governmental funds balance sheet as interdepartmental interfund receivables and payables have been eliminated in the government-wide statement of net assets. Amounts reported in the governmental funds balance sheet as receivable from or payable to fiduciary funds have been included in the government-wide statement of net assets as receivable from and payable to external parties, rather than as internal balances.

**(f) Cash and Cash Equivalents**

Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with maturities of less than 90 days at the time of purchase. Cash and cash equivalents consist of cash on hand and cash in banks for locally held funds.

**(g) Inventories**

Inventories, consisting primarily of license plates, are valued at cost, principally on the first-in, first-out (FIFO) method. The cost of inventories is recognized as expenditures when purchased. Significant inventories balances in governmental funds are reported on the balance sheet.

**(h) Interfund Transactions**

The Office has the following types of interfund transactions between Office funds and funds of other State agencies:

***Services provided and used***—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the governmental fund balance sheets or the government-wide statements of net assets.

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

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

The Office also has activity with various component units of the State of Illinois for professional services received and payments of State and Federal programs.

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**(i) Capital Assets**

Capital assets, which include property, plant, equipment and software are reported at cost or estimated historical cost based on appraisals. Contributed assets are reported at estimated fair value at the time received. Capital assets are depreciated or amortized using the straight-line method.

Capitalization thresholds and the estimated useful lives are as follows:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life (in Years)
Land	\$100,000	N/A
Land Improvements	25,000	N/A
Site Improvements	25,000	5-20
Buildings	100,000	30-75
Building Improvements	25,000	10-25
Equipment	5,000	3-10
Software	25,000	3-10
Works of Art, Historical Treasures	5,000	N/A

**(j) Compensated Absences**

The liability for compensated absences reported in the government-wide statement of net assets consists of unpaid, accumulated vacation and sick leave balances for Office employees. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability has been calculated based on the employees' current salary level and includes salary related costs (e.g., Social Security and Medicare taxes).

Legislation that became effective January 1, 1998 capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue twelve sick days per year, but will not receive monetary compensation for any additional time earned after December 31, 1997. Sick days earned between 1984 and December 31, 1997 (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997 will be converted to service time for purposes of calculating employee pension benefits.

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**(k) Fund Balances**

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

**(l) Net Assets**

In the government-wide statement of net assets, equity is displayed in three components as follows:

***Invested in Capital Assets, Net of Related Debt*** – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

**(m) Use of Estimates**

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

**(n) New Accounting Pronouncements**

Effective for the year ending June 30, 2010 the State adopted GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, which established guidance for recognition and amortization of intangible assets in the financial statements of governments. There was no significant impact on the Office's financial statements as a result of adopting this statement.

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**(o) Future Adoption of GASB Statements**

Effective for the year ending June 30, 2011 the Office will adopt GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which establishes fund balance classifications and clarifies the definitions of fund types. The Office has not yet determined the impact on the Office's financial statements as a result of adopting this statement.

**(3) Deposits and Investments**

**(a) Deposits**

The State Treasurer is the custodian of the State's deposits and investments for funds maintained in the State Treasury. The Office independently manages deposits and investments maintained outside the State Treasury.

Deposits in the custody of the State Treasurer are pooled and invested with other State funds in accordance with the Deposit of State Moneys Act of the Illinois Compiled Statutes (15 ILCS 520/11). Funds held by the State Treasurer have not been categorized as to credit risk because the Office does not own individual securities. Detail on the nature of these deposits and investments is available within the State of Illinois' Comprehensive Annual Financial Report.

Deposits for locally-held funds of governmental activities had a carrying amount and a bank balance of \$15 thousand at June 30, 2010, respectively. Deposits of locally-held funds of fiduciary funds had a carrying amount and a bank balance of \$955 thousand at June 30, 2010.

Cash on hand totaled \$78 thousand at June 30, 2010.

**(b) Investments**

As of June 30, 2010, the Office had the following investments outside of the State Treasury:

	<b>Fair Value (Thousands)</b>	<b>Weighted Average Maturity (Years)</b>
<b><i>Fiduciary Funds</i></b>		
U.S. Treasury Notes	\$ 50	3.88

On the fiduciary statement of net assets, the Office has an additional amount of \$843 thousand in certificates of deposit which are recorded as investments since their maturity dates were greater than 90 days at the time of purchase.

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Interest Rate Risk: The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*(c) Securities Lending Collateral*

Under the authority of the Treasurer's published investment policy that was developed in accordance with the State statute, the State Treasurer lends securities to broker-dealers and other entities for collateral that will be returned for the same securities in the future. The State Treasurer has, through a Securities Lending Agreement, authorized Deutsche Bank Group to lend the State Treasurer's securities to broker-dealers and banks pursuant to a form of loan agreement.

During fiscal year 2010, Deutsche Bank Group lent U.S. agency securities and received as collateral U.S. dollar denominated cash. Borrowers were required to deliver collateral for each loan equal to at least 100% of the aggregate market value of the loaned securities. Loans are marked to market daily. If the market value of collateral falls below 100%, the borrower must provide additional collateral to raise the market value to 100%.

The State Treasurer did not impose any restrictions during the fiscal year on the amount of the loans of available, eligible securities. In the event of borrower default, Deutsche Bank Group provides the State Treasurer with counterparty default indemnification. In addition, Deutsche Bank Group is obligated to indemnify the State Treasurer if Deutsche Bank Group loses any securities, collateral or investments of the State Treasurer in Deutsche Bank Group's custody. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or Deutsche Bank Group.

During the fiscal year, the State Treasurer and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested in repurchase agreements with approved counterparties collateralized with securities approved by Deutsche Bank Group and marked to market daily at no less than 100%. Because the loans are terminable at will, their duration did not generally match the duration of the investments made with cash collateral. The State Treasurer had no credit risk as a result of its securities lending program as the collateral held exceeded the fair value of the securities lent.

In accordance with GASB Statement No. 28, paragraph 9, the Office of the State Treasurer has allocated the assets and obligations at June 30, 2010 arising from securities lending agreements to the various funds of the State. The total allocated to the Office of the Secretary of State was \$6.170 million at June 30, 2010.

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**(4) Taxes and other Receivable**

Taxes and other receivables (amounts expressed in thousands) at June 30, 2010 are as follows:

	<u>Governmental Activities</u>				<u>Total</u>
	<u>General Fund</u>	<u>Road Fund</u>	<u>State Construction Account</u>	<u>Nonmajor Governmental Funds</u>	
Taxes receivable:					
Other	\$ 2,819	\$ -	\$ -	\$ -	\$ 2,819
Less: allowance for uncollectible amounts	(275)	-	-	-	(275)
Total taxes receivable, net	<u>\$ 2,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,544</u>
Other receivables:					
Licenses and fees receivable	\$ 235	\$ 5,029	\$ 2,954	\$ 1,498	\$ 9,716
Less: allowance for uncollectible amounts	(194)	(1,263)	(741)	(453)	(2,651)
Licenses and fees receivable, net	41	3,766	2,213	1,045	7,065
Interest and other investment income	-	-	-	13	13
Total other receivables, net	<u>\$ 41</u>	<u>\$ 3,766</u>	<u>\$ 2,213</u>	<u>\$ 1,058</u>	<u>\$ 7,078</u>

**(5) Interfund Balances and Activity**

**(a) Balances Due to/from Other Funds**

The following balances (amounts expressed in thousands) at June 30, 2010 represent amounts due from other Office and State funds.

<u>Fund</u>	<u>Due from Other Office Funds</u>	<u>Description/Purpose</u>
General	\$ 765	Due from other Office funds for transfers of excess balances.
	<u>\$ 765</u>	

The following balances (amounts expressed in thousands) at June 30, 2010 represent amounts due to other Office and State of Illinois funds.

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<u>Fund</u>	<u>Due to</u>			<u>Description/Purpose</u>
	<u>Other Office Funds</u>	<u>Other State Funds</u>	<u>Other State Fiduciary Funds</u>	
General	\$ -	\$ 566	\$ 176	Due to other State funds for purchases of services and to other State fiduciary funds for payment of retirement costs.
Nonmajor governmental funds	765	313	20	Due to other Office Funds for transfers of excess balances; to other State funds for statutorily required transfers, unspent grant proceeds, and purchases of services; and to other State fiduciary funds for payment of retirement costs.
	<u>\$ 765</u>	<u>\$ 879</u>	<u>\$ 196</u>	

**(b) Transfers to/from Other Funds**

Interfund transfers in (amounts expressed in thousands) for the year ended June 30, 2010, were as follows:

<u>Fund</u>	<u>Transfers in from</u>		<u>Description/Purpose</u>
	<u>Other Office Funds</u>	<u>Other State Funds</u>	
General	\$ 765	\$ -	Transfer from other Office funds of excess balances.
Nonmajor governmental funds	7,375	72	Transfer from other Office funds and other State funds pursuant to State statute.
	<u>\$ 8,140</u>	<u>\$ 72</u>	

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Interfund transfers out (amounts expressed in thousands) for the year ended June 30, 2010, were as follows:

<u>Fund</u>	<u>Transfers out to</u>		<u>Description/Purpose</u>
	<u>Other Office Funds</u>	<u>Other State Funds</u>	
General	\$ 2,500	\$ -	Transfer to other Office funds pursuant to State statute.
Nonmajor governmental funds	5,640	304	Transfer to other Office funds and other State funds pursuant to State statute.
	<u>\$ 8,140</u>	<u>\$ 304</u>	

*(c) Balances due from/to State of Illinois Component Units*

The following balances (amounts expressed in thousands) at June 30, 2010 represent amounts due to State of Illinois Component Units for reimbursement of expenses incurred.

<u>Due to Component Units</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Toll Highway Authority	\$ 2	\$ -
Illinois State University	1	-
University of Illinois	-	59
	<u>\$ 3</u>	<u>\$ 59</u>



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**(6) Capital Assets**

Capital asset activity (amounts expressed in thousands) for the year ended June 30, 2010 was as follows:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Balance June 30, 2010</u>
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land and land improvements	\$ 6,579	\$ -	\$ -	\$ 9	\$ 6,588
Historical treasures & works of art	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total capital assets not being depreciated	<u>6,679</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>6,688</u>
Capital assets being depreciated:					
Buildings and building improvements	413,324	379	-	4,531	418,234
Equipment	49,867	2,850	2,394	144	50,467
Software	<u>-</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>29</u>
Total capital assets being depreciated	<u>463,191</u>	<u>3,258</u>	<u>2,394</u>	<u>4,675</u>	<u>468,730</u>
Less accumulated depreciation/amortization:					
Buildings and building improvements	225,304	12,629	-	99	238,032
Equipment	45,929	3,311	2,394	139	46,985
Software	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total accumulated depreciation/amortization	<u>271,233</u>	<u>15,941</u>	<u>2,394</u>	<u>238</u>	<u>285,018</u>
Total capital assets being depreciated/amortized, net	<u>191,958</u>	<u>(12,683)</u>	<u>-</u>	<u>4,437</u>	<u>183,712</u>
Governmental activity capital assets, net	<u>\$ 198,637</u>	<u>\$(12,683)</u>	<u>\$ -</u>	<u>\$ 4,446</u>	<u>\$ 190,400</u>

Depreciation and amortization expense for governmental activities (amounts expressed in thousands) for the year ended June 30, 2010 was charged as follows:

General government \$ 15,941

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**(7) Changes in Long-Term Obligations**

Changes in long-term obligations (amounts expressed in thousands) for the year ended June 30, 2010 were as follows:

	<b>Balance July 1, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2010</b>	<b>Amounts Due Within One Year</b>
<b>Governmental activities:</b>					
Compensated absences	\$ 21,473	\$ 16,355	\$ 15,651	\$ 22,177	\$ 2,952
<b>Total governmental activities</b>	<b>\$ 21,473</b>	<b>\$ 16,355</b>	<b>\$ 15,651</b>	<b>\$ 22,177</b>	<b>\$ 2,952</b>

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

**(8) Pension Plan**

Substantially all of the Office's full-time employees who are not eligible for participation in another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity. The SERS is a single-employer defined benefit public employee retirement system (PERS) in which State employees participate, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems. The financial position and results of operations of the SERS for fiscal year 2010 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2010. The SERS issues a separate CAFR that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois, 62794-9255.

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

The Office pays employer retirement contributions based upon an actuarially determined percentage of their payrolls. For fiscal year 2010, the employer contribution rate was 28.377%. Effective for pay periods beginning after December 31, 1991, the State opted to pay the employee portion of retirement for most State agencies (including the Office) with employees covered by the State Employees' and Teachers' Retirement Systems. However, effective with the fiscal year 2004 budget, the State opted to

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stop paying the portion or a part of the portion of retirement for many State agencies (including the Office) for certain classes of employees covered by the State Employees' and Teachers' Retirement Systems. The pickup, when applicable, is subject to sufficient annual appropriations and those employees covered may vary across employee groups and State agencies.

**(9) Post-employment Benefits**

The State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the Department of Healthcare and Family Services along with the Department of Central Management Services. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

The total cost of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expense by the State in the Illinois Comprehensive Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents.

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Healthcare and Family Services. A copy of the financial statements of the Department of Healthcare and Family Services may be obtained by writing to the Department of Healthcare and Family Services, 201 South Grand Ave., Springfield, Illinois, 62763-3838.

**(10) Risk Management**

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

The Office's risk management activities for workers' compensation, self-insurance and unemployment insurance are financed through appropriations to the Illinois Department of Central Management Services and are accounted for in the General Fund of the State. The claims are not considered to be a

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June 30, 2010

liability of the Office; and accordingly, have not been reported in the Office's financial statements for the year ended June 30, 2010.

**(11) Commitments and Contingencies**

**(a) Operating leases**

The Office leases certain office facilities and equipment under the terms of noncancelable operating lease agreements that require the Office to make minimum lease payments plus pay a pro rata share of certain operating costs. Rent expense under operating leases was \$13.635 million for the year ended June 30, 2010.

The following is a schedule of future minimum lease payments under the operating lease (amounts expressed in thousands):

<u>Year ending June 30,</u>	<u>Amount</u>
2011	\$ 8,654
2012	7,052
2013	5,747
2014	4,281
2015	2,512
2016-2020	<u>4,252</u>
	\$ <u><u>32,498</u></u>

**(b) Federal Funding**

The Office receives federal grants which are subject to review and audit by federal grantor agencies. Certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At June 30, 2010, there were no material questioned costs that have not been resolved with the federal awarding agencies. However, questioned costs could still be identified during audits to be conducted in the future. Management of the Office believes there will be no material adjustments to the federal grants and, accordingly, has not recorded a provision for possible repayment.

**(c) Litigation**

The Office has an interest in a case in State court, even though the Office is not a named defendant. *Wirtz, et al., v. Quinn, et al.*, Case Nos. 1-09-3163 and 1-10-0344 is a constitutional challenge to the recently enacted "Capital Projects Acts." The Illinois Appellate Court has ruled that Public Act 96-0034 was enacted in violation of the single subject requirement and the related Public Acts 96-0035, 96-0037 and 96-0038 were thus invalidated. Based on these related Public Acts, the Office began collecting increased fees on certain Vehicle Code related transactions. The ruling by the Appellate Court has put in question the legality of these increased fees. The

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Illinois Supreme Court has granted a stay of enforcement on this decision pending appeal. The Office implemented the fee changes between October 2009 and January 2010 and collected \$147.448 million in fees related to the above Public Acts through June 30, 2010. At this time, the financial impact of this case on the Office is indeterminable.

Additionally, the Office is routinely involved in a number of legal proceedings and claims that cover a wide range of matters. In the opinion of management, the outcome of these other matters is not expected to have any material adverse effect on the financial position or operations of the Office.

**(12) Reclassification**

The net assets of the Office have been reclassified as of June 30, 2009, with no effect on total net assets, to be consistent with the classification of net assets as of June 30, 2010. The Special Advance Account, a subaccount of the General Revenue Fund, was reclassified from a subaccount of the Road Fund. Net assets of the Special Advance Account were \$15 thousand as of June 30, 2009.

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**Combining Schedule of Accounts**  
**General Fund**

June 30, 2010 (Expressed in Thousands)

	General Revenue 0001	Live and Learn 0026	Corporate Franchise Tax Refund 0380	Common School 0412	Capital Projects 0694	Special Advance 1198	Eliminations	Total
<b>ASSETS</b>								
Unexpended appropriations	\$ 16,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,822
Cash equity with State Treasurer	29,088	733	3,661	32	29,743	-	-	63,257
Cash and cash equivalents	78	-	-	-	-	5	-	83
Taxes receivable, net	2,544	-	-	-	-	-	-	2,544
Other receivables, net	41	-	-	-	-	-	-	41
Due from other Office funds	1,250	15,678	-	-	-	10	(16,173)	765
<b>Total assets</b>	<b>\$ 49,823</b>	<b>\$ 16,411</b>	<b>\$ 3,661</b>	<b>\$ 32</b>	<b>\$ 29,743</b>	<b>\$ 15</b>	<b>\$ (16,173)</b>	<b>\$ 83,512</b>
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	\$ 14,335	\$ 748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,083
Intergovernmental payables	1,170	14,559	-	-	-	-	-	15,729
Due to other State fiduciary funds	176	-	-	-	-	-	-	176
Due to other Office funds	15,688	-	485	-	-	-	(16,173)	-
Due to other State funds	566	-	-	-	-	-	-	566
Due to component units	2	1	-	-	-	-	-	3
Unearned revenue	119	-	-	-	3,964	-	-	4,083
<b>Total liabilities</b>	<b>\$ 32,056</b>	<b>\$ 15,308</b>	<b>\$ 485</b>	<b>\$ -</b>	<b>\$ 3,964</b>	<b>\$ -</b>	<b>\$ (16,173)</b>	<b>\$ 35,640</b>
<b>FUND BALANCES (DEFICITS)</b>								
Reserved for:								
Encumbrances	579	-	-	-	-	-	-	579
Unreserved, undesignated	17,188	1,103	3,176	32	25,779	15	-	47,293
<b>Total fund balances (deficits)</b>	<b>\$ 17,767</b>	<b>\$ 1,103</b>	<b>\$ 3,176</b>	<b>\$ 32</b>	<b>\$ 25,779</b>	<b>\$ 15</b>	<b>\$ -</b>	<b>\$ 47,872</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 49,823</b>	<b>\$ 16,411</b>	<b>\$ 3,661</b>	<b>\$ 32</b>	<b>\$ 29,743</b>	<b>\$ 15</b>	<b>\$ (16,173)</b>	<b>\$ 83,512</b>

**State of Illinois  
Office of the Secretary of State**

**Combining Schedule of Revenues,  
Expenditures and Changes in Fund Balance -  
General Fund**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	General Revenue 0001	Live and Learn 0026	Corporate Franchise Tax Refund 0380	Common School 0412	Capital Projects 0694	Special Advance 1198	Eliminations	Total
<b>REVENUES</b>								
Licenses and fees	\$ 226,278	\$ -	\$ -	388	\$ 143,484	\$ -	\$ -	370,150
Other charges for services	8	-	-	-	-	-	-	8
Other taxes	207,777	-	3,346	-	-	-	-	211,123
Other revenue	620	-	-	-	-	-	-	620
<b>Total revenues</b>	<b>434,683</b>	<b>-</b>	<b>3,346</b>	<b>388</b>	<b>143,484</b>	<b>-</b>	<b>-</b>	<b>581,901</b>
<b>EXPENDITURES</b>								
General government	254,835	20,699	-	-	-	-	-	275,534
Capital outlays	2,025	5	-	-	-	-	-	2,030
<b>Total expenditures</b>	<b>256,860</b>	<b>20,704</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277,564</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>177,823</b>	<b>(20,704)</b>	<b>3,346</b>	<b>388</b>	<b>143,484</b>	<b>-</b>	<b>-</b>	<b>304,337</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>								
Appropriations from State resources	260,277	-	-	-	-	-	-	260,277
Lapsed appropriations	(3,922)	-	-	-	-	-	-	(3,922)
Receipts collected and transmitted to State Treasury	(437,455)	-	-	(388)	(117,705)	-	-	(555,548)
Amount of SAMS Transfers-in	(231)	-	-	-	-	-	-	(231)
Amount of SAMS Transfers-out	10,452	-	-	-	-	-	-	10,452
Transfers-in	1,250	20,904	-	-	-	-	(21,389)	765
Transfers-out	(20,904)	-	(2,985)	-	-	-	21,389	(2,500)
<b>Net other sources (uses) of financial resources</b>	<b>(190,533)</b>	<b>20,904</b>	<b>(2,985)</b>	<b>(388)</b>	<b>(117,705)</b>	<b>-</b>	<b>-</b>	<b>(290,707)</b>
<b>Net change in fund balances</b>	<b>(12,710)</b>	<b>200</b>	<b>361</b>	<b>-</b>	<b>25,779</b>	<b>-</b>	<b>-</b>	<b>13,630</b>
Fund balances (deficits), July 1, 2009, as reclassified	30,477	903	2,815	32	-	15	-	34,242
<b>FUND BALANCES (DEFICITS), JUNE 30, 2010</b>	<b>\$ 17,767</b>	<b>\$ 1,103</b>	<b>\$ 3,176</b>	<b>\$ 32</b>	<b>\$ 25,779</b>	<b>\$ 15</b>	<b>\$ -</b>	<b>\$ 47,872</b>

**State of Illinois**  
**Office of the Secretary of State**  
**Combining Balance Sheet -**  
**Non-major Governmental Funds**  
 June 30, 2010 (Expressed in Thousands)

		Special Revenue									
		Motor Fuel Tax 0012	Drivers Education 0031	Lobbyist Registration Administration 0044	Accessible Electronic Information Services 0106	CDLIS/AAMVA Net Trust 0109	Registered Limited Liability Partnership 0167	Secretary of State Federal Projects 0176	Secretary of State Special License Plate 0185		
<b>ASSETS</b>											
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity with State Treasurer	-	1,073	100	72	161	588	141	2,957			
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	
Securities lending collateral of State Treasurer	-	-	-	-	-	-	-	-	-	-	
Intergovernmental receivables, net	-	-	5	1,018	-	-	14	-	-	-	
Other receivables, net	-	-	-	-	-	-	-	-	-	-	
Inventories	-	-	-	-	-	-	-	-	-	2,411	
<b>Total assets</b>	\$ -	\$ 1,078	\$ 1,118	\$ 72	\$ 161	\$ 588	\$ 155	\$ 5,368			
<b>LIABILITIES</b>											
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 4	\$ -	\$ 117	\$ -	\$ 65	\$ 63			
Intergovernmental payables	-	-	-	-	-	-	20	-	-	-	
Due to other State fiduciary funds	-	-	-	-	-	-	-	-	-	-	
Due to other Office funds	-	-	-	-	-	74	-	-	-	-	
Due to other State funds	-	-	-	-	-	-	-	-	-	-	
Due to State of Illinois component units	-	-	-	-	-	-	-	-	-	-	
Unavailable revenue	-	-	1,018	-	-	-	-	-	-	-	
Unearned revenue	-	-	-	-	-	-	2	94			
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	-	-	-	-	
<b>Total liabilities</b>	-	-	1,022	-	117	74	87	157			
<b>FUND BALANCES (DEFICITS)</b>											
Reserved for encumbrances	-	-	1	-	4	-	-	-	-	-	
Reserved for inventories	-	-	-	-	-	-	-	2,411			
Unreserved, undesignated	-	1,078	95	72	40	514	68	2,800			
<b>Total fund balances</b>	-	1,078	96	72	44	514	68	5,211			
<b>Total liabilities and fund balances (deficits)</b>	\$ -	\$ 1,078	\$ 1,118	\$ 72	\$ 161	\$ 588	\$ 155	\$ 5,368			



**State of Illinois**  
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**Non-major Governmental Funds**  
 June 30, 2010 (Expressed in Thousands)

	Special Revenue						Department of Business Services Special Operations 0363	Secretary of State Evidence 0374
	Securities Investors Education 0292	Interagency Grant 0295	Family Financial Responsibility 0322	Motor Vehicle Review Board 0323	Securities Audit and Enforcement 0362	0363		
<b>ASSETS</b>								
Unexpended appropriations	-	-	-	-	-	-	-	
Cash equity with State Treasurer	5,411	765	73	205	17,450	4,803	11	
Cash and cash equivalents	-	-	-	-	-	-	-	
Securities lending collateral of State Treasurer	-	-	-	-	6,170	-	-	
Intergovernmental receivables, net	-	-	-	-	-	-	-	
Other receivables, net	-	-	-	-	14	-	-	
Inventories	-	-	-	-	-	-	-	
<b>Total assets</b>	<b>\$ 5,411</b>	<b>\$ 765</b>	<b>\$ 73</b>	<b>\$ 205</b>	<b>\$ 23,634</b>	<b>\$ 4,803</b>	<b>\$ 11</b>	
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	-	-	-	-	-	-	-	
Intergovernmental payables	17	32	-	3	30	46	-	
Due to other State fiduciary funds	-	2	-	-	1	95	-	
Due to other Office funds	-	8	-	-	-	691	-	
Due to other State funds	-	267	-	-	9	9	-	
Due to State of Illinois component units	-	-	-	-	-	-	-	
Unavailable revenue	-	-	-	-	-	-	-	
Unearned revenue	-	156	-	-	-	-	-	
Obligations under securities lending of State Treasurer	-	-	-	-	6,170	-	-	
<b>Total liabilities</b>	<b>17</b>	<b>465</b>	<b>-</b>	<b>3</b>	<b>6,210</b>	<b>841</b>	<b>-</b>	
<b>FUND BALANCES (DEFICITS)</b>								
Reserved for encumbrances	-	1	-	-	40	1	-	
Reserved for inventories	-	-	-	-	-	-	-	
Unreserved, undesignated	5,394	299	73	202	17,384	3,961	11	
<b>Total fund balances</b>	<b>5,394</b>	<b>300</b>	<b>73</b>	<b>202</b>	<b>17,424</b>	<b>3,962</b>	<b>11</b>	
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 5,411</b>	<b>\$ 765</b>	<b>\$ 73</b>	<b>\$ 205</b>	<b>\$ 23,634</b>	<b>\$ 4,803</b>	<b>\$ 11</b>	

**State of Illinois**  
**Office of the Secretary of State**  
**Combining Balance Sheet -**  
**Non-major Governmental Funds**  
 June 30, 2010 (Expressed in Thousands)

	Special Revenue						
	State College and University Trust 0417	Alternative Fuels 0422	Charitable Trust Stabilization 0435	Indigent BAIID Fund 0451	Monitoring Device Driving Permit Administration 0453	Rotary Club Fund 0454	Ovarian Cancer Awareness Fund 0459
<b>ASSETS</b>							
Unexpended appropriations	-	-	-	-	-	-	-
Cash equity with State Treasurer	30	435	-	55	1,418	2	3
Cash and cash equivalents	-	-	-	-	-	-	-
Securities lending collateral of State Treasurer	-	-	-	-	-	-	-
Intergovernmental receivables, net	-	-	-	-	-	-	-
Other receivables, net	-	-	-	19	-	-	-
Inventories	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 30</b>	<b>\$ 436</b>	<b>\$ -</b>	<b>\$ 74</b>	<b>\$ 1,418</b>	<b>\$ 2</b>	<b>\$ 3</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	-	1	-	74	11	-	-
Intergovernmental payables	-	-	-	-	-	-	-
Due to other State fiduciary funds	-	-	-	-	-	-	-
Due to other Office funds	-	-	-	-	-	-	-
Due to other State funds	-	-	-	-	1	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-
Unearned revenue	11	-	-	-	-	-	-
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>11</b>	<b>1</b>	<b>-</b>	<b>74</b>	<b>12</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>							
Reserved for encumbrances	-	-	-	-	11	-	-
Reserved for inventories	-	-	-	-	-	-	-
Unreserved, undesignated	19	435	-	-	1,395	2	3
<b>Total fund balances</b>	<b>19</b>	<b>435</b>	<b>-</b>	<b>-</b>	<b>1,406</b>	<b>2</b>	<b>3</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 30</b>	<b>\$ 436</b>	<b>\$ -</b>	<b>\$ 74</b>	<b>\$ 1,418</b>	<b>\$ 2</b>	<b>\$ 3</b>

**State of Illinois**  
**Office of the Secretary of State**  
**Combining Balance Sheet -**  
**Non-major Governmental Funds**  
 June 30, 2010 (Expressed in Thousands)

	Special Revenue							Secretary of State
	Illinois Professional Golfers Association Junior Golf 0463	Boy Scout and Girl Scout Fund 0464	Agriculture in the Classroom 0466	Sheet Metal Workers Int'l Assoc. of Illinois Fund 0468	Library Services 0470	State Library 0471	Identification and Theft Prevention 0480	
<b>ASSETS</b>								
Unexpended appropriations	-	-	-	-	-	-	-	-
Cash equity with State Treasurer	38	13	35	1	469	16	29,811	
Cash and cash equivalents	-	-	-	-	-	-	-	
Securities lending collateral of State Treasurer	-	-	-	-	-	-	-	
Intergovernmental receivables, net	-	-	-	-	15	-	329	
Other receivables, net	-	-	-	-	-	2	-	
Inventories	-	-	-	-	-	-	-	
<b>Total assets</b>	<b>38</b>	<b>13</b>	<b>35</b>	<b>1</b>	<b>484</b>	<b>18</b>	<b>30,140</b>	
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	-	-	-	-	32	-	300	
Intergovernmental payables	-	-	-	-	381	-	-	
Due to other State fiduciary funds	-	-	-	-	-	-	-	
Due to other Office funds	-	-	-	-	-	-	-	
Due to other State funds	-	-	-	-	-	-	1	
Due to State of Illinois component units	-	-	-	-	59	-	-	
Unavailable revenue	-	-	-	-	-	1	277	
Unearned revenue	1	-	1	-	12	-	-	
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	-	
<b>Total liabilities</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>484</b>	<b>1</b>	<b>578</b>	
<b>FUND BALANCES (DEFICITS)</b>								
Reserved for encumbrances	-	-	-	-	25	-	2	
Reserved for inventories	-	-	-	-	-	-	-	
Unreserved, undesignated	37	13	34	1	(25)	17	29,560	
<b>Total fund balances</b>	<b>37</b>	<b>13</b>	<b>34</b>	<b>1</b>	<b>-</b>	<b>17</b>	<b>29,562</b>	
<b>Total liabilities and fund balances (deficits)</b>	<b>38</b>	<b>13</b>	<b>35</b>	<b>1</b>	<b>484</b>	<b>18</b>	<b>30,140</b>	

**State of Illinois**  
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**Combining Balance Sheet -**  
**Non-major Governmental Funds**  
 June 30, 2010 (Expressed in Thousands)

	Special Revenue									
	Secretary of State Services 0483	Franchise Tax and License Fee Amnesty Administration 0490	Support Our Troops Fund 0496	Master Mason 0508	Illinois and Michigan Canal 0570	Off Highway Vehicle Trails 0574	Pan Hellenic Trust 0584	Park District Youth Program 0585		
<b>ASSETS</b>										
Unexpended appropriations	-	-	-	-	-	-	-	-	-	-
Cash equity with State Treasurer	15,426	2	4	17	79	25	95	23		
Cash and cash equivalents	-	-	-	-	-	-	-	-		
Securities lending collateral of State Treasurer	-	-	-	-	-	-	-	-		
Intergovernmental receivables, net	-	-	-	-	-	-	-	-		
Other receivables, net	-	-	-	-	-	-	-	-		
Inventories	-	-	-	-	-	-	-	-		
<b>Total assets</b>	<b>15,426</b>	<b>2</b>	<b>4</b>	<b>17</b>	<b>79</b>	<b>25</b>	<b>95</b>	<b>23</b>		
<b>LIABILITIES</b>										
Accounts payable and accrued liabilities	262	-	-	-	-	-	-	-		
Intergovernmental payables	-	-	-	-	-	-	-	-		
Due to other State fiduciary funds	-	-	-	-	-	-	-	-		
Due to other Office funds	-	-	-	-	-	-	-	-		
Due to other State funds	-	-	-	-	-	-	-	-		
Due to State of Illinois component units	-	-	-	-	-	-	-	-		
Unavailable revenue	-	-	-	-	-	-	-	-		
Unearned revenue	-	-	-	1	-	-	1	-		
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	-	-		
<b>Total liabilities</b>	<b>262</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>		
<b>FUND BALANCES (DEFICITS)</b>										
Reserved for encumbrances	44	-	-	-	-	-	-	-		
Reserved for inventories	-	-	-	-	-	-	-	-		
Unreserved, undesignated	15,120	2	4	16	79	25	94	22		
<b>Total fund balances</b>	<b>15,164</b>	<b>2</b>	<b>4</b>	<b>16</b>	<b>79</b>	<b>25</b>	<b>94</b>	<b>22</b>		
<b>Total liabilities and fund balances (deficits)</b>	<b>15,426</b>	<b>2</b>	<b>4</b>	<b>17</b>	<b>79</b>	<b>25</b>	<b>95</b>	<b>23</b>		

**State of Illinois**  
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**Non-major Governmental Funds**  
 June 30, 2010 (Expressed in Thousands)

	Special Revenue						
	Illinois Route 66 Heritage Project 0594	Police Memorial Committee 0598	Mammogram 0599	Motor Vehicle License Plate 0622	Special Olympics Illinois Fund 623	Illinois Police Association Fund 0655	FY 09 Budget Relief Fund 0678
<b>ASSETS</b>							
Unexpended appropriations	-	-	-	-	-	-	-
Cash equity with State Treasurer	47	167	63	8,413	23	17	-
Cash and cash equivalents	-	-	-	-	-	-	-
Securities lending collateral of State Treasurer	-	-	-	-	-	-	-
Intergovernmental receivables, net	-	-	-	-	-	-	-
Other receivables, net	-	-	-	2,411	-	-	-
Inventories	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 47</b>	<b>\$ 167</b>	<b>\$ 63</b>	<b>\$ 10,824</b>	<b>\$ 23</b>	<b>\$ 17</b>	<b>\$ -</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	-	-	-	132	-	-	-
Intergovernmental payables	-	-	-	-	-	-	-
Due to other State fiduciary funds	-	-	-	-	-	-	-
Due to other Office funds	-	-	-	-	-	-	-
Due to other State funds	-	-	-	2	-	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-
Unearned revenue	3	3	4	-	-	-	-
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>134</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>							
Reserved for encumbrances	-	-	-	1,311	-	-	-
Reserved for inventories	-	-	-	2,411	-	-	-
Unreserved, undesignated	44	164	59	6,968	23	17	-
<b>Total fund balances</b>	<b>44</b>	<b>164</b>	<b>59</b>	<b>10,690</b>	<b>23</b>	<b>17</b>	<b>-</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 47</b>	<b>\$ 167</b>	<b>\$ 63</b>	<b>\$ 10,824</b>	<b>\$ 23</b>	<b>\$ 17</b>	<b>\$ -</b>

**State of Illinois**  
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**Non-major Governmental Funds**  
 June 30, 2010 (Expressed in Thousands)

	Special Revenue									
	Organ Donor Awareness 0716	Secretary of State DUI Administration 0732	Illinois District Council of Carpenters 0756	Secretary of State DUI 0758	Secretary of State Police Services 0759	Marine Corps Scholarship 0760	State Parking Facility Maintenance 0782			
<b>ASSETS</b>										
Unexpended appropriations	-	-	-	-	-	-	-	-	-	-
Cash equity with State Treasurer	50	2,155	-	21	260	20	-	-	-	40
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Securities lending collateral of State Treasurer	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivables, net	-	-	-	-	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>50</b>	<b>2,155</b>	<b>0</b>	<b>21</b>	<b>260</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>
<b>LIABILITIES</b>										
Accounts payable and accrued liabilities	-	116	-	-	81	-	-	-	-	40
Intergovernmental payables	-	-	-	-	-	-	-	-	-	-
Due to other State fiduciary funds	-	-	-	-	1	-	-	-	-	-
Due to other Office funds	-	-	-	-	-	-	-	-	-	-
Due to other State funds	-	7	-	-	-	-	-	-	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	4	-	-	-	-	2	-	-	-	-
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>4</b>	<b>123</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>
<b>FUND BALANCES (DEFICITS)</b>										
Reserved for encumbrances	-	6	-	-	9	-	-	-	-	-
Reserved for inventories	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	46	2,026	-	21	169	18	-	-	-	-
<b>Total fund balances</b>	<b>46</b>	<b>2,032</b>	<b>0</b>	<b>21</b>	<b>178</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>50</b>	<b>2,155</b>	<b>0</b>	<b>21</b>	<b>260</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>

**State of Illinois**  
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**Combining Balance Sheet -**  
**Non-major Governmental Funds**  
 June 30, 2010 (Expressed in Thousands)

	Special Revenue							Capital Projects
	Illinois EMS Memorial Scholarship and Training Fund 0800	International Brotherhood of Teamsters Fund 0803	Cycle Rider Safety Training 0863	Secretary of State Grant 0948	Vehicle Inspection 0963	Secretary of State Antique Vehicle Show 1390	Capital Development 0141	
<b>ASSETS</b>								
Unexpended appropriations	-	-	-	-	-	-	-	-
Cash equity with State Treasurer	3	2	503	731	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	10	-	-
Securities lending collateral of State Treasurer	-	-	-	-	-	-	-	-
Intergovernmental receivables, net	-	-	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>3</b>	<b>2</b>	<b>503</b>	<b>731</b>	<b>96</b>	<b>10</b>	<b>10</b>	<b>10</b>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	-	-	-	20	65	-	-	-
Intergovernmental payables	-	-	-	-	3	-	-	-
Due to other State fiduciary funds	-	-	-	-	11	-	-	-
Due to other Office funds	-	-	-	-	-	-	-	-
Due to other State funds	-	-	-	-	17	-	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-	-
Unearned revenue	-	-	71	-	-	-	-	-
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>20</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>-</b>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>FUND BALANCES (DEFICITS)</b>								
Reserved for encumbrances	-	-	-	3	1	-	-	-
Reserved for inventories	-	-	-	-	-	-	-	-
Unreserved, undesignated	3	2	432	708	(1)	10	-	-
<b>Total fund balances</b>	<b>3</b>	<b>2</b>	<b>432</b>	<b>711</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>-</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>3</b>	<b>2</b>	<b>503</b>	<b>731</b>	<b>96</b>	<b>10</b>	<b>10</b>	<b>-</b>
	\$	\$	\$	\$	\$	\$	\$	\$

**State of Illinois**  
**Office of the Secretary of State**  
**Combining Balance Sheet -**  
**Non-major Governmental Funds**  
 June 30, 2010 (Expressed in Thousands)

	Debt Service General Obligation Bond Retirement and Interest 0101	Total
<b>ASSETS</b>		
Unexpended appropriations	-	137
Cash equity with State Treasurer	-	94,282
Cash and cash equivalents	-	10
Securities lending collateral of State Treasurer	-	6,170
Intergovernmental receivables, net	-	358
Other receivables, net	-	1,058
Inventories	-	4,822
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 106,837</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	-	1,511
Intergovernmental payables	-	502
Due to other State fiduciary funds	-	20
Due to other Office funds	-	765
Due to other State funds	-	313
Due to State of Illinois component units	-	59
Unavailable revenue	-	1,296
Unearned revenue	-	367
Obligations under securities lending of State Treasurer	-	6,170
<b>Total liabilities</b>	<b>-</b>	<b>11,003</b>
<b>FUND BALANCES (DEFICITS)</b>		
Reserved for encumbrances	-	1,459
Reserved for inventories	-	4,822
Unreserved, undesignated	-	89,553
<b>Total fund balances</b>	<b>-</b>	<b>95,834</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ -</b>	<b>\$ 106,837</b>



**State of Illinois  
Office of the Secretary of State**

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance -  
Non-major Governmental Funds**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Special Revenue										
	Motor Fuel Tax 0012	Drivers Education 0031	Lobbyist Registration Administration 0044	Accessible Electronic Information Services 0106	CDLIS/ AAMVA Net Trust 0109	Registered Limited Liability Partnership 0167	Secretary of State Federal Projects 0176				
<b>REVENUES</b>											
Federal government	-	-	-	-	-	-	-	-	-	-	115
Licenses and fees	-	11,695	38	-	662	464	-	-	-	-	-
Interest and other investment income	-	-	-	-	-	-	-	-	-	-	-
Other charges for services	-	-	38	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-	-	-	-
Other operating grants	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	-	11,695	76	-	662	464	-	-	-	-	115
<b>EXPENDITURES</b>											
General government	1,300	-	411	72	742	98	115	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	1,300	-	411	72	742	98	115	-	-	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(1,300)	11,695	(335)	(72)	(80)	366	-	-	-	-	-
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>											
Appropriations from State resources	1,300	-	-	-	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	(11,700)	-	-	-	-	-	-	-	-	-
Amount of SAMS transfers-out	-	-	-	-	-	-	-	-	-	-	-
Transfers-in	-	-	-	72	-	-	-	-	-	-	-
Transfers-out	-	-	(100)	(10)	(110)	(249)	-	-	-	-	-
Transfers of administration of funds to other State Agencies	-	-	-	-	-	-	-	-	-	-	-
<b>Net other sources (uses) of financial resources</b>	1,300	(11,700)	(100)	62	(110)	(249)	-	-	-	-	-
<b>Net change in fund balances</b>	-	(5)	(435)	(10)	(190)	117	-	-	-	-	-
Fund balances (deficits), July 1, 2009	-	1,083	531	82	234	397	68	-	-	-	-
Increase (decrease) for changes in inventories	-	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS), JUNE 30, 2010</b>	\$ -	\$ 1,078	\$ 96	\$ 72	\$ 44	\$ 514	\$ 68	-	-	-	-

**State of Illinois**  
**Office of the Secretary of State**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balance -**  
**Non-major Governmental Funds**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Special Revenue						
	Secretary of State License Plate 0185	Securities Investors Education 0292	Intergency Grant 0295	Family Financial Responsibility 0322	Motor Vehicle Review Board 0323	Securities Audit and Enforcement 0362	
<b>REVENUES</b>							
Federal government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Licenses and fees	4,669	-	-	46	297	8,596	
Interest and other investment income	-	-	-	-	-	54	
Other charges for services	-	-	-	-	-	-	
Other revenues	-	4,205	1	-	-	7,965	
Other operating grants	-	-	638	-	-	-	
<b>Total revenues</b>	<b>4,669</b>	<b>4,205</b>	<b>639</b>	<b>46</b>	<b>297</b>	<b>16,615</b>	
<b>EXPENDITURES</b>							
General government	3,757	1,023	592	-	257	5,535	
Capital outlays	-	-	-	-	-	101	
<b>Total expenditures</b>	<b>3,757</b>	<b>1,023</b>	<b>592</b>	<b>-</b>	<b>257</b>	<b>5,636</b>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>912</b>	<b>3,182</b>	<b>47</b>	<b>46</b>	<b>40</b>	<b>10,979</b>	
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>							
Appropriations from State resources	-	-	-	-	-	-	
Lapsed appropriations	-	-	-	-	-	-	
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	
Amount of SAMS transfers-out	-	-	-	-	-	-	
Transfers-in	-	-	-	-	-	-	
Transfers-out	-	(750)	-	-	-	(750)	
Transfers of administration of funds to other State Agencies	-	-	-	-	-	-	
<b>Net other sources (uses) of financial resources</b>	<b>-</b>	<b>(750)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(750)</b>	
<b>Net change in fund balances</b>	<b>912</b>	<b>2,432</b>	<b>47</b>	<b>46</b>	<b>40</b>	<b>10,229</b>	
Fund balances (deficits), July 1, 2009	4,580	2,962	253	27	162	7,195	
Increase (decrease) for changes in inventories	(281)	-	-	-	-	-	
<b>FUND BALANCES (DEFICITS), JUNE 30, 2010</b>	<b>\$ 5,211</b>	<b>\$ 5,394</b>	<b>\$ 300</b>	<b>\$ 73</b>	<b>\$ 202</b>	<b>\$ 17,424</b>	

**State of Illinois  
Office of the Secretary of State**

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance -  
Non-major Governmental Funds**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Special Revenue						
	Department of Business Services Special Operations 0363	Secretary of State Evidence 0374	State College and University Trust 0417	Alternative Fuels 0422	Charitable Trust Stabilization 0435	Indigent BAIID Fund 0451	
<b>REVENUES</b>							
Federal government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Licenses and fees	10,507	-	255	1,628	-	-	204
Interest and other investment income	-	-	-	-	-	-	-
Other charges for services	-	-	-	-	-	-	-
Other revenues	-	16	-	-	-	-	-
Other operating grants	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>10,507</b>	<b>16</b>	<b>255</b>	<b>1,628</b>	<b>-</b>	<b>-</b>	<b>204</b>
<b>EXPENDITURES</b>							
General government	4,763	5	-	162	-	-	204
Capital outlays	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>4,763</b>	<b>5</b>	<b>-</b>	<b>162</b>	<b>-</b>	<b>-</b>	<b>204</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>5,744</b>	<b>11</b>	<b>255</b>	<b>1,466</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>							
Appropriations from State resources	-	-	-	225	-	-	-
Lapsed appropriations	-	-	-	(64)	-	-	-
Receipts collected and transmitted to State Treasury	-	-	(254)	(1,661)	-	-	-
Amount of SAMS transfers-out	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-
Transfers-out	(3,691)	-	-	-	-	-	-
Transfers of administration of funds to other State Agencies	-	-	-	-	(447)	-	-
<b>Net other sources (uses) of financial resources</b>	<b>(3,691)</b>	<b>-</b>	<b>(254)</b>	<b>(1,500)</b>	<b>(447)</b>	<b>(447)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>2,053</b>	<b>11</b>	<b>1</b>	<b>(34)</b>	<b>(447)</b>	<b>(447)</b>	<b>-</b>
Fund balances (deficits), July 1, 2009	1,909	-	18	469	447	-	-
Increase (decrease) for changes in inventories	-	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS), JUNE 30, 2010</b>	<b>\$ 3,962</b>	<b>\$ 11</b>	<b>\$ 19</b>	<b>\$ 435</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

**State of Illinois  
Office of the Secretary of State**

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance -  
Non-major Governmental Funds**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Special Revenue										
	Monitoring Device Driving Permit Administration 0453	Rotary Club Fund 0454	Ovarian Cancer Awareness Fund 0459	Professional Golfers Association Junior Golf 0463	Boy Scout and Girl Scout Fund 0464	Agriculture in the Classroom 0466	Sheet Metal Workers Int'l Assoc. of Illinois Fund 0468				
<b>REVENUES</b>											
Federal government	-	-	-	-	-	-	-	-	-	-	-
Licenses and fees	1,661	2	3	24	7	44	1				
Interest and other investment income	-	-	-	-	-	-	-				
Other charges for services	-	-	-	-	-	-	-				
Other revenues	-	-	-	-	-	-	-				
Other operating grants	-	-	-	-	-	-	-				
<b>Total revenues</b>	1,661	2	3	24	7	44	1				
<b>EXPENDITURES</b>											
General government	724	-	-	10	-	50	-				
Capital outlays	-	-	-	-	-	-	-				
<b>Total expenditures</b>	724	-	-	10	-	50	-				
<b>Excess (deficiency) of revenues over (under) expenditures</b>	937	2	3	14	7	(6)	1				
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>											
Appropriations from State resources	-	-	-	-	-	-	-				
Lapsed appropriations	-	-	-	-	-	-	-				
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-				
Amount of SAMS transfers-out	-	-	-	-	-	-	-				
Transfers-in	-	-	-	-	-	-	-				
Transfers-out	-	-	-	-	-	-	-				
Transfers of administration of funds to other State Agencies	-	-	-	-	-	-	-				
<b>Net other sources (uses) of financial resources</b>	-	-	-	-	-	-	-				
<b>Net change in fund balances</b>	937	2	3	14	7	(6)	1				
Fund balances (deficits), July 1, 2009	469	-	-	23	6	40	-				
Increase (decrease) for changes in inventories	-	-	-	-	-	-	-				
<b>FUND BALANCES (DEFICITS), JUNE 30, 2010</b>	\$ 1,406	\$ 2	\$ 3	\$ 37	\$ 13	\$ 34	\$ 1				

**State of Illinois**  
**Office of the Secretary of State**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balance -**  
**Non-major Governmental Funds**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Special Revenue						
	Library Services 0470	State Library 0471	Secretary of State Identification and Theft Prevention 0480	Secretary of State Special Services 0483	Franchise Tax and License Fee Amnesty Administration 0490	Support Our Troops Fund 0496	Master Mason 0508
<b>REVENUES</b>							
Federal government	\$ 6,399	\$ -	\$ 1,255	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	22,720	-	4	44
Interest and other investment income	-	-	-	-	-	-	-
Other charges for services	-	5	-	-	-	-	-
Other revenues	-	17	-	-	-	-	-
Other operating grants	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>6,399</b>	<b>22</b>	<b>1,255</b>	<b>22,720</b>	<b>-</b>	<b>4</b>	<b>44</b>
<b>EXPENDITURES</b>							
General government	6,282	2	1,384	17,280	-	-	50
Capital outlays	110	7	-	753	-	-	-
<b>Total expenditures</b>	<b>6,392</b>	<b>9</b>	<b>1,384</b>	<b>18,033</b>	<b>-</b>	<b>-</b>	<b>50</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>7</b>	<b>13</b>	<b>(129)</b>	<b>4,687</b>	<b>-</b>	<b>4</b>	<b>(6)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-
Amount of SAMS transfers-out	-	-	-	-	-	-	-
Transfers-in	-	-	7,375	-	-	-	-
Transfers-out	-	-	-	-	-	-	-
Transfers of administration of funds to other State Agencies	-	-	-	-	-	-	-
<b>Net other sources (uses) of financial resources</b>	<b>-</b>	<b>-</b>	<b>7,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>7</b>	<b>13</b>	<b>7,246</b>	<b>4,687</b>	<b>-</b>	<b>4</b>	<b>(6)</b>
Fund balances (deficits), July 1, 2009	(7)	4	22,316	10,477	2	-	22
Increase (decrease) for changes in inventories	-	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS), JUNE 30, 2010</b>	<b>\$ -</b>	<b>\$ 17</b>	<b>\$ 29,562</b>	<b>\$ 15,164</b>	<b>\$ 2</b>	<b>\$ 4</b>	<b>\$ 16</b>

**State of Illinois  
Office of the Secretary of State**

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance -  
Non-major Governmental Funds**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Special Revenue										
	Illinois and Michigan Canal 0570	Off Highway Vehicle Trails 0574	Pan Hellenic Trust 0584	Park District Youth Program 0585	Illinois Route 66 Heritage Project 0594	Police Memorial Committee 0598	Mammogram 0599				
<b>REVENUES</b>											
Federal government	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Licenses and fees	8	300	39	26	113	149	127				
Interest and other investment income	-	-	-	-	-	-	-				
Other charges for services	-	-	-	-	-	-	-				
Other revenues	-	-	-	-	-	-	-				
Other operating grants	-	-	-	-	-	-	-				
<b>Total revenues</b>	<b>8</b>	<b>300</b>	<b>39</b>	<b>26</b>	<b>113</b>	<b>149</b>	<b>127</b>				
<b>EXPENDITURES</b>											
General government	-	-	22	25	100	125	120				
Capital outlays	-	-	-	-	-	-	-				
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>25</b>	<b>100</b>	<b>125</b>	<b>120</b>				
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8</b>	<b>300</b>	<b>17</b>	<b>1</b>	<b>13</b>	<b>24</b>	<b>7</b>				
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>											
Appropriations from State resources	-	-	-	-	-	-	-				
Lapsed appropriations	-	-	-	-	-	-	-				
Receipts collected and transmitted to State Treasury	-	(304)	-	-	-	-	-				
Amount of SAMS transfers-out	-	-	-	-	-	-	-				
Transfers-in	-	-	-	-	-	-	-				
Transfers-out	-	-	-	-	-	-	-				
Transfers of administration of funds to other State Agencies	-	-	-	-	-	-	-				
<b>Net other sources (uses) of financial resources</b>	<b>-</b>	<b>(304)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				
<b>Net change in fund balances</b>	<b>8</b>	<b>(4)</b>	<b>17</b>	<b>1</b>	<b>13</b>	<b>24</b>	<b>7</b>				
Fund balances (deficits), July 1, 2009	71	29	77	21	31	140	52				
Increase (decrease) for changes in inventories	-	-	-	-	-	-	-				
<b>FUND BALANCES (DEFICITS), JUNE 30, 2010</b>	<b>\$ 79</b>	<b>\$ 25</b>	<b>\$ 94</b>	<b>\$ 22</b>	<b>\$ 44</b>	<b>\$ 164</b>	<b>\$ 59</b>				

**State of Illinois**  
**Office of the Secretary of State**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balance -**  
**Non-major Governmental Funds**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Special Revenue						
	Motor Vehicle License Plate 0622	Special Olympics Illinois Fund 623	Illinois Police Association Fund 0655	FY 09 Budget Relief Fund 0678	Organ Donor Awareness 0716	Secretary of State DUI Administration 0732	
<b>REVENUES</b>							
Federal government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Licenses and fees	10,534	12	17	-	177	-	2,051
Interest and other investment income	-	-	-	-	-	-	-
Other charges for services	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Other operating grants	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>10,534</b>	<b>12</b>	<b>17</b>	<b>-</b>	<b>177</b>	<b>-</b>	<b>2,051</b>
<b>EXPENDITURES</b>							
General government	9,104	-	-	21	136	-	1,642
Capital outlays	1	-	-	-	-	-	-
<b>Total expenditures</b>	<b>9,105</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>136</b>	<b>-</b>	<b>1,642</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,429</b>	<b>12</b>	<b>17</b>	<b>(21)</b>	<b>41</b>	<b>-</b>	<b>409</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-
Amount of SAMS transfers-out	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-
Transfers-out	-	-	-	-	(115)	-	-
Transfers of administration of funds to other State Agencies	-	-	-	-	-	-	-
<b>Net other sources (uses) of financial resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(115)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,429</b>	<b>12</b>	<b>17</b>	<b>(21)</b>	<b>(74)</b>	<b>-</b>	<b>409</b>
Fund balances (deficits), July 1, 2009	10,197	11	-	21	120	-	1,623
Increase (decrease) for changes in inventories	(936)	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS), JUNE 30, 2010</b>	<b>\$ 10,690</b>	<b>\$ 23</b>	<b>\$ 17</b>	<b>\$ -</b>	<b>\$ 46</b>	<b>\$ -</b>	<b>2,032</b>

**State of Illinois  
Office of the Secretary of State**

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance -  
Non-major Governmental Funds**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Special Revenue					
	Chicago and Northwest Illinois District Council of Carpenters 0756	Secretary of State DUI 0758	Secretary of State Police Services 0759	Marine Corps Scholarship 0760	State Parking Facility Maintenance 0782	Illinois EMS Memorial Scholarship and Training Fund 0800
<b>REVENUES</b>						
Federal government	- \$	- \$	- \$	- \$	- \$	- \$
Licenses and fees	-	-	338	76	1	3
Interest and other investment income	-	-	-	-	-	-
Other charges for services	-	9	-	-	-	-
Other revenues	-	-	-	-	-	-
Other operating grants	-	-	-	-	-	-
<b>Total revenues</b>	-	9	338	76	1	3
<b>EXPENDITURES</b>						
General government	-	-	85	60	40	-
Capital outlays	-	-	77	-	-	-
<b>Total expenditures</b>	-	-	162	60	40	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	9	176	16	(39)	3
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Appropriations from State resources	-	-	-	-	40	-
Lapsed appropriations	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	(1)	-
Amount of SAMS transfers-out	-	-	-	-	100	-
Transfers-in	-	-	-	-	-	-
Transfers-out	-	-	-	(69)	(100)	-
Transfers of administration of funds to other State Agencies	-	-	-	-	-	-
<b>Net other sources (uses) of financial resources</b>	-	-	-	(69)	39	-
<b>Net change in fund balances</b>	-	9	176	(53)	-	3
Fund balances (deficits), July 1, 2009	-	12	2	71	-	-
Increase (decrease) for changes in inventories	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS), JUNE 30, 2010</b>	- \$	21 \$	178 \$	18 \$	- \$	3



**State of Illinois  
Office of the Secretary of State**

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balance -  
Non-major Governmental Funds**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Special Revenue					Capital Projects
	International Brotherhood of Teamsters Fund 0803	Cycle Rider Safety Training 0863	Secretary of State Grant 0948	Vehicle Inspection 0963	Secretary of State Antique Vehicle Show 1390	Capital Development 0141
<b>REVENUES</b>						
Federal government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and fees	2	4,504	-	-	5	-
Interest and other investment income	-	-	-	-	-	-
Other charges for services	-	-	-	-	-	-
Other revenues	-	-	6	-	3	-
Other operating grants	-	-	7	-	-	-
<b>Total revenues</b>	<b>2</b>	<b>4,504</b>	<b>13</b>	<b>-</b>	<b>8</b>	<b>-</b>
<b>EXPENDITURES</b>						
General government	-	-	82	2,923	11	153
Capital outlays	-	-	-	-	-	179
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>82</b>	<b>2,923</b>	<b>11</b>	<b>332</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2</b>	<b>4,504</b>	<b>(69)</b>	<b>(2,923)</b>	<b>(3)</b>	<b>(332)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Appropriations from State resources	-	-	-	3,772	-	1,575
Lapsed appropriations	-	-	-	(854)	-	(1,243)
Receipts collected and transmitted to State Treasury	-	(4,481)	-	-	-	-
Amount of SAMS transfers-out	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-
Transfers-out	-	-	-	-	-	-
Transfers of administration of funds to other State Agencies	-	-	-	-	-	-
<b>Net other sources (uses) of financial resources</b>	<b>-</b>	<b>(4,481)</b>	<b>-</b>	<b>2,918</b>	<b>-</b>	<b>332</b>
<b>Net change in fund balances</b>	<b>2</b>	<b>23</b>	<b>(69)</b>	<b>(5)</b>	<b>(3)</b>	<b>-</b>
Fund balances (deficits), July 1, 2009	-	409	780	5	13	-
Increase (decrease) for changes in inventories	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS), JUNE 30, 2010</b>	<b>\$ 2</b>	<b>\$ 432</b>	<b>\$ 711</b>	<b>\$ -</b>	<b>\$ 10</b>	<b>\$ -</b>

**State of Illinois**  
**Office of the Secretary of State**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balance -**  
**Non-major Governmental Funds**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Debt Service	Total
<b>REVENUES</b>		
Federal government	-	\$ 7,769
Licenses and fees	6	82,059
Interest and other investment income	-	54
Other charges for services	-	52
Other revenues	-	12,213
Other operating grants	-	645
<b>Total revenues</b>	6	102,792
<b>EXPENDITURES</b>		
General government	-	59,467
Capital outlays	-	1,228
<b>Total expenditures</b>	-	60,695
<b>Excess (deficiency) of revenues over (under) expenditures</b>	6	42,097
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>		
Appropriations from State resources	-	6,912
Lapsed appropriations	-	(2,161)
Receipts collected and transmitted to State Treasury	(6)	(18,407)
Amount of SAMS transfers-out	-	100
Transfers-in	-	7,447
Transfers-out	-	(5,944)
Transfers of administration of funds to other State Agencies	-	(447)
<b>Net other sources (uses) of financial resources</b>	(6)	(12,500)
<b>Net change in fund balances</b>	-	29,597
Fund balances (deficits), July 1, 2009	-	67,454
Increase (decrease) for changes in inventories	-	(1,217)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2010</b>	-	\$ 95,834

**State of Illinois**  
**Office of the Secretary of State**

**Combining Statement of Fiduciary Net Assets -  
Agency Funds**

June 30, 2010 (Expressed in Thousands)

	Safety Responsibility 0436	International Registration Plan 0890	Go-Back 1110	Safekeeping 1344	Total
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 1,325	\$ 9,070	\$ -	\$ -	\$ 10,395
Cash and cash equivalents	-	-	-	112	112
Investments	-	-	-	893	893
Other receivables, net	-	18	-	-	18
<b>Total assets</b>	<b>\$ 1,325</b>	<b>\$ 9,088</b>	<b>\$ -</b>	<b>\$ 1,005</b>	<b>\$ 11,418</b>
<b>LIABILITIES</b>					
Other liabilities	\$ 1,325	\$ 9,088	\$ -	\$ 1,005	\$ 11,418
<b>Total liabilities</b>	<b>\$ 1,325</b>	<b>\$ 9,088</b>	<b>\$ -</b>	<b>\$ 1,005</b>	<b>\$ 11,418</b>

**State of Illinois**  
**Office of the Secretary of State**

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Balance at June 30, 2009	Additions	Deletions	Balance at June 30, 2010
<b>Safety Responsibility (0436)</b>				
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 1,532	\$ (207)	\$ -	\$ 1,325
<b>Total assets</b>	<u>\$ 1,532</u>	<u>\$ (207)</u>	<u>\$ -</u>	<u>\$ 1,325</u>
<b>LIABILITIES</b>				
Other liabilities	\$ 1,532	\$ (207)	\$ -	\$ 1,325
<b>Total liabilities</b>	<u>\$ 1,532</u>	<u>\$ (207)</u>	<u>\$ -</u>	<u>\$ 1,325</u>
<b>International Registration Plan (0890)</b>				
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 4,066	\$ 107,870	\$ 102,866	\$ 9,070
Other receivables, net	19	-	1	18
<b>Total assets</b>	<u>\$ 4,085</u>	<u>\$ 107,870</u>	<u>\$ 102,867</u>	<u>\$ 9,088</u>
<b>LIABILITIES</b>				
Other liabilities	\$ 4,085	\$ 107,870	\$ 102,867	\$ 9,088
<b>Total liabilities</b>	<u>\$ 4,085</u>	<u>\$ 107,870</u>	<u>\$ 102,867</u>	<u>\$ 9,088</u>
<b>Go-Back (1110)</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 174	\$ 174	\$ -
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 174</u>	<u>\$ 174</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Other liabilities	\$ -	\$ 174	\$ 174	\$ -
<b>Total liabilities</b>	<u>\$ -</u>	<u>\$ 174</u>	<u>\$ 174</u>	<u>\$ -</u>
<b>Safekeeping (1344)</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 117	\$ 20	\$ 25	\$ 112
Investments	1,248	842	1,197	893
<b>Total assets</b>	<u>\$ 1,365</u>	<u>\$ 862</u>	<u>\$ 1,222</u>	<u>\$ 1,005</u>
<b>LIABILITIES</b>				
Other liabilities	\$ 1,365	\$ 862	\$ 1,222	\$ 1,005
<b>Total liabilities</b>	<u>\$ 1,365</u>	<u>\$ 862</u>	<u>\$ 1,222</u>	<u>\$ 1,005</u>
<b>Total - All Agency Funds</b>				
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 5,598	\$ 107,663	\$ 102,866	\$ 10,395
Cash and cash equivalents	117	194	199	112
Investments	1,248	842	1,197	893
Other receivables, net	19	-	1	18
<b>Total assets</b>	<u>\$ 6,982</u>	<u>\$ 108,699</u>	<u>\$ 104,263</u>	<u>\$ 11,418</u>
<b>LIABILITIES</b>				
Other liabilities	\$ 6,982	\$ 108,699	\$ 104,263	\$ 11,418
<b>Total liabilities</b>	<u>\$ 6,982</u>	<u>\$ 108,699</u>	<u>\$ 104,263</u>	<u>\$ 11,418</u>



132 South Water Street, Suite 300, P.O. Box 1460 Decatur, IL 62525-1460

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Office of the Secretary of State, as of and for the year ended June 30, 2010, which collectively comprise State of Illinois, Office of the Secretary of State's basic financial statements and have issued our report thereon dated February 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the State of Illinois, Office of the Secretary of State's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Office of the Secretary of State's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Office of the Secretary of State's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

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

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

*Sikich LLP*

Decatur, Illinois  
February 9, 2011

STATE OF ILLINOIS  
OFFICE OF THE SECRETARY OF STATE

PRIOR FINDINGS NOT REPEATED  
Year Ended June 30, 2010

**A**     **FINDING** (Lack of Financial Reporting Review Procedures)

The Office of the Secretary of State (Office) did not have adequate review procedures in place to ensure the Office's annual financial statements were accurately prepared.

Our sample testing indicated that for the year ended June 30, 2010, the Office implemented procedures in its financial statement preparation process to ensure its financial statements were internally reviewed for accuracy. (Finding Code No. 09-1)

**B**     **FINDING** (Inadequate Controls Over Reporting of Accounts Receivable)

The Office did not have adequate internal controls to ensure accounts receivable were accurately reported, and the Office also lacked effective methods of estimating the uncollectible portion of its accounts receivable.

For the year ended June 30, 2010, our sample testing indicated the Office implemented procedures to improve internal controls over the reporting of accounts receivable. Our review of the Office's estimate of uncollectible receivables indicated that the Office had developed an effective method of estimating uncollectible receivables. (Finding Code No. 09-2)