

State of Illinois
Department of Revenue

Financial Audit
For the Year Ended June 30, 2024

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

**State of Illinois
Department of Revenue**

Financial Audit

For the Year Ended June 30, 2024

Table of Contents

	<u>Page</u>
Agency Officials	1
Financial Statement Report	
Summary	2
Independent Auditor's Report	3 - 5
Financial Statements	
Statement of Net Position	6
Statement of Activities	7
Balance Sheet – Governmental Funds	8
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	9
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	10
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities	11
Statement of Fiduciary Net Position	12
Statement of Changes in Fiduciary Net Position	13
Notes to Financial Statements	14 - 43
Supplementary Information	
Combining Schedule of Accounts – General Fund	44 - 45
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund	46 - 47
Combining Balance Sheet – Nonmajor Governmental Funds	48 - 50
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	51 - 54
Combining Statement of Fiduciary Net Position – Custodial Funds	55 - 57
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	58 - 60
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	61 - 62
Schedule of Findings	
Prior Findings Not Repeated	63
Other Reports Issued Under a Separate Cover	
The Department's State Compliance Examination for the year ended June 30, 2024 will be issued under a separate cover.	

**State of Illinois
Department of Revenue**

Financial Audit

For the Year Ended June 30, 2024

Agency Officials

Director	David Harris
Assistant Director	Vacant
Associate Director	Africa (7/16/2020 – 8/11/2024) Vacant (8/12/2024 – Present)
Chief of Staff	Jim Nichelson
Chief Financial Officer	Cory Staley
Chief Internal Auditor	Nikki Lanier
General Counsel	Colin Bowes-Carlson (9/1/2021 – 5/24/2024) Brian Fliflet, Acting (5/25/2024 – 9/30/2024) Bridget DiBattista (10/1/2024 – Present)

IDOR Offices are located at:

Springfield, Illinois

Willard Ice Building
101 West Jefferson Street
Springfield, Illinois 62702

Des Plaines, Illinois

Maine North Regional Building
9511 Harrison Avenue
Des Plaines, Illinois 60016

Marion, Illinois

2309 West Main Street, Suite 114
Marion, Illinois 62959

Chicago, Illinois

555 West Monroe Street, Suite 1100
Chicago, Illinois 60661

Fairview Heights, Illinois

15 Executive Drive, Suite 2
Fairview Heights, Illinois 62208

Rockford, Illinois

200 South Wyman Street
Rockford, Illinois 61101

**State of Illinois
Department of Revenue**

Financial Audit

For the Year Ended June 30, 2024

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying financial statements of the State of Illinois, Department of Revenue (Department) was performed by RSM US LLP.

Based on their audit, the auditors expressed unmodified opinions on the Department's financial statements.

Summary of Findings

Number of	Current Report	Prior Report
Findings	0	1
Repeated findings	0	1
Prior recommendations implemented or not repeated	1	2

Prior Findings Not Repeated

Item No.	Page	Last/First Reported	Description
A	63	2023/2022	Inadequate Controls over Service Providers

Independent Auditor's Report

RSM US LLP

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Audit of the Financial Statements

Opinions

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Department of Revenue (Department) of the State of Illinois, as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Department, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 2, the financial statements of the Department are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2024, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. As discussed in Note 17, the Department reported a restatement of operating net position for the General Fund (an increase of \$130.0 million), Non-Major Governmental Funds (a decrease of \$251.1 million) and Governmental Activities (a decrease of \$121.1 million) pursuant to Public Act 103-0008. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis and budgetary comparison information for the general fund, as well as pension and OPEB related information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions on the financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's financial statements. The combining schedules and statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules and statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Agency Officials page but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2025 on our consideration of the Department'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 solely 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 effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Restricted Use of this Auditor's Report

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

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
June 17, 2025

State of Illinois
Department of Revenue
Statement of Net Position
June 30, 2024 (Expressed in Thousands)

	Governmental Activities
ASSETS	
Unexpended appropriations	\$ 5,534
Cash equity in State Treasury	2,595,223
Cash and cash equivalents	4
Securities lending collateral equity with State Treasurer	57,059
Taxes receivable, net	2,760,951
Other receivables, net of allowance of \$1,064	29,647
Due from other State funds	53
Loans and notes receivable, long-term	33,310
Inventories	228
Prepaid expenses	2,033
Capital assets being depreciated/amortized, net	29,778
Right to use leased assets being amortized, net	1,759
Subscription based IT arrangements being amortized, net	1,171
Total assets	5,516,750
Deferred outflows of resources - pension	174,127
Deferred outflows of resources - OPEB	98,378
Total assets and deferred outflows of resources	5,789,255
LIABILITIES	
Accounts payable and accrued liabilities	352,235
Income tax refunds payable	2,509,659
Intergovernmental payables	1,572,769
Obligations under securities lending of State Treasurer	57,059
Due to Department fiduciary funds	50,177
Due to other State fiduciary funds	2,708
Due to other State funds	93,657
Due to State of Illinois component units	56
Unearned revenue	1,585,466
Long-term obligations:	
Portion due or payable within one year	2,401
Portion due or payable after one year	1,337,191
Total liabilities	7,563,378
Deferred inflows of resources - pension	147,069
Deferred inflows of resources - OPEB	371,277
Total liabilities and deferred inflows of resources	8,081,724
NET POSITION (DEFICIT)	
Net investment in capital assets	32,708
Restricted - other	4
Unrestricted	(2,325,181)
Total net position (deficit)	\$ (2,292,469)

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

State of Illinois
Department of Revenue
Statement of Activities

For the Year Ended June 30, 2024 (Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General government	\$ 614,551	\$ 112,490	\$ (502,061)
Education	1,881	-	(1,881)
Employment and economic development	5,000	-	(5,000)
Public protection and justice	2,661	-	(2,661)
Intergovernmental-revenue sharing	8,742,851	-	(8,742,851)
Total governmental activities	\$ 9,366,944	\$ 112,490	\$ (9,254,454)
General revenues			
Taxes:			
Income taxes			35,914,222
Sales taxes			15,496,628
Motor fuel taxes			1,253,819
Public utility taxes			1,129,905
Other taxes			1,403,609
Interest and investment income (loss)			15,913
Other revenues (expenses)			475
Appropriations from State resources			231,600
Lapsed appropriations			(43,230)
Receipts collected and transmitted to State Treasury			(43,468,230)
Amount of SAMS transfers-in			(3,549,960)
Amount of SAMS transfers-out			445,572
Transfers			(478,821)
Total general revenues and transfers			8,351,502
Change in net position			(902,952)
Net position (deficit) July 1, 2023, as restated			(1,389,517)
Net position (deficit) June 30, 2024			\$ (2,292,469)

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

State of Illinois
Department of Revenue

Balance Sheet -
Governmental Funds

June 30, 2024 (Expressed in Thousands)

	General Fund	Nonmajor Funds	Eliminations	Total Governmental Funds
ASSETS				
Unexpended appropriations	\$ 2,100	\$ 3,434	\$ -	\$ 5,534
Cash equity in State Treasury	987,232	1,607,991	-	2,595,223
Cash and cash equivalents	-	4	-	4
Securities lending collateral equity				
with State Treasurer	-	57,059	-	57,059
Taxes receivables, net	2,137,707	623,244	-	2,760,951
Other receivables, net of allowance of \$1,064	-	29,647	-	29,647
Due from other Department funds	49,438	3,088	(52,526)	-
Due from other State funds	-	53	-	53
Loans and notes receivable, long-term	-	33,310	-	33,310
Inventories	-	228	-	228
Total assets	\$ 3,176,477	\$ 2,358,058	\$ (52,526)	\$ 5,482,009
LIABILITIES				
Accounts payable and accrued liabilities	\$ 308,182	\$ 44,053	\$ -	\$ 352,235
Income tax refunds payable	2,509,659	-	-	2,509,659
Intergovernmental payables	13,641	1,559,128	-	1,572,769
Obligations under securities lending				
of State Treasurer	-	57,059	-	57,059
Due to other Department fiduciary funds	-	50,177	-	50,177
Due to other State fiduciary funds	-	2,708	-	2,708
Due to other Department funds	3,088	49,438	(52,526)	-
Due to other State funds	8,133	85,524	-	93,657
Due to State of Illinois component units	-	56	-	56
Unearned revenue	1,180,821	404,645	-	1,585,466
Total liabilities	4,023,524	2,252,788	(52,526)	6,223,786
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	383,679	41,187	-	424,866
Total deferred inflows of resources	383,679	41,187	-	424,866
Total liabilities and deferred inflows of resources	4,407,203	2,293,975	(52,526)	6,648,652
FUND BALANCES (DEFICITS)				
Nonspendable (Inventories)	-	228	-	228
Restricted	-	4	-	4
Committed	387,036	301,871	-	688,907
Unassigned	(1,617,762)	(238,020)	-	(1,855,782)
Total fund balances (deficits)	(1,230,726)	64,083	-	(1,166,643)
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 3,176,477	\$ 2,358,058	\$ (52,526)	\$ 5,482,009

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

State of Illinois
Department of Revenue
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2024
(Expressed in Thousands)

Total fund balances-governmental funds	\$ (1,166,643)
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Prepaid expenses for governmental activities are current uses of financial resources	2,033
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	29,778
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,759
Subscription-based IT arrangements used in governmental activities are not financial resources and therefore are not reported in the funds.	1,171
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.	424,866
Deferred outflows (inflows) of resources related to pensions and OPEB are not reported in the governmental funds because they do not provide or require the use of current financial resources. These activities consist of:	
Deferred outflows of resources related to pensions	174,127
Deferred outflows of resources related to OPEB	98,378
Deferred inflows of resources related to pensions	(147,069)
Deferred inflows of resources related to OPEB	(371,277)
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of:	
Lease liability	(1,741)
SBITA liability	(1,092)
Compensated absences	(10,004)
Net pension liability	(1,011,410)
Net OPEB liability	(315,345)

Net position (deficit) of governmental activities	<u><u>\$ (2,292,469)</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois
Department of Revenue

**Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds**

For the Year Ended June 30, 2024 (Expressed in Thousands)

	General Fund	Nonmajor Funds	Eliminations	Total Governmental Funds
REVENUES				
Income taxes	\$ 31,111,213	\$ 4,764,192	\$ -	\$ 35,875,405
Sales taxes	10,525,798	4,969,873	-	15,495,671
Motor fuel taxes	-	1,253,819	-	1,253,819
Public utility taxes	740,742	389,173	-	1,129,915
Other taxes	869,832	533,913	-	1,403,745
Licenses and fees	245	112,254	-	112,499
Interest and other investment income	-	15,339	-	15,339
Other	331	144	-	475
Total revenues	43,248,161	12,038,707	-	55,286,868
EXPENDITURES				
General government	86,984	275,828	-	362,812
Education	-	1,881	-	1,881
Employment and economic development	5,000	-	-	5,000
Public protection and justice	-	2,661	-	2,661
Intergovernmental	-	8,742,851	-	8,742,851
Debt service:				
Principal	-	2,435	-	2,435
Interest	-	146	-	146
Capital outlay	-	10,733	-	10,733
Capital lease and installment purchases	-	(2,037)	-	(2,037)
Total expenditures	91,984	9,034,498	-	9,126,482
Excess of revenues over expenditures	43,156,177	3,004,209	-	46,160,386
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
Appropriations from State resources	95,183	136,417	-	231,600
Lapsed appropriations	(8,199)	(35,031)	-	(43,230)
Receipts collected and transmitted to State Treasury	(40,229,483)	(3,238,747)	-	(43,468,230)
Amount of SAMS transfers-in	(3,512,160)	(37,800)	-	(3,549,960)
Amount of SAMS transfers-out	38,530	407,042	-	445,572
Transfers-in	95,178	3,088	(98,266)	-
Transfers-out	(159,618)	(417,469)	98,266	(478,821)
Net other sources (uses) of financial resources	(43,680,569)	(3,182,500)	-	(46,863,069)
Net change in fund balances	(524,392)	(178,291)	-	(702,683)
Fund balances (deficits), July 1, 2023, as restated	(706,334)	242,374	-	(463,960)
FUND BALANCES (DEFICITS), JUNE 30, 2024	\$ (1,230,726)	\$ 64,083	\$ -	\$ (1,166,643)

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

State of Illinois
Department of Revenue
Reconciliation of Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2024
(Expressed in Thousands)

Net change in fund balances	\$ (702,683)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Prepaid expenses in the Statement of Activities are reported as expenditures in governmental funds. Prepaid expenses decreased by this amount during the year.	(390,198)
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Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays in the current period exceeded depreciation.	2,206
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Governmental funds report right to use lease outlays as expenditures while governmental activities report amortization expense to allocate those expenditures over the life of the assets. This is the amount by which right to use lease outlays in the current period exceeded amortization.	1,247
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Governmental funds report subscription-based IT arrangement outlays as expenditures while governmental activities report amortization expense to allocate those expenditures over the life of the assets. This is the amount by which SBITA outlays in the current period exceeded amortization.	(2,078)
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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.	40,193
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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.	
Increase in lease liability	(1,211)
Decrease in SBITA liability	2,087
Increase in compensated absences obligation	(734)
Increase in net pension liability	(2,113)
Increase in OPEB liability	(7,090)
Decrease in deferred outflows of resources related to pensions	(9,703)
Decrease in deferred outflows of resources related to OPEB	(8,555)
Decrease in deferred inflows of resources related to pensions	60,837
Decrease in deferred inflows of resources related to OPEB	114,843
	114,843

Change in net position of governmental activities	\$ (902,952)
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The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois
Department of Revenue

Statement of Fiduciary Net Position

June 30, 2024 (Expressed in Thousands)

	Custodial Funds
ASSETS	
Cash equity in State Treasury	\$ 861,070
Cash and cash equivalents	155
Securities lending collateral equity with State Treasurer	117,345
Taxes receivable, net	258,459
Other receivables, net	2,363
Due from other Department funds	50,177
Total assets	1,289,569
LIABILITIES	
Intergovernmental payables	1,165,754
Obligations under securities lending of State Treasurer	117,345
Other liabilities	6,315
Total liabilities	1,289,414
NET POSITION	
Net position restricted for expendable purposes	\$ 155

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

State of Illinois
Department of Revenue

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Custodial Funds
ADDITIONS	
Sales tax collections for other governments	\$ 3,495,371
Motor fuel tax collections for other governments	90,294
Public utility tax collections for other governments	113,722
Other tax collections for other governments	2,030,928
Fees collected for other governments	4,724
Interest and other investment income	30,292
Collateral deposits received	3
Other	481
Total additions	5,765,815
DEDUCTIONS	
Payment of sales tax to other governments	3,513,224
Payment of motor fuel tax to other governments	90,805
Payment of public utility tax to other governments	113,722
Payment of other tax to other governments	2,042,788
Payment of fees to other governments	4,792
Collateral deposits returned	12
Other	481
Total deductions	5,765,824
Change in net position	(9)
Net position, July 1, 2023	164
NET POSITION, JUNE 30, 2024	\$ 155

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

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

1. Organization

The Department of Revenue (Department) 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 Department operates under a budget approved by the Illinois General Assembly in which resources primarily from the General Revenue Fund are appropriated for the use of the Department. Activities of the Department 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 Department and all other cash received are under the custody and control of the State Treasurer, with the exception of the Surety Bond Fund and the Evidence Fund.

The Department is organized to provide for administering, collecting, enforcing, and determining distribution of the taxes imposed by the State's major tax acts.

2. Summary of Significant Accounting Policies

The financial statements of the Department 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 and financial benefit or burden on the primary government.

Based upon the required criteria, the Department has no component units and is not a component unit of any other entity. However, because the Department is not legally separate from the State of Illinois, the financial statements of the Department are incorporated into the financial statements of the State of Illinois. The State of Illinois' Annual Comprehensive Financial Report may be obtained directly at the Illinois Office of the Comptroller's website (illinoiscomptroller.gov).

b. Basis of Presentation

The financial statements of the State of Illinois, Department of Revenue, are intended to present the financial position and changes in financial position of only that portion of the governmental activities, each major governmental 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 Department. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2024, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

Government-wide Statements. The government-wide statement of net position and statement of activities report the overall financial activity of the Department, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the Department. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of net position presents the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the Department's governmental activities with the difference being reported as net position. 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 each function of the Department's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipients of goods or services offered by the programs and operating and capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or 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 Department'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.

The Department administers the following major governmental fund (or portions thereof in the case of shared funds – see Note 2(d)):

General – This is the State's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund. The Department's portion of the General Fund is composed of a primary sub-account (General Revenue) and ten secondary sub-accounts (Common School Special, Education Assistance, Illinois Sports Facility, Income Tax Refund, Common School, School Infrastructure, Advancement of Education, Commitment to Human Services, Grocery Tax Replacement and Capital Projects). The services which are administered by the Department and accounted for in the General Fund include, among others, general government services.

In addition to the General Fund, the Department administers the following fund types:

Governmental Fund Types:

Special Revenue – These funds account for resources obtained from specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital assets. Special revenue funds account for, among other things, taxes levied with statutorily defined distributions, federal grant programs and other resources restricted or committed as to purpose.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

Fiduciary Fund Types:

Custodial – These funds account for assets held by the Department, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

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 Department gives (or receives) value without directly receiving (or giving) equal value in exchange, include income and replacement, sales, motor fuel, and excise taxes. On an accrual basis, revenues from these taxes are recognized in the fiscal year in which the underlying exchange transaction occurs. 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.

In accordance with GASB Codification N50: *Nonexchange Transactions*, recognition of nonexchange transactions in the financial statements is required unless the transactions are not measurable (reasonably estimable) or are not probable of collection. In this regard, the Department annually has an inventory of returns (primarily income tax and sales tax), that are in various stages of processing, dispute, or review at year-end and through the date of issuing the financial statements (“unperfected returns”). Receivables and/or refunds that may result upon perfecting these returns have been estimated and recorded in the financial statements. Upon perfecting the returns, cash allocations to other governmental and fiduciary funds will be required and may be material.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on formal debt issues, claims and judgments, pension and OPEB benefits, leases, subscription-based IT arrangements (SBITAs), 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 leases are reported as other financing sources.

Significant revenue sources which are susceptible to accrual include income and replacement taxes, sales taxes, public utility taxes, motor fuel taxes, other taxes, tax penalties, and interest. The tax revenues are recorded by the State as taxpayers earn income (personal income tax, corporate income tax, and other taxes), as sales are made (sales taxes, public utility taxes, motor fuel taxes, and other taxes), or as the taxable event occurs (other taxes) net of estimated overpayments and amounts not expected to be collected. Amounts not expected to be collected are based on an analysis of the historical collection experience for accounts receivable (or additional information relating to the allowance percentage calculations).

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

Taxpayers can elect to receive a refund of tax overpayments (refunds payable) or carry-forward those overpayments to be applied to tax liabilities of the next year (unearned revenue). All liabilities pertaining to tax overpayments (refunds payable and unearned revenue) are estimated based on a combination of actual data and historical trends.

All other revenue sources including fines, licenses, and other miscellaneous revenues are considered to be measurable and available only when cash is received. Estimates are used to assign estimated tax payments received or refunds applied to future tax periods for individual and corporate income taxes to the proper fiscal year.

d. Shared Fund Presentation

The financial statement presentation for the General Revenue Fund, Education Assistance Fund, Road Fund, Motor Fuel Tax Fund, Public Utility Fund, Underground Storage Tank Fund, Compassionate Use of Medical Cannabis Fund, Illinois Gaming Law Enforcement Fund, Emergency Public Health Fund, Used Tire Management Fund, Natural Areas Acquisition Fund, Open Space Lands Acquisition and Development Fund, Common School Fund, Drycleaner Environmental Response Trust Fund, Supplemental Low Income Energy Assistance Fund, Renewable Energy Resources Trust Fund, School Infrastructure Fund, International Tourism Fund, Fund for the Advancement of Education, Commitment to Human Services Fund, Capital Projects Fund, Cannabis Regulation Fund, Build Illinois Fund, and Local Tourism Fund represent only the portion of the shared fund that can be directly attributed to the operations of the Department. Financial statements for total fund operations of the shared State funds are presented in the State of Illinois' Annual Comprehensive Financial Report. In presenting these financial statements, certain unique accounts are used for the presentation of shared funds. The following accounts are used in these financial statements to present the Department's portion of shared funds:

Unexpended Appropriations

This "asset" account represents lapse period warrants issued between July and August annually in accordance with the Statewide Accounting Management System (SAMS) records plus any liabilities relating to obligations 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.

Lapsed Appropriations

Lapsed appropriations are the legally adopted appropriations less net warrants issued for the 14- month period from July to August of the following year and 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.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

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 Department 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 provisions from the corresponding fund during the fiscal year per SAMS records in which a legally adopted appropriation was not charged.

e. *Eliminations*

Eliminations have been made in the government-wide statement of net position to minimize the “grossing-up” effect on assets and liabilities within the governmental activities column of the Department. As a result, amounts reported in the governmental funds balance sheet as interdepartmental interfund receivables and payables have been eliminated in the government-wide statement of net position. 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 position 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 time of purchase. Cash and cash equivalents include cash on hand and cash in banks for locally held funds.

g. *Inventories and Prepaid Expenses*

Inventories, consisting primarily of postage and printing supplies, are valued at cost, principally on the first-in, first-out (FIFO) method. Significant inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond the date of this report and prepayments to the Illinois Housing Development Authority for anticipated costs related to approved affordable housing projects are recorded as expenditures in the governmental funds and as prepaid expenses in the government- wide statement of net position.

h. *Interfund Transactions*

The Department has the following types of interfund transactions between Department 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 funds balance sheet or the government-wide statements of net position.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

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.

i. Capital and Intangible Assets

Capital assets, which consist of equipment, automobiles and internally developed computer software, are reported at cost. Contributed assets are reported at acquisition value at the time received. Capital assets are depreciated/amortized using the straight-line method. The capitalization threshold for internally generated intangible assets is \$1 million, and the threshold for all other intangible assets is \$25,000 and the estimated useful life is 3-25 years. The capitalization threshold for capital assets is \$5,000 and the estimated useful life is 3-15 years.

j. Compensated Absences

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

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

Sick days earned between January 1, 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.

k. Fund Balances

It is the Department's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

Within the governmental fund types, the Department's fund balances are reported in one of the following classifications:

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

Nonspendable – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Department's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Department removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The uses of these funds are established by bills passed by the legislature and approved by the Governor of the State of Illinois.

Unassigned – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

l. Net Position

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

Net Investments in Capital Assets – This consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for leases related to the acquisition of the capital assets.

Restricted – This consists of amounts 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 amounts that do not meet the definition of "restricted" or "invested in capital assets".

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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. Pensions and Other Postemployment Benefits

In accordance with the Department's adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*, the net pension liability, the other postemployment benefit (OPEB) liability, deferred outflows of resources, deferred inflows of resources, appropriations from State resources, pension and OPEB expenses have been recognized in the government-wide financial statements.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

The total pension liability and total OPEB liability are the actuarially calculated value of the projected benefit payments attributed to past periods of service as of the measurement date. The total pension and total OPEB expenses are comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension and OPEB liabilities, plan administrative expenses, and current year benefit changes. Additionally, the total pension and OPEB expenses include the annual recognition of outflows and inflows of resources due to pension and OPEB assets and liabilities.

The net pension liability is the difference between the total pension liability and the plan's fiduciary net position as of the measurement date. For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, pension expense and expenditures associated with the Department's contribution requirements, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported within the separately issued plan financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with terms of the plan. Investments are reported at fair value.

o. New Accounting Pronouncements

Effective for the year ending June 30, 2024, the Department adopted GASB Statement No. 99, *Omnibus 2022*, for the portion related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53. The implementation of this Statement had no impact on the Department's financial statements.

Effective for the year ending June 30, 2024, the Department adopted GASB Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*, which enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of this Statement had no impact on the Department's financial statements.

p. Future Adoption of GASB Statements

Effective for the year ending June 30, 2025, the Department will adopt GASB Statement No. 101, *Compensated Absences*, which will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Management has not yet determined the impact this pronouncement will have on the Department's financial statements; however, it is not expected to be material.

Effective for the year ending June 30, 2025, the Department will adopt GASB Statement No. 102, *Certain Risk Disclosures*, which will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. Management has not yet determined the impact this pronouncement will have on the Department's financial statements; however, it is not expected to be material.

Effective for the year ending June 30, 2026, the Department will adopt GASB Statement No. 103, *Financial Reporting Model Improvements*, which will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Management has not yet determined the impact this pronouncement will have on the Department's financial statements; however, it is not expected to be material.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

Effective for the year ending June 30, 2026, the Department will adopt GASB Statement No. 104, *Disclosure of Certain Capital Assets*, which provides disclosure requirements for certain types of capital assets. This Statement also establishes criteria for governments to evaluate whether capital assets are capital assets held for sale. Management has not yet determined the impact this pronouncement will have on the Department's financial statements; however, it is not expected to be material.

3. Deposits and Investments

The State Treasurer is the custodian of the Department's deposits and investments for funds maintained in the State Treasury. These amounts are classified as "Cash equity in State Treasury" and "Securities lending collateral equity with State Treasurer" on the Statement of Net Position and Balance Sheets. The Department independently manages deposits and investments maintained outside the State Treasury.

a. Deposits

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 Department does not own individual securities. Detail on the nature of these deposits and investments is available within the State of Illinois' Annual Comprehensive Financial Report.

b. Securities Lending Transactions

Under the authority of the State 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 AG to lend the State Treasurer's securities to broker-dealers and banks pursuant to a form of loan agreement.

During fiscal year 2024, Deutsche Bank AG lent U.S. Agency securities and U.S. Treasury 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 fair value of the loaned securities. Loans are marked to market daily. If the fair value of collateral falls below 100%, the borrower must provide additional collateral to raise the fair value to 100%.

The State Treasurer did not impose any restrictions during fiscal year 2024 on the amount of the loans of available, eligible securities. In the event of borrower default, Deutsche Bank AG provides the State Treasurer with counterparty default indemnification. In addition, Deutsche Bank AG is obligated to indemnify the State Treasurer if Deutsche Bank AG loses any securities, collateral, or investments of the State Treasurer in Deutsche Bank AG's custody. There were no losses during fiscal year 2024 resulting from a default of the borrowers or Deutsche Bank AG.

During fiscal year 2024, 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 AG and marked to market daily at no less than 102%. 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.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

In accordance with GASB Codification I60: *Investments – Security Lending*, the Office of the State Treasurer has allocated the assets and obligations at June 30, 2024, arising from securities lending agreements to the various funds of the State. The total allocated to the Department was \$174.404 million at June 30, 2024, including \$117.345 million allocated to custodial funds administered by the Department.

4. Taxes Receivable

Taxes receivable (amounts expressed in thousands) at June 30, 2024, are as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds	Fiduciary Funds
Taxes receivable:				
Income	\$ 1,994,234	\$ 284,287	\$ 2,278,521	\$ -
Sales	671,611	280,481	952,092	190,586
Motor fuel	-	112,161	112,161	8,577
Public utility	6,334	9,763	16,097	5,943
Other	56,978	38,907	95,885	96,300
Total taxes receivable	2,729,157	725,599	3,454,756	301,406
Less: allowance for uncollectible taxes	591,450	102,355	693,805	42,947
Taxes receivable, net	<u>\$ 2,137,707</u>	<u>\$ 623,244</u>	<u>\$ 2,760,951</u>	<u>\$ 258,459</u>

5. Loans and Notes Receivable

The Senior Citizen Real Estate Tax Deferral program is a tax-relief loan program. It allows qualified seniors to defer all or part of their taxes and special assessments on their primary home. The loan, which comes from the State of Illinois, is repaid when the property is sold, or upon the death of the participant.

Loans receivable (amounts expressed in thousands) at June 30, 2024, are as follows:

	Governmental Activities
Senior Citizens Real Estate Deferred Tax	<u>\$ 33,310</u>

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

6. Interfund Balances and Activity

a. Balances Due from/to Other Funds

The following balances (amounts expressed in thousands) at June 30, 2024, represent amounts due from other funds for statutory tax allocations, excess federal grant deposits, and administrative cost reimbursements.

Fund	Due From	
	Other Department Funds	Other State Funds
General fund	\$ 49,438	\$ -
Nonmajor governmental funds	3,088	53
Fiduciary funds	50,177	-
	<u>\$ 102,703</u>	<u>\$ 53</u>

The following (amounts expressed in thousands) at June 30, 2024, represent amounts due to other funds for statutory tax allocations, administrative expenses, and fringe benefits.

Fund	Due To			
	Other Department Funds	Other State Funds	Other Department Fiduciary Funds	Other State Fiduciary Funds
General fund	\$ 3,088	\$ 8,133	\$ -	\$ -
Nonmajor governmental funds	49,438	85,524	50,177	2,708
	<u>\$ 52,526</u>	<u>\$ 93,657</u>	<u>\$ 50,177</u>	<u>\$ 2,708</u>

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

b. Transfers from/to Other Funds

Interfund transfers in (amounts expressed in thousands) for the year ended June 30, 2024, consisted of the following for statutory tax allocations and administrative cost reimbursements.

Fund	Transfers in from Other Department Funds
General fund	\$ 95,178
Nonmajor governmental funds	<u>3,088</u>
	<u><u>\$ 98,266</u></u>

Interfund transfers out (amounts expressed in thousands) for the year ended June 30, 2024, consisted of the following for statutory tax allocations and administrative cost reimbursements.

Fund	Transfers out to		Total
	Other Department Funds	Other State Funds	
General fund	\$ 3,088	\$ 156,530	\$ 159,618
Nonmajor governmental funds	<u>95,178</u>	<u>322,291</u>	<u>417,469</u>
	<u><u>\$ 98,266</u></u>	<u><u>\$ 478,821</u></u>	<u><u>\$ 577,087</u></u>

c. Balances Due from/to State of Illinois Component Units

The Department's governmental funds owed \$56 thousand at June 30, 2024, to State of Illinois Component Units for reimbursements for expenses incurred.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

7. Capital Assets

Capital asset activity (amounts expressed in thousands) for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Governmental activities:					
Capital assets being depreciated/amortized:					
Equipment	\$ 3,004	\$ 696	\$ (686)	\$ -	\$ 3,014
Internally generated software	80,880	8,000	-	-	88,880
	<u>83,884</u>	<u>8,696</u>	<u>(686)</u>	<u>-</u>	<u>91,894</u>
Less accumulated depreciation/amortization:					
Equipment	2,363	483	(680)	-	2,166
Internally generated software	53,949	6,001	-	-	59,950
	<u>56,312</u>	<u>6,484</u>	<u>(680)</u>	<u>-</u>	<u>62,116</u>
Governmental activities capital assets, net	<u>\$ 27,572</u>	<u>\$ 2,212</u>	<u>\$ (6)</u>	<u>\$ -</u>	<u>\$ 29,778</u>

Depreciation/amortization expense for governmental activities of \$6,484 (amounts expressed in thousands) for the year ended June 30, 2024, was charged to the general government function.

8. Leases

The Department has entered into various leases for office and computer equipment with remaining lease terms ranging from two to five years. The leases require the Department to make monthly lease payments with a weighted-average discount rate of 4.37%. The leases do not contain variable payment components.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

Right to use lease activity (amounts expressed in thousands) for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Governmental activities:					
Right to use leased assets being amortized:					
Equipment	\$ 614	\$ 1,644	\$ -	\$ -	\$ 2,258
Less accumulated amortization:					
Equipment	102	397	-	-	499
Governmental activities leased assets, net	<u>\$ 512</u>	<u>\$ 1,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,759</u>

Amortization expense for governmental activities of \$397 (amounts expressed in thousands) for the year ended June 30, 2024, was charged to the general government function.

Future minimum commitments for non-cancelable leases (amounts expressed in thousands) as of June 30, 2024, are as follows:

Year ended June 30,	Principal Payments	Interest Payments	Total
2025	\$ 493	\$ 58	\$ 551
2026	451	51	502
2027	381	32	413
2028	332	17	349
2029	84	4	88
Total minimum lease payments	<u>\$ 1,741</u>	<u>\$ 162</u>	<u>\$ 1,903</u>

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

9. Subscription-Based Information Technology Arrangements (SBITAs)

The Department has entered into various subscription-based IT arrangements with remaining contract terms ranging from less than one year to four years. The SBITAs require the Department to make monthly payments with a weighted-average discount rate of 4.48%. The SBITAs do not contain variable payment components.

SBITA activity (amounts expressed in thousands) for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Governmental activities:					
Subscription-based IT arrangements being amortized:					
IT software	\$ 5,244	\$ 393	\$ (633)	\$ -	\$ 5,004
Less accumulated amortization:					
IT software	1,995	1,996	(158)	-	3,833
Governmental activities leased assets, net	<u>\$ 3,249</u>	<u>\$ (1,603)</u>	<u>\$ (475)</u>	<u>\$ -</u>	<u>\$ 1,171</u>

Amortization expense for governmental activities of \$1,996 (amounts expressed in thousands) for the year ended June 30, 2024, was charged to the general government function.

Future minimum commitments for non-cancelable SBITAs (amounts expressed in thousands) as of June 30, 2024, are as follows:

Year ended June 30,	Principal Payments	Interest Payments	Total
2025	\$ 1,026	\$ 49	\$ 1,075
2026	21	3	24
2027	22	2	24
2028	23	1	24
Total minimum SBITA payments	<u>\$ 1,092</u>	<u>\$ 55</u>	<u>\$ 1,147</u>

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

10. Long-Term Obligations

Changes in long-term obligations (amounts expressed in thousands) for the year ended June 30, 2024, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Lease liability	\$ 530	\$ 1,643	\$ (432)	\$ 1,741	\$ 493
SBITA liability	3,179	393	(2,480)	1,092	1,026
Compensated absences	9,270	14,557	(13,823)	10,004	882
Net pension liability	1,009,297	2,113	-	1,011,410	-
OPEB liability	308,255	7,090	-	315,345	-
Total governmental activities	\$ 1,330,531	\$ 25,796	\$ (16,735)	\$ 1,339,592	\$ 2,401

The lease liability, SBITA liability, compensated absences, the net pension liability, and the net OPEB liability will be liquidated by the applicable governmental funds that incur the obligations or account for the salaries and wages of the related employees.

11. Defined Benefit Pension Plan

Plan Description. Substantially all of the Department'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 single-employer defined benefit pension trust fund in the State of Illinois reporting entity and is treated as a cost sharing plan by the Department. SERS is governed by article 14 of the Illinois Pension Code (40 ILCS 5/1, et al.). The plan consists of two tiers of contribution requirements and benefit levels based on when an employee was hired. Members who first become an employee and participate under any of the State's retirement plans on or after January 1, 2011, are members of Tier 2, while Tier 1 consists of employees hired before January 1, 2011, or those who have service credit prior to January 1, 2011. The provisions below apply to both Tier 1 and 2 members, except where noted. The SERS issues a separate Annual Comprehensive Financial Report available at www.srs.illinois.gov or that may be obtained by writing to the SERS, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255.

Benefit Provisions. SERS provides retirement benefits based on the member's final average compensation and the number of years of service credit that have been established. The retirement benefit formula available to general State employees that are covered under the Federal Social Security Act is 1.67% for each year of service and for noncovered employees it is 2.2% for each year of service. The maximum retirement annuity payable is 75% of final average compensation for regular employees and 80% for alternative formula employees. The minimum monthly retirement annuity payable is \$15 for each year of covered service and \$25 for each year of noncovered service.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

Members in SERS under the Tier 1 and Tier 2 receive the following levels of benefits based on the respective age and years of service credits.

Regular Formula Tier 1	Regular Formula Tier 2
<p>A member must have a minimum of 8 years of service credit and may retire at:</p> <ul style="list-style-type: none"> • Age 60, with 8 years of service credit. • Any age, when the member's age (years & whole months) plus years of service credit (years & whole months) equal 85 years (1,020 months) (Rule of 85) with eight years of credited service. • Between ages 55-60 with 25-30 years of service credit (reduced 1/2 of 1% for each month under age 60). <p>The retirement benefit is based on final average compensation and credited service. Final average compensation is the 48 highest consecutive months of service within the last 120 months of service.</p> <p>Under the Rule of 85, a member is eligible for the first 3% increase on January 1 following the first full year of retirement, even if the member is not age 60. If the member retires at age 60 or older, he/she will receive a 3% pension increase every year on January 1, following the first full year of retirement.</p> <p>If the member retires before age 60 with a reduced retirement benefit, he/she will receive a 3% pension increase every January 1 after the member turns age 60 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.</p>	<p>A member must have a minimum of 10 years of service credit and may retire at:</p> <ul style="list-style-type: none"> • Age 67, with 10 years of credited service. • Between ages 62-67 with 10 years of credited service (reduced 1/2 of 1% for each month under age 67). <p>The retirement benefit is based on final average compensation and credited service. For regular formula employees, final average compensation is the average of the 96 highest consecutive months of service within the last 120 months of service. The retirement benefit is calculated on a maximum salary of \$106,800. This amount increases annually by 3% or one-half of the Consumer Price Index, whichever is less. The calendar year 2023 rate is \$123,489</p> <p>If the member retires at age 67 or older, he/she will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, every year on January 1, following the first full year of retirement.</p> <p>If the member retires before age 67 with a reduced retirement benefit, he/she will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, every January 1 after the member turns age 67 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.</p>

Additionally, the Plan provides an alternative retirement formula for State employees in high-risk jobs, such as State policemen, fire fighters, and security employees. Employees qualifying for benefits under the alternative formula may retire at an earlier age depending on membership in Tier 1 or Tier 2. The retirement formula is 2.5% for each year of covered service and 3.0% for each year of non-covered service. The maximum retirement annuity payable is 80% of final average compensation as calculated under the alternative formula.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

SERS also provides occupational and nonoccupational (including temporary) disability benefits. To be eligible for nonoccupational (including temporary) disability benefits, an employee must have at least eighteen months of credited service to the System. The nonoccupational (including temporary) disability benefit is equal to 50% of the monthly rate of compensation of the employee on the date of removal from the payroll. Occupational disability benefits are provided when the member becomes disabled as a direct result of injuries or diseases arising out of and in the course of State employment. The monthly benefit is equal to 75% of the monthly rate of compensation on the date of removal from the payroll. This benefit amount is reduced by Workers' Compensation or payments under the Occupational Diseases Act.

Occupational and nonoccupational death benefits are also available through the System. Certain nonoccupational death benefits vest after eighteen months of credited service. Occupational death benefits are provided from the date of employment.

Contributions. Contribution requirements of active employees and the State are established in accordance with Chapter 40, section 5/14-133 of the Illinois Compiled Statutes (ILCS). Member contributions are based on fixed percentages of covered payroll ranging between 4.00% and 12.50%. Employee contributions are fully refundable, without interest, upon withdrawal from State employment. Tier 1 members contribute based on total annual compensation. Tier 2 members contribute based on an annual compensation rate not to exceed \$106,800 with limitations for future years increased by the lessor of 3% or one-half of the annual percentage increase in the Consumer Price Index. For 2024, this amount was \$125,774.

The State is required to make payment for the required departmental employer contributions, all allowances, annuities, any benefits granted under Chapter 40, Article 5/14 of the ILCS and all administrative expenses of the System to the extent specified in the ILCS. State law provides that the employer contribution rate be determined based upon the results of each annual actuarial valuation.

For fiscal year 2024, the required employer contributions were computed in accordance with the State's funding plan. This funding legislation provides for a systematic 50-year funding plan with an ultimate goal to achieve 90% funding of the plan's liabilities. In addition, the funding plan provided for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Since the 15-year phase-in period ended June 30, 2010, the State's contribution will remain at a level percentage of payroll for the next 35 years until the 90% funded level is achieved. For fiscal year 2024, the employer contribution rate was 52.657%. The Department's contribution amount for fiscal year 2024 was \$63.013 million. In addition, the Department recorded \$23.400 million of revenue and expenditures in the General Revenue account of the General Fund to account for payments to SERS for Department employees that were paid from statewide General Revenue Fund appropriations.

Pension liability, deferred outflows of resources, deferred inflows of resources and expense related to pensions. At June 30, 2024, the Department reported a liability of \$1.011 billion for its proportionate share of the State's net pension liability for SERS on the statement of net position. The net pension liability was measured as of June 30, 2023 (current year measurement date), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Department's portion of the net pension liability was based on the Department's proportion of employer contributions relative to all employer contributions made to the plan during the year ended June 30, 2023. As of the current year measurement date of June 30, 2023, the Department's proportion was 3.0555%, which was a decrease of 0.0657% from its proportion measured as of the prior year measurement date (3.1212%).

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

For the year ended June 30, 2024, the Department recognized pension expense of \$37.552 million which is reported in the General government function of the Statement of Activities. The Department recognized revenue for a portion of this amount (\$23.400 million) which is reported in appropriations from State resources in the General Revenue Fund as well as the general revenues section of the Statement of Activities. At June 30, 2024, the Department reported deferred outflows and deferred inflows of resources related to the pension liability from the following sources (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,123	\$ -
Changes of assumption	12,583	62,021
Net difference between projected and actual investment earnings on pension plan investments	21,737	-
Changes in proportion	27,271	85,048
Department contributions subsequent to the measurement date	86,413	-
Total	\$ 174,127	\$ 147,069

\$86.413 million reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows (amounts expressed in thousands):

Year ended June 30,	Amount
2025	\$ (32,071)
2026	(32,675)
2027	4,262
2028	1,130
Total	\$ (59,354)

Actuarial Methods and Assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.25%

Investment Rate of Return: 6.75%, net of pension plan investment expense, including inflation.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

Projected salary increases: 2.50% – 7.41% salary increase rates based on age related productivity and merit rates inflation.

Post-retirement benefit increases of 3.00%, compounded, for Tier 1 and the lesser of 3.00% or one-half of the annual increase in the Consumer Price Index for Tier 2.

Retirement Age: Experience-based table of rates specific to the type of eligibility condition. Last updated for the June 30, 2023, actuarial valuation pursuant to an experience study of the period July 1, 2018, to June 30, 2021.

Mortality: Pub-2010 General and Public Safety Healthy Retiree mortality tables, sex distinct, with rates projected to 2021 generational mortality improvement factors were updated to projection scale MP-2021.

The actuarial assumptions used to calculate the total pension liability as of the current year measurement date are consistent with the actuarial assumptions used to calculate the total pension liability as of the prior year measurement date except for the following:

Projected salary increases: 2.75% – 7.17% salary increase rates based on age related productivity and merit rates inflation.

Retirement Age: Experience-based table of rates specific to the type of eligibility condition. Last updated for the June 30, 2019, actuarial valuation pursuant to an experience study of the period July 1, 2015, to June 30, 2018.

Mortality: Pub-2010 General and Public Safety Healthy Retiree mortality tables, sex distinct, with rates projected to 2018 generational mortality improvement factors were updated to projection scale MP-2018.

The long-term expected real rate of return on pension plan investments was determined using the best estimates of geometric real rates of return for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation, calculated as of the measurement date of June 30, 2023, the best estimates of the geometric real rates of return are summarized in the following table:

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	23%	4.60%
Developed Foreign Equity	13%	5.30%
Emerging Market Equity	8%	6.20%
Private Equity	9%	7.80%
High Yield Bonds	2%	2.20%
Private Debt	9%	5.10%
Investment Grade Bonds	15%	0.20%
Long-term Government Bonds	5%	0.60%
TIPS	3%	0.20%
Real Estate	10%	5.20%
Infrastructure	3%	5.50%
Total	<u>100%</u>	

Discount Rate. A discount rate of 6.59% was used to measure the total pension liability as of the measurement date of June 30, 2023, as compared to a discount rate of 6.58% used to measure the total liability as of the prior year measurement date. The June 30, 2023, single blended discount rate was based on the expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 3.86%, based on an index of 20-year general obligation bonds with an average AA credit rating as published by the Federal Reserve. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made based on the statutorily required rates under Illinois law. Based on these assumptions, the pension plan's fiduciary net position and future contributions will be sufficient to finance the benefit payments through the year 2077. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2077, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The net pension liability for the plan was calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate as shown below (amounts expressed in thousands):

	<u>1% Decrease (5.59%)</u>	<u>Discount Rate (6.59%)</u>	<u>1% Increase (7.59%)</u>
Department's proportionate share of the net pension liability	\$ 1,231,919	\$ 1,011,410	\$ 829,027

Payables to the pension plan. At June 30, 2024, the Department reported a payable of \$2.710 million to SERS for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

12. Other Postemployment Benefit Plan

Plan description. The State Employees Group Insurance Act of 1971 (Act), as amended, authorizes the Illinois State Employees Group Insurance Program (SEGIP) to provide health, dental, vision, and life insurance benefits for certain retirees and their dependents. Substantially all of the Department's full-time employees are members of SEGIP. Members receiving monthly benefits from the General Assembly Retirement System (GARS), Judges Retirement System (JRS), State Employees' Retirement System of Illinois (SERS), Teachers' Retirement System (TRS), and State Universities Retirement System of Illinois (SURS) are eligible for these other post-employment benefits (OPEB). Certain TRS members eligible for coverage under SEGIP include: certified teachers employed by certain State agencies, executives employed by the Board of Education, regional superintendents, regional assistant superintendents, TRS employees and members with certain reciprocal service. No assets are accumulated or dedicated to funding the retiree health insurance benefit and a separate trust has not been established for the funding of OPEB.

The Department of Central Management Services administers these benefits for annuitants with the assistance of the public retirement systems sponsored by the State (GARS, JRS, SERS, TRS and SURS). The State recognizes SEGIP OPEB benefits as a single-employer defined benefit plan. The plan does not issue a stand-alone financial report.

Benefits provided. The health, dental, and vision benefits provided to and contribution amounts required from annuitants are the result of collective bargaining between the State and the various unions representing the State's and the university component units' employees in accordance with limitations established in the Act. Therefore, the benefits provided and contribution amounts are subject to periodic change. Coverage through SEGIP becomes secondary to Medicare after Medicare eligibility has been reached. Members must enroll in Medicare Parts A and B to receive the subsidized SEGIP premium available to Medicare eligible participants. The Act requires the State to provide life insurance benefits for annuitants equal to their annual salary as of the last day of employment until age 60, at which time, the benefit amount becomes \$5,000.

Funding policy and annual other postemployment benefit cost. OPEB offered through SEGIP are financed through a combination of retiree premiums, State contributions and Federal government subsidies from the Medicare Part D program. Contributions are deposited in the Health Insurance Reserve Fund, which covers both active State employees and retirement members. Annuitants may be required to contribute towards health 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 toward health 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 and vision benefits. All annuitants are required to pay for dental benefits regardless of retirement date. The Director of Central Management Services shall, on an annual basis, determine the amount the State shall contribute toward the basic program of group health benefits. State contributions are made primarily from the General Revenue Fund on a pay-as-you-go basis. For fiscal year 2024, the annual cost of the basic program of group health, dental, and vision benefits before the State's contribution was \$13,409.76 (\$7,210.56 if Medicare eligible) if the annuitant chose benefits provided by a health maintenance organization and \$16,622.40 (\$6,423.36 if Medicare eligible) if the annuitant chose other benefits. The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide the current benefits to retirees.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

Total OPEB liability, deferred outflows of resources, deferred inflows of resources and expense related to OPEB. The total OPEB liability, as reported at June 30, 2024, was measured as of June 30, 2023 (measurement date), based on an actuarial valuation as of June 30, 2022. Update procedures were used to roll forward the total OPEB liability to the measurement date. At June 30, 2024, the Department recorded a liability of \$315.345 million for its proportionate share of the State's total OPEB liability. The Department's portion of the OPEB liability was based on the Department's proportion of employer contributions relative to all employer contributions made to the plan during the year ended June 30, 2023. As of the current year measurement date, the Department's proportion was 1.8310%, which was an increase of 0.0262% from its proportion measured as of the prior year measurement date (1.8047%).

The Department recognized OPEB expense for the year ended June 30, 2024, of (\$84.976) million. In addition, the Department recorded \$3.745 million of revenue and expenditures in the General Revenue account of the General Fund to account for contributions to SEGIP for Department employees who were paid from the statewide General Revenue Fund appropriations. At June 30, 2024, the Department reported deferred outflows and deferred inflows of resources, as of the measurement date of June 30, 2023, from the following sources (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,482	\$ 65,103
Changes of assumption	980	229,866
Changes in proportion and differences between employer contributions and proportionate share of contributions	78,820	76,308
Department contributions subsequent to the measurement date	13,096	-
Total	\$ 98,378	\$ 371,277

The amounts reported as deferred outflows of resources related to OPEB resulting from Department contributions subsequent to the measurement date will be recognized as a reduction to the OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts expressed in thousands):

Year ended June 30,	Amount
2025	\$ (119,976)
2026	(89,567)
2027	(61,556)
2028	(15,060)
2029	164
Total	\$ (285,995)

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

Actuarial methods and assumptions. The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified. The actuarial valuation for the SEGIP was based on GARS, JRS, SERS, TRS, and SURS active, inactive, and retiree data as of June 30, 2022, for eligible SEGIP employees, and SEGIP retiree data as of June 30, 2022.

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.25%
Projected Salary Increases *	2.50% - 12.75%
Healthcare Cost Trend Rate:	
Medical and Rx	
Pre-Medicare - QCHP	Trend rates start at 8.00% in 2025, decreasing by 0.25% per year to an ultimate trend rate of 4.25% in year 2040.
Post-Medicare - MAPD	Trend rates are 0.00% in years 2025 to 2028, 19.42% from 2029 to 2033, then 6.08% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2040.
Retirees' Share of Benefit-Related Costs	Healthcare premium rates for members depend on the date of retirement and the years of service earned at retirement. Members who retired before January 1, 1998, are eligible for single coverage at no cost to the member. Members who retire after January 1, 1998, are eligible for single coverage provided they pay a portion of the premium equal to 5 percent for each year of service under 20 years. Eligible dependents receive coverage provided they pay 100 percent of the required dependent premium. Premiums for plan year 2023 and 2024 are based on actual premiums. Premiums after 2024 were projected based on the healthcare cost trend rates applied to per capita claim costs.
Note: the above actuarial assumptions were used to calculate the OPEB liability as of the current year measurement date and are consistent with the actuarial assumptions used to calculate the OPEB liability as of the prior year measurement date except for the following:	

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

Healthcare Cost Trend Rate:

Medical and Rx (Pre-Medicare & Post-Medicare)	1.8% grading up 6.20% in the first year to 8.00%, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2038. There is no additional trend rate adjustment due to the repeal of the Excise Tax.
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Medical and Rx (Post-Medicare)	-7.56% grading up 15.56% in the first year to 8.00%, then grading down 0.25% per year to an ultimate trend of 4.25% in year 2038.
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Dental and Vision	3.75% grading up 0.25% in the first year to 4.00% through 2038.
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*Dependent upon service and participation in the respective retirement systems. Includes inflation rate listed.

Additionally, the demographic assumptions used in this OPEB valuation are identical to those used in the June 30, 2022, valuations for GARS, JRS, SERS, TRS, and SURS as follows:

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

	Retirement age experience study[^]	Mortality^{^^}
GARS	July 2018 – June 2021	Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, with no scaling factors, and the MP-2021 two-dimensional generational mortality improvement scales
JRS	July 2018 – June 2021	Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, with no scaling factors, and the MP-2021 two-dimensional generational mortality improvement scales
SERS	July 2018 – June 2021	Pub-2010 General and Public Safety Healthy Retiree mortality tables, sex distinct, with rates projected to 2021 generational mortality improvement factors were updated to projection scale MP-2021
TRS	July 2017 – June 2020	Pub-2010 adjusted for TRS experience for future mortality improvements on a fully generational basis using projection table MP-2020
SURS	July 2017 – June 2020	Rates based on Pub-2010 Healthy Retiree Mortality tables and the most recent MP-2020 projection scale. Teachers table was used for Academic members and General Employees table was used for Non-Academic members
[^] The actuarial assumptions used in the respective actuarial valuations are based on the results of actuarial experience studies for the periods defined.		
^{^^} Mortality rates are based on mortality tables published by the Society of Actuaries' Retirement Plans Experience Committee.		

Demographic assumptions used in OPEB valuation are identical to those used in the June 30, 2022, valuations for Pensions. Thus, for all five plans, the 2022 valuation information for pension is presented in the FY2023 ACFR in FN 16. For TRS and SURS, the total pension liability presented in the June 30, 2022, actuarial valuation is based on census data as of June 30, 2021, rolled-forward to the measurement date of June 30, 2022.

Discount rate. Retirees contribute a percentage of the premium rate based on service at retirement. The State contributes additional amounts to cover claims and expenses in excess of retiree contributions. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.69% at June 30, 2022, and 3.86% at June 30, 2023, was used to measure the total OPEB liability.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

Sensitivity of total OPEB liability to changes in the single discount rate. The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.86%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.86%) or lower (2.86%) than the current rate (amounts expressed in thousands):

	1% Decrease (2.86%)	Current Single Discount Rate Assumption (3.86%)	1% Increase (4.86%)
Department's proportionate share of total OPEB liability	\$ 349,733	\$ 315,345	\$ 285,912

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following presents the plans total OPEB liability, calculated using the healthcare cost trend rate, as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower than the current healthcare cost trend rates (amounts in table expressed in thousands). The key trend rates are 8.00% in 2025 decreasing to an ultimate trend of 4.25% in 2040.

	1% Decrease	Current Healthcare Cost Trend Rates Assumption	1% Increase
Department's proportionate share of total OPEB liability	\$ 276,744	\$ 315,345	\$ 362,864

13. Tax Abatements

The State provides tax abatements through two programs—the Economic Development for a Growing Economy (EDGE) Program and the Angel Investment Credit Program:

Under the Economic Development for a Growing Economy Tax Credit Act (35 ILCS 10/), special tax incentives are provided to encourage businesses to locate or expand operations in Illinois when there is active consideration of a competing location in another state. EDGE can provide tax credits to qualifying businesses equal to the amount of state income taxes withheld from the salaries of employees in the newly created jobs. Non-refundable credits can be used against corporate income taxes paid or individual income taxes paid if the business is organized as a pass-through entity. Abatements are obtained through application by a business to the Department of Commerce and Economic Opportunity and claimed on tax returns filed with the Department of Revenue. Applicants must show that if not for the credit, the project would not occur in Illinois by demonstrating that at least one other State is being considered for the project and receipt of tax credits is essential to the applicant's decision to create and/or retain jobs in the State. An applicant must agree to make an investment of at least \$5 million in capital improvements and create a minimum of 25 new full time jobs in Illinois. For a company with 100 or fewer employees, a business must agree to make a capital investment of \$1 million and create at least 5 new full time jobs in Illinois. Credits awarded may be

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

carried forward for 10 taxable years. The Act provides for the recapture of abated taxes in the event a taxpayer does not fulfill the commitment it makes in return for the tax abatement. A taxpayer claiming the credit must hold the investment in the State for the full term of the agreement. If, during the term of the agreement, the project is moved from the State or otherwise ceased, the State can recapture the abated tax requiring the taxpayer to repay the full value of the credit previously claimed.

The Angel Investment Credit is authorized under Section 220 of the Illinois Income Tax Act (35 ILCS 5/). The program was created to promote job growth and expand capital investment in Illinois by offering credits to interested business or individuals who make an investment in qualified innovative and new business ventures. Tax credits for qualified investors are equal to 25% of their investment made in the qualified business ventures and can be applied against corporate and individual income taxes. Abatements are obtained through application to the Department of Commerce and Economic Opportunity and claimed on tax returns filed with the Department of Revenue. In addition to investing in qualified new ventures, applicants must meet various requirements including supplying information demonstrating the venture provides the potential to increase jobs and capital investment in Illinois. Credits awarded may be carried forward for 5 taxable years. The Act provides for the recapture of abated taxes in the event a taxpayer does not fulfill the commitment it makes in return for the tax abatement. A taxpayer claiming the credit must hold the investment in the State for no less than 3 years. If, during the 3-year period, the qualified new business venture is moved from the State or otherwise ceased, the State can recapture the abated tax requiring the taxpayer to repay the full value of the credit previously claimed.

For the fiscal year ended June 30, 2024, the State abated income taxes totaling \$172.167 million and \$4.697 million under the EDGE and Angel Investment Credit Programs, respectively. The State Revenue Sharing Act (30 ILCS 115/) requires specific portions of income tax revenues to be shared with Illinois municipalities and counties. Taxes abated under the EDGE Program reduced the amount shared by \$10.139 million. Taxes abated under the Angel Investment Credit Program reduced the amount shared by \$0.276 million.

14. Fund Balance (Deficit)

a. Fund Balances (Deficits)

At June 30, 2024, the Department's fund balance restrictions (amounts expressed in thousands) were for the following purposes:

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

	General Fund	Nonmajor Special Revenue Funds	Total
Restricted purpose:			
Nonspendable inventory	\$ -	\$ 228	\$ 228
General government	-	4	4
Total restricted	-	232	232
Committed purpose:			
General government	-	49,414	49,414
Health and social services	23,427	71,543	94,970
Employment and economic development	-	3,952	3,952
Environment and business regulation	-	11,017	11,017
Education	339,637	-	339,637
Capital outlay	23,972	165,945	189,917
Total committed	387,036	301,871	688,907
Total unassigned	(1,617,762)	(238,020)	(1,855,782)
Total fund balances (deficit)	\$ (1,230,726)	\$ 64,083	\$ (1,166,643)

b. Fund Deficits

The following subaccounts of the General Fund of the Department had deficit balances; the Income Tax Refund Fund (\$2.515) billion, the School Infrastructure Fund (\$189) thousand, and the following nonmajor governmental funds had fund deficits at June 30, 2024, as noted: the Road Fund (\$16.486) million, the Public Utility Fund (\$42) thousand, the Illinois Gaming Law Enforcement Fund (\$326) thousand, the County and Mass Transit Fund (\$40) thousand, the Local Government Distributive Fund (\$23.885) million, the Personal Property Tax Replacement Fund (\$184.536) million, and the Cannabis Regulation Fund (\$12.705) million. The fund deficits will be managed through future revenues earned and other sources of financial resources.

15. Risk Management

The Department 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 Department's risk management activities are financed through appropriations to the Illinois Department of Central Management Services and are accounted for in the general fund of the State. The claims are not considered to be a liability of the Department; and accordingly, have not been reported in the Department's financial statements for the year ended June 30, 2024.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2024

16. Commitments and Contingencies

a. Lease Commitments

The Department leases certain office and computer equipment necessary for operations which require the Department to make monthly lease payments. Information regarding the right to use assets and related lease liabilities are included in Note 8.

b. Subscription-Based IT Arrangements

The Department maintains subscriptions for certain IT software necessary for operations which require the Department to make monthly subscription payments. Information regarding the right to use subscription assets and related subscription liabilities are included in Note 9.

c. Litigation

The Department 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 matters is not expected to have any material adverse effect on the financial position or results of operations of the Department.

17. Restatement

The Department served as funding agent to the Illinois Housing Development Authority. This function was transferred to the Illinois Department of Human Services on July 1, 2023, pursuant to Public Act 103-0008. For fiscal year 2024, the Department is no longer required to report the Abandoned Residential Property Municipality Relief Fund, Foreclosure Prevention Program Fund, Illinois Affordable Housing Trust Fund, Rental Housing Support Program Fund, and State Coronavirus Urgent Remediation Emergency Fund.

These fund administration changes require net position as of July 1, 2023, to be restated as follows (amounts expressed in thousands):

	General Fund	Nonmajor Funds	Governmental Activities
Net position, June 30, 2023, as previously reported	\$ (836,328)	\$ 493,473	\$ (1,268,412)
Transfer of fund administration to other agency	129,994	(251,099)	(121,105)
Net position, July 1, 2023, as restated	<u>\$ (706,334)</u>	<u>\$ 242,374</u>	<u>\$ (1,389,517)</u>

State of Illinois
Department of Revenue

Combining Schedule of Accounts

General Fund

June 30, 2024 (Expressed in Thousands)

	General Revenue Account 0001	Common School Special 0005	Education Assistance 0007	Illinois Sports Facility 0225	Income Tax Refund 0278	Common School 0412	School Infrastructure 0568	Fund for the Advancement of Education 0640
ASSETS								
Unexpended appropriations	\$ 2,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity in State Treasury	399,989	211,893	26,504	13,459	307,385	1,471	134	11,420
Securities lending collateral equity with State Treasurer	-	-	-	-	-	-	-	-
Taxes receivable, net	1,607,391	137,581	103,514	7,325	180,019	713	133	38,868
Due from other Department funds	291,843	10,446	-	-	-	-	-	-
Total assets	\$ 2,301,323	\$ 359,920	\$ 130,018	\$ 20,784	\$ 487,404	\$ 2,184	\$ 267	\$ 50,288
LIABILITIES								
Accounts payable and accrued liabilities	\$ 230,916	\$ 70,624	\$ 860	\$ -	\$ 1,187	\$ 473	\$ 456	\$ 393
Income tax refunds payable	-	-	-	-	2,509,659	-	-	-
Intergovernmental payables	139	-	-	13,502	-	-	-	-
Due to other Department funds	-	-	-	-	255,939	-	-	-
Due to other State funds	851	-	-	7,282	-	-	-	-
Unearned revenue	876,515	-	76,773	-	199,589	-	-	13,972
Total liabilities	1,108,421	70,624	77,633	20,784	2,966,374	473	456	14,365
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	295,295	212	26,970	-	36,210	-	-	12,496
Total deferred inflows of resources	295,295	212	26,970	-	36,210	-	-	12,496
Total liabilities and deferred inflows of resources	1,403,716	70,836	104,603	20,784	3,002,584	473	456	26,861
FUND BALANCES (DEFICITS)								
Committed	-	289,084	25,415	-	-	1,711	-	23,427
Unassigned	897,607	-	-	-	(2,515,180)	-	(189)	-
Total fund balances (deficits)	897,607	289,084	25,415	-	(2,515,180)	1,711	(189)	23,427
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 2,301,323	\$ 359,920	\$ 130,018	\$ 20,784	\$ 487,404	\$ 2,184	\$ 267	\$ 50,288

State of Illinois
Department of Revenue

Combining Schedule of Accounts

General Fund

June 30, 2024 (Expressed in Thousands)

	Commitment to Human Services 0644	Grocery Tax Replacement 0683	Capital Projects 0694	Eliminations	Total
ASSETS					
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	2,100
Cash equity in State Treasury	11,420	-	3,557	-	987,232
Securities lending collateral equity with State Treasurer	-	-	-	-	-
Taxes receivable, net	38,868	-	23,295	-	2,137,707
Due from other Department funds	-	-	-	(252,851)	49,438
Total assets	\$ 50,288	\$ -	\$ 26,852	\$ (252,851)	\$ 3,176,477
LIABILITIES					
Accounts payable and accrued liabilities	\$ 393	\$ -	\$ 2,880	\$ -	308,182
Income tax refunds payable	-	-	-	-	2,509,659
Intergovernmental payables	-	-	-	-	13,641
Due to other Department funds	-	-	-	(252,851)	3,088
Due to other State funds	-	-	-	-	8,133
Unearned revenue	13,972	-	-	-	1,180,821
Total liabilities	14,365	-	2,880	(252,851)	4,023,524
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	12,496	-	-	-	383,679
Total deferred inflows of resources	12,496	-	-	-	383,679
Total liabilities and deferred inflows of resources	26,861	-	2,880	(252,851)	4,407,203
FUND BALANCES (DEFICITS)					
Committed	23,427	-	23,972	-	387,036
Unassigned	-	-	-	-	(1,617,762)
Total fund balances (deficits)	23,427	-	23,972	-	(1,230,726)
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 50,288	\$ -	\$ 26,852	\$ (252,851)	\$ 3,176,477

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2024 (Expressed in Thousands)

	General Revenue Account 0001	Common School Special 0005	Education Assistance 0007	Illinois Sports Facility 0225	Income Tax Refund 0278	Common School 0412	School Infrastructure 0568
REVENUES							
Income taxes	\$ 26,499,960	\$ -	\$ 2,401,146	\$ -	\$ 371,281	\$ -	\$ -
Sales taxes	7,693,141	2,760,489	-	-	-	-	-
Public utility taxes	661,170	-	-	-	-	45,786	33,786
Other taxes	424,416	-	-	7,282	-	46,507	-
Licenses and fees	116	-	-	-	-	129	-
Other	331	-	-	-	-	-	-
Total revenues	35,279,134	2,760,489	2,401,146	7,282	371,281	92,422	33,786
EXPENDITURES							
General government	86,975	-	-	-	9	-	-
Employment and economic development	-	-	-	5,000	-	-	-
Total expenditures	86,975	-	-	5,000	9	-	-
Excess of revenues over expenditures	35,192,159	2,760,489	2,401,146	2,282	371,272	92,422	33,786
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	95,183	-	-	-	-	-	-
Lapsed appropriations	(8,199)	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	(35,393,384)	-	(2,408,282)	-	-	(91,439)	(33,087)
Amount of SAMS transfers-in	(744,294)	-	-	-	-	(2,767,866)	-
Amount of SAMS transfers-out	38,530	-	-	-	-	-	-
Transfers-in	442,702	-	-	5,000	-	2,767,866	-
Transfers-out	-	(2,767,866)	-	(7,282)	(356,783)	-	-
Net other sources (uses) of financial resources	(35,569,462)	(2,767,866)	(2,408,282)	(2,282)	(356,783)	(91,439)	(33,087)
Net change in fund balances	(377,303)	(7,377)	(7,136)	-	14,489	983	699
Fund balances (deficits), July 1, 2023, as restated	1,274,910	296,461	32,551	-	(2,529,669)	728	(888)
FUND BALANCES (DEFICITS), JUNE 30, 2024	\$ 897,607	\$ 289,084	\$ 25,415	\$ -	\$ (2,515,180)	\$ 1,711	\$ (189)

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Fund for the Advancement of Education 0640	Commitment to Human Services 0644	Grocery Tax Replacement 0683	Capital Projects 0694	Eliminations	Total
REVENUES						
Income taxes	\$ 919,413	\$ 919,413	\$ -	\$ -	\$ -	\$ 31,111,213
Sales taxes	-	-	-	72,168	-	10,525,798
Public utility taxes	-	-	-	-	-	740,742
Other taxes	-	-	-	391,627	-	869,832
Licenses and fees	-	-	-	-	-	245
Other	-	-	-	-	-	331
Total revenues	919,413	919,413	-	463,795	-	43,248,161
EXPENDITURES						
General government	-	-	-	-	-	86,984
Employment and economic development	-	-	-	-	-	5,000
Total expenditures	-	-	-	-	-	91,984
Excess of revenues over expenditures	919,413	919,413	-	463,795	-	43,156,177
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Appropriations from State resources	-	-	-	-	-	95,183
Lapsed appropriations	-	-	-	-	-	(8,199)
Receipts collected and transmitted to State Treasury	(920,415)	(920,415)	-	(462,461)	-	(40,229,483)
Amount of SAMS transfers-in	-	-	-	-	-	(3,512,160)
Amount of SAMS transfers-out	-	-	-	-	-	38,530
Transfers-in	-	-	327	-	(3,120,717)	95,178
Transfers-out	-	-	(148,404)	-	3,120,717	(159,618)
Net other sources (uses) of financial resources	(920,415)	(920,415)	(148,077)	(462,461)	-	(43,680,569)
Net change in fund balances	(1,002)	(1,002)	(148,077)	1,334	-	(524,392)
Fund balances (deficits), July 1, 2023, as restated	24,429	24,429	148,077	22,638	-	(706,334)
FUND BALANCES (DEFICITS), JUNE 30, 2024	\$ 23,427	\$ 23,427	\$ -	\$ 23,972	\$ -	\$ (1,230,726)

State of Illinois
Department of Revenue
Combining Balance Sheet -
Nonmajor Governmental Funds
June 30, 2024 (Expressed in Thousands)

	Road 0011	Motor Fuel Tax 0012	Public Utility 0059	Underground Storage Tank 0072	Compassionate Use of Medical Cannabis 0075	Illinois Gaming Law Enforcement 0085	State & Local Sales Tax Reform 0186	RTA Occupation and Use Tax Replacement 0187	County & Mass Transit 0188	Local Govt Tax 0189
ASSETS										
Unexpended appropriations	\$ -	\$ 3,354	\$ -	\$ 80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity in State Treasury	-	4,324	-	247	154	17	138,581	-	117,318	483,974
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	-	-	-	-	-	-	-	-	-	-
Taxes receivable, net	50,519	103,218	-	5,480	1,478	164	37,495	-	14,103	108,918
Other receivables, net	-	-	-	-	-	1	-	-	-	-
Due from other Department funds	-	-	-	-	-	-	-	7,440	-	-
Due from other State funds	-	-	-	-	-	-	-	-	-	-
Loans and notes receivables, long-term	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 50,519	\$ 110,896	\$ -	\$ 5,807	\$ 1,632	\$ 182	\$ 176,076	\$ 7,440	\$ 131,421	\$ 592,892
LIABILITIES										
Accounts payable and accrued liabilities	\$ -	\$ 2,256	\$ 42	\$ 218	\$ -	\$ 16	\$ -	\$ -	\$ -	\$ -
Intergovernmental payables	-	66	-	3	-	492	27,097	7,440	81,244	592,892
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	-	-	-	-
Due to other Department fiduciary funds	-	-	-	-	-	-	-	-	50,177	-
Due to other State fiduciary funds	-	508	-	23	-	-	-	-	-	-
Due to other Department funds	-	-	-	-	-	-	148,979	-	-	-
Due to other State funds	67,005	1,784	-	11	-	-	-	-	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	67,005	4,614	42	255	-	508	176,076	7,440	131,421	592,892
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	-	-	-	-	3	-	-	-	40	-
Total deferred inflows of resources	-	-	-	-	3	-	-	-	40	-
Total liabilities and deferred inflows of resources	67,005	4,614	42	255	3	508	176,076	7,440	131,461	592,892
FUND BALANCES (DEFICITS)										
Nonspendable - Inventory	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	106,282	-	5,552	1,629	-	-	-	-	-
Unassigned	(16,486)	-	(42)	-	-	(326)	-	-	(40)	-
Total fund balances (deficits)	(16,486)	106,282	(42)	5,552	1,629	(326)	-	-	(40)	-
Total liabilities, deferred inflows of resources										
and fund balances (deficits)	\$ 50,519	\$ 110,896	\$ -	\$ 5,807	\$ 1,632	\$ 182	\$ 176,076	\$ 7,440	\$ 131,421	\$ 592,892

State of Illinois
Department of Revenue
Combining Balance Sheet -
Nonmajor Governmental Funds
June 30, 2024 (Expressed in Thousands)

	Emergency Public Health 0240	Used Tire Management 0294	Natural Areas Acquisition 0298	Open Space Lands Acquisition & Development 0299	Tax Compliance and Administration 0384	Local Government Distributive 0515	Drycleaner Environmental Response 0548	Supplemental Low Income Energy Assistance 0550	Renewable Energy Resource 0564	International Tourism 0621
ASSETS										
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity in State Treasury	2	7	26	60	52,121	238,351	4	-	-	-
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	-	-	-	-	9,697	-	-	-	-	-
Taxes receivable, net	-	-	3	7	833	92,726	20	7,670	-	943
Other receivables, net	926	3,523	-	-	7,179	-	-	-	434	-
Due from other Department funds	-	-	-	-	-	89,558	-	-	-	-
Due from other State funds	-	-	-	-	53	-	-	-	-	-
Loans and notes receivables, long-term	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	228	-	-	-	-	-
Total assets	\$ 928	\$ 3,530	\$ 29	\$ 67	\$ 70,111	\$ 420,635	\$ 24	\$ 7,670	\$ 434	\$ 943
LIABILITIES										
Accounts payable and accrued liabilities	\$ 11	\$ 41	\$ 4	\$ 9	\$ 5,908	\$ 762	\$ -	\$ 38	\$ 2	\$ 21
Intergovernmental payables	-	-	-	-	144	349,426	-	-	-	-
Obligations under securities lending of State Treasurer	-	-	-	-	9,697	-	-	-	-	-
Due to other Department fiduciary funds	-	-	-	-	-	-	-	-	-	-
Due to other State fiduciary funds	-	-	-	-	620	-	-	-	-	-
Due to other Department funds	-	192	-	-	-	-	-	-	-	-
Due to other State funds	-	-	-	-	3,750	-	-	-	-	-
Due to State of Illinois component units	-	-	-	-	56	-	-	-	-	-
Unearned revenue	-	-	-	-	-	70,447	-	-	-	-
Total liabilities	11	233	4	9	20,175	420,635	-	38	2	21
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	-	-	-	-	294	23,885	-	-	-	-
Total deferred inflows of resources	-	-	-	-	294	23,885	-	-	-	-
Total liabilities and deferred inflows of resources	11	233	4	9	20,469	444,520	-	38	2	21
FUND BALANCES (DEFICITS)										
Nonspendable - Inventory	-	-	-	-	228	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	917	3,297	25	58	49,414	-	24	7,632	432	922
Unassigned	-	-	-	-	-	(23,885)	-	-	-	-
Total fund balances (deficits)	917	3,297	25	58	49,642	(23,885)	24	7,632	432	922
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 928	\$ 3,530	\$ 29	\$ 67	\$ 70,111	\$ 420,635	\$ 24	\$ 7,670	\$ 434	\$ 943

State of Illinois
Department of Revenue
Combining Balance Sheet -
Nonmajor Governmental Funds
June 30, 2024 (Expressed in Thousands)

	Personal Property Tax Replacement 0802	Cannabis Regulation 0912	Senior Citizen Real Estate Deferred Tax 0930	Build Illinois 0960	Local Tourism 0969	Evidence 1369	Eliminations	Total
ASSETS								
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,434
Cash equity in State Treasury	532,014	924	29,684	10,183	-	-	-	1,607,991
Cash and cash equivalents	-	-	-	-	-	4	-	4
Securities lending collateral equity with State Treasurer	47,362	-	-	-	-	-	-	57,059
Taxes receivable, net	132,298	9,831	-	54,438	3,100	-	-	623,244
Other receivables, net	919	-	16,665	-	-	-	-	29,647
Due from other Department funds	3,088	-	-	11,905	-	-	(108,903)	3,088
Due from other State funds	-	-	-	-	-	-	-	53
Loans and notes receivables, long-term	-	-	33,310	-	-	-	-	33,310
Inventories	-	-	-	-	-	-	-	228
Total assets	\$ 715,681	\$ 10,755	\$ 79,659	\$ 76,526	\$ 3,100	\$ 4	\$ (108,903)	\$ 2,358,058
LIABILITIES								
Accounts payable and accrued liabilities	\$ 16,194	\$ 1,646	\$ -	\$ 16,815	\$ 70	\$ -	\$ -	\$ 44,053
Intergovernmental payables	500,324	-	-	-	-	-	-	1,559,128
Obligations under securities lending of State Treasurer	47,362	-	-	-	-	-	-	57,059
Due to other Department fiduciary funds	-	-	-	-	-	-	-	50,177
Due to other State fiduciary funds	1,557	-	-	-	-	-	-	2,708
Due to other Department funds	-	9,170	-	-	-	-	(108,903)	49,438
Due to other State funds	582	12,392	-	-	-	-	-	85,524
Due to State of Illinois component units	-	-	-	-	-	-	-	56
Unearned revenue	334,198	-	-	-	-	-	-	404,645
Total liabilities	900,217	23,208	-	16,815	70	-	(108,903)	2,252,788
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	252	16,665	48	-	-	-	41,187
Total deferred inflows of resources	-	252	16,665	48	-	-	-	41,187
Total liabilities and deferred inflows of resources	900,217	23,460	16,665	16,863	70	-	(108,903)	2,293,975
FUND BALANCES (DEFICITS)								
Nonspendable - Inventory	-	-	-	-	-	-	-	228
Restricted	-	-	-	-	-	4	-	4
Committed	-	-	62,994	59,663	3,030	-	-	301,871
Unassigned	(184,536)	(12,705)	-	-	-	-	-	(238,020)
Total fund balances (deficits)	(184,536)	(12,705)	62,994	59,663	3,030	4	-	64,083
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 715,681	\$ 10,755	\$ 79,659	\$ 76,526	\$ 3,100	\$ 4	\$ (108,903)	\$ 2,358,058

State of Illinois
Department of Revenue

**Combining Schedule of Revenues,
Expenditures and Changes in Fund Balance -
Nonmajor Governmental Funds**

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Road 0011	Motor Fuel Tax 0012	Public Utility 0059	Underground Storage Tank 0072	Compassionate Use of Medical Cannabis 0075	Illinois Gaming Law Enforcement 0085	State & Local Sales Tax Reform 0186	RTA Occupation and Use Tax Replacement 0187
REVENUES								
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	576,188	-	-	9,949	20,127	-	161,238	57,886
Motor fuel taxes	-	1,188,264	-	65,555	-	-	-	-
Public utility taxes	-	-	5,732	-	-	-	-	-
Other taxes	-	-	-	-	-	1,216	-	-
Licenses and fees	-	1,273	2	-	-	208	-	-
Interest and other investment income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	576,188	1,189,537	5,734	75,504	20,127	1,424	161,238	57,886
EXPENDITURES								
General government	-	53,374	-	2,337	-	-	-	-
Education	-	-	-	-	-	-	-	-
Public protection and justice	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	492	123,374	57,886
Debt service - principal	-	123	-	-	-	-	-	-
Debt service - interest	-	15	-	-	-	-	-	-
Capital outlay	-	34	-	-	-	-	-	-
Capital lease and installment purchases	-	(34)	-	-	-	-	-	-
Total expenditures	-	53,512	-	2,337	-	492	123,374	57,886
Excess (deficiency) of revenues over (under) expenditures	576,188	1,136,025	5,734	73,167	20,127	932	37,864	-
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	-	131,262	-	2,415	-	1,240	-	-
Lapsed appropriations	-	(34,254)	-	(76)	-	(701)	-	-
Receipts collected and transmitted to State Treasury	(569,724)	(1,229,771)	(5,739)	(76,155)	(19,636)	(1,478)	-	-
Amount of SAMS transfers-in	-	-	-	-	-	-	-	-
Amount of SAMS transfers-out	150,000	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-	-
Transfers-out	(174,440)	-	-	-	-	-	(37,864)	-
Net other sources (uses) of financial resources	(594,164)	(1,132,763)	(5,739)	(73,816)	(19,636)	(939)	(37,864)	-
Net change in fund balances	(17,976)	3,262	(5)	(649)	491	(7)	-	-
Fund balances (deficits), July 1, 2023, as restated	1,490	103,020	(37)	6,201	1,138	(319)	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2024	\$ (16,486)	\$ 106,282	\$ (42)	\$ 5,552	\$ 1,629	\$ (326)	\$ -	\$ -

State of Illinois
Department of Revenue

**Combining Schedule of Revenues,
Expenditures and Changes in Fund Balance -
Nonmajor Governmental Funds**

For the Year Ended June 30, 2024 (Expressed in Thousands)

	County & Mass Transit 0188	Local Govt Tax 0189	Emergency Public Health 0240	Used Tire Management 0294	Natural Areas Acquisition 0298	Open Space Lands Acquisition & Development 0299	Tax Compliance and Administration 0384	Local Government Distributive 0515
REVENUES								
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,261	\$ 2,148,729
Sales taxes	512,208	2,560,955	-	-	-	-	3,039	383,854
Motor fuel taxes	-	-	-	-	-	-	-	-
Public utility taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	12,288	28,672	551	-
Licenses and fees	-	-	4,131	15,785	-	-	84,711	-
Interest and other investment income	-	-	-	-	-	-	2,202	-
Other	-	-	-	-	-	-	126	-
Total revenues	512,208	2,560,955	4,131	15,785	12,288	28,672	95,890	2,532,583
EXPENDITURES								
General government	-	-	-	-	-	-	83,433	-
Education	-	-	-	-	-	-	-	-
Public protection and justice	-	-	-	-	-	-	-	-
Intergovernmental	512,248	2,560,692	-	-	-	-	-	2,550,863
Debt service - principal	-	-	-	-	-	-	2,312	-
Debt service - interest	-	-	-	-	-	-	131	-
Capital outlay	-	-	-	-	-	-	10,699	-
Capital lease and installment purchases	-	-	-	-	-	-	(2,003)	-
Total expenditures	512,248	2,560,692	-	-	-	-	94,572	2,550,863
Excess (deficiency) of revenues over (under) expenditures	(40)	263	4,131	15,785	12,288	28,672	1,318	(18,280)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	-	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	(3,982)	(15,212)	(12,281)	(28,655)	-	-
Amount of SAMS transfers-in	-	-	-	-	-	-	-	-
Amount of SAMS transfers-out	-	-	-	798	-	-	-	-
Transfers-in	-	-	-	-	-	-	-	20,355
Transfers-out	-	(263)	-	(795)	-	-	-	(5,000)
Net other sources (uses) of financial resources	-	(263)	(3,982)	(15,209)	(12,281)	(28,655)	-	15,355
Net change in fund balances	(40)	-	149	576	7	17	1,318	(2,925)
Fund balances (deficits), July 1, 2023, as restated	-	-	768	2,721	18	41	48,324	(20,960)
FUND BALANCES (DEFICITS), JUNE 30, 2024	\$ (40)	\$ -	\$ 917	\$ 3,297	\$ 25	\$ 58	\$ 49,642	\$ (23,885)

State of Illinois
Department of Revenue

**Combining Schedule of Revenues,
Expenditures and Changes in Fund Balance -
Nonmajor Governmental Funds**

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Drycleaner Environmental Response 0548	Supplemental Low Income Energy Assistance 0550	Renewable Energy Resource 0564	International Tourism 0621	Personal Property Tax Replacement 0802	Cannabis Regulation 0912	Senior Citizen Real Estate Deferred Tax 0930	Build Illinois 0960
REVENUES								
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,610,202	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	684,429
Motor fuel taxes	-	-	-	-	-	-	-	-
Public utility taxes	-	94,789	-	-	288,652	-	-	-
Other taxes	99	-	-	5,813	-	263,868	-	202,537
Licenses and fees	714	-	5,430	-	-	-	-	-
Interest and other investment income	-	-	-	-	11,937	-	1,200	-
Other	-	-	-	-	14	-	-	-
Total revenues	813	94,789	5,430	5,813	2,910,805	263,868	1,200	886,966
EXPENDITURES								
General government	-	-	-	-	135,180	1,500	-	-
Education	-	-	-	-	1,881	-	-	-
Public protection and justice	-	-	-	-	2,661	-	-	-
Intergovernmental	-	-	-	-	2,937,296	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Capital lease and installment purchases	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	3,077,018	1,500	-	-
Excess (deficiency) of revenues over (under) expenditures	813	94,789	5,430	5,813	(166,213)	262,368	1,200	886,966
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	-	-	-	-	-	1,500	-	-
Lapsed appropriations	-	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	(814)	(94,974)	(5,440)	(5,794)	-	(261,749)	-	(888,575)
Amount of SAMS transfers-in	-	-	-	-	-	-	-	(37,800)
Amount of SAMS transfers-out	-	-	-	-	-	256,244	-	-
Transfers-in	-	-	-	-	3,088	-	-	37,800
Transfers-out	-	-	-	-	-	(257,262)	-	-
Net other sources (uses) of financial resources	(814)	(94,974)	(5,440)	(5,794)	3,088	(261,267)	-	(888,575)
Net change in fund balances	(1)	(185)	(10)	19	(163,125)	1,101	1,200	(1,609)
Fund balances (deficits), July 1, 2023, as restated	25	7,817	442	903	(21,411)	(13,806)	61,794	61,272
FUND BALANCES (DEFICITS), JUNE 30, 2024	\$ 24	\$ 7,632	\$ 432	\$ 922	\$ (184,536)	\$ (12,705)	\$ 62,994	\$ 59,663

State of Illinois
Department of Revenue

**Combining Schedule of Revenues,
Expenditures and Changes in Fund Balance -
Nonmajor Governmental Funds**

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Local Tourism 0969	Evidence 1369	Eliminations	Total
REVENUES				
Income taxes	\$ -	\$ -	\$ -	\$ 4,764,192
Sales taxes	-	-	-	4,969,873
Motor fuel taxes	-	-	-	1,253,819
Public utility taxes	-	-	-	389,173
Other taxes	18,869	-	-	533,913
Licenses and fees	-	-	-	112,254
Interest and other investment income	-	-	-	15,339
Other	-	4	-	144
Total revenues	18,869	4	-	12,038,707
EXPENDITURES				
General government	-	4	-	275,828
Education	-	-	-	1,881
Public protection and justice	-	-	-	2,661
Intergovernmental	-	-	-	8,742,851
Debt service - principal	-	-	-	2,435
Debt service - interest	-	-	-	146
Capital outlay	-	-	-	10,733
Capital lease and installment purchases	-	-	-	(2,037)
Total expenditures	-	4	-	9,034,498
Excess (deficiency) of revenues over (under) expenditures	18,869	-	-	3,004,209
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
Appropriations from State resources	-	-	-	136,417
Lapsed appropriations	-	-	-	(35,031)
Receipts collected and transmitted to State Treasury	(18,768)	-	-	(3,238,747)
Amount of SAMS transfers-in	-	-	-	(37,800)
Amount of SAMS transfers-out	-	-	-	407,042
Transfers-in	-	-	(58,155)	3,088
Transfers-out	-	-	58,155	(417,469)
Net other sources (uses) of financial resources	(18,768)	-	-	(3,182,500)
Net change in fund balances	101	-	-	(178,291)
Fund balances (deficits), July 1, 2023, as restated	2,929	4	-	242,374
FUND BALANCES (DEFICITS), JUNE 30, 2024	\$ 3,030	\$ 4	\$ -	\$ 64,083

State of Illinois
Department of Revenue
Combining Statement
of Fiduciary Net Position -
Custodial Funds
June 30, 2024 (Expressed in Thousands)

	Non-Home Rule Municipal ROT 0088	Home Rule Municipal Soft Drink ROT 0097	Municipal Wireless Service Emergency 0125	Home Rule Municipal ROT 0138	Home Rule County ROT 0139	Business District ROT 0160	County Option Motor Fuel Tax 0190	County Public Safety ROT 0219	Sports Facility Tax Trust 0229	Private Vehicle Use Home Rule 0263
ASSETS										
Cash equity in State Treasury	\$ 50,364	\$ 3,034	\$ 1,234	\$ 220,739	\$ 144,971	\$ 16,260	\$ 15,174	\$ 37,333	\$ -	\$ 3,215
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	8,384	-	-	33,111	20,891	-	2,170	-	-	-
Taxes receivable, net	8,392	1,476	-	76,072	55,815	2,395	7,349	1,932	-	405
Other receivables, net	163	-	7	642	405	-	42	-	-	-
Due from other Department funds	-	-	-	-	-	-	-	-	-	-
Total assets	67,303	4,510	1,241	330,564	222,082	18,655	24,735	39,265	-	3,620
LIABILITIES										
Intergovernmental payables	58,919	4,510	1,241	297,453	201,191	18,655	22,565	39,265	-	3,620
Obligations under securities lending of State Treasurer	8,384	-	-	33,111	20,891	-	2,170	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	67,303	4,510	1,241	330,564	222,082	18,655	24,735	39,265	-	3,620
NET POSITION										
Net position restricted for expendable purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

State of Illinois
Department of Revenue
Combining Statement
of Fiduciary Net Position -
Custodial Funds
June 30, 2024 (Expressed in Thousands)

	Metropolitan Pier & Expo. Auth. Trust 0337	Illinois Tourism Tax 0452	School Facility Occupation Tax 0498	Flood Prevention Occupation Tax 0558	Tax Suspense Trust 0583	STAR Bonds Revenue 0590	Metro East Park & Recreation 0717	Municipal Telecom 0719	RTA Sales Tax Trust 0812	Metro East Mass Transit District Tax 0841
ASSETS										
Cash equity in State Treasury	\$ 33,558	\$ 6,046	\$ 51,935	\$ 4,310	\$ 6,315	\$ 600	\$ 1,754	\$ 21,502	\$ 209,989	\$ 10,938
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	7,272	-	-	-	-	-	-	-	43,263	1,841
Taxes receivable, net	18,636	3,550	7,126	265	-	6	27	5,853	64,712	317
Other receivables, net	141	-	-	-	-	-	7	-	839	36
Due from other Department funds	-	-	-	-	-	-	-	-	50,177	-
Total assets	59,607	9,596	59,061	4,575	6,315	606	1,788	27,355	368,980	13,132
LIABILITIES										
Intergovernmental payables	52,335	9,596	59,061	4,575	-	606	1,788	27,355	325,717	11,291
Obligations under securities lending of State Treasurer	7,272	-	-	-	-	-	-	-	43,263	1,841
Other liabilities	-	-	-	-	6,315	-	-	-	-	-
Total liabilities	59,607	9,596	59,061	4,575	6,315	606	1,788	27,355	368,980	13,132
NET POSITION										
Net position restricted for expendable purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

State of Illinois
Department of Revenue
Combining Statement
of Fiduciary Net Position -
Custodial Funds
June 30, 2024 (Expressed in Thousands)

	Tennessee Valley Authority Local Trust 0861	Municipal Automobile Renting Tax 0868	County Automobile Renting Tax 0869	Local Cannabis Consumer Excise Tax Trust 0919	Local Government Aviation Trust 0939	Municipal Motor Fuel Tax 0967	Surety Bond 1151	Total
ASSETS								
Cash equity in State Treasury	\$ -	\$ 2,546	\$ 68	\$ 15,594	\$ 2,587	\$ 1,004	\$ -	\$ 861,070
Cash and cash equivalents	-	-	-	-	-	-	155	155
Securities lending collateral equity with State Treasurer	-	402	11	-	-	-	-	117,345
Taxes receivable, net	-	7	5	3,587	9	523	-	258,459
Other receivables, net	-	8	-	60	10	3	-	2,363
Due from other Department funds	-	-	-	-	-	-	-	50,177
Total assets	-	2,963	84	19,241	2,606	1,530	155	1,289,569
LIABILITIES								
Intergovernmental payables	-	2,561	73	19,241	2,606	1,530	-	1,165,754
Obligations under securities lending of State Treasurer	-	402	11	-	-	-	-	117,345
Other liabilities	-	-	-	-	-	-	-	6,315
Total liabilities	-	2,963	84	19,241	2,606	1,530	-	1,289,414
NET POSITION								
Net position restricted for expendable purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155	\$ 155

State of Illinois
Department of Revenue
Combining Statement of Changes
in Fiduciary Net Position -
Custodial Funds

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Non-Home Rule Municipal ROT 0088	Home Rule Municipal Soft Drink ROT 0097	Municipal Wireless Service Emergency 0125	Home Rule Municipal ROT 0138	Home Rule County ROT 0139	Business District ROT 0160	County Option Motor Fuel Tax 0190	County Public Safety ROT 0219	Sports Facility Tax Trust 0229	Private Vehicle Use Home Rule 0263
ADDITIONS										
Sales tax collections for other governments	\$ 225,098	\$ 14,546	\$ -	\$ 1,509,040	\$ 1,127,355	\$ 70,202	\$ -	\$ 173,114	\$ -	\$ -
Motor fuel tax collections for other governments	-	-	-	-	-	-	84,974	-	-	-
Public utility tax collections for other governments	-	-	-	-	-	-	-	-	-	-
Other tax collections for other governments	-	-	-	-	-	-	-	-	22,676	14,096
Fees collected for other governments	-	-	4,724	-	-	-	-	-	-	-
Interest and other investment income	1,947	-	68	9,253	5,212	-	477	-	-	-
Collateral deposits received	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total additions	227,045	14,546	4,792	1,518,293	1,132,567	70,202	85,451	173,114	22,676	14,096
DEDUCTIONS										
Payment of sales tax to other governments	227,045	14,546	-	1,518,293	1,132,567	70,202	-	173,114	-	-
Payment of motor fuel tax to other governments	-	-	-	-	-	-	85,451	-	-	-
Payment of public utility tax to other governments	-	-	-	-	-	-	-	-	-	-
Payment of other tax to other governments	-	-	-	-	-	-	-	-	22,676	14,096
Payment of fees to other governments	-	-	4,792	-	-	-	-	-	-	-
Collateral deposits returned	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total deductions	227,045	14,546	4,792	1,518,293	1,132,567	70,202	85,451	173,114	22,676	14,096
Change in net position	-	-	-	-	-	-	-	-	-	-
Net position, July 1, 2023	-	-	-	-	-	-	-	-	-	-
NET POSITION, JUNE 30, 2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

State of Illinois
Department of Revenue
Combining Statement of Changes
in Fiduciary Net Position -
Custodial Funds

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Metropolitan Pier & Expo. Auth. Trust 0337	Illinois Tourism Tax 0452	School Facility Occupation Tax 0498	Flood Prevention Occupation Tax 0558	Tax Suspense Trust 0583	STAR Bonds Revenue 0590	Metro East Park & Recreation 0717	Municipal Telecom 0719	RTA Sales Tax Trust 0812	Metro East Mass Transit District Tax 0841
ADDITIONS										
Sales tax collections for other governments	\$ 103,862	\$ -	\$ 229,540	\$ 17,640	\$ -	\$ 1,205	\$ 6,725	\$ -	\$ -	\$ -
Motor fuel tax collections for other governments	-	-	-	-	-	-	-	-	-	-
Public utility tax collections for other governments	-	-	-	-	-	-	-	113,722	-	-
Other tax collections for other governments	72,900	28,632	-	-	-	-	-	-	1,773,569	43,530
Fees collected for other governments	-	-	-	-	-	-	-	-	-	-
Interest and other investment income	838	-	-	-	-	-	81	-	11,034	413
Collateral deposits received	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	230	-	-	-	-	-
Total additions	177,600	28,632	229,540	17,640	230	1,205	6,806	113,722	1,784,603	43,943
DEDUCTIONS										
Payment of sales tax to other governments	105,006	-	229,540	17,640	-	1,205	6,806	-	-	-
Payment of motor fuel tax to other governments	-	-	-	-	-	-	-	-	-	-
Payment of public utility tax to other governments	-	-	-	-	-	-	-	113,722	-	-
Payment of other tax to other governments	72,594	28,632	-	-	-	-	-	-	1,784,603	43,943
Payment of fees to other governments	-	-	-	-	-	-	-	-	-	-
Collateral deposits returned	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	230	-	-	-	-	-
Total deductions	177,600	28,632	229,540	17,640	230	1,205	6,806	113,722	1,784,603	43,943
Change in net position	-	-	-	-	-	-	-	-	-	-
Net position, July 1, 2023	-	-	-	-	-	-	-	-	-	-
NET POSITION, JUNE 30, 2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

State of Illinois
Department of Revenue
Combining Statement of Changes
in Fiduciary Net Position -
Custodial Funds

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Tennessee Valley Authority Local Trust 0861	Municipal Automobile Renting Tax 0868	County Automobile Renting Tax 0869	Local Cannabis Consumer Excise Tax Trust 0919	Local Government Aviation Trust 0939	Municipal Motor Fuel Tax 0967	Surety Bond 1151	Total
ADDITIONS								
Sales tax collections for other governments	\$ -	\$ 8,217	\$ 230	\$ -	\$ 8,597	\$ -	\$ -	\$ 3,495,371
Motor fuel tax collections for other governments	-	-	-	-	-	5,320	-	90,294
Public utility tax collections for other governments	-	-	-	-	-	-	-	113,722
Other tax collections for other governments	-	-	-	75,525	-	-	-	2,030,928
Fees collected for other governments	-	-	-	-	-	-	-	4,724
Interest and other investment income	-	88	2	719	126	34	-	30,292
Collateral deposits received	-	-	-	-	-	-	3	3
Other	251	-	-	-	-	-	-	481
Total additions	251	8,305	232	76,244	8,723	5,354	3	5,765,815
DEDUCTIONS								
Payment of sales tax to other governments	-	8,305	232	-	8,723	-	-	3,513,224
Payment of motor fuel tax to other governments	-	-	-	-	-	5,354	-	90,805
Payment of public utility tax to other governments	-	-	-	-	-	-	-	113,722
Payment of other tax to other governments	-	-	-	76,244	-	-	-	2,042,788
Payment of fees to other governments	-	-	-	-	-	-	-	4,792
Collateral deposits returned	-	-	-	-	-	-	12	12
Other	251	-	-	-	-	-	-	481
Total deductions	251	8,305	232	76,244	8,723	5,354	12	5,765,824
Change in net position	-	-	-	-	-	-	(9)	(9)
Net position, July 1, 2023	-	-	-	-	-	-	164	164
NET POSITION, JUNE 30, 2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155	\$ 155

**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**

Independent Auditor's Report

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the 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, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Department of Revenue (Department) of the State of Illinois, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Department's financial statements and have issued our report thereon dated June 17, 2025. Our report included the following Emphasis of Matter "As discussed in Note 2, the financial statements of the Department are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2024, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. As discussed in Note 17, the Department reported a restatement of operating net position for the General Fund (an increase of \$130.0 million), Non-Major Governmental Funds (a decrease of \$251.1 million) and Governmental Activities (a decrease of \$121.1 million) pursuant to Public Act 103-0008. Our opinions are not modified with respect to these matters."

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
June 17, 2025

**State of Illinois
Department of Revenue
Schedule of Findings
For the Year Ended June 30, 2024**

Prior Findings Not Repeated

A. Finding: Inadequate Controls over Service Providers

During the prior audit, the Department had not implemented adequate controls over its service providers.

During the current audit, we noted the Department implemented control policies to track, monitor and analyze service providers and the control processes in place at their service providers. Current year audit procedures over the Department's processes and controls to evaluate their service providers yielded no significant issues. (Finding Code No. 2023-001, 2022-003)