

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

FINANCIAL AUDIT
Year Ended June 30, 2005

COMPLIANCE EXAMINATION
Two Years Ended June 30, 2005

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

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

FINANCIAL AUDIT
Year Ended June 30, 2005

COMPLIANCE EXAMINATION
Two Years Ended June 30, 2005

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STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SECRETARY OF STATE OFFICIALS

Secretary of State	Honorable Jesse White
Deputy Secretary of State and Chief of Staff	Thomas N. Benigno
Chief Auditor	Al DiSilvestro
General Counsel	Irene Lyons
Inspector General	Jim Burns
Accounting Revenue, Director	Carl Forn
Administrative Hearings, Director	Allen Mitzenmacher
Budget and Fiscal Management, Director	Carol Lampard
Business Services, Director	Kenneth Buzbee
Communications, Director	Bob Yadgir
Court of Claims, Director	Deloris Martin
Driver Services, Downstate Director	Michael J. Mayer
Driver Services, Metro Director	Gary Lazzarini
Illinois State Archives, Director	John Daly
Illinois State Library, Director	Jean Wilkins
Index, Director	Jacqueline Price
Information Technology, Director	Ken Durbin
Intergovernmental Affairs, Director	Jill Zwick
Legislative Affairs, Director	Dale Swinford
Personnel, Director (acting)	Susan Prevost
Physical Services, Director	Cecil L. Turner
Police, Director	Brad Demuzio
Programs and Policies, Director	Terri Coombes
Securities, Director	Tanya Solov
Senior & Community Services, Director	Mary Lou Kearns
Vehicle Services, Director	Ernie Dannenberger
Merit Commission, Director	Raymond Watson

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



OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

STATE COMPLIANCE EXAMINATION

MANAGEMENT ASSERTION LETTER

Sikich Gardner & Co, LLP
1000 Churchill Rd.
Springfield, IL 62702

November 10, 2005

Gentlemen:

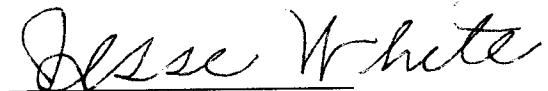
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Office. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Office's compliance with the following assertions during the two-year period ended June 30, 2005. Based on this evaluation, we assert that during the year(s) ended June 30, 2004 and June 30, 2005, the Office has materially complied with the assertions below.

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

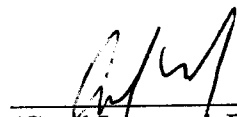
E. The money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

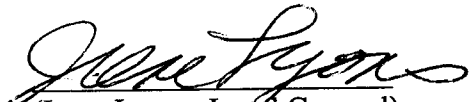
State of Illinois, Office of the Secretary of State



(Jesse White, Secretary of State)



(Carol Lampard, Fiscal Officer)



(Irene Lyons, Legal Counsel)

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

COMPLIANCE REPORT

SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	9	9
Repeated findings	3	5
Prior recommendations implemented or not repeated	6	9

Details of findings are presented in a separately tabbed report section.

SUMMARY OF FINDINGS

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
05-1	12	Time sheets not maintained in compliance with the State Officials and Employees Ethics Act
05-2	13	State vehicles assigned to employees without a documented business purpose
05-3	15	Inadequate procedures regarding State vehicles
05-4	19	Inadequate control of cash at Drivers License Facilities

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
05-5	21	Year end carryover of postage
05-6	22	Failure to adopt rules for the Inspector General in compliance with the Secretary of State Act
05-7	23	Maintenance of locally held fund without statutory authority – Antique Vehicle Show Fund
05-8	25	Inadequate security administration function
05-9	27	Change control weaknesses

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
05-10	29	Certificate of deposit in excess of FDIC coverage
05-11	29	Noncompliance with Fiscal Control and Internal Auditing Act
05-12	29	Lack of Internal Audit review of major information system changes
05-13	30	Untimely approval of invoice vouchers
05-14	30	Failure to approve out of state travel in advance
05-15	30	Telephone calling cards not canceled on a timely basis

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Office personnel at an exit conference on February 8, 2006. Those in attendance were:

OFFICE OF THE SECRETARY OF STATE

Terri Coombes, Deputy Chief of Staff, Director of Programs and Policies
Al DiSilvestro, Chief Auditor
Carol Lampard, Director, Budget and Fiscal Management
Ken Durbin, Director, Information Technology
Jeff Carter, Data Systems Administrator
Stell Mallios, Chief Deputy Director, Internal Audit
Leo Louchious, Senior Policy Advisor
Daniel Murphy, Internal Audit - Auditor

OFFICE OF THE AUDITOR GENERAL

Gayla Rudd, Audit Manager
Joe Gudgel, IS Audit Manager

SIKICH, LLP

Nick Appelbaum, Partner
Amy L. Sherwood, Manager

Responses to the recommendations were provided by Al DiSilvestro, Chief Auditor, in a letter dated February 8, 2006.



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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Office of the Secretary of State's (the Office) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2005. The management of the Office is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2005. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 05-1, 05-6, and 05-7.

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

Internal Control

The management of the Office is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the Office's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 05-2, 05-3, 05-4, 05-5, 05-8, and 05-9.

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

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office as of and for the year ended June 30, 2005, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated November 10, 2005. The accompanying supplementary information, as listed in the table of contents as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Office. The 2005 Supplementary Information for State Compliance Purposes, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2005, taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States, the Office's basic financial statements for the years ended June 30, 2004 and 2003. In our reports dated November 10, 2004 and November 24, 2003, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. In our opinion, the 2004 and 2003 Supplementary Information for State Compliance Purposes, except for the portion marked "unaudited" is fairly stated in all material respects in relation to the basic financial statements for the years ended June 30, 2004 and 2003 taken as a whole.

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

Schick LLP

Springfield, Illinois
November 10, 2005



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Office of the Secretary of State (the Office), as of and for the year ended June 30, 2005, which collectively comprise the Office's basic financial statements and have issued our report thereon dated November 10, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain deficiencies in the design or operation of internal control over financial reporting which do not meet the criteria for reporting herein and which are reported as State compliance findings in the schedule of findings. We also noted certain immaterial instances of internal control deficiencies, which we have reported to management of the Office in a separate letter dated November 10, 2005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which are reported as State compliance findings in the schedule of findings. We also noted certain other matters which we have reported to management of the Office in a separate letter dated November 10, 2005.

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

Atchick LLP

Springfield, Illinois
November 10, 2005

05-1 FINDING: (Time sheets not maintained in compliance with the State Officials and Employees Ethics Act)

The Secretary of State does not maintain time sheets for its employees in compliance with the State Officials and Employees Ethics Act (Act).

We noted Secretary of State employees did not maintain time sheets in compliance with the Act. Employees' time is tracked using a "negative" timekeeping system whereby the employee is assumed to be working unless otherwise noted. An original year-to-date attendance form is maintained for each employee. This form is updated by an attendance clerk only when an employee takes any type of leave.

The Act (5 ILCS 430/5-5(c)) requires each State employee to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour.

The Secretary of State's legal counsel stated that when the Act was implemented, the Office felt its present system satisfied the nature of the statute. The Office currently requires employees and the division supervisors to sign year-to-date attendance forms acknowledging their accuracy and exercises significant controls governing employee requests for leave. In addition, Office personnel noted they received no other guidance or instructions on how to appropriately implement the Act and were unaware its timekeeping system was not compliance with the Act.

By not maintaining appropriate time sheets, the Secretary of State is not in compliance with the Act. (Finding Code No. 05-1)

RECOMMENDATION:

We recommend the Secretary of State amend its policies to require employees to maintain time sheets documenting the time spent each day of official State business to the nearest quarter hour as required by the Act.

SECRETARY OF STATE RESPONSE:

Accepted. The Secretary of State understands the interpretation of the auditors with respect to the State Officials and Employees Ethics Act and the section discussing maintenance of time records. The Office will endeavor to meet the recommendations of the auditors with respect to the maintenance of time sheets by employees by establishing internal controls to monitor timekeeping and attendance.

05-2 FINDING: (State vehicles assigned to employees without a documented business purpose)

Secretary of State employees have been assigned State vehicles without documentation of a business need for the vehicles.

As of June 2005, 62 State vehicles were personally assigned to Office employees (excluding Secretary of State Police). However, the Office did not have documentation on file providing justification for the business purpose of personally assigning 59 of these vehicles.

According to the Secretary of State Physical Services Department Support Services Division/Property Control Unit Vehicle Operators Rules Manual, "Authorization for individual assignment of vehicles is to be granted only if one or more of the following conditions are met:

- A. The vehicle is specially equipped to perform law enforcement services and the law enforcement employee is on call 24 hours a day.
- B. The employees' work assignment requires traveling to numerous locations over a considerable territory with infrequent stops at the employee's headquarters.
- C. When the employee is regularly subject to special or emergency calls from his/her residence during non-duty hours.
- D. When it is in the best interest of the Secretary of the State."

However, we noted the Secretary of State did not document whether employees assigned a vehicle met any of the above criteria.

Secretary of State personnel stated the Office undertook a comprehensive review of personally assigned vehicles during fiscal year 2004. The review resulted in a reduction and redistribution of personally assigned vehicles. As of our fieldwork, the Office was still implementing its new controls, which included the use of a Personally Assigned Vehicle form, and the paperwork identifying the business purpose of the assignments was not current.

Good internal control procedures would require the documentation of a business need for these vehicles to ensure the prudent use of State resources. (Finding Code No. 05-2, 03-1)

RECOMMENDATION:

We recommend the Secretary of State require documentation justifying the business need of assigning a State vehicle to any Office employee using its Personally Assigned Vehicle form.

In addition, the Office should review its assignment of State vehicles no less than annually to ensure that all employees who have been personally assigned State vehicles continue to have an adequate business purpose for using that vehicle, and document this review.

SECRETARY OF STATE RESPONSE:

Implemented. The Office has completed and approved a Personally Assigned Vehicle Information Form for each vehicle that has been personally assigned to an employee (excluding Secretary of State Police). The form includes a documented business purpose to be completed by the employee's supervisor, and approved by the employee, his/her supervisor, and the Department Director.

Rules have been adopted requiring employees with a personally assigned vehicle to file an updated form on an annual basis. The Office has currently implemented an annual review of vehicle assignments.

05-3 FINDING: (Inadequate procedures regarding State vehicles)

The Secretary of State did not have adequate procedures over its State vehicles. We noted accidents involving State vehicles were not reported in a timely manner, receipts supporting gasoline usage were not maintained, employees were driving motor pool vehicles for extended periods and not reporting commuting mileage, and personally assigned vehicles were not promptly reported to the Office's Payroll Department so the value of the commuting fringe benefit could be added into the employees' income.

Specific problems noted were as follows:

- During our review of accidents involving State owned vehicles, we tested 10 of 35 accidents reported during the audit period and noted 5 of 10 accidents selected for testing were not reported to the Department of Central Management Services (DCMS) on a timely basis. The DCMS "Vehicle Guide" states that accident reports are "to be submitted to (DCMS) Risk Management no later than seven calendar days following the accident. As outlined by the state's insurance plan, the driver risks forfeiture of coverage for failure to properly and timely report a motor vehicle accident within seven days." We noted the reports were submitted between 5 to 532 days late.

Secretary of State management stated in 4 of the 5 instances, the accident was a hit and run, whereby another vehicle hit a parked Office vehicle. The previous employee who submitted accident reports to DCMS did not report accidents of this nature. The current Vehicle Coordinator noted these accidents had not been filed, and submitted them to DCMS. The other accident was 5 days late and was attributed to the driver's misunderstanding of the documentation necessary to submit an accident report.

When accident reports are not submitted in a timely manner, facts of the accident may become clouded and it is more difficult to follow up on any possible liability to the State of Illinois. Furthermore, failure to report accidents to DCMS in a timely manner may result in the forfeiture of State insurance coverage leaving the employee totally and solely financially liable for all damages incurred.

- Secretary of State employees assigned State vehicles were not properly completing monthly Automotive Cost Reports and not providing receipts supporting their gasoline usage. We reviewed two Monthly Automotive Cost Reports for a sample of 25 employees assigned State vehicles. We noted 2 of the 25 employees submitted reports that had missing gas receipts, 4 employees submitted reports with missing information (miles driven for the month) and one employee did not submit a report for either month.

A directive from the Office's Director of Physical Services requires that Monthly Automotive Cost Reports be completed and submitted with all supporting documentation to the Office's Department of Physical Services by the 7th of the following month. Failure to complete the required documentation indicates a lack of responsibility by the employee and without this support, misuse of the State vehicle, including improper gas purchases, would be easier to perpetrate.

- Six Chicago motor pool vehicles were used by Secretary of State employees consecutively from 1 to 5 months without adjustment of the employees' wages for the value of the personal use of those vehicles. As a result, the six employees had not filed a "Personal Use of State Vehicle" form. This form is used to calculate the personal use income to be included in the employee's gross wages in accordance with Internal Revenue Regulation 1.61-21 "Taxation of Fringe Benefits". Without a properly completed "Personal Use of State Vehicle" form, the Secretary of State is unable to compute an appropriate gross income upon which to base withholding and results in the employees not paying taxes on the additional benefit they derive from using a State vehicle.

The motor pool was maintained for the general use of employees who have not been personally assigned vehicles but are required to travel for business purposes. Office personnel stated these individuals were assigned motor pool vehicles as their own personal vehicles were being repaired. Due to a lack of documentation, we were unable to determine the amount of State and personal use of these vehicles. Motor pool vehicles should not be used as a substitute for an employee's personal vehicle.

- During our review of 25 vehicle assignments, we noted 6 instances (24%) where the Office's Payroll Department was not notified on a timely basis of the personal use of the vehicle, and thus not including the value of the fringe benefit in the employee's income. The delay in notifying Payroll ranged from 28 to 287 days following the personal assignment of the vehicles to the employees.

Office personnel stated the delay was caused by breakdown of communication between the department directors and the Payroll Department. Good business practice requires the Payroll Department to be notified during the pay period in which the employee is assigned a car. Failure to notify Payroll in a timely manner requires a retroactive adjustment be made to the Office's payroll to add the value of the fringe benefit into the employees' income. (Finding Code No. 05-3, 03-2)

RECOMMENDATION:

We recommend the Secretary of State strengthen its controls regarding State vehicles as follows:

- Communicate the requirement to file accident reports in a timely manner to those employees whose jobs involve travel. We also recommend the Vehicle Coordinator monitor the submission of accident reports to ensure the DCMS requirements are being followed.
- Enforce the requirement that employees file properly completed Monthly Automotive Cost Reports with all required documentation in a timely manner.
- Monitor the Chicago motor pool activity to ensure that motor pool vehicles are not treated as personally assigned vehicles without following the appropriate procedures.
- Implement controls to ensure the Payroll Department is immediately notified of all personally assigned vehicles.

SECRETARY OF STATE RESPONSE:

Implemented. The Secretary of State has established the Automotive Administration and Maintenance Department to coordinate, monitor and enforce policies and procedures pertaining to the use of Secretary of State vehicles. In December 2005, the Illinois Secretary of State's Motor Vehicle Policy Manual went into effect. This manual delineates the responsibilities that apply to the following entities: Automotive Administration and Maintenance Department, Secretary of State Departments (including the assignment and responsibilities of a motor vehicle coordinator within each Department), and all drivers of Secretary of State vehicles.

For personally assigned vehicles, drivers are required to submit monthly automotive cost reports with necessary backup documentation to their Department's motor vehicle coordinator by the fourth day of each month, who in turn must file the information with the administrator of the Automotive Administration and Maintenance Department by the seventh day of each month.

The Manual details all of the rules pertaining to Secretary of State vehicle usage, including rules for promptly submitting accident reports to DCMS, and all employees must certify by signature that they have read and understand the rules and responsibilities that apply. The recently established Automotive Administration and Maintenance Department, in conjunction with the motor vehicle coordinators within each Department, are responsible for monitoring compliance with applicable rules and procedures, including the Chicago motor pool activities.

Every Secretary of State employee is now required to complete and submit to the Automotive Administration and Maintenance Department a form signed by the employee's Department Director indicating the date(s) that he or she will be claiming "personal use" of a State vehicle. This form must be completed and submitted before the employee is allowed to take possession of the vehicle. The approved form is then promptly submitted to the Payroll Division to ensure compliance with IRS rules and regulations.

05-4 FINDING: (Inadequate control of cash at Drivers License Facilities)

The Secretary of State permits multiple employees to have access to the same cash drawers at the Drivers License Facilities (facilities).

During our fieldwork, we visited 4 of the Office's 138 facilities. We determined that multiple employees at these facilities could access the same cash drawers. We also interviewed personnel within Drivers and Vehicles Services and verified that the Office has not mandated individual assignment of cash drawers.

Secretary of State personnel indicated the excessive access to the cash drawers is a byproduct of the emphasis placed on prompt service and minimal customer wait time. By permitting employees to access more than one cash drawer, the Office is reducing the wait time that could occur when employees leave their terminals for any reason, thus permitting another employee to continue processing at the terminal without switching out the cash drawers and restarting the terminal.

Good business practice dictates that the Office maintain adequate control over the receipts processed at the facilities, which includes restricting the access to the cash drawers. A substantial portion of receipts is collected at the Drivers License Facilities. Although we did not identify specific cases where receipts were stolen, failure to restrict access to the cash drawers produces an environment where the potential for loss from fraud or theft is enhanced and hinders the resolution of potential discrepancies between facility sales and the related receipts. (Finding Code No. 05-4)

RECOMMENDATION:

We recommend the Secretary of State ensure that each employee utilizes an individual cash drawer and not be permitted to access the drawer of other employees. At the end of the employee's shift, the contents of the drawer should be reconciled by the employee and the facility manager, or designee, to ensure its contents are complete.

SECRETARY OF STATE RESPONSE:

Accepted. The Secretary of State Driver Services Department formed a Field Services Committee to draft cash accountability procedures. As a result of this committee the Cash Accountability procedures were implemented in 2004. Incorporated within these procedures are cash flow controls, managerial oversight procedures and report forms for auditing purposes.

The procedures adopted contain provisions to ensure that, when feasible, employees will be individually assigned to cash drawers and will reconcile the contents of the drawer with the facility manager, or designee, at the end of each shift. When this is not feasible, the procedures include other safeguards to improve control of cash at Driver Services Facilities, including the following:

- Purchase and installation of lockable cash drawers as funds become available.
- Change funds increased to meet the needs of the facilities.
- Purchase and installation of security cameras in the cashier area as well as the accounting office as funds become available.
- The incorporation of an “Error Correction Screen” to limit “manual corrections” to daily work.

05-5 FINDING: (Year end carryover of postage)

During our review of postage usage, we noted the Secretary of State is requesting postage for their meters and postage warrants at the end of the fiscal year in excess of reasonably expected usage for the beginning of the next fiscal year.

At June 30, 2004, the Office had \$4,886,000 of postage on hand, consisting of \$3,118,000 of postage in meters and \$1,768,000 of uncashed postage warrants. Postage on hand was 47% of fiscal year 2004 postage expenditures, which totaled \$10,350,640. The postage warrants on hand at June 30, 2004 were not expended until the latter part of the lapse period or after lapse period. The lag time between the date the warrants were issued and the date they were paid ranged from 69 to 148 days.

At June 30, 2005, the Office had \$6,307,000 of postage on hand, consisting of \$5,956,000 of postage in meters and \$351,000 of uncashed postage warrants. Postage on hand was 74% of fiscal year 2005 postage expenditures, which totaled \$8,467,110.

The practice of expending remaining contractual services appropriations at the end of a fiscal year to accumulate postage circumvents the appropriation process by using prior year appropriations for current fiscal year costs.

Secretary of State personnel stated they historically purchase enough postage at year end to cover any lag time if there is a delay in signing the next year's appropriation bill. Postage on hand should be more closely analyzed to prevent an excessive carryover balance, to prevent holding uncashed postage warrants up to 148 days, and to more closely charge fiscal year postage costs to current year appropriations. (Finding Code No. 05-5, 03-6)

RECOMMENDATION:

We recommend the Secretary of State analyze postage needs for the beginning of the next fiscal year to determine a reasonable carryover balance and to match postage expenditures with the proper fiscal year.

SECRETARY OF STATE RESPONSE:

Accepted. The Secretary of State has adopted policies and procedures to enable an annual analysis of postage expenditures. The Office has already ended the practice of holding uncashed postage warrants, and will continue to improve on our other postage processes.

05-6 FINDING: (Failure to adopt rules for the Inspector General in compliance with the Secretary of State Act)

The Secretary of State did not adopt rules establishing minimum requirements for initiating, conducting, and completing investigations.

The Secretary of State Act (Act) (15 ILCS 305/14(f)) states, “The Inspector General must adopt rules, in accordance with the provisions of the Illinois Administrative Procedure Act, establishing minimum requirements for initiating, conducting, and completing investigations. The rules must establish criteria for determining, based upon the nature of the allegation, the appropriate method of investigation, which may include, but is not limited to, site visits, telephone contacts, personal interviews, or requests for written responses. The rules must also clarify how the Office of the Inspector General shall interact with other local, State, and federal law enforcement investigations.”

The Inspector General has adopted internal policies which include all of the above requirements. However, the policies have not been codified in accordance with the Illinois Administrative Procedure Act.

Inspector General personnel stated an employee, who recently separated from the Office, was working on the updating and codification of the rules. They further stated the Inspector General has assigned those duties to another individual who is working to complete the process.

Failure to adopt rules in accordance with the Illinois Administrative Procedure Act is in noncompliance with the Secretary of State Act. The codified rules are necessary to enforce and protect the work performed by the Office of the Inspector General. (Finding Code No. 05-6)

RECOMMENDATION:

We recommend the Secretary of State complete the update of the Inspector General rules and have them codified according to the Illinois Administrative Procedure Act.

SECRETARY OF STATE RESPONSE:

Accepted. The Secretary of State Inspector General’s office continues to update the rules to have them filed and codified in accordance with the Illinois Administrative Procedure Act.

05-7 FINDING: (Maintenance of locally held fund without statutory authority – Antique Vehicle Show Fund)

The Secretary of State operated a locally held bank account since 1974 without statutory authority.

During the fiscal year 2004 financial audit, we noted a locally held bank account that was used for the annual Secretary of State Antique Vehicle Show. This checking account is technically under the name “SOS Antique Vehicle Show Committee,” a committee of 21 volunteers. Secretary of State management stated the Show has been held every year since 1949, with the checking account being established in 1974. The Committee has its own taxpayer identification number and uses the fund to pay for trophies, plaques, special-event temporary license plates, and other commodities related to the Show.

Even though the account is technically in the name of the “Committee”, the control of and spending authority for the account lies with Secretary of State employees, whose salaries are paid from State funds. Additionally, some State funds are spent to print fliers or brochures for the Show. Management acknowledged that this account should be established in the Comptroller’s system as a locally held fund to increase accountability for the account.

During fiscal year 2005, the Secretary of State submitted a request to the Comptroller to establish the account as a locally held fund. Recently, the Secretary of State received verbal confirmation from the Comptroller’s Office that they will not allow the Secretary of State to establish the account as a locally held fund, on the basis that the Secretary of State lacks statutory authority to operate such a fund.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2a.2) states, “No officer or employee of this State shall create or maintain or participate in a trust fund or bank or savings and loan association deposit of any money received by him by virtue of his office or employment except as provided by law.”

Secretary of State management stated they will now attempt to seek legislative authority for the Fund.

The Fund expended \$12,265 and \$11,035 during fiscal years 2004 and 2005, respectively, and had a balance of \$3,508 at June 30, 2005. (Finding Code No. 05-7)

RECOMMENDATION:

We recommend the Secretary of State seek legislative authority to maintain the Antique Vehicle Show Fund. If authorized, we recommend the Office comply with the directives as specified in the law and Comptroller’s Office instructions with respect to reporting and recording the fund activities.

SECRETARY OF STATE RESPONSE:

Accepted. Senate Bill 2252 has been introduced that would authorize the Secretary of State “to create a fund outside the State Treasury, to be known as the Secretary of State Antique Vehicle Show Fund.” If passed, the Comptroller’s Office will formally establish the Fund as a locally held fund under the custody of the Secretary of State. Additionally, the Office has already begun to comply with Comptroller’s Office instructions with respect to reporting and recording the fund activities. This is evidenced by the submission of various financial reports to the Comptroller’s Office for fiscal year 2005 regarding the Antique Vehicle Show Fund.

The Secretary of State will track the progress of the pending legislation and appropriate actions will be taken as needed.

05-8 FINDING: (Inadequate security administration function)

The Office did not have an adequate computer security administration function.

The Office had approximately 140 full time positions supporting a mainframe and a network of some 2,300 PCs.

During our review of the Office's computer security administration procedures, we noted the following weaknesses:

- Non-Independent Security Framework - The Security Administrator was not independent, performed non-security related duties, and did not report directly to the Director of the Department of Information Technology.
- Outdated Security Policies and Procedures - Over the past decade, the Office's technology infrastructure had changed significantly. However, we found the Security Administrator had not ensured all security policies had been updated to reflect the current environment. Many of its present technical policies were dated 1994.
- Non-Enforced Compliance - The Security Administrator did not oversee all security aspects of the Office's environment. For example, the Office did not have formal written security software or LAN administration policies and procedures. We also found the Security Administrator did not monitor overall compliance with established security policies and procedures. For example, our security review revealed the following deficiencies:
 - a) The Office's Security Policy dictated a minimum password length to be 6. However, we noted the settings within the security software and network operating system permitted a minimum password length of 5.
 - b) The Security Policy required inactive user IDs to be revoked after 31 days of non-use. However, we noted the network operating system default was set at 60 days.
 - c) The DoIT Policy for Secretary of State Computer/Data Users: LAN Registrations (Disabled/Deleted Accounts) stated that any account that has an inactivity period of 30 days will be disabled, and any account that remains disabled for a period of 60 days will be deleted unless prior arrangements have been made with the user's department. However, we noted that accounts were not disabled until after 60 days of non-use and were rarely deleted immediately after the 60-day period.

The Office had a significant investment and places great reliance in its technology infrastructure that is used to meet its overall mission. As such, the Office has an inherent responsibility to ensure security administration over its computer environment is adequately established and consistently enforced. Without adequate security administration and continuous monitoring, the possibility of unauthorized access and misuse of the Office's information systems and confidential or sensitive data could occur. Without proper monitoring of security controls, a greater risk exists that security violations will occur and go undetected.

Office personnel stated that these weaknesses occurred due to the experience level of current security personnel and other priorities. (Finding Code No. 05-8)

RECOMMENDATION:

We recommend the Office assess its security administration function and ensure it is adequate for safeguarding the Offices' computer systems and data resources.

In addition, we recommend the Office:

- Update its security and other technology-related policies to reflect the current operating environment, including the development of security software or LAN administration policies and procedures. Policies and procedures for administering access to computer resources, reviewing and monitoring of security software activities, and the processing and reporting of security violations should be established.
- Consider restructuring the Security Administrator position so that it reports directly to the Director of the Department of Information Technology. At a minimum, we recommend the Office ensure the Security Administrator oversees all security aspects of the Office's computing environment to enforce compliance with established security policies and procedures.

SECRETARY OF STATE RESPONSE:

Accepted. The Secretary of State has appointed a Security Administrator who reports directly to the Director of the Department of Information Technology. The Security Administrator is responsible for ensuring that the Security Administration function is adequate for safeguarding the Office's computer systems and data resources.

Included in this role, the Security Administrator shall ensure that all policies and procedures are reviewed and updated on a regular basis to reflect the current office environment and to ensure the Office complies with established security policies and procedures.

05-9 FINDING: (Change control weaknesses)

The Office did not always comply with its change control policies and procedures. It also did not ensure timely completion of all approved project requests.

The Office had established approximately 140 full-time positions supporting mainframe and network systems consisting of several critical, confidential or financially sensitive systems for use in meeting its overall mission. However, it failed to enforce compliance with its change control policies and procedures.

During our review, we tested 25 Project Initialization Requests (PIRs) and noted the following weaknesses:

1. The Version Change Form, which is utilized to document the movement of the change into production, was not available for 4 PIRs (16%).
2. Testing documentation was not available for 5 PIRs (20%). Office personnel stated that testing documentation is not consistently maintained.
3. Not all PIRs were properly completed. For example, we noted:
 - The type of request (i.e. new system, modification, feasibility, or maintenance) was not always specified;
 - The requestor's signature was not always provided; and,
 - The date the request was to be completed was not always included.

In addition, we noted that Information Technology projects were not always completed in a timely manner. At the time of our review, 151 project requests, approved between 1996 and 2005, had not been completed.

The Office should ensure compliance with its change control procedures to ensure all modifications to existing system are adequately authorized, tested, and documented. In addition, all project requests should be monitored and completed within a reasonable timeframe.

Failure to consistently maintain adequate documentation could reduce the effectiveness of the Office's change control policies and procedures, and result in unauthorized changes that could impact the integrity of the Offices' computer programs and data. Failure to complete the PIRs in a timely manner can hinder the Office's ability to meet its federal and State mandated duties, and affect its ability to deliver timely services to the public.

Office personnel indicated a lack of manpower caused by the number of personnel that took advantage of the State's early retirement incentives, and the inability to replace those employees due to budget constraints, hindered the Office's ability to ensure compliance with existing change control procedures and to complete outstanding PIRs in a timely manner. (Finding Code No. 05-9)

RECOMMENDATION:

We recommend the Office enforce compliance with its change control policies and procedures. As such, the Office should ensure all changes have been appropriately authorized, tested, and consistently documented.

We also recommend the Office re-evaluate its outstanding PIRs and determine which requests are still needed. PIRs no longer needed should be canceled, while all other outstanding PIRs should be prioritized based on purpose of need and availability of resources in an effort to complete needed requests.

SECRETARY OF STATE RESPONSE:

Accepted. The Secretary of State is developing a software application to standardize the change control process. This program will require proper documentation and authorization of all change requests, and will track the status of all PIRs and related documentation to ensure that all changes are appropriately authorized, tested, and consistently documented. This program will also be used to help prioritize PIRs based on the purpose of need and availability of resources.

PRIOR FINDINGS NOT REPEATED
(STATE COMPLIANCE)

05-10 Prior Finding – Certificate of deposit in excess of FDIC coverage

The prior audit noted the Secretary of State accepted a certificate of deposit with a balance that exceeded the \$100,000 Federal Deposit Insurance Corporation (FDIC) coverage.

During the current examination, we reviewed the listing of certificates of deposit in the Go-Back Fund as of June 30, 2005. Our testing did not disclose any certificates exceeding the \$100,000 threshold. The Secretary of State has implemented controls to ensure that only surety bonds or certificates of deposit that are fully collateralized or insured are accepted. (Finding Code No. 03-3, 01-2)

05-11 Prior Finding – Noncompliance with Fiscal Control and Internal Auditing Act

The prior audit noted the Secretary of State did not comply with the Fiscal Control and Internal Auditing Act (FCIAA) by failing to perform audits of grants received or made by the Secretary of State during the audit period and not filing the FCIAA Certification with the Office of the Auditor General for fiscal years 2002 and 2003 in a timely manner.

During the current examination, our testing did not disclose any instances where Internal Audit failed to perform audits of grants received or made and filed their FCIAA Certification with the Office of the Auditor General by the May 1 deadline of each year. (Finding Code No. 03-4)

05-12 Prior Finding – Lack of Internal Audit review of major information system changes

The prior audit noted Internal Audit actively participated in the review of only one of the six major development projects completed during fiscal year 2002 and 2003.

During the current examination, our testing revealed that Internal Audit reviewed all 3 major system modifications performed during the examination period and fulfilled its responsibilities as outlined in the Fiscal Control and Internal Auditing Act (30 ILCS 10/2003). (Finding Code No. 03-5, 01-6, 99-6)

05-13 Prior Finding – Untimely approval of invoice vouchers

The prior audit noted the Secretary of State did not approve or deny invoice vouchers within thirty days and did not calculate interest on late payments to vendors as required by State Rules.

During the current examination, we noted the invoices tested were approved within 30 days of the receipt of a proper bill from the vendor. (Finding 03-7, 01-10, 99-3)

05-14 Prior Finding – Failure to approve out of state travel in advance

The prior audit noted the Secretary of State did not approve 4 of the 50 out of state travel vouchers tested prior to the travel taking place.

During the current examination, the vouchers tested for out of state travel were approved prior to the commencement of travel. (Finding Code 03-8, 01-11)

05-15 Prior Finding – Telephone calling cards not canceled on a timely basis

The prior audit noted the Secretary of State did not cancel telephone calling cards on a timely basis when an employee retires, transfers, or otherwise leaves the Office.

During the current examination, the Office implemented procedures to review telephone calling cards and cancel all cards that were currently not in use. (Finding Code No. 03-9, 01-14)

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying financial statements of the State of Illinois, Office of the Secretary of State was performed by Sikich, LLP as special assistants for the Auditor General.

Based on their audit, the auditors expressed an unqualified opinion on the Office of the Secretary of State's basic financial statements.



INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Office of the Secretary of State (the Office), as of and for the year ended June 30, 2005, which collectively comprise the Office's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Office's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the financial statements of the Office are intended to present the financial position and changes in financial position of only that portion of the governmental activities, each major fund, and the aggregate remaining fund information of the State that is attributable to the transactions of the Office. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2005, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Office, as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 2005 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

Schick LLP

Springfield, Illinois
November 10, 2005

State of Illinois

Office of the Secretary of State

Statement of Net Assets and Governmental Funds Balance Sheet

June 30, 2005 (Expressed in Thousands)

	General Fund	Road Fund	Motor Fuel Tax Fund 0012	State Construction Account 0902	Other Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Net Assets
ASSETS								
Unexpended appropriations	\$ 7,712	\$ 8,813	\$ -	\$ -	153	\$ 16,678	\$ -	\$ 16,678
Cash equity with State Treasurer	10,167	162,986	-	-	28,837	201,990	-	201,990
Cash and cash equivalents	-	80	-	-	-	80	-	80
Taxes receivable, net	1,476	-	-	-	-	1,476	-	1,476
Intergovernmental receivables, net	-	-	-	-	379	379	-	379
Other receivables, net	2,329	50,280	-	4,580	30	57,219	-	57,219
Due from other Office funds	27,374	-	-	74,460	6,708	108,542	(108,542)	-
Due from other State funds	7	-	-	-	175	182	-	182
Due from State of Illinois component units	2	-	-	-	-	2	-	2
Inventories	-	3,020	-	-	2,064	5,084	-	5,084
Prepaid expenses	-	-	-	-	-	-	6,342	6,342
Capital assets not being depreciated	-	-	-	-	-	-	6,679	6,679
Capital assets being depreciated, net	-	-	-	-	-	-	62,998	62,998
Total assets	\$ 49,067	\$225,179	\$ -	\$ 79,040	\$ 38,346	\$ 391,632	(32,523)	\$ 359,109
LIABILITIES								
Accounts payable and accrued liabilities	\$ 6,604	\$ 7,574	\$ -	\$ -	4,710	\$ 18,888	-	18,888
Intergovernmental payables	523	274	-	-	654	1,451	-	1,451
Due to other Office fiduciary funds	-	701	-	-	-	701	-	701
Due to other State fiduciary funds	673	752	-	-	6	1,431	-	1,431
Due to other Office funds	897	106,199	-	-	1,446	108,542	(108,542)	-
Due to other State funds	146	1,306	-	-	1,141	2,593	-	2,593
Due to State of Illinois component units	4	-	-	-	94	98	-	98
Unavailable revenue	-	-	-	-	5	5	(5)	-
Deferred revenue	-	-	-	-	546	546	-	546
Long-term obligations:								
Due within one year	-	-	-	-	-	-	17,871	17,871
Due subsequent to one year	-	-	-	-	-	-	2,584	2,584
Total liabilities	8,847	116,806	-	-	8,602	134,255	(88,092)	46,163
FUND BALANCES/NET ASSETS								
Reserved for:								
Encumbrances	-	-	-	-	13	13	(13)	-
Inventories	-	3,020	-	-	2,064	5,084	(5,084)	-
Unreserved:								
General fund	40,220	-	-	-	-	40,220	(40,220)	-
Special revenue funds	-	105,353	-	79,040	27,665	212,058	(212,058)	-
Debt service fund	-	-	-	-	2	2	(2)	-
Invested in capital assets, net of related debt	-	-	-	-	-	-	68,812	68,812
Unrestricted net assets	-	-	-	-	-	-	244,134	244,134
Total fund balances/net assets	40,220	108,373	-	79,040	29,744	257,377	\$ 55,569	\$ 312,946
Total liabilities and fund balances	\$ 49,067	\$225,179	\$ -	\$ 79,040	\$ 38,346	\$ 391,632	\$ -	\$ 391,632

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

State of Illinois
Office of the Secretary of State
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Assets
June 30, 2005
(Expressed in Thousands)

Total fund balances-governmental funds		\$	257,377
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			69,677
Prepaid expenses for governmental activities are current uses of financial resources for funds.			6,342
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.			5
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of:			
Compensated absences	(19,590)		
Capital lease obligations	(31)		
Installment purchase obligations	(834)		
			(20,455)
Net assets of governmental activities		\$	312,946

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

State of Illinois
Office of the Secretary of State
Statement of Activities and Governmental Revenues,
Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2005 (Expressed in Thousands)

	General Fund	Road Fund	Motor Fuel Tax Fund 0012	State Construction Account 0902	Other Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Activities
Expenditures/expenses:								
General government	\$144,752	\$129,734	\$ 440	\$ -	\$ 54,285	\$ 329,211	\$ 13,970	\$ 343,181
Debt service - principal	425	15	-	-	306	746	(746)	-
Debt service - interest	18	2	-	-	32	52	(11)	41
Capital outlays	1,828	287	-	-	2,123	4,238	(4,238)	-
Total expenditures/expenses	147,023	130,038	440	-	56,746	334,247	8,975	343,222
Program revenues:								
Charges for services:								
Licenses and fees	266,632	838,032	-	489,999	80,626	1,675,289	-	1,675,289
Other	31	-	-	-	46	77	-	77
Total charges for services	266,663	838,032	-	489,999	80,672	1,675,366	-	1,675,366
Operating grant revenue:								
Federal	-	-	-	-	9,145	9,145	(977)	8,168
Other	-	-	-	-	225	225	-	225
Total operating grant revenue	-	-	-	-	9,370	9,370	(977)	8,393
Net program revenues	119,640	707,994	(440)	489,999	33,296	1,350,489	(9,952)	1,340,537
General revenues:								
Interest and investment income	-	-	-	-	264	264	-	264
Other taxes	183,716	-	-	-	-	183,716	-	183,716
Other	-	37	-	-	79	116	-	116
Total general revenues	183,716	37	-	-	343	184,096	-	184,096
Other sources (uses):								
Appropriations from State resources	131,365	128,689	440	-	3,838	264,332	-	264,332
Reappropriation to future year(s)	-	-	-	-	(225)	(225)	-	(225)
Lapsed appropriations	(5,161)	(2,204)	-	-	(283)	(7,648)	-	(7,648)
Receipts collected and transmitted to State Treasury	(469,128)	(740,585)	-	(531,481)	(19,596)	(1,760,790)	-	(1,760,790)
Capital transfers from other State agencies	-	-	-	-	-	-	2,577	2,577
Amount of SAMS transfers-in	(1,603)	-	-	-	-	(1,603)	-	(1,603)
Amount of SAMS transfers-out	20,904	-	-	-	-	20,904	-	20,904
Capital lease and installment purchase financing	442	5	-	-	874	1,321	(1,321)	-
Transfers-in	531	-	-	-	-	531	(531)	-
Transfers-out	(2,853)	-	-	-	(35,363)	(38,216)	531	(37,685)
Total other sources (uses)	(325,503)	(614,095)	440	(531,481)	(50,755)	(1,521,394)	1,256	(1,520,138)
Change in fund balance/net assets	(22,147)	93,936	-	(41,482)	(17,116)	13,191	\$ (8,696)	4,495
Fund balance/net assets, July 1, 2004	62,367	14,437	-	120,522	46,860	244,186	-	308,451
Fund balance/net assets, June 30, 2005	\$ 40,220	\$108,373	\$ -	\$ 79,040	\$ 29,744	\$ 257,377	\$ -	\$ 312,946

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

State of Illinois
Office of the Secretary of State
Reconciliation of Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2005
(Expressed in Thousands)

Net change in fund balances	\$	13,191
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation in the current period exceeded capital outlays.		(10,358)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		746
Some capital additions were financed through capital leases. In governmental funds, capital lease arrangements are considered a source of financing, but in the Statement of Net Assets the lease obligation is reported as a liability.		(16)
Some capital additions were financed through installment purchase agreements. In governmental funds these installment purchase agreements are considered a source of financing, but in the Statement of Net Assets, the obligation is reported as a liability.		(1,305)
Some capital assets were transferred in from other State agencies and therefore, were received at no cost.		2,577
Proceeds from sales of capital assets are reported in the governmental funds. However, in the Statement of Activities, losses from the sale of capital assets are also reported. This is the amount the losses from the sale of capital assets exceeded proceeds.		(45)
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 decrease in unavailable revenue over the prior year.		(977)
Prepaid expenses in the Statement of Activities are not reported as expenses in governmental funds. This amount represents the increase in prepaid expenses over the prior year.		641
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Below are such activities:		
Decrease in compensated absences obligation		30
Decrease in accrued interest		11
		44
Change in net assets of governmental activities	\$	4,495

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

State of Illinois
Office of the Secretary of State
Statement of Fiduciary Net Assets
June 30, 2005 (Expressed in Thousands)

	<u>Agency Funds</u>
ASSETS	
Cash equity with State Treasurer	\$ 5,120
Cash and cash equivalents	193
Investments	2,214
Other receivables, net	24
Due from other Office funds	701
Total assets	<u>\$ 8,252</u>
LIABILITIES	
Other liabilities	\$ 8,252
Total liabilities	<u>\$ 8,252</u>

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

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

Notes to Financial Statements

June 30, 2005

(1) Organization

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

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

(2) Summary of Significant Accounting Policies

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

(a) Financial Reporting Entity

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

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

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

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

Notes to Financial Statements

June 30, 2005

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

(b) Basis of Presentation

The financial statements of the State of Illinois, Office of the Secretary of State, are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund of the State of Illinois, and the aggregate remaining fund information of the State of Illinois that is attributable to the transactions of the Office. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2005 and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

Road – This fund accounts for the activities of the State highway programs including highway maintenance and construction, traffic control and safety, and administering motor vehicle laws and regulations. Funding sources include federal aid, State motor fuel taxes and various license and fee charges. The Office’s portion of the Road Fund is composed of a primary sub-account (Road) and a secondary sub-account (Special Advance).

Motor Fuel Tax – This fund accounts for the activities for various transportation related program expenditures and the administrative cost of supervising the use of funds apportioned to municipalities, counties, and road districts. Funding sources include State fuel taxes and an allocation (transfer) of State sales tax collections from the General Fund.

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

Additionally, the Office administers the following fund types:

Governmental Funds:

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

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

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

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Notes to Financial Statements

June 30, 2005

Fiduciary Funds:

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

(c) Measurement Focus and Basis of Accounting

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, 1) principal and interest on formal debt issues, such as bonds and capital leases, are recorded only when payment is due and 2) compensated absences and claims and judgments are recorded when they are expected to be liquidated with expendable available financial resources. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

(d) Shared Fund Presentation

The financial statement presentation for the General Revenue Account and Common School Account of the General Fund and the Road Fund, Motor Fuel Tax Fund, Drivers Education Fund, General Obligation Bond Retirement and Interest Fund, Capital Development Fund, Build

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Illinois Bond Fund, General Assembly Computer Equipment Revolving Fund, Violence Prevention Fund, State College and University Trust Fund, University Grant Fund, Alternative Fuels Fund, Illinois Fire Fighters' Memorial Fund, Off Highway Vehicle Trails Fund, Future Teacher Corps Scholarship Fund, State Parking Facility Maintenance Fund, Cycle Rider Safety Training Fund, Vehicle Inspection Fund, and State Construction Account Fund represents only the portion of the shared fund that can be directly attributed to the operations of the Office. Financial statements for total fund operations of the shared State funds are presented in the State of Illinois' Comprehensive Annual Financial Report.

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

Unexpended Appropriations

This "asset" account represents lapse period warrants issued between July and 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

Reappropriations to Future Year(s)

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

Lapsed Appropriations

Lapsed appropriations are the legally adopted appropriations less net warrants issued 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.

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.

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Amount of SAMS Transfers-Out

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

(e) Eliminations

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

(f) Cash and Cash Equivalents

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

(g) Inventories

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

(h) Interfund Transactions

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

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

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

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

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

(i) Capital Assets

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

Capitalization thresholds and the estimated useful lives are as follows:

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

(j) Compensated Absences

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

Legislation that became effective January 1, 1998 capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue

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Notes to Financial Statements

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twelve sick days per year, but will not receive monetary compensation for any additional time earned after December 31, 1997. Sick days earned between 1984 and December 31, 1997 (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997 will be converted to service time for purposes of calculating employee pension benefits.

(k) Fund Balances

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

(l) Net Assets

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

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

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

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

(m) Use of Estimates

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

(n) New Accounting Pronouncements

Effective for the year ended June 30, 2005 the State adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, which amends GASB Statement No. 3 by modifying and eliminating certain risk disclosures related to deposits and investments. The statement also requires additional risk disclosures related to deposits and investments and descriptions of deposit and investment policies, if applicable, related to those risks. There was no significant impact on the Office's financial statements as a result of adopting this statement.

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(3) Deposits

(a) Deposits

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

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

(b) Investments

As of June 30, 2005, the Department had the following investments outside of the State Treasury:

	Fair Value (Thousands)	Weighted Average Maturity (Years)
<i>Fiduciary Funds</i>		
U.S. Treasury Notes	\$ 100	6.12

On the fiduciary statement of net assets, the Office has an additional amount of \$2.114 million in certificates of deposit which are recorded as investments since their maturity dates were greater than 90 days at the time of purchase.

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

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(4) Taxes Receivable

Taxes receivable (amounts expressed in thousands) at June 30, 2005 are as follows:

	General Fund
Taxes receivables:	
Other	\$ 1,476

(5) Interfund Balances and Activity

(a) Balances Due to/from Other Funds

The following balances (amounts expressed in thousands) at June 30, 2005 represent amounts due from other Office and State funds.

Fund	Due from		Description/Purpose
	Other Office Funds	Other State Funds	
General	\$ 27,374	\$ 7	Due from Road Fund based on statutory allocations of fee receipts and due from other Office nonmajor governmental funds for transfers of excess balances.
State Construction	74,460	-	Due from Road Fund based on statutory allocations of fee receipts.
Nonmajor governmental funds	6,708	175	Due from Road Fund based on statutory allocations of fee receipts.
Fiduciary	701	-	Due from Road Fund based on statutory allocations of fee receipts.
	\$ 109,243	\$ 182	

The following balances (amounts expressed in thousands) at June 30, 2005 represent amounts due to other Office and State of Illinois funds.

**STATE OF ILLINOIS
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<u>Fund</u>	<u>Due to</u>				<u>Description/Purpose</u>
	<u>Other Office Funds</u>	<u>Other State Funds</u>	<u>Other Office Fiduciary Funds</u>	<u>Other State Fiduciary Funds</u>	
General	\$ 897	\$ 146	\$ -	\$ 673	Due to Office nonmajor governmental funds for statutory allocations of fee receipts and to State internal service funds for purchases of services.
Road	106,199	1,306	701	752	Due to Office nonmajor governmental funds and other State nonmajor governmental funds for statutory allocations of fee receipts.
Nonmajor governmental funds	1,446	1,141	-	6	Due to General Fund for statutory transfer of excess balances, to State internal service funds for purchases of services and to other State nonmajor governmental funds for unexpended grant proceeds.
	<u>\$ 108,542</u>	<u>\$ 2,593</u>	<u>\$ 701</u>	<u>\$ 1,431</u>	

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(b) Transfers to/from Other Funds

Interfund transfers in (amounts expressed in thousands) for the year ended June 30, 2005, were as follows:

	Transfers in from		
Fund	Other Office Funds		Description/Purpose
General	\$	531	Transfer from Office nonmajor governmental funds for excess balances.
	\$	531	

Interfund transfers out (amounts expressed in thousands) for the year ended June 30, 2005, were as follows:

	Transfers out to			
Fund	Other Office Funds	Other State Funds		Description/Purpose
General	\$ -	\$ 2,853		Transfer to other State funds to assist State budget shortfalls.
Nonmajor governmental funds	531	34,832		Transfer to Office nonmajor governmental funds for excess balances and to other State funds to assist State budget shortfalls.
	\$ 531	\$ 37,685		

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Notes to Financial Statements

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

The following balances (amounts expressed in thousands) at June 30, 2005 represent amounts due from State of Illinois Component Units.

<u>Fund</u>	<u>Due from</u>	
	<u>General Fund</u>	<u>Description/Purpose</u>
Western Illinois University	\$ 2	Reimbursement for expenditure advancements.
	<u>\$ 2</u>	

The following balances (amounts expressed in thousands) at June 30, 2005 represent amounts due to State of Illinois Component Units.

<u>Component Unit</u>	<u>Due to</u>		<u>Description/Purpose</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
Illinois Toll Highway Authority	\$ 1	\$ -	Reimbursement for expenditures incurred for grant programs.
Chicago State University	-	10	Reimbursement for expenditures incurred for grant programs.
Northeastern Illinois University	1	-	Reimbursement for expenditures incurred for grant programs.
Illinois State University	-	8	Reimbursement for expenditures incurred for grant programs.
Northern Illinois University	1	1	Reimbursement for expenditures incurred for grant programs.
Southern Illinois University	1	6	Reimbursement for expenditures incurred for grant programs.
University of Illinois	-	69	Reimbursement for expenditures incurred for grant programs.
	<u>\$ 4</u>	<u>\$ 94</u>	

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Notes to Financial Statements

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(6) Capital Assets

Capital asset activity (amounts expressed in thousands) for the year ended June 30, 2005 was as follows:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Balance June 30, 2005</u>
Governmental activities:					
Capital assets not being depreciated:					
Land and land improvements	\$ 6,579	\$ -	\$ -	\$ -	\$ 6,579
Historical treasures & works of art	100	-	-	-	100
Total capital assets not being depreciated	<u>6,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,679</u>
Capital assets being depreciated:					
Buildings and building improvements	345,514	142	-	2,713	348,369
Equipment	60,844	4,080	1,954	158	63,128
Capital leases - equipment	102	16	69	-	49
Total capital assets being depreciated	<u>406,460</u>	<u>4,238</u>	<u>2,023</u>	<u>2,871</u>	<u>411,546</u>
Less accumulated depreciation:					
Buildings and building improvements	281,813	11,104	-	136	293,053
Equipment	53,759	3,482	1,923	158	55,476
Capital leases - equipment	64	10	55	-	19
Total accumulated depreciation	<u>335,636</u>	<u>14,596</u>	<u>1,978</u>	<u>294</u>	<u>348,548</u>
Total capital assets being depreciated, net	<u>70,824</u>	<u>(10,358)</u>	<u>45</u>	<u>2,577</u>	<u>62,998</u>
Governmental activity capital assets, net	<u>\$ 77,503</u>	<u>\$(10,358)</u>	<u>\$ 45</u>	<u>\$ 2,577</u>	<u>\$ 69,677</u>

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Depreciation expense for governmental activities (amounts expressed in thousands) for the year ended June 30, 2005 was charged as follows:

General government \$ 14,596

(7) Long-Term Obligations

(a) Changes in Long-Term Obligations

Changes in long-term obligations (amounts expressed in thousands) for the year ended June 30, 2005 were as follows:

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005	Amounts Due Within One Year
Governmental activities:					
Compensated absences	\$ 19,620	\$ 11,458	\$ 11,488	\$19,590	\$ 17,559
Capital lease obligations	41	16	26	31	12
Installment purchase obligations	249	1,305	720	834	300
Total governmental activities	\$ 19,910	\$ 12,779	\$ 12,234	\$20,455	\$ 17,871

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

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(b) Capital lease obligations

The Office leases certain office equipment with a historical cost and accumulated depreciation of \$49 and \$19, respectively, under capital lease arrangements. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered non-cancelable leases for financial reporting. Future minimum lease payments (amounts expressed in thousands) at June 30, 2005 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 12	\$ 2	\$ 14
2007	13	1	14
2008	6	-	6
	<u>\$ 31</u>	<u>\$ 3</u>	<u>\$ 34</u>

(c) Installment purchase obligations

The Office has acquired certain equipment through installment purchase arrangements. Future debt service requirements under installment purchase contracts (amounts expressed in thousands) at June 30, 2005, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 300	\$ 102	\$ 402
2007	344	58	402
2008	190	10	200
	<u>\$ 834</u>	<u>\$ 170</u>	<u>\$ 1,004</u>

(8) Pension Plan

Substantially all of the Office's full-time employees who are not eligible for participation in another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity. The SERS is a single-employer defined benefit public employee retirement system (PERS) in which State employees participate, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems. The financial position and results of operations of the SERS for fiscal year 2005 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2005.

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The SERS issues a separate CAFR that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois, 62794-9255.

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

The Office pays employer retirement contributions based upon an actuarially determined percentage of their payrolls. For fiscal year 2005, the employer contribution rate was 16.107%. Effective for pay periods beginning after December 31, 1991, the State opted to pay the employee portion of retirement for most State agencies (including the Office) with employees covered by the State Employees' and Teachers' Retirement Systems. However, effective with the fiscal year 2004 budget, the State opted to stop paying the portion or a part of the portion of retirement for many State agencies (including the Office) for certain classes of employees covered by the State Employees' and Teachers' Retirement Systems. The pickup, when applicable, is subject to sufficient annual appropriations and those employees covered may vary across employee groups and State agencies.

(9) Post-employment Benefits

The State provides health, dental, and life insurance benefits for certain retirees and their dependents. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health and dental benefits include basic benefits for annuitants under the State's self-insurance plan and insurance contracts currently in force. Life insurance benefits are limited to \$5,000 per annuitant age 60 and older. The total cost of health, dental, and life insurance benefits of all members, including post-employment health, dental, and life insurance benefits, is recognized as an expenditure for the State in the Illinois Comprehensive Annual Financial Report. The total costs incurred for health, dental, and life insurance benefits are not separated by Department for annuitants and their dependents nor active employees and their dependents.

(10) Fund Deficits

The Interagency Grant Fund, Library Services Fund and Vehicle Inspection Fund, nonmajor governmental funds had deficit fund balances (amounts expressed in thousands) of \$1, \$5, and \$1, respectively, at June 30, 2005. These deficits will be eliminated by future appropriations to the Office.

(11) Risk Management

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

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

Notes to Financial Statements

June 30, 2005

The Office's risk management activities for workers' compensation, self-insurance and unemployment insurance are financed through appropriations to the Illinois Department of Central Management Services and are accounted for in the General Fund of the State. The claims are not considered to be a liability of the Office; and accordingly, have not been reported in the Office's financial statements for the year ended June 30, 2005.

(12) Commitments and Contingencies

(a) Operating leases

The Office leases certain office facilities and equipment under the terms of noncancelable operating lease agreements that require the Office to make minimum lease payments plus pay a pro rata share of certain operating costs. Rent expense under operating leases (amount expressed in thousands) was \$13.329 for the year ended June 30, 2005.

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

<u>Year ending June 30,</u>	<u>Amount</u>
2006	\$ 7,685
2007	5,725
2008	4,585
2009	4,343
2010	3,019
2011-2015	<u>8,223</u>
	<u>\$ 33,580</u>

(b) Federal Funding

The Office receives federal grants which are subject to review and audit by federal grantor agencies. Certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At June 30, 2005, there were no material questioned costs that have not been resolved with the federal awarding agencies. However, questioned costs could still be identified during audits to be conducted in the future. Management of the Office believes there will be no material adjustments to the federal grants and, accordingly, has not recorded a provision for possible repayment.

(c) Litigation

The Office 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 Office.

State of Illinois
Office of the Secretary of State
Combining Schedule of Accounts
General Fund

June 30, 2005 (Expressed in Thousands)

	General Revenue 0001	Live and Learn 0026	Corporate Franchise Tax Refund 0380	Common School 0412	Eliminations	Total
ASSETS						
Unexpended appropriations	\$ 7,712	-	-	-	-	\$ 7,712
Cash equity with State Treasurer	8,908	256	1,003	-	-	10,167
Taxes receivable, net	1,476	-	-	-	-	1,476
Other receivables, net	2,329	-	-	-	-	2,329
Due from other Office funds	27,275	1,742	77	22	(1,742)	27,374
Due from other State funds	7	-	-	-	-	7
Due from State of Illinois component units	2	-	-	-	-	2
Total assets	\$ 47,709	\$ 1,998	\$ 1,080	\$ 22	\$ (1,742)	\$ 49,067

LIABILITIES						
Accounts payable and accrued liabilities	\$ 6,418	\$ 141	\$ 45	\$ -	\$ -	\$ 6,604
Intergovernmental payables	472	51	-	-	-	523
Due to other State fiduciary funds	673	-	-	-	-	673
Due to other Office funds	2,639	-	-	-	(1,742)	897
Due to other State funds	145	1	-	-	-	146
Due to State of Illinois component units	4	-	-	-	-	4
Total liabilities	10,351	193	45	-	(1,742)	8,847

FUND BALANCES (DEFICITS)						
Unreserved, undesignated	37,358	1,805	1,035	22	-	40,220
Total fund balances (deficits)	37,358	1,805	1,035	22	-	40,220
Total liabilities and fund balances (deficits)	\$ 47,709	\$ 1,998	\$ 1,080	\$ 22	\$ (1,742)	\$ 49,067

State of Illinois
Office of the Secretary of State
Combining Schedule of Revenues,
Expenditures and Changes in Fund Balance -
General Fund

For the Year Ended June 30, 2005 (Expressed in Thousands)

	General Revenue 0001	Live and Learn 0026	Corporate Franchise Tax Refund 0380	Common School 0412	Eliminations	Total
REVENUES						
Licenses and fees	\$ 266,272	-	-	360	-	\$ 266,632
Other charges for services	31	-	-	-	-	31
Other taxes	181,269	-	2,447	-	-	183,716
Total revenues	447,572	-	2,447	360	-	450,379
EXPENDITURES						
General government	124,318	20,434	-	-	-	144,752
Debt service - principal	425	-	-	-	-	425
Debt service - interest	18	-	-	-	-	18
Capital outlays	1,828	-	-	-	-	1,828
Total expenditures	126,589	20,434	-	-	-	147,023
Excess (deficiency) of revenues over (under) expenditures	320,983	(20,434)	2,447	360	-	303,356
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Appropriations from State resources	131,365	-	-	-	-	131,365
Lapsed appropriations	(5,161)	-	-	-	-	(5,161)
Receipts collected and transmitted to State Treasury	(468,734)	-	-	(394)	-	(469,128)
Amount of SAMS Transfers-in	(1,603)	-	-	-	-	(1,603)
Amount of SAMS Transfers-out	20,904	-	-	-	-	20,904
Capital lease and installment purchase financing	442	-	-	-	-	442
Transfers-in	531	20,904	-	-	(20,904)	531
Transfers-out	(20,904)	(1,097)	(1,756)	-	20,904	(2,853)
Net other sources (uses) of financial resources	(343,160)	19,807	(1,756)	(394)	-	(325,503)
Net change in fund balances	(22,177)	(627)	691	(34)	-	(22,147)
Fund balances (deficits), July 1, 2004	59,535	2,432	344	56	-	62,367
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 37,358	\$ 1,805	\$ 1,035	\$ 22	\$ -	\$ 40,220

State of Illinois
Office of the Secretary of State
Combining Schedule of Accounts -
Road Fund

June 30, 2005 (Expressed in Thousands)

	Road 0011	Special Advance 1198	Eliminations	Total
ASSETS				
Unexpended appropriations	8,813	-	-	8,813
Cash equity with State Treasurer	162,986	-	-	162,986
Cash and cash equivalents	71	9	-	80
Other receivables, net	50,280	-	-	50,280
Due from other Office funds	-	6	(6)	-
Inventories	3,020	-	-	3,020
Total assets	\$ 225,170	\$ 15	(\$ 6)	\$ 225,179
LIABILITIES				
Accounts payable and accrued liabilities	7,574	-	-	7,574
Intergovernmental payables	274	-	-	274
Due to other Office fiduciary funds	701	-	-	701
Due to other State fiduciary funds	752	-	-	752
Due to other Office funds	106,205	-	(6)	106,199
Due to other State funds	1,306	-	-	1,306
Due to State of Illinois component units	-	-	-	-
Total liabilities	116,812	-	(6)	116,806
FUND BALANCES (DEFICITS)				
Reserved for encumbrances	-	-	-	-
Reserved for inventories	3,020	-	-	3,020
Unreserved, undesignated	105,338	15	-	105,353
Total fund balances (deficits)	108,358	15	-	108,373
Total liabilities and fund balances (deficits)	\$ 225,170	\$ 15	(\$ 6)	\$ 225,179

State of Illinois

Office of the Secretary of State

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

For the Year Ended June 30, 2005 (Expressed in Thousands)

	Road 0011	Special Advance 1198	Total
REVENUES			
Licenses and fees	\$ 838,032	\$ -	\$ 838,032
Other	37	-	37
Total revenues	838,069	-	838,069
EXPENDITURES			
General government	129,734	-	129,734
Debt service - principal	15	-	15
Debt service - interest	2	-	2
Capital outlays	287	-	287
Total expenditures	130,038	-	130,038
Excess (deficiency) of revenues over (under) expenditures	708,031	-	708,031
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Appropriations from State resources	128,689	-	128,689
Lapsed appropriations	(2,204)	-	(2,204)
Receipts collected and transmitted to State Treasury	(740,585)	-	(740,585)
Capital lease and installment purchase financing	5	-	5
Net other sources (uses) of financial resources	(614,095)	-	(614,095)
Net change in fund balances	93,936	-	93,936
Fund balances (deficits), July 1, 2004	14,422	15	14,437
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 108,358	\$ 15	\$ 108,373

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2005 (Expressed in Thousands)

	Special Revenue							
	Drivers Education 0031	Lobbyist Registration Administration 0044	CDLIS/ AAMVA Net Trust 0109	General Assembly Computer Equipment Revolving 0155	Registered Limited Liability Partnership 0167	Secretary of State Federal Projects 0176		
ASSETS								
Unexpended appropriations	-	-	-	-	-	-	-	-
Cash equity with State Treasurer	-	209	305	-	411	-	131	-
Intergovernmental receivables, net	-	-	374	-	-	-	-	-
Other receivables, net	16	-	-	-	-	-	-	-
Due from other Office funds	1,170	11	281	5	17	-	38	-
Due from other State funds	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Total assets	\$ 1,186	\$ 220	\$ 960	\$ 5	\$ 428	\$ -	\$ 169	\$ -
LIABILITIES								
Accounts payable and accrued liabilities	-	12	315	-	-	-	-	96
Intergovernmental payables	-	1	-	-	-	-	-	-
Due to other State fiduciary funds	-	-	-	-	173	-	-	-
Due to other Office funds	-	-	-	-	-	-	-	-
Due to other State funds	-	5	-	-	-	-	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	55	-
Total liabilities	-	18	315	-	173	-	151	-
FUND BALANCES (DEFICITS)								
Reserved for encumbrances	-	-	-	-	-	-	-	-
Reserved for inventories	-	-	-	-	-	-	-	-
Unreserved, unrestricted	1,186	202	645	5	255	18	18	-
Total fund balances	1,186	202	645	5	255	18	169	-
Total liabilities and fund balances (deficits)	\$ 1,186	\$ 220	\$ 960	\$ 5	\$ 428	\$ -	\$ 169	\$ -

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2005 (Expressed in Thousands)

	Special Revenue					
	Violence Prevention 0184	Secretary of State Special License Plate 0185	Securities Investors Education 0292	Interagency Grant 0295	Family Financial Responsibility 0322	Motor Vehicle Review Board 0323
ASSETS						
Unexpended appropriations	-	-	-	-	-	-
Cash equity with State Treasurer	-	3,034	1,082	1,007	15	873
Intergovernmental receivables, net	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-
Due from other Office funds	65	629	4	-	-	7
Due from other State funds	-	-	-	175	-	-
Inventories	-	183	-	-	-	-
Total assets	\$ 65	\$ 3,846	\$ 1,086	\$ 1,182	\$ 15	\$ 880
LIABILITIES						
Accounts payable and accrued liabilities	-	183	116	603	-	27
Intergovernmental payables	-	2	-	2	-	1
Due to other State fiduciary funds	-	-	-	6	-	-
Due to other Office funds	-	-	-	-	-	-
Due to other State funds	-	11	12	572	-	1
Due to State of Illinois component units	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	196	128	1,183	-	29
FUND BALANCES (DEFICITS)						
Reserved for encumbrances	-	-	1	-	-	-
Reserved for inventories	-	183	-	-	-	-
Unreserved, unrestricted	65	3,467	957	(1)	15	851
Total fund balances	65	3,650	958	(1)	15	851
Total liabilities and fund balances (deficits)	\$ 65	\$ 3,846	\$ 1,086	\$ 1,182	\$ 15	\$ 880

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2005 (Expressed in Thousands)

	Special Revenue					
	Securities Audit and Enforcement 0362	Department of Business Services Operations 0363	Secretary of State Evidence 0374	State College and University Trust 0417	University Grant 0418	Alternative Fuels 0422
ASSETS						
Unexpended appropriations	-	-	-	-	-	24
Cash equity with State Treasurer	3,852	2,411	20	-	-	-
Intergovernmental receivables, net	-	-	-	-	-	-
Other receivables, net	14	-	-	-	-	-
Due from other Office funds	176	294	-	28	6	572
Due from other State funds	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	\$ 4,042	\$ 2,705	\$ 20	\$ 28	\$ 6	\$ 596
LIABILITIES						
Accounts payable and accrued liabilities	243	22	6	-	-	22
Intergovernmental payables	12	-	-	-	-	-
Due to other State fiduciary funds	-	-	-	-	-	-
Due to other Office funds	-	1,273	-	-	-	-
Due to other State funds	70	10	-	-	-	-
Due to State of Illinois component units	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	\$ 325	\$ 1,305	\$ 6	\$ -	\$ -	\$ 22
FUND BALANCES (DEFICITS)						
Reserved for encumbrances	-	1	1	-	-	2
Reserved for inventories	-	-	-	-	-	-
Unreserved, unrestricted	3,717	1,399	13	28	6	572
Total fund balances	\$ 3,717	\$ 1,400	\$ 14	\$ 28	\$ 6	\$ 574
Total liabilities and fund balances (deficits)	\$ 4,042	\$ 2,705	\$ 20	\$ 28	\$ 6	\$ 596

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2005 (Expressed in Thousands)

		Special Revenue						
		Library Services 0470	State Library 0471	Secretary of State Special Services 0483	Master Mason 0508	Illinois Fire Fighters' Memorial 0510	Illinois and Michigan Canal 0570	
ASSETS								
Unexpended appropriations	\$	-	\$	-	\$	-	\$	
Cash equity with State Treasurer		881	6	8,269	45	-	35	
Intergovernmental receivables, net		5	-	-	-	-	-	
Other receivables, net		-	-	-	-	-	-	
Due from other Office funds		-	-	1,759	6	41	1	
Due from other State funds		-	-	-	-	-	-	
Inventories		-	-	-	-	-	-	
Total assets	\$	886	6	10,028	51	41	\$ 36	
LIABILITIES								
Accounts payable and accrued liabilities	\$	231	-	1,717	-	-	-	
Intergovernmental payables		532	-	-	-	-	-	
Due to other State fiduciary funds		-	-	-	-	-	-	
Due to other Office funds		-	-	-	-	-	-	
Due to other State funds		-	-	430	-	-	-	
Due to State of Illinois component units		94	-	-	-	-	-	
Unavailable revenue		5	-	-	-	-	-	
Deferred revenue		29	-	-	-	-	-	
Total liabilities		891	-	2,147	-	-	-	
FUND BALANCES (DEFICITS)								
Reserved for encumbrances		8	-	-	-	-	-	
Reserved for inventories		-	-	-	-	-	-	
Unreserved, unrestricted		(13)	6	7,881	51	41	36	
Total fund balances		(5)	6	7,881	51	41	36	
Total liabilities and fund balances (deficits)	\$	886	6	10,028	51	41	\$ 36	

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2005 (Expressed in Thousands)

		Special Revenue					
		Off Highway Vehicle Trails 0574	Park District Youth Program 0585	Illinois Route 66 Heritage Project 0594	Police Memorial Committee 0598	Mammogram 0599	Motor Vehicle License Plate 0622
ASSETS							
Unexpended appropriations	\$	-	-	-	-	-	-
Cash equity with State Treasurer		-	10	33	49	46	4,562
Intergovernmental receivables, net		-	-	-	-	-	-
Other receivables, net		-	-	-	-	-	-
Due from other Office funds		37	2	4	6	12	1,053
Due from other State funds		-	-	-	-	-	-
Inventories		-	-	-	-	-	1,881
Total assets	\$	37	12	37	55	58	\$ 7,496
LIABILITIES							
Accounts payable and accrued liabilities	\$	-	-	20	-	-	977
Intergovernmental payables		-	-	-	-	-	3
Due to other State fiduciary funds		-	-	-	-	-	-
Due to other Office funds		-	-	-	-	-	-
Due to other State funds		-	-	-	-	-	-
Due to State of Illinois component units		-	-	-	-	-	-
Unavailable revenue		-	-	-	-	-	-
Deferred revenue		-	-	-	-	-	-
Total liabilities		-	-	20	-	-	980
FUND BALANCES (DEFICITS)							
Reserved for encumbrances		-	-	-	-	-	-
Reserved for inventories		-	-	-	-	-	1,881
Unreserved, unrestricted		37	12	17	55	58	4,635
Total fund balances	\$	37	12	17	55	58	6,516
Total liabilities and fund balances (deficits)		37	12	37	55	58	\$ 7,496

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2005 (Expressed in Thousands)

		Special Revenue					
ASSETS	Organ Donor Awareness 0716	Secretary of State DUI Administration 0732	Future Teacher Corps Scholarship 0753	Secretary of State DUI 0758	Secretary of State Police Services 0759	Marine Corps Scholarship 0760	
Unexpended appropriations	-	-	-	-	-	-	
Cash equity with State Treasurer	92	847	-	34	20	12	
Intergovernmental receivables, net	-	-	-	-	-	-	
Other receivables, net	-	-	-	-	-	-	
Due from other Office funds	13	129	2	1	2	2	
Due from other State funds	-	-	-	-	-	-	
Inventories	-	-	-	-	-	-	
Total assets	\$ 105	\$ 976	\$ 2	\$ 35	\$ 22	\$ 14	
LIABILITIES							
Accounts payable and accrued liabilities	-	79	-	7	1	-	
Intergovernmental payables	-	-	-	-	-	-	
Due to other State fiduciary funds	-	-	-	-	-	-	
Due to other Office funds	-	-	-	-	-	-	
Due to other State funds	-	5	-	-	-	-	
Due to State of Illinois component units	-	-	-	-	-	-	
Unavailable revenue	-	-	-	-	-	-	
Deferred revenue	-	-	-	-	-	-	
Total liabilities	-	84	-	7	1	-	
FUND BALANCES (DEFICITS)							
Reserved for encumbrances	-	-	-	-	-	-	
Reserved for inventories	-	-	-	-	-	-	
Unreserved, unrestricted	105	892	2	28	21	14	
Total fund balances	105	892	2	28	21	14	
Total liabilities and fund balances (deficits)	\$ 105	\$ 976	\$ 2	\$ 35	\$ 22	\$ 14	

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2005 (Expressed in Thousands)

		Special Revenue						
		Pet Overpopulation Control 0764	State Parking Facility Maintenance 0782	Cycle Rider Safety Training 0863	Library Trust 0893	Secretary of State Grant 0948	Vehicle Inspection 0963	
ASSETS								
Unexpended appropriations	\$	-	4	-	-	-	-	125
Cash equity with State Treasurer		55				491		
Intergovernmental receivables, net								
Other receivables, net								
Due from other Office funds		6		327				
Due from other State funds								
Inventories								
Total assets	\$	61	4	327	-	491	-	125
LIABILITIES								
Accounts payable and accrued liabilities	\$	-	4	-	-	29	-	96
Intergovernmental payables								5
Due to other State fiduciary funds								
Due to other Office funds								
Due to other State funds								25
Due to State of Illinois component units								
Unavailable revenue								
Deferred revenue						462		
Total liabilities			4			491		126
FUND BALANCES (DEFICITS)								
Reserved for encumbrances								
Reserved for inventories								
Unreserved, unrestricted		61		327				(1)
Total fund balances		61		327				(1)
Total liabilities and fund balances (deficits)	\$	61	4	327	-	491	-	125

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2005 (Expressed in Thousands)

	Capital Projects		Debt Service		Total
	Capital Development 0141	Build Illinois Bond 0971	General Obligation Bond	Retirement and Interest 0101	
ASSETS					
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	153
Cash equity with State Treasurer	-	-	-	-	28,837
Intergovernmental receivables, net	-	-	-	-	379
Other receivables, net	-	-	-	-	30
Due from other Office funds	-	-	2	-	6,708
Due from other State funds	-	-	-	-	175
Inventories	-	-	-	-	2,064
Total assets	\$ -	\$ -	\$ -	\$ 2	\$ 38,346
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	4,710
Intergovernmental payables	-	-	-	-	654
Due to other State fiduciary funds	-	-	-	-	6
Due to other Office funds	-	-	-	-	1,446
Due to other State funds	-	-	-	-	1,141
Due to State of Illinois component units	-	-	-	-	94
Unavailable revenue	-	-	-	-	5
Deferred revenue	-	-	-	-	546
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ 8,602
FUND BALANCES (DEFICITS)					
Reserved for encumbrances	-	-	-	-	13
Reserved for inventories	-	-	-	-	2,064
Unreserved, unrestricted	-	-	2	-	27,667
Total fund balances	\$ -	\$ -	\$ 2	\$ 2	\$ 29,744
Total liabilities and fund balances (deficits)	\$ -	\$ -	\$ 2	\$ 2	\$ 38,346

State of Illinois
Office of the Secretary of State
Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds
For the Year Ended June 30, 2005 (Expressed in Thousands)

	Special Revenue						
	Drivers Education 0031	Lobbyist Registration Administration 0044	CDLIS/ AAMVA Net Trust 0109	Computer Equipment Revolving 0155	Registered Limited Liability Partnership 0167	Secretary of State Federal Projects 0176	
REVENUES							
Federal government	-	-	685	-	-	40	
License and fees	11,607	598	624	-	358	120	
Interest and other investment income	-	-	-	-	-	-	
Other charges for services	-	-	-	30	-	-	
Other revenues	-	15	-	-	-	-	
Other operating grants	-	-	-	-	-	-	
Total revenues	11,607	613	1,309	30	358	160	
EXPENDITURES							
General government	-	435	1,030	-	99	142	
Debt service - principal	-	-	-	-	-	-	
Debt service - interest	-	-	-	-	-	-	
Capital outlays	-	-	12	-	-	-	
Total expenditures	-	435	1,042	-	99	142	
Excess (deficiency) of revenues over (under) expenditures	11,607	178	267	30	259	18	
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	
Reappropriation to future year(s)	-	-	-	-	-	-	
Lapsed appropriations	-	-	-	(36)	-	-	
Receipts collected and transmitted to State Treasury	(12,243)	-	-	-	-	-	
Capital lease and installment purchase acquisitions	-	-	-	-	-	-	
Transfers-out	-	(415)	(109)	-	(215)	-	
Net other sources (uses) of financial resources	(12,243)	(415)	(109)	(36)	(215)	-	
Net change in fund balances	(636)	(237)	158	(6)	44	18	
Fund balances (deficits), July 1, 2004	1,822	439	487	11	211	-	
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 1,186	\$ 202	\$ 645	\$ 5	\$ 255	\$ 18	

State of Illinois
Office of the Secretary of State
Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds
For the Year Ended June 30, 2005 (Expressed in Thousands)

	Special Revenue						
	Violence Prevention 0184	Secretary of State Special License Plate 0185	Securities Investors Education 0292	Interagency Grant 0295	Family Financial Responsibility 0322	Motor Vehicle Review Board 0323	
REVENUES							
Federal government	-	-	-	-	-	-	-
License and fees	586	5,713	124	-	2	294	294
Interest and other investment income	-	-	-	-	-	-	-
Other charges for services	-	-	-	-	-	-	-
Other revenues	-	-	-	27	-	-	-
Other operating grants	-	-	-	-	-	-	-
Total revenues	586	5,713	124	1,462	2	294	294
EXPENDITURES							
General government	-	1,365	268	1,030	-	289	289
Debt service - principal	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-
Capital outlays	-	-	-	274	-	-	-
Total expenditures	-	1,365	268	1,304	-	289	289
Excess (deficiency) of revenues over (under) expenditures	586	4,348	(144)	185	2	5	5
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Reappropriation to future year(s)	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	(639)	-	-	-	-	-	-
Capital lease and installment purchase acquisitions	-	(2,245)	(3,462)	(2)	-	(33)	(33)
Transfers-out	-	-	-	-	-	-	-
Net other sources (uses) of financial resources	(639)	(2,245)	(3,462)	(2)	-	(33)	(33)
Net change in fund balances	(53)	2,103	(3,606)	183	2	(28)	(28)
Fund balances (deficits), July 1, 2004	118	1,547	4,564	(184)	13	879	879
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 65	\$ 3,650	\$ 958	\$ (1)	\$ 15	\$ 851	\$ 851

State of Illinois
Office of the Secretary of State
Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds
For the Year Ended June 30, 2005 (Expressed in Thousands)

	Department of							Alternative Fuels 0422
	Securities Audit and Enforcement 0362	Business Services Special Operations 0363	Secretary of State Evidence 0374	State College and University Trust 0417	University Grant 0418	Special Revenue		
REVENUES								
Federal government license and fees	8,301	8,384	-	218	-	-	53	1,553
Interest and other investment income	264	-	-	-	-	-	-	-
Other charges for services	-	-	-	-	-	-	-	-
Other revenues	-	-	33	-	-	-	-	-
Other operating grants	-	-	-	-	-	-	-	-
Total revenues	8,565	8,384	33	218	53			1,553
EXPENDITURES								
General government	5,670	2,430	34	-	-	-	-	177
Debt service - principal	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-
Capital outlays	98	37	-	-	-	-	-	-
Total expenditures	5,768	2,467	34					177
Excess (deficiency) of revenues over (under) expenditures	2,797	5,917	(1)	218	53			1,376
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	-	-	-	-	-	-	-	185
Reappropriation to future year(s)	-	-	-	-	-	-	-	(6)
Lapsed appropriations	-	-	-	(235)	(57)	-	-	(1,415)
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-	-
Capital lease and installment purchase acquisitions	-	-	-	-	-	-	-	-
Transfers-out	(18,666)	(6,060)	(2)	-	-	-	-	-
Net other sources (uses) of financial resources	(18,666)	(6,060)	(2)	(235)	(57)			(1,236)
Net change in fund balances	(15,869)	(143)	(3)	(17)	(4)			140
Fund balances (deficits), July 1, 2004	19,586	1,543	17	45	10			434
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 3,717	\$ 1,400	\$ 14	\$ 28	\$ 6			\$ 574

State of Illinois
Office of the Secretary of State
Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds
For the Year Ended June 30, 2005 (Expressed in Thousands)

	Special Revenue					
	Library Services 0470	State Library 0471	Secretary of State Special Services 0483	Master Mason 0508	Illinois Fire Fighters' Memorial 0510	Illinois and Michigan Canal 0570
REVENUES						
Federal government	6,958	-	-	-	-	-
License and fees	-	-	23,235	45	334	8
Interest and other investment income	-	-	-	-	-	-
Other charges for services	-	1	-	-	-	-
Other revenues	-	4	-	-	-	-
Other operating grants	-	-	-	-	-	-
Total revenues	6,958	5	23,235	45	334	8
EXPENDITURES						
General government	6,871	-	19,372	35	-	-
Debt service - principal	-	-	304	-	-	-
Debt service - interest	-	-	32	-	-	-
Capital outlays	70	-	1,395	-	-	-
Total expenditures	6,941	-	21,103	35	-	-
Excess (deficiency) of revenues over (under) expenditures	17	5	2,132	10	334	8
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Appropriations from State resources	-	-	-	-	-	-
Reappropriation to future year(s)	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	(363)	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-
Capital lease and installment purchase acquisitions	-	-	874	-	-	-
Transfers-out	-	-	(2,370)	-	-	-
Net other sources (uses) of financial resources	-	-	(1,496)	-	(363)	-
Net change in fund balances	17	5	636	10	(29)	8
Fund balances (deficits), July 1, 2004	(22)	1	7,245	41	70	28
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ (5)	\$ 6	\$ 7,881	\$ 51	\$ 41	\$ 36

State of Illinois
Office of the Secretary of State
Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds
For the Year Ended June 30, 2005 (Expressed in Thousands)

	Special Revenue					
	Off Highway Vehicle Trails 0574	Park District Youth Program 0585	Illinois Route 66 Heritage Project 0594	Police Memorial Committee 0598	Mammogram 0599	Motor Vehicle License Plate 0622
REVENUES						
Federal government	-	-	-	-	-	-
License and fees	477	15	30	51	99	11,812
Interest and other investment income	-	-	-	-	-	-
Other charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Other operating grants	-	-	-	-	-	-
Total revenues	477	15	30	51	99	11,812
EXPENDITURES						
General government	-	20	20	45	160	9,013
Debt service - principal	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	198
Total expenditures	-	20	20	45	160	9,211
Excess (deficiency) of revenues over (under) expenditures	477	(5)	10	6	(61)	2,601
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Appropriations from State resources	-	-	-	-	-	-
Reappropriation to future year(s)	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	(525)	-	-	-	-	-
Capital lease and installment purchase acquisitions	-	-	-	-	-	-
Transfers-out	-	-	-	-	-	(1,028)
Net other sources (uses) of financial resources	(525)	-	-	-	-	(1,028)
Net change in fund balances	(48)	(5)	10	6	(61)	1,573
Fund balances (deficits), July 1, 2004	85	17	7	49	119	4,943
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 37	\$ 12	\$ 17	\$ 55	\$ 58	\$ 6,516

State of Illinois
Office of the Secretary of State
Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds
For the Year Ended June 30, 2005 (Expressed in Thousands)

	Special Revenue					
	Organ Donor Awareness 0716	Secretary of State DUI Administration 0732	Future Teacher Corps Scholarship 0753	Secretary of State DUI 0758	Secretary of State Police Services 0759	Marine Corps Scholarship 0760
REVENUES						
Federal government	-	-	-	-	-	-
License and fees	110	1,349	16	-	56	18
Interest and other investment income	-	-	-	-	-	-
Other charges for services	-	-	-	15	-	-
Other revenues	-	-	-	-	-	-
Other operating grants	-	-	-	-	-	-
Total revenues	110	1,349	16	15	56	18
EXPENDITURES						
General government	100	1,271	-	27	41	10
Debt service - principal	-	2	-	-	-	-
Debt service - interest	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	100	1,273	-	27	41	10
Excess (deficiency) of revenues over (under) expenditures	10	76	16	(12)	15	8
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Appropriations from State resources	-	-	-	-	-	-
Reappropriation to future year(s)	-	-	-	-	-	-
Lapsed appropriations	-	-	(16)	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-
Capital lease and installment purchase acquisitions	-	-	-	-	-	-
Transfers-out	-	(750)	-	(2)	(4)	-
Net other sources (uses) of financial resources	-	(750)	(16)	(2)	(4)	-
Net change in fund balances	10	(674)	-	(14)	11	8
Fund balances (deficits), July 1, 2004	95	1,566	2	42	10	6
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 105	\$ 892	\$ 2	\$ 28	\$ 21	\$ 14

State of Illinois
Office of the Secretary of State
Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds
For the Year Ended June 30, 2005 (Expressed in Thousands)

		Special Revenue						
	Pet Overpopulation Control 0764	State Parking Facility Maintenance 0782	Safety Training 0863	Library Trust 0893	Secretary of State Grant 0948	Vehicle Inspection 0963		
REVENUES								
Federal government	-	-	-	-	-	-	\$	
License and fees	51	2	3,761	614	-	-		
Interest and other investment income	-	-	-	-	-	-		
Other charges for services	-	-	-	-	-	-		
Other revenues	-	-	-	-	-	-		
Other operating grants	-	-	-	-	225	-		
Total revenues	51	2	3,761	614	225	-		
EXPENDITURES								
General government	50	148	-	1,144	225	2,581		
Debt service - principal	-	-	-	-	-	-		
Debt service - interest	-	-	-	-	-	-		
Capital outlays	-	-	-	-	-	-		
Total expenditures	50	148	-	1,144	225	2,581		
Excess (deficiency) of revenues over (under) expenditures	1	(146)	3,761	(530)	-	(2,581)		
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	-	208	-	-	-	2,736		
Reappropriation to future year(s)	-	-	-	-	-	-		
Lapsed appropriations	-	(60)	-	-	-	(163)		
Receipts collected and transmitted to State Treasury	-	(2)	(4,059)	-	-	-		
Capital lease and installment purchase acquisitions	-	-	-	-	-	-		
Transfers-out	-	-	-	-	-	-		
Net other sources (uses) of financial resources	-	146	(4,059)	-	-	2,573		
Net change in fund balances	1	-	(298)	(530)	-	(8)		
Fund balances (deficits), July 1, 2004	60	-	625	530	-	7		
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 61	\$ -	\$ 327	\$ -	\$ -	\$ (1)		

State of Illinois
Office of the Secretary of State
Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds
For the Year Ended June 30, 2005 (Expressed in Thousands)

	Capital Projects		Debt Service		
	Capital Development 0141	Build Illinois Bond 0971	General Obligation Bond Retirement and Interest 0101	Total	
REVENUES					
Federal government	-	-	-	-	9,145
License and fees	-	-	8	-	80,626
Interest and other investment income	-	-	-	-	264
Other charges for services	-	-	-	-	46
Other revenues	-	-	-	-	79
Other operating grants	-	-	-	-	225
Total revenues	-	-	8	-	90,385
EXPENDITURES					
General government	163	20	-	-	54,285
Debt service - principal	-	-	-	-	306
Debt service - interest	-	-	-	-	32
Capital outlays	39	-	-	-	2,123
Total expenditures	202	20	-	-	56,746
Excess (deficiency) of revenues over (under) expenditures	(202)	(20)	8	-	33,639
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
Appropriations from State resources	689	20	-	-	3,838
Reappropriation to future year(s)	(225)	-	-	-	(225)
Lapsed appropriations	(54)	-	-	-	(283)
Receipts collected and transmitted to State Treasury	-	-	(6)	-	(19,596)
Capital lease and installment purchase acquisitions	-	-	-	-	874
Transfers-out	-	-	-	-	(35,363)
Net other sources (uses) of financial resources	410	20	(6)	-	(50,755)
Net change in fund balances	208	-	2	-	(17,116)
Fund balances (deficits), July 1, 2004	(208)	-	-	-	46,860
FUND BALANCES (DEFICITS), JUNE 30, 2005	-	-	2	-	29,744

State of Illinois
Office of the Secretary of State

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

June 30, 2005 (Expressed in Thousands)

	Safety Responsibility 0436	International Registration Plan 0890	Go-Back 1110	Total
ASSETS				
Cash equity with State Treasurer	\$ 1,695	\$ 3,425	\$ -	\$ 5,120
Cash and cash equivalents	-	-	193	193
Investments	-	-	2,214	2,214
Other receivables, net	-	24	-	24
Due from other Office funds	30	671	-	701
Total assets	\$ 1,725	\$ 4,120	\$ 2,407	\$ 8,252
LIABILITIES				
Other liabilities	\$ 1,725	\$ 4,120	\$ 2,407	\$ 8,252
Total liabilities	\$ 1,725	\$ 4,120	\$ 2,407	\$ 8,252

State of Illinois
Office of the Secretary of State

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

For the Year Ended June 30, 2005 (Expressed in Thousands)

	Balance at June 30, 2004	Additions	Deletions	Balance at June 30, 2005
Safety Responsibility (0436)				
ASSETS				
Cash equity with State Treasurer	\$ 1,710	\$ 907	\$ 922	\$ 1,695
Due from other Office funds	-	30	-	30
Total assets	\$ 1,710	\$ 937	\$ 922	\$ 1,725
LIABILITIES				
Other liabilities	\$ 1,710	\$ 937	\$ 922	\$ 1,725
Total liabilities	\$ 1,710	\$ 937	\$ 922	\$ 1,725
International Registration Plan (0890)				
ASSETS				
Cash equity with State Treasurer	\$ 6,584	\$ 150,245	\$ 153,404	\$ 3,425
Other receivables, net	-	24	-	24
Due from other Office funds	319	671	319	671
Total assets	\$ 6,903	\$ 150,940	\$ 153,723	\$ 4,120
LIABILITIES				
Other liabilities	\$ 6,903	\$ 150,940	\$ 153,723	\$ 4,120
Total liabilities	\$ 6,903	\$ 150,940	\$ 153,723	\$ 4,120
Go-Back (1110)				
ASSETS				
Cash and cash equivalents	\$ 1,483	\$ -	\$ 1,290	\$ 193
Investments	-	3,164	950	2,214
Total assets	\$ 1,483	\$ 3,164	\$ 2,240	\$ 2,407
LIABILITIES				
Other liabilities	\$ 1,483	\$ 3,164	\$ 2,240	\$ 2,407
Total liabilities	\$ 1,483	\$ 3,164	\$ 2,240	\$ 2,407
Total - All Agency Funds				
ASSETS				
Cash equity with State Treasurer	\$ 8,294	\$ 151,152	\$ 154,326	\$ 5,120
Cash and cash equivalents	1,483	-	1,290	193
Investments	-	3,164	950	2,214
Other receivables, net	-	24	-	24
Due from other Office funds	319	701	319	701
Total assets	\$ 10,096	\$ 155,041	\$ 156,885	\$ 8,252
LIABILITIES				
Other liabilities	\$ 10,096	\$ 155,041	\$ 156,885	\$ 8,252
Total liabilities	\$ 10,096	\$ 155,041	\$ 156,885	\$ 8,252

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:

- Schedule of Expenditures of Federal Awards

- Year Ended June 30, 2005

- Year Ended June 30, 2004

- Notes to Schedule of Expenditures of Federal Awards

- Schedule of Appropriations, Expenditures and Lapsed Balances –

- Operating Group by Fund

- Fiscal Year 2005

- Fiscal Year 2004

- Schedule of Appropriations, Expenditures and Lapsed Balances –

- Total by Fund

- Fiscal Year 2005

- Fiscal Year 2004

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances

- Expenditures by Major Object Code

- Schedule of Efficiency Initiative Payments

- Comparative Schedule of Receipts, Disbursements, and Fund Balances (Cash Basis) -

- Locally Held Funds

- Schedule of Changes in State Property

- Year Ended June 30, 2005

- Year Ended June 30, 2004

- Comparative Schedule of Cash Receipts - By Department and Source

- Reconciliation Schedule of Cash Receipts by Department, Source and Fund to Deposits

- Remitted to the State Comptroller

- Year Ended June 30, 2005

- Year Ended June 30, 2004

- Analysis of Significant Variations in Expenditures

- Analysis of Significant Variations in Receipts

- Analysis of Significant Lapse Period Spending

- Year Ended June 30, 2005

- Year Ended June 30, 2004

- Analysis of Cash Receipts (Unaudited)

- Analysis of Accounts Receivable

- Analysis of Operations:

- Agency Functions and Planning Program

- Analysis of Personal Services

- Accounting Revenue Sales Analysis as Reported by Vehicle Services and Drivers

- Services (Unaudited)

- Emergency Purchases

- Year Ended June 30, 2005

- Year Ended June 30, 2004

- Illinois First Projects

- Service Efforts and Accomplishments (Unaudited)

- Statistical Highlights

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditors' opinion, except for that portion marked "unaudited," on which they express no opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2005
(Expressed in Thousands)

<u>Federal Grantor/Pass-Through Grantor /Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
Election Assistance Commission:			
Pass-Through the Illinois State Board of Elections:			
Help America Vote Act Requirements Payments	90.401	\$ 760	\$ -
U.S. Department of Homeland Security:			
Pass-Through the Illinois Emergency Management Agency:			
State Domestic Preparedness Equipment Support Program	97.004	702	-
U.S. Department of Transportation:			
Direct Program:			
Motor Carrier Safety	20.217	40	-
Commercial Driver License State Programs	20.232	381	-
National Foundation on the Arts and the Humanities:			
Direct Program:			
State Library Program	45.310	6,673	5,881
National Leadership Grants	45.312	290	252
		<u>\$ 8,846</u>	<u>\$ 6,133</u>
Total Expenditures of Federal Awards			

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2004
(Expressed in Thousands)

<u>Federal Grantor/Pass-Through Grantor /Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
General Services Administration:			
Pass-Through the Illinois State Board of Elections:			
Election Reform Payments	39.011	\$ (26)	\$ -
U.S. Department of Transportation:			
Direct Program:			
Motor Carrier Safety	20.217	188	-
National Foundation on the Arts and the Humanities:			
Direct Program:			
State Library Program	45.310	5,777	3,888
National Leadership Grants	45.312	345	299
Promotion of the Humanities	45.164	34	-
		<u>34</u>	<u>-</u>
Total Expenditures of Federal Awards		<u>\$ 6,318</u>	<u>\$ 4,187</u>

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Years Ended June 30, 2005 and 2004

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the Federal award programs of the Office of the Secretary of State. The reporting entity for the Office is defined in Note 2 of the notes to the Office's financial statements. The Schedule of Expenditures of Federal Awards includes the expenditure of awards received directly from Federal agencies and awards passed through other State and local agencies.

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

2. BASIS OF ACCOUNTING

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

3. INDIRECT COSTS

The Office does not claim indirect cost reimbursements for any of its federal award programs. Consequently, the Office does not have an indirect cost rate established for allocating indirect costs to federal award programs.

4. DESCRIPTION OF SIGNIFICANT FEDERAL AWARD PROGRAMS

The following is a brief description of the significant programs included in the Expenditures of Federal Awards schedule:

A. Election Assistance Commission (formerly General Services Administration):

Help America Vote Act Requirements Payments CFDA #90.401 (formerly Election Reform Payments CFDA #39.011) – This grant was received by the Office as a pass-through from the Illinois State Board of Elections. The primary purpose of this grant to the State is to assist the State in complying with the Uniform and Nondiscriminatory Election Technology and Administration Requirements in Title III of the Help America Vote Act (voting systems standards, provisional voting and voting information requirements, computerized statewide voter registration list requirements and

requirements for voters who register by mail, etc.). Under this program, the Office's responsibility is to link voter registration databases to drivers' license databases, and to enable the Office to register voters at Driver Services facilities throughout the State.

B. U.S. Department of Homeland Security

State Domestic Preparedness Equipment Support Program CFDA #97.004 - This grant was received by the Office as a pass-through from the Illinois Emergency Management Agency. The program's purpose is to enhance the capacity of State and local first responders to respond to terrorism incidents involving chemical, biological, nuclear, radiological, incendiary, and explosive devices. The Office received funds from this program to increase security in and around the State Capitol Complex in Springfield, and also to enable electronic portrait images of driver's license and identification card photos to be transmitted directly and instantly to Illinois criminal justice agencies.

C. U.S. Department of Transportation

Motor Carrier Safety CFDA #20.217 - The objective of this program is to protect the public from risks inherent in commercial vehicle operations on the public highways, and to minimize risks involved in moving hazardous materials over public highways. The Office is using this grant to enable instant verification with the Social Security Administration of a driver's social security number before issuing or renewing a driver's license.

Commercial Driver License State Programs CFDA #20.232 - The purpose of this program is to help prevent truck and bus accidents, fatalities, and injuries by requiring drivers to have a single commercial motor vehicle license and by disqualifying drivers who operate commercial motor vehicles in an unsafe manner. The Office uses this grant to purchase, install and maintain automated testing machines for commercial driver license applicants.

D. National Foundation on the Arts and the Humanities

State Library Program CFDA #45.310 - This program primarily provides funding for the purpose of consolidating Federal library services programs. Funding is designed to promote access to learning and information resources in all types of libraries for individuals of all ages; to promote library services that provide all users access to information through State, regional, and international electronic networks; to provide linkages among and between libraries; to promote targeted library services to people of diverse geographic, cultural and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills.

National Leadership Grants Program CFDA #45.312 – The purpose of this program is to enhance the quality of library and museum services nationwide and to provide coordination between libraries and museums. The Office has received several grants under this program in fiscal years 2004 and 2005, which have been used to support various projects consistent with the program’s purpose.

Promotion of the Humanities Program CFDA #45.164 – The purpose of this program is to provide opportunities for the American public to explore human history and culture through humanities programs in museums, historical organizations, libraries, community centers, and other gathering places, as well as on public television and radio. The Office received a grant to promote the bicentennial of the Lewis and Clark expedition west to the Pacific Ocean.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2005 - OPERATING GROUP BY FUND
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2005	Lapse Period Expenditures		Total Expenditures	Balances Reappropriated July 1, 2005	Lapsed Balances
			July 1, 2005	Through August 31, 2005			
OPERATING GROUPS							
Executive group							
General Revenue Fund	\$ 8,960,600	\$ 8,116,031	\$ 419,041	\$ 8,535,072	\$ -	\$ 425,528	
Road Fund	3,345,400	3,036,165	139,369	3,175,534	-	169,866	
Securities Audit and Enforcement Fund	393,200	369,958	18,140	388,098	-	5,102	
Vehicle Inspection Fund	47,700	45,433	1,940	47,373	-	327	
Total executive group	12,746,900	11,567,587	578,490	12,146,077	-	600,823	
General administrative group							
General Revenue Fund	73,385,601	67,070,735	5,544,048	72,614,783	-	770,818	
Road Fund	3,914,400	3,180,792	441,271	3,622,063	-	292,337	
Motor Fuel Tax Fund	440,000	440,000	-	440,000	-	-	
Lobbyist Registration Administration Fund	475,100	416,359	17,605	433,964	-	41,136	
Registered Limited Liability Partnership Fund	106,300	99,255	-	99,255	-	7,045	
Securities Audit and Enforcement Fund	5,922,900	5,068,100	296,355	5,364,455	-	558,445	
Department of Business Services Special Operations Fund	3,100,300	2,432,658	29,015	2,461,673	-	638,627	
Secretary of State Special Services Fund	21,120,000	17,753,442	2,145,050	19,898,492	-	1,221,508	
Total general administrative group	108,464,601	96,461,341	8,473,344	104,934,685	-	3,529,916	
Motor vehicle group							
General Revenue Fund	21,558,474	16,112,438	1,536,267	17,648,705	-	3,909,769	
Road Fund	121,428,900	111,455,501	8,232,132	119,687,633	-	1,741,267	
CDLIS/AAMVA Net Trust Fund	1,063,800	726,185	315,087	1,041,272	-	22,528	
Secretary of State Special License Plate Fund	1,318,700	1,094,270	195,860	1,290,130	-	28,570	
Motor Vehicle Review Board Fund	312,900	257,361	29,377	286,738	-	26,162	
Vehicle Inspection Fund	2,688,700	2,402,135	123,361	2,525,496	-	163,204	
Total motor vehicle group	148,371,474	132,047,890	10,432,084	142,479,974	-	5,891,500	

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2005 - OPERATING GROUP BY FUND
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2005	Lapse Period Expenditures		Total Expenditures	Balances Reappropriated July 1, 2005	Lapsed Balances
			Through August 31, 2005	July 1, 2005			
Other							
General Revenue Fund	\$ 27,460,500	\$ 27,192,945	\$ 214,264	\$ -	\$ 27,407,209	\$ -	\$ 53,291
Other funds appropriated	51,419,639	39,657,645	2,331,369	41,989,014	41,989,014	225,000	9,205,625
Total other	78,880,139	66,850,590	2,545,633	69,396,223	69,396,223	225,000	9,258,916
TOTAL OPERATING GROUPS AND OTHER APPROPRIATED FUNDS	\$ 348,463,114	306,927,408	22,029,551	328,956,959	328,956,959	\$ 225,000	\$19,281,155
NON-APPROPRIATED FUNDS		155,301,617	2,597,697	157,899,314	157,899,314		
TOTAL		\$462,229,025	\$ 24,627,248	\$486,856,273	\$486,856,273		

Note: The above information was taken directly from the records of the State Comptroller, which have been reconciled to those of the Secretary of State.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2004 - OPERATING GROUP BY FUND
FOURTEEN MONTHS ENDED AUGUST 31, 2004

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2004	Lapse Period Expenditures		Total Expenditures	Balances Reappropriated July 1, 2004	Lapsed Balances
			July 1, 2004	August 31, 2004			
OPERATING GROUPS							
Executive group							
General Revenue Fund	\$ 8,459,730	\$ 7,545,723	\$ 457,788	\$ 8,003,511	\$ -	\$ 456,219	
Road Fund	3,191,300	3,002,573	146,884	3,149,457	-	41,843	
Securities Audit and Enforcement Fund	320,300	13,945	-	13,945	-	306,355	
Vehicle Inspection Fund	44,700	42,360	2,107	44,467	-	233	
Total executive group	12,016,030	10,604,601	606,779	11,211,380	-	804,650	
General administrative group							
General Revenue Fund	71,982,385	65,500,904	4,164,689	69,665,593	-	2,316,792	
Road Fund	3,914,400	3,165,515	456,868	3,622,383	-	292,017	
Motor Fuel Tax Fund	440,000	440,000	-	440,000	-	-	
Lobbyist Registration Administration Fund	462,700	98,416	53,146	151,562	-	311,138	
Registered Limited Liability Partnership Fund	103,100	45,369	3,160	48,529	-	54,571	
Securities Audit and Enforcement Fund	5,827,100	5,091,251	267,233	5,358,484	-	468,616	
Department of Business Services Special Operations Fund	3,050,600	2,628,686	116,371	2,745,057	-	305,543	
Secretary of State Special Services Fund	21,120,000	17,910,885	1,702,078	19,612,963	-	1,507,037	
Total general administrative group	106,900,285	94,881,026	6,763,545	101,644,571	-	5,255,714	
Motor vehicle group							
General Revenue Fund	15,500,885	12,920,496	1,992,638	14,913,134	-	587,751	
Road Fund	118,268,800	106,410,376	8,317,691	114,728,067	-	3,540,733	
CDLIS/AAMVA Net Trust Fund	1,063,800	744,685	174,491	919,176	-	144,624	
Secretary of State Special License Plate Fund	1,196,000	240,857	280,362	521,219	-	674,781	
Motor Vehicle Review Board Fund	303,900	53,241	52,936	106,177	-	197,723	
Vehicle Inspection Fund	2,636,400	2,212,536	102,681	2,315,217	-	321,183	
Total motor vehicle group	138,969,785	122,582,191	10,920,799	133,502,990	-	5,466,795	

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STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2004 - OPERATING GROUP BY FUND
FOURTEEN MONTHS ENDED AUGUST 31, 2004

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2004	Lapse Period Expenditures		Total Expenditures	Balances Reappropriated July 1, 2004	Lapsed Balances
			July 1, 2004	August 31, 2004			
Other							
General Revenue Fund	\$ 27,483,800	\$ 26,513,174	\$ 920,920	\$ 27,434,094	\$ -	\$ 49,706	
Other funds appropriated	54,322,898	42,602,547	2,411,439	45,013,986	2,005,338	7,303,574	
Total other	81,806,698	69,115,721	3,332,359	72,448,080	2,005,338	7,353,280	
TOTAL OPERATING GROUPS AND OTHER APPROPRIATED FUNDS	\$ 339,692,798	297,183,539	21,623,482	318,807,021	\$ 2,005,338	\$ 18,880,439	
88 FUNDS WITH CONTINUING APPROPRIATIONS							
General administrative group							
Securities Audit and Enforcement Fund	56,405		14,980	71,385			
Department of Business Services Special Operations Fund	31,997		-	31,997			
Total general administrative group	88,402		14,980	103,382			
Motor vehicle group							
Road Fund	1,978,030		512,875	2,490,905			
Vehicle Inspection Fund	27,870		7,289	35,159			
Total motor vehicle group	2,005,900		520,164	2,526,064			
TOTAL FUNDS WITH CONTINUING APPROPRIATIONS	2,094,302		535,144	2,629,446			
NON-APPROPRIATED FUNDS	173,489,928		2,555,425	176,045,353			
TOTAL	\$ 472,767,769		\$ 24,714,051	\$ 497,481,820			

Note: The above information was taken directly from the records of the State Comptroller, which have been reconciled to those of the Secretary of State.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2005 - TOTAL BY FUND
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	Appropriations (Net after Transfers)	Lapse Period Expenditures			Balances	
		Expenditures Through June 30, 2005	Expenditures Through August 31, 2005	Total Expenditures	Re-appropriated July 1, 2005	Lapsed Balances
APPROPRIATED FUNDS						
General Revenue Fund - 0001	\$ 131,365,175	\$ 118,492,149	\$ 7,713,620	\$ 126,205,769	\$ -	\$ 5,159,406
Road Fund - 0011	128,688,700	117,672,458	8,812,772	126,485,230	-	2,203,470
Motor Fuel Tax Fund - 0012	440,000	440,000	-	440,000	-	-
Live and Learn Fund - 0026	22,716,339	20,783,724	193,077	20,976,801	-	1,739,538
Lobbyist Registration Administration Fund - 0044	475,100	416,359	17,605	433,964	-	41,136
CDLIS/AAMVA Net Trust Fund - 0109	1,063,800	726,185	315,087	1,041,272	-	22,528
Capital Development Fund - 0141	689,000	410,274	-	410,274	225,000	53,726
Registered Limited Liability Partnership Fund - 0167	106,300	99,255	-	99,255	-	7,045
Secretary of State Federal Projects Fund - 0176	945,000	39,803	401	40,204	-	904,796
Secretary of State Special License Plate Fund - 0185	1,368,700	1,144,270	195,860	1,340,130	-	28,570
Securities Investors' Education Fund - 0292	273,500	139,383	119,082	258,465	-	15,035
Motor Vehicle Review Board Fund - 0323	312,900	257,361	29,377	286,738	-	26,162
Securities Audit and Enforcement Fund - 0362	6,316,100	5,438,058	314,495	5,752,553	-	563,547
Department of Business Services Special Operations Fund - 0363	3,100,300	2,432,658	29,015	2,461,673	-	638,627
Secretary of State Evidence Fund - 0374	92,500	27,508	6,671	34,179	-	58,321
Alternative Fuels Fund - 0422	185,000	155,846	23,554	179,400	-	5,600
Library Services Fund - 0470	9,454,500	6,089,532	864,888	6,954,420	-	2,500,080
Secretary of State Special Services Fund - 0483	21,120,000	17,753,442	2,145,050	19,898,492	-	1,221,508
Master Mason Fund - 0508	45,000	35,000	-	35,000	-	10,000
Illinois Pan Hellenic Trust Fund - 0584	10,000	-	-	-	-	10,000
Park District Youth Program Fund - 0585	20,000	20,000	-	20,000	-	-
Illinois Route 66 Heritage Project Fund - 594	20,000	-	20,000	20,000	-	-
Police Memorial Committee Fund - 0598	45,000	45,000	-	45,000	-	-
Mammogram Fund - 0599	160,000	160,000	-	160,000	-	-
Motor Vehicle License Plate Fund - 0622	13,875,000	9,929,371	980,477	10,909,848	-	2,965,152
Organ Donor Awareness Fund - 0716	100,000	100,000	-	100,000	-	-
Secretary of State DUI Administration Fund - 0732	1,912,700	1,178,352	83,738	1,262,090	-	650,610
Chicago and Northeastern Illinois District Council Fund - 0756	10,000	-	-	-	-	10,000

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STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2005 - TOTAL BY FUND
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	Appropriations (Net after Transfers)		Expenditures		Lapse Period Expenditures		Total Expenditures	Balances		Lapsed Balances
	\$		June 30, 2005	Through August 31, 2005	July 1, 2005	Through August 31, 2005		Reappropriated July 1, 2005	July 1, 2005	
Secretary of State Police DUI Fund - 0758	46,300	\$	20,028	7,186		27,214	\$	-	\$	19,086
Secretary of State Police Services Fund - 0759	250,000		53,420	996		54,416		-		195,584
U.S. Marine Corps Scholarship Fund - 0760	10,000		10,000	-		10,000		-		-
Pet Overpopulation Control Fund - 0764	50,000		50,000	-		50,000		-		-
State Park Facility Maintenance Fund - 0782	208,100		143,904	3,840		147,744		-		60,356
Secretary of State Grant Fund - 0948	231,300		196,100	27,459		223,559		-		7,741
Vehicle Inspection Fund - 0963	2,736,400		2,447,568	125,301		2,572,869		-		163,531
Build Illinois Bond Fund - 0971	20,400		20,400	-		20,400		-		-
TOTAL APPROPRIATED FUNDS	348,463,114		306,927,408	22,029,551		328,956,959		225,000		\$19,281,155
NON-APPROPRIATED FUNDS										
Secretary of State Federal Projects Fund - 0176			5,474	95,506		100,980				
Interagency Grant Fund - 0295			2,006,777	547,702		2,554,479				
Corporate Franchise Tax Refund Fund - 0380			515,769	-		515,769				
Safety Responsibility Fund - 0436			738,998	11,829		750,827				
Secretary of State International Registration Plan Fund - 0890			151,081,419	1,942,660		153,024,079				
Library Trust Fund - 0893			953,180	-		953,180				
TOTAL NON-APPROPRIATED FUNDS			155,301,617	2,597,697		157,899,314				
TOTAL			\$ 462,229,025	\$ 24,627,248		\$ 486,856,273				

Note: The above information was taken directly from the records of the State Comptroller, which have been reconciled to those of the Secretary of State.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2004 - TOTAL BY FUND
FOURTEEN MONTHS ENDED AUGUST 31, 2004

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2004	Lapse Period Expenditures		Total Expenditures	Balances Reappropriated July 1, 2004	Lapsed Balances
			July 1, 2004 Through August 31, 2004	August 31, 2004			
APPROPRIATED FUNDS							
General Revenue Fund - 0001	\$ 123,426,800	\$ 112,480,297	\$ 7,536,035	\$ 120,016,332	\$ -	\$ 3,410,468	
Road Fund - 0011	125,374,500	112,578,464	8,921,443	121,499,907	-	3,874,593	
Motor Fuel Tax Fund - 0012	440,000	440,000	-	440,000	-	-	
Live and Learn Fund - 0026	24,073,000	21,219,422	181,307	21,400,729	1,316,338	1,355,933	
Lobbyist Registration Administration Fund - 0044	462,700	98,416	53,146	151,562	-	311,138	
CDLIS/AAMVA Net Trust Fund	1,063,800	744,685	174,491	919,176	-	144,624	
Capital Development Fund - 0141	1,733,498	1,044,443	-	1,044,443	689,000	55	
Registered Limited Liability Partnership Fund - 0167	103,100	45,369	3,160	48,529	-	54,571	
Secretary of State Federal Projects Fund - 0176	1,000,000	170,720	17,472	188,192	-	811,808	
Secretary of State Special License Plate Fund - 0185	1,346,000	243,718	280,362	524,080	-	821,920	
Securities Investors' Education Fund - 0292	273,500	240,652	22,217	262,869	-	10,631	
Motor Vehicle Review Board Fund - 0323	303,900	53,241	52,936	106,177	-	197,723	
Securities Audit and Enforcement Fund - 0362	6,147,400	5,105,196	267,233	5,372,429	-	774,971	
Department of Business Services Special Operations Fund - 0363	3,050,600	2,628,686	116,371	2,745,057	-	305,543	
Secretary of State Evidence Fund - 0374	92,500	15,924	99	16,023	-	76,477	
Alternative Fuels Fund - 0422	185,000	167,310	2,517	169,827	-	15,173	
Library Services Fund - 0470	9,454,500	5,404,704	799,452	6,204,156	-	3,250,344	
Secretary of State Special Services Fund - 0483	21,120,000	17,910,885	1,702,078	19,612,963	-	1,507,037	
Master Mason Fund - 0508	50,000	14,722	-	14,722	-	35,278	
Illinois Pan Hellenic Trust Fund - 0584	50,000	-	-	-	-	50,000	
Park District Youth Program Fund - 0585	50,000	-	-	-	-	50,000	
Illinois Route 66 Heritage Project Fund - 0594	50,000	13,125	-	13,125	-	36,875	
Police Memorial Committee Fund - 0598	75,000	-	-	-	-	75,000	
Mammogram Fund - 0599	75,000	75,000	-	75,000	-	-	
Motor Vehicle License Plate Fund - 0622	13,875,000	12,474,533	1,298,598	13,773,131	-	101,869	
Organ Donor Awareness Fund - 0716	100,000	73,442	-	73,442	-	26,558	
Secretary of State DUI Administration Fund - 0732	1,912,700	1,425,860	73,618	1,499,478	-	413,222	
Chicago and Northeastern Illinois District Council Fund - 0756	50,000	-	-	-	-	50,000	

P.A. 93-0091

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2004 - TOTAL BY FUND
FOURTEEN MONTHS ENDED AUGUST 31, 2004

	Appropriations (Net after Transfers)	Expenditures		Lapse Period Expenditures		Total Expenditures	Balances		Lapsed Balances	
		Through June 30, 2004	Through August 31, 2004	July 1, 2004 Through August 31, 2004	July 1, 2004		Reappropriated July 1, 2004			
Secretary of State Police DUI Fund - 0758	\$ 46,300	-	\$ 16,159	-	\$ 16,159	-	\$ -	\$ 30,141		
Secretary of State Police Services Fund - 0759	462,500	12,222	-	-	12,222	-	-	450,278		
U.S. Marine Corps Scholarship Fund - 0760	50,000	-	-	-	-	-	-	50,000		
Pet Overpopulation Control Fund - 0764	75,000	-	-	-	-	-	-	75,000		
State Park Facility Maintenance Fund - 0782	208,100	34,273	-	-	34,273	-	-	173,827		
Secretary of State Grant Fund - 0948	231,300	213,334	-	-	213,334	-	-	17,966		
Vehicle Inspection Fund - 0963	2,681,100	2,254,896	104,788	-	2,359,684	-	-	321,416		
TOTAL APPROPRIATED FUNDS	\$ 339,692,798	297,183,539	21,623,482	318,807,021	\$ 318,807,021	\$ 2,005,338	\$ 18,880,439			
FUNDS WITH CONTINUING APPROPRIATIONS										
Road Fund - 0011		1,978,030	512,875	-	2,490,905					
Securities Audit and Enforcement Fund - 0362		56,405	14,980	-	71,385					
Department of Business Services Special Operations Fund - 0363		31,997	-	-	31,997					
Vehicle Inspection Fund - 0963		27,870	7,289	-	35,159					
TOTAL FUNDS WITH CONTINUING APPROPRIATIONS		2,094,302	535,144	2,629,446						
NON-APPROPRIATED FUNDS										
Interagency Grant Fund - 0295		1,070,582	42,455	-	1,113,037					
Corporate Franchise Tax Refund Fund - 0380		2,575,353	-	-	2,575,353					
Safety Responsibility Fund - 0436		984,178	-	-	984,178					
Secretary of State International Registration Plan Fund - 0890		164,014,418	2,322,416	-	166,336,834					
Library Trust Fund - 0893		4,845,397	190,554	-	5,035,951					
TOTAL NON-APPROPRIATED FUNDS		173,489,928	2,555,425	176,045,353						
TOTAL		\$ 472,767,769	\$ 24,714,051	\$ 497,481,820						

Note: The above information was taken directly from the records of the State Comptroller, which have been reconciled to those of the Secretary of State.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
Executive Group			
Appropriations from General Revenue Fund - 0001	\$ 8,960,600	\$ 8,459,730	\$ 9,127,530
Expenditures			
Personal services			
Regular positions	4,502,961	4,208,009	4,228,839
Employee retirement contributions	2,375,556	2,309,460	2,347,817
Extra help	27,704	27,693	37,596
State Retirement Fund contributions	730,451	385,277	441,764
Social Security contributions	328,173	309,983	320,887
Contractual services	333,215	474,605	662,155
Travel	63,247	63,066	51,275
Printing	13,768	9,564	12,612
Commodities	30,944	36,144	36,659
Equipment	13,394	38,675	34,898
Telecommunications	115,659	141,035	132,970
Total expenditures	<u>8,535,072</u>	<u>8,003,511</u>	<u>8,307,472</u>
Lapsed balances - General Revenue Fund	<u>\$ 425,528</u>	<u>\$ 456,219</u>	<u>\$ 820,058</u>
Appropriations from Road Fund - 0011	\$ 3,345,400	\$ 3,191,300	\$ 3,450,100
Expenditures			
Employee retirement contributions	<u>3,175,534</u>	<u>3,149,457</u>	<u>3,148,297</u>
Lapsed balances - Road Fund	<u>\$ 169,866</u>	<u>\$ 41,843</u>	<u>\$ 301,803</u>
Appropriations from Securities Audit and Enforcement Fund - 0362	\$ 393,200	\$ 320,300	\$ -
Expenditures			
Personal services			
Regular positions	267,718	9,881	-
Employee retirement contributions	10,714	402	-
Group insurance contributions	47,574	1,556	-
State Retirement Fund contributions	43,144	1,352	-
Social Security contributions	<u>18,948</u>	<u>754</u>	<u>-</u>
Total expenditures	<u>388,098</u>	<u>13,945</u>	<u>-</u>
Lapsed balances - Securities Audit and Enforcement Fund - 0362	<u>\$ 5,102</u>	<u>\$ 306,355</u>	<u>\$ -</u>
Appropriations from Vehicle Inspection Fund - 0963	\$ 47,700	\$ 44,700	\$ 48,300
Expenditures			
Employee retirement contributions	<u>47,373</u>	<u>44,467</u>	<u>40,953</u>
Lapsed balances - Vehicle Inspection Fund	<u>\$ 327</u>	<u>\$ 233</u>	<u>\$ 7,347</u>

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
General Administrative Group			
Appropriations from General Revenue Fund - 0001	\$ 73,385,601	\$ 71,982,385	\$ 78,669,289
Expenditures			
Personal services			
Regular positions	45,257,152	45,696,588	49,438,367
Extra help	710,159	699,041	726,918
State Retirement Fund contributions	7,427,498	4,089,002	5,181,768
Social Security contributions	3,427,463	3,477,861	3,778,483
Contractual services	11,938,221	12,338,486	14,003,429
Travel	225,769	281,443	370,645
Commodities	906,816	865,787	1,042,001
Printing	450,806	315,558	557,287
Equipment	1,456,870	1,076,516	1,012,192
Electronic data processing	-	-	478,746
Telecommunications	390,080	437,725	458,977
Operation of automotive equipment	412,278	387,586	474,124
Refund of fees and taxes	11,671	-	7,254
Total expenditures	<u>72,614,783</u>	<u>69,665,593</u>	<u>77,530,191</u>
Lapsed balances - General Revenue Fund	<u>\$ 770,818</u>	<u>\$ 2,316,792</u>	<u>\$ 1,139,098</u>
Appropriations from Road Fund - 0011	<u>\$ 3,914,400</u>	<u>\$ 3,914,400</u>	<u>\$ 4,194,000</u>
Expenditures			
Personal services			
Regular positions	-	-	(1,093)
Contractual services	1,240,200	1,240,200	1,317,110
Refund of fees and taxes	2,381,863	2,382,183	2,726,658
Total expenditures	<u>3,622,063</u>	<u>3,622,383</u>	<u>4,042,675</u>
Lapsed balances - Road Fund	<u>\$ 292,337</u>	<u>\$ 292,017</u>	<u>\$ 151,325</u>
Appropriations from Motor Fuel Tax Fund - 0012	\$ 440,000	\$ 440,000	\$ 475,700
Expenditures			
Contractual services	440,000	440,000	475,700
Lapsed balances - Motor Fuel Tax Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS
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COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
General Administrative Group - Continued			
Appropriations from Lobbyist Registration Administration Fund - 0044	\$ 475,100	\$ 462,700	\$ 500,300
Expenditures			
Personal services			
Regular positions	244,196	19,658	203,508
Employee retirement contributions	9,768	789	8,145
Group insurance	62,962	4,402	41,761
State Retirement Fund contributions	39,333	2,650	21,043
Social Security contributions	21,846	3,021	17,884
Contractual services	48,838	75,134	44,212
Travel	938	3,440	3,287
Commodities	895	1,308	3,892
Printing	917	1,736	3,954
Equipment	3,319	36,650	29,499
Telecommunications	952	2,774	4,295
Total expenditures	<u>433,964</u>	<u>151,562</u>	<u>381,480</u>
Lapsed balances - Lobbyist Registration Administration Fund	<u>\$ 41,136</u>	<u>\$ 311,138</u>	<u>\$ 118,820</u>
Appropriations from Registered Limited Liability Partnership Fund - 0167	\$ 106,300	\$ 103,100	\$ 111,600
Expenditures			
Personal services			
Regular positions	60,120	30,061	52,295
Employee retirement contributions	2,405	1,201	1,596
Group insurance	22,201	9,534	8,171
State Retirement Fund contributions	9,684	4,040	5,398
Social Security contributions	4,372	2,172	3,902
Contractual services	24	15	-
Commodities	443	876	126
Equipment	-	563	-
Telecommunications	6	67	767
Total expenditures	<u>99,255</u>	<u>48,529</u>	<u>72,255</u>
Lapsed balances - Registered Limited Liability Partnership Fund	<u>\$ 7,045</u>	<u>\$ 54,571</u>	<u>\$ 39,345</u>

STATE OF ILLINOIS
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COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
General Administrative Group - Continued			
Appropriations from Securities Audit and Enforcement Fund - 0362	\$ 5,922,900	\$ 5,827,100	\$ 6,349,400
Expenditures			
Personal services			
Regular positions	2,936,210	2,569,140	2,878,607
Employee retirement contributions	117,913	102,633	108,457
Extra help	5,349	17,464	13,319
Group insurance	649,867	512,329	506,004
State Retirement Fund contributions	474,626	276,133	299,313
Social Security contributions	204,208	192,378	216,660
Contractual services	721,857	1,352,318	1,267,883
Travel	30,819	33,214	28,765
Commodities	16,579	17,388	10,995
Printing	6,530	2,250	11,079
Equipment	104,515	204,732	113,432
Telecommunications	79,587	62,109	59,783
Operation of automotive equipment	16,395	16,396	20,312
Total expenditures	<u>5,364,455</u>	<u>5,358,484</u>	<u>5,534,609</u>
Lapsed balances - Securities Audit and Enforcement Fund	<u>\$ 558,445</u>	<u>\$ 468,616</u>	<u>\$ 814,791</u>
Appropriations from Department of Business Services Special Operations Fund - 0363	\$ 3,100,300	\$ 3,050,600	\$ 3,301,400
Expenditures			
Personal services			
Regular positions	1,192,938	1,088,327	1,128,486
Employee retirement contributions	50,050	45,908	47,046
Extra help	69,409	82,677	81,776
Group insurance	350,794	313,859	286,139
State Retirement Fund contributions	193,262	125,400	124,936
Social Security contributions	93,162	91,932	104,863
Contractual services	252,626	817,333	662,663
Travel	7,007	6,335	4,746
Commodities	44,545	40,217	40,441
Printing	43,896	22,877	48,561
Equipment	35,401	66,257	35,284
Telecommunications	83,484	39,738	50,552
Operation of automotive equipment	45,099	4,197	4,499
Total expenditures	<u>2,461,673</u>	<u>2,745,057</u>	<u>2,619,992</u>
Lapsed balances - Department of Business Services Special Operations Fund	<u>\$ 638,627</u>	<u>\$ 305,543</u>	<u>\$ 681,408</u>

STATE OF ILLINOIS
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COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
General Administrative Group - Continued			
Appropriations from Secretary of State Special Services Fund - 0483	\$ 21,120,000	\$ 21,120,000	\$ 7,400,000
Expenditures			
Electronic data processing	7,705,733	6,626,476	6,678,548
Office automation and technology	9,321,387	10,095,660	-
Annual library technology	1,572,363	1,599,746	-
Expansion of literacy program	1,299,009	1,291,081	-
Total expenditures	<u>19,898,492</u>	<u>19,612,963</u>	<u>6,678,548</u>
Lapsed balances - Secretary of State Special Services Fund	<u>\$ 1,221,508</u>	<u>\$ 1,507,037</u>	<u>\$ 721,452</u>
Motor Vehicle Group			
Appropriations from General Revenue Fund - 0001	\$ 21,558,474	\$ 15,500,885	\$ 15,337,981
Expenditures			
Personal services			
Regular positions	10,013,300	8,691,936	8,745,527
Extra help	71,926	49,027	98,252
State Retirement Fund contributions	1,625,027	777,849	917,573
Social Security contributions	739,928	652,297	673,652
Contractual services	2,214,364	2,322,896	2,581,568
Travel	57,937	91,564	99,835
Commodities	548,473	1,260,880	112,098
Printing	336,126	724,640	935,767
Equipment	21,731	247,760	67,622
Telecommunications	67,738	94,285	92,736
Security measures Capitol	1,952,155	-	-
Total expenditures	<u>17,648,705</u>	<u>14,913,134</u>	<u>14,324,630</u>
Lapsed balances - General Revenue Fund	<u>\$ 3,909,769</u>	<u>\$ 587,751</u>	<u>\$ 1,013,351</u>

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EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
Motor Vehicle Group - Continued			
Appropriations from Road Fund - 0011	<u>\$121,428,900</u>	<u>\$118,268,800</u>	<u>\$122,855,900</u>
Expenditures			
Personal services			
Regular positions	75,380,782	74,386,331	76,197,008
Extra help	4,692,321	4,471,156	5,419,129
State Retirement Fund contributions	12,914,584	8,112,100	8,431,483
Social Security contributions	5,585,510	5,495,127	5,618,341
Contractual services	12,835,213	11,912,976	12,515,602
Travel	302,501	338,888	405,465
Commodities	2,614,029	4,719,412	4,405,939
Printing	2,249,477	2,733,518	3,331,339
Equipment	1,050,136	366,021	649,725
Telecommunications	1,603,513	1,773,609	2,114,403
Operation of automotive equipment	<u>459,567</u>	<u>418,929</u>	<u>420,001</u>
Total expenditures	<u>119,687,633</u>	<u>114,728,067</u>	<u>119,508,435</u>
Lapsed balances - Road Fund	<u>\$ 1,741,267</u>	<u>\$ 3,540,733</u>	<u>\$ 3,347,465</u>
Appropriations from CDLIS/AAMVA Net Trust Fund - 0109	<u>\$ 1,063,800</u>	<u>\$ 1,063,800</u>	<u>\$ 1,150,000</u>
Expenditures			
Contractual services	573,929	538,596	523,652
Equipment	<u>467,343</u>	<u>380,580</u>	<u>554,411</u>
Total expenditures	<u>1,041,272</u>	<u>919,176</u>	<u>1,078,063</u>
Lapsed balances - CDLIS/AAMVA Net Trust Fund	<u>\$ 22,528</u>	<u>\$ 144,624</u>	<u>\$ 71,937</u>
Appropriations from Secretary of State Special License Plate Fund - 0185	<u>\$ 1,318,700</u>	<u>\$ 1,196,000</u>	<u>\$ 1,203,003</u>
Expenditures			
Personal services			
Regular positions	431,839	35,300	308,631
Employee retirement contributions	17,059	1,412	12,346
Group insurance	156,364	11,077	82,361
State Retirement Fund contributions	69,643	4,744	31,857
Social Security contributions	31,972	2,596	22,872
Contractual services	50,100	-	-
Commodities	399,857	466,090	273,040
Printing	50,000	-	-
Telecommunications	<u>83,296</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,290,130</u>	<u>521,219</u>	<u>731,107</u>
Lapsed balances - Secretary of State Special License Plate Fund	<u>\$ 28,570</u>	<u>\$ 674,781</u>	<u>\$ 471,896</u>

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COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
Motor Vehicle Group - Continued			
Appropriations from Motor Vehicle Review Board Fund - 0323	\$ 312,900	\$ 303,900	\$ 327,600
Expenditures			
Personal services			
Regular positions	174,531	14,340	171,725
Employee retirement contributions	6,781	574	6,602
Group insurance	11,021	736	8,203
State Retirement Fund contributions	28,113	1,927	17,724
Social Security contributions	13,279	1,092	13,090
Contractual services	51,662	86,793	59,073
Travel	86	301	145
Telecommunications	1,265	414	-
Total expenditures	<u>286,738</u>	<u>106,177</u>	<u>276,562</u>
Lapsed balances - Motor Vehicle Review Board Fund	<u>\$ 26,162</u>	<u>\$ 197,723</u>	<u>\$ 51,038</u>
Appropriations from Vehicle Inspection Fund - 0963	<u>\$ 2,688,700</u>	<u>\$ 2,636,400</u>	<u>\$ 2,850,500</u>
Expenditures			
Personal services			
Regular positions	1,170,650	1,102,136	1,043,061
Extra help	17,707	16,781	22,425
Group insurance	379,808	300,024	246,386
State Retirement Fund contributions	191,458	115,300	110,046
Social Security contributions	91,378	85,118	84,727
Contractual services	580,834	608,473	944,650
Commodities	26,454	22,542	27,543
Printing	61,981	38,145	68,240
Equipment	1,493	24,049	1,290
Telecommunications	3,733	2,649	2,767
Total expenditures	<u>2,525,496</u>	<u>2,315,217</u>	<u>2,551,135</u>
Lapsed balances - Vehicle Inspection Fund	<u>\$ 163,204</u>	<u>\$ 321,183</u>	<u>\$ 299,365</u>
Other - General Revenue Fund - 0001			
Appropriation for establishment grants, annual per capita and area grants, and equalization grants pursuant to Section 8 of The Illinois Library System Act	\$ 16,668,400	\$ 16,677,700	\$ 18,720,700
Expenditures	<u>16,668,386</u>	<u>16,663,563</u>	<u>18,720,641</u>
Lapsed balances	<u>\$ 14</u>	<u>\$ 14,137</u>	<u>\$ 59</u>

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COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
Other - General Revenue Fund - Continued			
Appropriation for annual library technology	\$ 644,900	\$ 644,900	\$ 814,200
Expenditures	<u>643,069</u>	<u>644,459</u>	<u>814,200</u>
Lapsed balances	<u>\$ 1,831</u>	<u>\$ 441</u>	<u>\$ -</u>
Appropriation for library services for the blind and physically handicapped	\$ 2,427,200	\$ 2,427,200	\$ 2,427,200
Expenditures	<u>2,412,405</u>	<u>2,416,847</u>	<u>2,418,512</u>
Lapsed balances	<u>\$ 14,795</u>	<u>\$ 10,353</u>	<u>\$ 8,688</u>
Appropriation for tuition and fees for Illinois Regional Archival Depository System Interns	\$ 45,000	\$ 45,000	\$ 45,000
Expenditures	<u>37,616</u>	<u>42,071</u>	<u>36,228</u>
Lapsed balances	<u>\$ 7,384</u>	<u>\$ 2,929</u>	<u>\$ 8,772</u>
Appropriation for literacy	\$ 4,650,000	\$ 4,650,000	\$ 4,950,000
Expenditures	<u>4,645,853</u>	<u>4,643,338</u>	<u>4,949,171</u>
Lapsed balances	<u>\$ 4,147</u>	<u>\$ 6,662</u>	<u>\$ 829</u>
Appropriation for Annual per Capita - School District	\$ 375,000	\$ 375,000	\$ 375,000
Expenditures	<u>374,702</u>	<u>374,648</u>	<u>374,995</u>
Lapsed balances	<u>\$ 298</u>	<u>\$ 352</u>	<u>\$ 5</u>
Appropriation for Miscellaneous Permanent Improvements - Buildings	\$ 450,000	\$ 450,000	\$ 550,000
Expenditures	<u>425,613</u>	<u>438,649</u>	<u>447,089</u>
Lapsed balances	<u>\$ 24,387</u>	<u>\$ 11,351</u>	<u>\$ 102,911</u>
Appropriation for Chicago Public Library	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000
Expenditures	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Appropriation for Severns Summer Family Literacy	\$ 250,000	\$ 250,000	\$ 250,000
Expenditures	<u>249,565</u>	<u>250,000</u>	<u>249,512</u>
Lapsed balances	<u>\$ 435</u>	<u>\$ -</u>	<u>\$ 488</u>

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EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
Other - General Revenue Fund - Continued			
Appropriation to Investigate and Enforce Security Expenditures	\$ -	\$ -	\$ 12,500
	<u>-</u>	<u>-</u>	<u>-</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,500</u>
Appropriation for Project Next Generation Program Expenditures	\$ 250,000	\$ 250,000	\$ 250,000
	<u>250,000</u>	<u>249,514</u>	<u>250,000</u>
Lapsed balances	<u>\$ -</u>	<u>\$ 486</u>	<u>\$ -</u>
Appropriation for refund of fees and taxes Expenditures	\$ -	\$ 14,000	\$ -
	<u>-</u>	<u>11,005</u>	<u>-</u>
Lapsed balances	<u>\$ -</u>	<u>\$ 2,995</u>	<u>\$ -</u>
Total Other - General Revenue Fund			
Appropriations	\$ 27,460,500	\$ 27,483,800	\$ 30,094,600
Expenditures	<u>27,407,209</u>	<u>27,434,094</u>	<u>29,960,348</u>
Lapsed balances - General Revenue Fund	<u>\$ 53,291</u>	<u>\$ 49,706</u>	<u>\$ 134,252</u>
Other - Capital Development Fund - 0141			
Appropriation for rehabilitation of Capitol Expenditures	\$ 589,000	\$ 925,000	\$ 595,855
	<u>410,274</u>	<u>335,945</u>	<u>560,634</u>
Reappropriations	<u>125,000</u>	<u>589,000</u>	<u>-</u>
Lapsed balances	<u>\$ 53,726</u>	<u>\$ 55</u>	<u>\$ 35,221</u>
Appropriation for rehabilitation of various facilities Expenditures	\$ -	\$ 608,498	\$ 1,000,000
	<u>-</u>	<u>608,498</u>	<u>391,502</u>
Reappropriations	<u>-</u>	<u>-</u>	<u>608,498</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Appropriation for Chicago Public Library - Grand Crossing Expenditures	\$ 100,000	\$ 100,000	\$ 100,000
	<u>-</u>	<u>-</u>	<u>-</u>
Reappropriations	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
Other - Capital Development Fund - Continued			
Appropriation for Chicago Library System Grants	\$ -	\$ 100,000	\$ -
Expenditures	-	100,000	-
Lapse balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Appropriation for York Township Public Library	\$ -	\$ -	\$ 25,000
Expenditures	-	-	25,000
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Other - Capital Development Fund			
Appropriations	\$ 689,000	\$ 1,733,498	\$ 1,720,855
Expenditures	410,274	1,044,443	977,136
Reappropriations	225,000	689,000	708,498
Lapsed balances - Capital Development Board	<u>\$ 53,726</u>	<u>\$ 55</u>	<u>\$ 35,221</u>
Other - Alternate Fuels Fund - 0422			
Appropriation for Administering Alternate Fuels Act	\$ 185,000	\$ 185,000	\$ 200,000
Expenditures	179,400	169,827	-
Lapsed balances - Alternate Fuels Fund	<u>\$ 5,600</u>	<u>\$ 15,173</u>	<u>\$ 200,000</u>
Other - Master Mason Fund - 0508			
Appropriation for Masonic Foundation Grants	\$ 45,000	\$ 50,000	\$ 75,000
Expenditures	35,000	14,722	58,421
Lapsed balances - Master Mason Fund	<u>\$ 10,000</u>	<u>\$ 35,278</u>	<u>\$ 16,579</u>
Other - Secretary of State DUI Administration Fund - 0732			
Appropriation for Administrative Hearings	\$ 1,912,700	1,912,700	\$ 2,067,800
Expenditures	1,262,090	1,499,478	735,041
Lapsed balances - Secretary of State DUI Administration Fund	<u>\$ 650,610</u>	<u>\$ 413,222</u>	<u>\$ 1,332,759</u>
Other - Library Services Fund - 0470			
Appropriation to the Secretary of State for library services pursuant to the Federal Library Services and Construction Act, P.L. 84-597, as amended, Title I	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Expenditures	-	-	-
Lapsed balances	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

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EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
Other - Library Services Fund - Continued			
Appropriation to the Secretary of State for library services pursuant to the Federal Library Services and Construction Act, P.L. 84-594 and P.L. 104-208, as amended, Title IA-0000	\$ 8,454,500	\$ 8,454,500	\$ 8,454,500
Expenditures	<u>6,954,420</u>	<u>6,204,156</u>	<u>7,239,872</u>
Lapsed balances	<u>\$ 1,500,080</u>	<u>\$ 2,250,344</u>	<u>\$ 1,214,628</u>
Total Other - Library Services Fund			
Appropriations	\$ 9,454,500	\$ 9,454,500	\$ 9,454,500
Expenditures	<u>6,954,420</u>	<u>6,204,156</u>	<u>7,239,872</u>
Lapsed balances - Library Services Fund	<u>\$ 2,500,080</u>	<u>\$ 3,250,344</u>	<u>\$ 2,214,628</u>
Other - Secretary of State Grant Fund - 0948			
Appropriation for SOS Grant Fund	\$ 231,300	\$ 231,300	\$ 250,000
Expenditures	<u>223,559</u>	<u>213,334</u>	<u>8,867</u>
Lapsed balances - Secretary of State Grant Fund	<u>\$ 7,741</u>	<u>\$ 17,966</u>	<u>\$ 241,133</u>
Other - Secretary of State Special License Plate Fund - 0185			
Appropriation for IL Veterans Home Libraries	\$ 50,000	\$ 150,000	\$ 225,000
Expenditures	<u>50,000</u>	<u>2,861</u>	<u>149,100</u>
Lapsed balances - Secretary of State Special License Plate Fund	<u>\$ -</u>	<u>\$ 147,139</u>	<u>\$ 75,900</u>
Other - Mammogram Fund - 0599			
Appropriation for Susan G. Komen Foundation	\$ 160,000	\$ 75,000	\$ 75,000
Expenditures	<u>160,000</u>	<u>75,000</u>	<u>75,000</u>
Lapsed balances - Mammogram Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other - Electronic Commerce Security Certification Fund - 0620			
Appropriation for Administering Electronic Commerce Security	\$ -	\$ -	\$ 25,000
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Lapsed balances - Electronic Commerce Security Certification Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>
Other - Securities Investors' Education Fund - 0292			
Appropriations	\$ 273,500	\$ 273,500	\$ 295,700
Expenditures	<u>258,465</u>	<u>262,869</u>	<u>82,139</u>
Lapsed balances - Securities Investors' Education Fund	<u>\$ 15,035</u>	<u>\$ 10,631</u>	<u>\$ 213,561</u>

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
Other - Motor Vehicle License Plate Fund - 0622			
Appropriation for new or replacement license plates	\$ 13,875,000	\$ 13,875,000	\$ 15,000,000
Expenditures	<u>10,909,848</u>	<u>13,773,131</u>	<u>12,317,294</u>
Lapsed balances - Motor Vehicle License Plate Fund	<u>\$ 2,965,152</u>	<u>\$ 101,869</u>	<u>\$ 2,682,706</u>
Other - Live and Learn Fund - 0026			
Appropriation for System Area and Per Capita	\$ 1,025,000	\$ 1,025,000	\$ 1,025,000
Expenditures	<u>1,024,984</u>	<u>1,024,992</u>	<u>1,025,000</u>
Lapsed balances	<u>\$ 16</u>	<u>\$ 8</u>	<u>\$ -</u>
Appropriation for Local Library Per Capita	\$ 16,004,200	\$ 16,004,200	\$ 16,004,200
Expenditures	<u>16,003,950</u>	<u>15,883,492</u>	<u>16,000,261</u>
Lapsed balances	<u>\$ 250</u>	<u>\$ 120,708</u>	<u>\$ 3,939</u>
Appropriation for System Automation Grants	\$ 500,000	\$ 500,000	\$ 500,000
Expenditures	<u>295,501</u>	<u>88,000</u>	<u>498,379</u>
Lapsed balances	<u>\$ 204,499</u>	<u>\$ 412,000</u>	<u>\$ 1,621</u>
Appropriation for Research and Reference	\$ 700,000	\$ 700,000	\$ 700,000
Expenditures	<u>131,991</u>	<u>471,586</u>	<u>696,239</u>
Lapsed balances	<u>\$ 568,009</u>	<u>\$ 228,414</u>	<u>\$ 3,761</u>
Appropriation for Blind and Physically Handicapped	\$ 300,000	\$ 300,000	\$ 300,000
Expenditures	<u>283,427</u>	<u>278,779</u>	<u>291,080</u>
Lapsed balances	<u>\$ 16,573</u>	<u>\$ 21,221</u>	<u>\$ 8,920</u>
Appropriation for Library Construction	\$ 1,316,339	\$ 2,673,000	\$ 5,157,643
Expenditures	<u>1,045,405</u>	<u>1,668,010</u>	<u>2,737,131</u>
Reappropriations	<u>-</u>	<u>1,004,990</u>	<u>2,420,512</u>
Lapsed balances	<u>\$ 270,934</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
Other - Live and Learn Fund - Continued			
Appropriation for Construction	\$ 370,800	\$ 370,800	\$ 370,800
Expenditures	250,000	59,452	118,312
Reappropriation	-	311,348	252,488
Lapsed balances	<u>\$ 120,800</u>	<u>\$ -</u>	<u>\$ -</u>
Appropriation for Family Literacy	\$ 500,000	\$ 500,000	\$ 500,000
Expenditures	499,023	498,970	496,695
Lapsed balances	<u>\$ 977</u>	<u>\$ 1,030</u>	<u>\$ 3,305</u>
Appropriation for Organ Donor	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Expenditures	1,442,520	1,427,448	1,678,444
Lapsed balances	<u>\$ 557,480</u>	<u>\$ 572,552</u>	<u>\$ 321,556</u>
Total Other - Live and Learn Fund			
Appropriations	\$ 22,716,339	\$ 24,073,000	\$ 26,557,643
Expenditures	20,976,801	21,400,729	23,541,541
Reappropriations	-	1,316,338	2,673,000
Lapsed balances - Live and Learn Fund	<u>\$ 1,739,538</u>	<u>\$ 1,355,933</u>	<u>\$ 343,102</u>
Other - Secretary of State Evidence Fund - 0374			
Appropriations	\$ 92,500	\$ 92,500	\$ 100,000
Expenditures	34,179	16,023	5,975
Lapsed balances - Secretary of State Evidence Fund	<u>\$ 58,321</u>	<u>\$ 76,477</u>	<u>\$ 94,025</u>
Other - Secretary of State Special Services Fund - 0483			
Appropriation for office automation and technology	\$ -	\$ -	\$ 11,000,000
Expenditures	-	-	8,821,596
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,178,404</u>
Appropriation for library technology	\$ -	\$ -	\$ 1,600,000
Expenditures	-	-	1,599,522
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478</u>

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
Other - Secretary of State Special Services Fund - Continued			
Appropriation for support and expansion of family literacy	\$ -	\$ -	\$ 1,000,000
Expenditures	<u>-</u>	<u>-</u>	<u>994,486</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,514</u>
 Total Other - Secretary of State Special Services Fund			
Appropriations	\$ -	\$ -	\$ 13,600,000
Expenditures	<u>-</u>	<u>-</u>	<u>11,415,604</u>
Lapsed balances - Secretary of State Special Services Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,184,396</u>
 Other - Police Memorial Committee Fund - 0598			
Appropriations	\$ 45,000	\$ 75,000	\$ 75,000
Expenditures	<u>45,000</u>	<u>-</u>	<u>-</u>
Lapsed balances - Police Memorial Committee Fund	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>
 Other - Organ Donor Awareness Fund - 0716			
Appropriations	\$ 100,000	\$ 100,000	\$ 250,000
Expenditures	<u>100,000</u>	<u>73,442</u>	<u>41,091</u>
Lapsed balances - Organ Donor Awareness Fund	<u>\$ -</u>	<u>\$ 26,558</u>	<u>\$ 208,909</u>
 Other - Pet Overpopulation Control Fund - 0764			
Appropriations	\$ 50,000	\$ 75,000	\$ 75,000
Expenditures	<u>50,000</u>	<u>-</u>	<u>-</u>
Lapsed balances - Pet Overpopulation Control Fund	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>
 Other - Secretary of State Police DUI Fund - 0758			
Appropriations	\$ 46,300	\$ 46,300	\$ 50,000
Expenditures	27,214	16,159	-
Reversions	<u>-</u>	<u>-</u>	<u>50,000</u>
Lapsed balances - Secretary of State Police DUI Fund	<u>\$ 19,086</u>	<u>\$ 30,141</u>	<u>\$ -</u>
 Other - Secretary of State Police Services Fund - 0759			
Appropriations	\$ 250,000	\$ 462,500	\$ 500,000
Expenditures	54,416	12,222	-
Reversions	<u>-</u>	<u>-</u>	<u>500,000</u>
Lapsed balances - Secretary of State Police Services Fund	<u>\$ 195,584</u>	<u>\$ 450,278</u>	<u>\$ -</u>

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES - CONTINUED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
Other - Illinois Pan Hellenic Trust Fund - 0584			
Appropriations	\$ 10,000	\$ 50,000	\$ -
Expenditures	-	-	-
Lapsed balances - Illinois Pan Hellenic Trust Fund	<u>\$ 10,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Other - Park District Youth Program Fund - 0585			
Appropriations	\$ 20,000	\$ 50,000	\$ -
Expenditures	20,000	-	-
Lapsed balances - Park District Youth Program Fund	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Other - IL Route 66 Heritage Project Fund - 0594			
Appropriations	\$ 20,000	\$ 50,000	\$ -
Expenditures	20,000	13,125	-
Lapsed balances - IL Route 66 Heritage Project Fund	<u>\$ -</u>	<u>\$ 36,875</u>	<u>\$ -</u>
Other - Chicago and Northeastern Illinois District Council Fund - 0756			
Appropriations	\$ 10,000	\$ 50,000	\$ -
Expenditures	-	-	-
Lapsed balances - Chicago and Northeastern Illinois District Council	<u>\$ 10,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Other - U.S. Marine Corps Scholarship Fund - 0760			
Appropriations	\$ 10,000	\$ 50,000	\$ -
Expenditures	10,000	-	-
Lapsed balances - U.S. Marine Corps Scholarship Fund	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Other - State Park Facility Maintenance Fund - 0782			
Appropriations	\$ 208,100	\$ 208,100	\$ -
Expenditures	147,744	34,273	-
Lapsed balances - State Park Facility Maintenance Fund	<u>\$ 60,356</u>	<u>\$ 173,827</u>	<u>\$ -</u>
Other - Build Illinois Bond Fund - 0971			
Appropriations	\$ 20,400	\$ -	\$ -
Expenditures	20,400	-	-
Lapsed balances -Build Illinois Bond Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES - CONCLUDED

	Fiscal Year		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0091	P.A. 92-0538
Other - Secretary of State Federal Projects Fund - 0176			
Appropriations	\$ 945,000	\$ 1,000,000	\$ -
Expenditures	40,204	188,192	-
Lapsed balances - Secretary of State Federal Projects Fund	<u>\$ 904,796</u>	<u>\$ 811,808</u>	<u>\$ -</u>
Total Other - Other Funds Appropriated (exclusive of General Revenue and Road Funds)			
Appropriations	\$ 51,419,639	\$ 54,322,898	\$ 70,596,498
Expenditures	41,989,014	45,013,986	56,647,081
Reappropriations	225,000	2,005,338	3,381,498
Reversions	-	-	550,000
Lapsed balances	<u>\$ 9,205,625</u>	<u>\$ 7,303,574</u>	<u>\$ 10,017,919</u>
Grand Total - All Funds			
Appropriations	\$348,463,114	\$339,692,798	\$358,043,701
Expenditures	328,956,959	318,807,021	333,909,533
Reappropriations	225,000	2,005,338	3,381,498
Reversions	-	-	550,000
Lapsed balances	<u>\$ 19,281,155</u>	<u>\$ 18,880,439</u>	<u>\$ 20,202,670</u>

Notes: The comparative schedule of net appropriations, expenditures, and lapsed balances does not include State officers' salaries paid to the Secretary of State by the Comptroller's Office. For the years ended June 30, 2005, 2004, and 2003, State officers' salaries totaled \$132,963, \$132,963, and \$132,963, respectively.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE
EXPENDITURES BY MAJOR OBJECT CODE

	Year ended June 30,		Change between		Change between	
	2005	2004	2003	2004 and 2005	2003 and 2004	%
				\$	\$	%
Operations						
Personal services						
Regular positions	\$ 141,632,397	\$ 137,851,707	\$ 144,394,961	\$ 3,780,690	\$ (6,543,254)	-4.53%
Extra help	5,594,575	5,363,839	6,399,415	230,736	(1,035,576)	-16.18% (1)
Employee retirement contributions	5,813,153	5,656,303	5,721,259	156,850	(64,956)	-1.14%
Group insurance	1,680,591	1,153,517	1,179,025	527,074	(25,508)	-2.16%
State Retirement Fund contributions	23,746,823	13,895,774	15,582,905	9,851,049	(1,687,131)	-10.83%
Pension - Continuing Appropriation	-	2,629,446	-	(2,629,446)	2,629,446	100.00% (4)
Social Security contributions	10,560,239	10,314,331	10,855,361	245,908	(541,030)	-4.98%
Contractual services	31,281,083	32,207,825	35,057,697	(926,742)	(2,849,872)	-8.13%
Travel	688,304	818,251	964,163	(129,947)	(145,912)	-15.13% (5)
Printing	3,213,501	3,848,288	4,968,839	(634,787)	(1,120,551)	-22.55% (6)
Commodities	4,589,035	7,430,644	5,952,734	(2,841,609)	1,477,910	24.83% (7)
Equipment	3,154,202	2,441,803	2,498,353	712,399	(56,550)	-2.26%
Electronic data processing	7,705,733	6,626,476	7,157,294	1,079,257	(530,818)	-7.42%
Telecommunications	2,429,313	2,554,405	2,917,250	(125,092)	(362,845)	-12.44%
Operation of automotive equipment	933,339	827,108	918,936	106,231	(91,828)	-9.99%
Interagency Grant Fund	2,554,479	1,113,037	1,035,016	1,441,442	78,021	7.54%
Secretary of State Grant Fund	223,559	225,556	8,867	(1,997)	216,689	2443.77% (11)
Securities Investors' Education Fund	258,465	262,869	82,139	(4,404)	180,730	220.03% (12)
Alternate Fuels Fund	179,400	169,827	-	9,573	169,827	100.00% (13)
Secretary of State Evidence Fund	34,179	16,023	5,975	18,156	10,048	168.17%
Motor Vehicle License Plate Fund	10,909,848	13,773,131	12,317,294	(2,863,283)	1,455,837	11.82%
Online Computer Library Center program	953,180	5,035,951	5,327,723	(4,082,771)	(291,772)	-5.48%
Secretary of State DUI Administration Fund	1,262,090	1,499,478	735,041	(237,388)	764,437	104.00% (16)
Secretary of State Police DUI Fund	27,214	16,159	-	11,055	16,159	100.00%
Social Security on-line verification	40,204	188,192	60,684	(147,988)	127,508	210.12% (17)
Department of Homeland Security program	100,980	-	-	100,980	-	0.00%
Secretary of State Special Services Fund	9,375,803	10,095,660	11,415,604	(719,857)	(1,319,944)	-11.56%
	268,941,689	266,015,600	275,556,535	2,926,089	(9,540,935)	-3.46%

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

EXPENDITURES BY MAJOR OBJECT CODE

	Year ended June 30,		Change between 2004 and 2005	%	Change between 2003 and 2004	%
	2005	2004				
Awards and grants	\$ 28,599,551	\$ 27,653,710	\$ 945,841	3.42%	\$ (1,055,822)	-3.68%
Awards and grants	20,976,801	21,400,729	(423,928)	-1.98%	(2,140,812)	-9.09%
Live and Learn Fund	4,645,853	4,643,338	2,515	0.05%	(305,833)	-6.18%
Literacy program	2,412,405	2,416,847	(4,442)	-0.18%	(1,665)	-0.07%
Library service to blind						
Lump sums and other purposes:						
International registration	153,024,079	166,336,834	(13,312,755)	-8.00%	3,984,688	2.45%
Library	1,659,979	1,644,678	15,301	0.93%	620,150	60.53% (19)
	<u>211,318,668</u>	<u>224,096,136</u>	<u>(12,777,468)</u>	<u>-5.70%</u>	<u>1,100,706</u>	<u>0.49%</u>
Permanent improvements						
Permanent improvements	558,018	944,443	(386,425)	-40.92% (20)	(7,693)	-0.81%
Lump sums and other purposes						
Alterations and repairs	<u>2,377,768</u>	<u>472,922</u>	<u>1,904,846</u>	<u>402.78% (21)</u>	<u>25,833</u>	<u>5.78%</u>
	<u>2,935,786</u>	<u>1,417,365</u>	<u>1,518,421</u>	<u>107.13%</u>	<u>18,140</u>	<u>1.30%</u>
Refunds						
Refunds	2,393,534	2,393,188	346	0.01%	(340,724)	-12.46%
Corporate Franchise Tax Refund Fund	515,769	2,575,353	(2,059,584)	-79.97% (22)	1,312,084	103.86% (22)
Lump sums and other purposes						
Safety responsibility	<u>750,827</u>	<u>984,178</u>	<u>(233,351)</u>	<u>-23.71% (23)</u>	<u>32,045</u>	<u>3.37%</u>
	<u>3,660,130</u>	<u>5,952,719</u>	<u>(2,292,589)</u>	<u>-38.51%</u>	<u>1,003,405</u>	<u>20.27%</u>
Total	<u>\$ 486,856,273</u>	<u>\$ 497,481,820</u>	<u>\$ (10,625,547)</u>	<u>-2.14%</u>	<u>\$ (7,418,684)</u>	<u>-1.47%</u>

Note:

The Secretary of State's explanations of significant variations of expenditures are documented in the Analysis of Significant Variations in Expenditures later in this report.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS

Years ended June 30, 2005 and June 30, 2004

The Office did not incur any efficiency initiative payments during the engagement period.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS,
AND FUND BALANCES (CASH BASIS) - LOCALLY HELD FUNDS

Years Ended June 30, 2005 and 2004
(Expressed in thousands)

	2005	2004
<u>Go-Back Fund - #1110</u>		
Balance, beginning of year	\$ 1,483	\$ 1,875
Receipts and additions		
Performance	2,909	1,578
Non-state deposits	255	273
Total	3,164	1,851
Disbursements and deletions		
Statutory disbursements	1,985	1,970
Return of non-state deposits	255	273
Total	2,240	2,243
Balance, end of year	\$ 2,407	\$ 1,483

The Go-Back Fund consists of an account maintained at Bank One as well as surety bonds and certificates of deposit on deposit with the State Treasurer.

Special Advance Fund - #1198

Balance, beginning of year	\$ 9	\$ 11
Receipts and additions		
Operating transfers in	13	3
Disbursements and deletions		
General government	13	5
Balance, end of year	\$ 9	\$ 9

The Special Advance Fund consists of funds on deposit with six banks throughout the State of Illinois.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF CHANGES IN STATE PROPERTY

Year Ended June 30, 2005

	Land and Land Improvements	Buildings and Building Improvements	Equipment	Capital Leases	Total
PROPERTY AND EQUIPMENT, July 1, 2004	\$ 7,076,987	\$ 347,185,535	\$ 66,360,586	\$ 102,027	\$ 420,725,135
ADDITIONS					
Purchases	-	-	3,659,530	-	3,659,530
Library books	-	-	381,304	-	381,304
Previously omitted from inventory	-	-	385,529	-	385,529
Transfer from Capital Development Board and other agencies	-	2,713,363	180,337	-	2,893,700
Adjustments	-	-	136,903	-	136,903
Other additions	-	879,729	49,919	-	929,648
Total additions	-	3,593,092	4,793,522	-	8,386,614
DELETIONS					
Cost of equipment traded-in	-	-	-	-	-
Transfers to Department of Central Management Services	-	-	4,807,931	-	4,807,931
Transfers to other agencies	-	-	995,748	-	995,748
Scrapped items	-	-	-	-	-
Non-inventory items	-	188,241	49,919	-	238,160
Other deletions	-	-	14,094	-	14,094
Total deletions	-	188,241	5,867,692	-	6,055,933
PROPERTY AND EQUIPMENT, June 30, 2005	\$ 7,076,987	\$ 350,590,386	\$ 65,286,416	\$ 102,027	\$ 423,055,816

Note: This schedule was prepared by the Office on the cash basis of accounting and, therefore, does not include lapse period purchases. This schedule has been reconciled to the financial statements.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SCHEDULE OF CHANGES IN STATE PROPERTY

Year Ended June 30, 2004

	Land and Land Improvements	Buildings and Building Improvements	Equipment	Capital Leases	Total
PROPERTY AND EQUIPMENT, July 1, 2003	\$ 7,076,987	\$ 337,079,026	\$ 63,322,806	\$ 195,027	\$ 407,673,846
ADDITIONS					
Purchases	-	-	4,312,340	-	4,312,340
Library books	-	-	328,060	-	328,060
Previously omitted from inventory	-	-	453,834	-	453,834
Transfer from Capital Development Board and other agencies	-	11,652,076	581,396	-	12,233,472
Adjustments	-	-	76,372	-	76,372
Other additions	-	1,191,674	102,460	-	1,294,134
Total additions	-	12,843,750	5,854,462	-	18,698,212
DELETIONS					
Cost of equipment traded-in	-	-	883,207	-	883,207
Transfers to Department of Central Management Services	-	-	1,496,009	-	1,496,009
Transfers to other agencies	-	-	123,544	-	123,544
Scrapped items	-	-	1,121	-	1,121
Non-inventory items	-	275,409	99,375	-	374,784
Adjustments	-	2,461,832	-	-	2,461,832
Other deletions	-	-	213,426	93,000	306,426
Total deletions	-	2,737,241	2,816,682	93,000	5,646,923
PROPERTY AND EQUIPMENT, June 30, 2004	\$ 7,076,987	\$ 347,185,535	\$ 66,360,586	\$ 102,027	\$ 420,725,135

Note: This schedule was prepared by the Office on the cash basis of accounting and, therefore, does not include lapse period purchases. This schedule has been reconciled to the financial statements.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

COMPARATIVE SCHEDULE OF CASH RECEIPTS - BY DEPARTMENT AND SOURCE

<u>Department and Source</u>	<u>2005</u>		<u>2004</u>		<u>2003</u>
Business Services					
Corporation taxes and fees	\$ 200,245,227		\$ 178,922,220	(1)	\$ 151,845,148
Uniform Limited Partnership	1,839,477	(2)	1,372,888	(2)	494,333
Uniform Commercial Code	3,182,249		3,575,618		3,400,521
Limited Liability Co. Act	34,877,073	(3)	27,527,036	(3)	16,114,326
Limited Liability Partnership	351,425		394,504	(4)	142,495
Securities					
License fees or registration	41,059,768	(5)	52,523,179	(5)	23,765,593
Library					
Copy fees and book dues	5,575		5,084		7,449
Federal government	7,661,791		7,032,466	(6)	6,091,450
User library charges	568,154	(7)	4,934,219		5,619,350
Archives					
Copy and recording fees	24,006		46,488	(8)	9,983
Index					
License fees or registration	1,311,988		1,496,086	(9)	623,324
Subscriptions and publication sales	35,695	(10)	78,715		94,338
Lobbyist registration	605,350		564,100	(11)	236,670
Lobbyist registration fines	14,550		13,450		11,350
Physical Services					
Parking fees	7,750		10,880		34,500
All departments					
Employee reimbursements	15,380		14,753	(12)	57,266
Check Write Off/Go Back	11,819		8,367		9,702
Commissions/Concessions	6,695		27,211		46,117
State Board of Education	-	(13)	74,467	(13)	-
State Board of Elections	1,238,000	(14)	28,080	(14)	-
Miscellaneous	57,886		61,202		54,561
Illinois Emergency Management Agency	527,399	(15)	-		-
Department of Transportation	85,289	(16)	191,467	(16)	68,271
Federal Motor Carrier Safety Administration	311,313	(17)	-		-
Private organizations or individuals	-		4,500		-
Unclaimed assets	46,899		59,929		69,762
Repayment to State and return of petty cash	2,052		1,124		38
Driver Services					
Operators' license and related fees	86,874,518		77,572,909		80,395,881
Sale of initial driving record	34,204,296	(18)	17,995,104	(18)	-
Automotive dealer fees	5,155,586		5,401,606	(19)	-
Reinstate operators license	9,662,240	(20)	2,795,556	(20)	-
Sale of vehicle or driver data	304,567	(21)	85,301	(21)	-
Standard Illinois identification card	4,177,944	(22)	-		-
Federal Transportation Safety Administration - Hazardous Materials	82,042	(23)	-		-
Private organizations or individuals	1,607,702	(24)	1,042,956		911,697
Vehicle Services					
Commercial distribution fee	120,283,199	(25)	97,519,600	(25)	-
Short term trip permits	1,031,456	(26)	704,488	(26)	-
Personalized license plates	11,217,351	(27)	3,050,286	(27)	-
Certificate of Title	209,957,975		201,081,038		197,072,911
Delinquent vehicle registration renewal	1,170,600	(28)	-		-
IRP audit fees	8,778		3,263		-
License fees or registration	1,226,215,717		1,255,367,802		1,193,646,166

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

COMPARATIVE SCHEDULE OF CASH RECEIPTS - BY DEPARTMENT AND SOURCE

<u>Department and Source</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
SOS Police			
License fees or registration	\$ 625,946	\$ 593,234	\$ 620,870
Local Illinois government units	-	-	25,968
Motor Vehicle Theft Prevention Council	1,022,000 (29)	774,000 (29)	1,265,900
Circuit Clerk fines	14,363	37,741 (30)	4,395
SOS Police Services fees	54,217 (31)	16,561	10,000
Fines, penalties or violations	33,152 (32)	7,125 (32)	107,225
Other Illinois State agencies and prior period adjustments	11,865 (33)	76,289 (33)	217,174
	<u>\$ 2,007,808,324</u>	<u>\$ 1,943,092,892</u>	<u>\$ 1,683,074,734</u>

Note: The Secretary of State's explanations for significant variations in cash receipts are documented in the Analysis of Significant Variations in Receipts later in this report.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

RECONCILIATION SCHEDULE OF CASH RECEIPTS BY DEPARTMENT, SOURCE AND FUND TO DEPOSITS REMITTED TO THE STATE COMPTROLLER

Year Ended June 30, 2005

Department and Source	General Revenue Fund #0001	Road Fund #0011	Live and Learn Fund #0026	Drivers' Education Fund #0031	State Parks Fund #0040	Lobbyist Registration Administration Fund #0944	General Obligation Bond Retirement and Interest Fund #0101	CDLIS/AMVA Net Trust Fund #0109	General Assembly Computer Equipment Revolving Fund #0155	Registered Limited Liability Partnership Fund #0167	Secretary of State Federal Projects Fund #0176	Violence Prevention Fund #0184
Business Services												
Corporation taxes and fees	\$ 181,126,038											\$
Uniform Limited Partnership	1,839,477											
Uniform Commercial Code	1,256,621											
Limited Liability Co. Act	34,877,073											
Limited Liability Partnership										351,425		
Securities												
License fees or registration	32,164,035											
Library												
Copy fees and book dues	677											
Federal government												
User library charges												
Archives												
Copy and recording fees	24,006											
Index												
License fees or registration	1,311,988											
Subscriptions of publication sales												
Lobbyist registration				605,350					35,695			
Lobbyist registration fines				14,550								
Physical Services												
Parking fees							6,200					
All departments												
Miscellaneous	28,908	28,978										
Employee reimbursements	7,595	7,785										
Check, Write OFF/GO Back	11,819											
Commissions/concessions	6,695											
State Board of Elections												
Illinois Emergency Management Agency												
Department of Transportation												
Federal Motor Carrier Safety Administration								311,313			85,289	
Unclaimed assets	46,899											
Repayment to State and return of petty cash		2,052										
Driver Services												
Operators' license and related fees		50,006,691										
Sale of individual driving record				12,243,115								
Automotive dealer fees	34,204,296											
Renaissance operators fees	4,846,820											
Standard Illinois identification card	9,662,240											
Federal Transportation Safety Administration-Hazmat	304,567											
Private organizations or individuals	4,177,944											
Vehicle Services												
Commercial distribution fee	119,579,727											
Short term trip permits	1,031,456											
Personalized license plates	5,608,675											
Certificate of title	35,442,473	154,657,968										
Delinquent vehicle registration renewal	1,170,600											
IRP audit fees	8,778											
License fees or registration		535,243,864			1,412,750							638,625
SOS Police												
License fees or registration		625,946										
Motor Vehicle Theft Prevention Council												
Circuit Clerk fees												
SOS Police Service fees												
Fines, penalties or violations												
Other Illinois State agencies & prior period adjustments	(5,021)	11,563										
Total cash receipts per Comptroller	468,734,386	740,584,847		12,243,115	1,412,750	619,900	6,200	1,063,737	35,695	351,425	167,331	638,625
Receipts in transit to State Treasurer												
June 30, 2004	1,605,395	52,918,371										
June 30, 2005	(2,715,453)	(50,205,294)										
Receipts in transit to State Comptroller												
June 30, 2004	(9,190,681)	(146,866,917)										
June 30, 2005	8,834,275	162,726,963										
Prior period and other adjustments	(3,687)	(2,855)										
Total Office receipts	\$ 467,264,235	\$ 739,155,115		\$ 12,243,115	\$ 1,412,750	\$ 619,900	\$ 6,200	\$ 1,063,737	\$ 35,695	\$ 351,425	\$ 167,331	\$ 638,625

Note: The above information has been taken from the State Comptroller records and reconciled to the Office's Accounting Revenue Ledger

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE
RECONCILIATION SCHEDULE OF CASH RECEIPTS BY DEPARTMENT, SOURCE AND FUND TO DEPOSITS REMITTED TO THE STATE COMPTROLLER

Year Ended June 30, 2005

Department and Source	Secretary of State License Plate Fund #0185	Drunk & Drugged Driving Prevention Fund #0276	Securities Investors Education Fund #0292	Inter-Agency Grant Fund #0295	Family Financial Responsibility Fund #0322	Motor Vehicle Review Board Fund #0323	Securities Audit and Enforcement Fund #0362	Department of Business Services Special Operations Fund #0363	Secretary of State Evidence Fund #0374	Corporate Franchise Tax Refund Fund #0380	Illinois Habitat Fund #0391	Protest Fund #0401
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Business Services												
Corporation taxes and fees										3,272,494		1,453,180
Uniform Limited Partnership Commercial Code												
Limited Liability Partnership												
Securities			125,590				8,770,143					
Library												
Copy fees and book dues												
Federal government												
User library charges												
Archives												
Index												
License fees or registration												
Subscriptions of publication sales												
Lobbyist registration												
Lobbyist registration fines												
Physical Services												
Parking fees												
All departments												
Miscellaneous												
Employee reimbursements												
Check Write Off/GO Back												
Commissions/concessions												
State Board of Elections				1,238,000								
Illinois Emergency Management Agency				527,399								
Department of Transportation												
Federal Motor Carrier Safety Administration												
Unclaimed assets												
Payment to State and return of petty cash												
Driver Services		2,040,710										
Operators' license and related fees					1,530							
Sale of individual driving record						308,766						
Automotive dealer fees												
Reinsure operators fees												
Sale of vehicle or driver data												
Standard Illinois identification card												
Federal Transportation Safety Administration-Hazmat												
Private organizations or individuals												
Vehicle Services												
Commercial distribution fee												
Short term trip permits												
Personalized license plates	5,608,676											
Certificate of title												
Delinquent vehicle registration renewal												
IRP audit fees												
License fees or registration	608,067										278,300	
SOS Police												
License fees or registration												
Motor Vehicle Theft Prevention Council				1,022,000								
Circuit Clerk fines												
SOS Police Service fees												
Fines, penalties or violations									33,152			
Other Illinois State agencies & prior period adjustments							408					
Total cash receipts per Comptroller	6,216,743	2,040,710	125,590	2,787,399	1,530	308,766	8,770,551	9,088,795	33,152	3,272,494	278,300	2,156,652
Receipts in transit to State Treasurer												
June 30, 2004												
Receipts in transit to State Comptroller												
June 30, 2004												
June 30, 2005												
Prior period and other adjustments							(408)					
Total Office receipts	6,216,743	2,040,710	125,590	2,787,399	1,530	308,766	8,770,143	9,088,795	33,152	3,272,494	278,300	2,156,652

Note: The above information has been taken from the State Comptroller records and reconciled to the Office's Accounting Revenue Ledger

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE
RECONCILIATION SCHEDULE OF CASH RECEIPTS BY DEPARTMENT, SOURCE AND FUND TO DEPOSITS REMITTED TO THE STATE COMPTROLLER

Year Ended June 30, 2005

Department and Source	Common School Fund #0412	State College & University Trust Fund #0417	University Grant Fund #0418	Alternative Fuels Fund #0422	Safety Responsibility Fund #0436	Library Services Fund #0470	State Library Fund #0471	State Special Services Fund #0483	Wildlife Prairie Park Fund #0504	Master Mason Fund #0508	Illinois Fire Fighters Memorial Fund #0510	Illinois & Michigan Canal Fund #0570
Business Services												
Corporation taxes and fees								\$ 5,304,720				\$
Uniform Limited Partnership												
Uniform Commercial Code								1,925,628				
Limited Liability Co. Act												
Limited Liability Partnership												
Securities												
License fees or registration												
Library												
Copy fees and book dues							4,898					
Federal government						7,661,791						
User library charges												
Archives												
Copy and recording fees												
Index												
License fees or registration												
Subscriptions of publication sales												
Lobbyist registration												
Lobbyist registration fines												
Physical Services												
Parking fees												
All departments												
Miscellaneous												
Employee reimbursements												
Check Write OFFGO Back												
Commissions/concessions												
State Board of Elections												
Illinois Emergency Management Agency												
Department of Transportation												
Federal Motor Carrier Safety Administration												
Unclaimed assets												
Repayment to State and return of petty cash												
Driver Services												
Operators' license and related fees								17,102,148				
Sale of individual driving record												
Automotive dealer fees												
Remiseate operators fees												
Sale of vehicle or driver data												
Standard Illinois identification card												
Federal Transportation Safety Administration-Hazmat												
Private organizations or individuals					944,602							
Vehicle Services												
Commercial distribution fee												
Short term trip permits												
Personalized license plates												
Certificate of title												
Delinquent vehicle registration renewal												
IRP audit fees												
License fees or registration		235,350	56,700	1,415,240					25,650	48,730	362,508	8,900
SOS Police												
License fees or registration												
Motor Vehicle Theft Prevention Council												
Circuit Clerk fines												
SOS Police Service fees												
Fines, penalties or violations												
Other Illinois State agencies & prior period adjustments						410		4,505				
Total cash receipts per Comptroller	393,784	235,350	56,700	1,415,240	944,602	7,662,201	4,898	24,337,001	25,650	48,730	362,508	8,900
Receipts in transit to State Treasurer												
June 30, 2004												
June 30, 2005												
Receipts in transit to State Comptroller												
June 30, 2004												
June 30, 2005												
Prior period and other adjustments						(410)		(4,505)				
Total Office receipts	\$ 393,784	\$ 235,350	\$ 56,700	\$ 1,415,240	\$ 944,602	\$ 7,661,791	\$ 4,898	\$ 24,332,496	\$ 25,650	\$ 48,730	\$ 362,508	\$ 8,900

Note: The above information has been taken from the State Comptroller records and reconciled to the Office's Accounting Revenue Ledger

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

RECONCILIATION SCHEDULE OF CASH RECEIPTS BY DEPARTMENT, SOURCE AND FUND TO DEPOSITS REMITTED TO THE STATE COMPTROLLER

Year Ended June 30, 2005

Department and Source	Off Highway Vehicle Fund #0574	Park District Youth Fund #0585	September 11th Heritage Project Fund #0588	Illinois Route 66 Heritage Project Fund #0594	Police Memorial Committee Fund #0598	Memorandum Fund #0599	Motor Vehicle License Plate Fund #0622	Motor Carrier Safety Inspection Fund #0649	Organ Donor Awareness Fund #0716	Secretary of State DUI Administration Fund #0752	Illinois Future Teachers Corps Scholarship Fund #0753	Secretary of State DUI Services Fund #0758
Business Services												
Corporation taxes and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uniform Limited Partnership	-	-	-	-	-	-	-	-	-	-	-	-
Uniform Commercial Code	-	-	-	-	-	-	-	-	-	-	-	-
Limited Liability Co. Act	-	-	-	-	-	-	-	-	-	-	-	-
Limited Liability Partnership	-	-	-	-	-	-	-	-	-	-	-	-
Securities	-	-	-	-	-	-	-	-	-	-	-	-
License fees or registration	-	-	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-	-	-
Copy fees and book dues	-	-	-	-	-	-	-	-	-	-	-	-
Federal government	-	-	-	-	-	-	-	-	-	-	-	-
User library charges	-	-	-	-	-	-	-	-	-	-	-	-
Archives	-	-	-	-	-	-	-	-	-	-	-	-
Copy and recording fees	-	-	-	-	-	-	-	-	-	-	-	-
Index	-	-	-	-	-	-	-	-	-	-	-	-
License fees or registration	-	-	-	-	-	-	-	-	-	-	-	-
Subscriptions of publication sales	-	-	-	-	-	-	-	-	-	-	-	-
Lobbyist registration	-	-	-	-	-	-	-	-	-	-	-	-
Lobbyist registration fines	-	-	-	-	-	-	-	-	-	-	-	-
Physical Services	-	-	-	-	-	-	-	-	-	-	-	-
Parking fees	-	-	-	-	-	-	-	-	-	-	-	-
All departments	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Employee reimbursements	-	-	-	-	-	-	-	-	-	-	-	-
Check Write OFFGO Back	-	-	-	-	-	-	-	-	-	-	-	-
Commissions/concessions	-	-	-	-	-	-	-	-	-	-	-	-
State Board of Elections	-	-	-	-	-	-	-	-	-	-	-	-
Illinois Energy Management Agency	-	-	-	-	-	-	-	-	-	-	-	-
Department of Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Federal Motor Carrier Safety Administration	-	-	-	-	-	-	-	-	-	-	-	-
Unclaimed assets	-	-	-	-	-	-	-	-	-	-	-	-
Repayment to State and return of petty cash	-	-	-	-	-	-	-	-	-	-	-	-
Driver Services	-	-	-	-	-	-	-	-	-	-	-	-
Operators' license and related fees	-	-	-	-	-	-	-	-	-	1,455,330	-	-
Sale of individual driving record	-	-	-	-	-	-	-	-	-	-	-	-
Automotive dealer fees	-	-	-	-	-	-	-	-	-	-	-	-
Reinsate operators fees	-	-	-	-	-	-	-	-	-	-	-	-
Sale of vehicle or driver data	-	-	-	-	-	-	-	-	-	-	-	-
Standard Illinois identification card	-	-	-	-	-	-	-	-	-	-	-	-
Federal Transportation Safety Administration-Hazmat	-	-	-	-	-	-	-	-	-	-	-	-
Private organizations or individuals	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Services	-	-	-	-	-	-	-	-	-	-	-	-
Commercial distribution fee	-	-	-	-	-	-	-	-	-	-	-	-
Short term trip permits	-	-	-	-	-	-	-	-	-	-	-	-
Personalized license plates	-	-	-	-	-	-	-	-	-	-	-	-
Certificate of title	525,215	-	-	-	-	-	12,888,233	-	-	-	-	-
Delinquent vehicle registration renewal	-	-	-	-	-	-	-	-	-	-	-	-
IRP audit fees	-	-	-	-	-	-	-	-	-	-	-	-
License fees or registration	-	16,500	57,500	30,100	52,019	106,308	-	-	117,109	-	16,135	-
SOS Police	-	-	-	-	-	-	-	-	-	-	-	-
License fees or registration	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Theft Prevention Council	-	-	-	-	-	-	-	-	-	-	-	-
Circuit Clerk fines	-	-	-	-	-	-	-	-	-	-	-	14,363
SOS Police Service fees	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties or violations	-	-	-	-	-	-	-	-	-	-	-	-
Other Illinois State agencies & prior period adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total cash receipts per Comptroller	525,215	16,500	57,500	30,100	52,019	106,308	12,888,233	2,508,060	117,109	1,455,330	16,135	14,363
Receipts in transit to State Treasurer	-	-	-	-	-	-	-	-	-	-	-	-
June 30, 2004	-	-	-	-	-	-	-	-	-	-	-	-
June 30, 2005	-	-	-	-	-	-	-	-	-	-	-	-
Receipts in transit to State Comptroller	-	-	-	-	-	-	-	-	-	-	-	-
June 30, 2004	-	-	-	-	-	-	-	-	-	-	-	-
June 30, 2005	-	-	-	-	-	-	-	-	-	-	-	-
Prior period and other adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total Office receipts	\$ 525,215	\$ 16,500	\$ 57,500	\$ 30,100	\$ 52,019	\$ 106,308	\$ 12,888,233	\$ 2,508,060	\$ 117,109	\$ 1,455,330	\$ 16,135	\$ 14,363

Note: The above information has been taken from the State Comptroller records and reconciled to the Office's Accounting Revenue Ledger

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE
RECONCILIATION SCHEDULE OF CASH RECEIPTS BY DEPARTMENT, SOURCE AND FUND TO DEPOSITS REMITTED TO THE STATE COMPTROLLER

Year Ended June 30, 2005

Department and Source	Secretary of State Police Services Fund #0739	U.S. Marine Corps Scholarship Fund #0760	Pet Overpopulation Fund #0764	State Parking Facility Maintenance Fund #0782	Cycle Rider Safety Training Fund #0863	International Registration Plan Fund #0890	Library Trust Fund #0893	State Construction Account Fund #0902	Secretary of State Grant Fund #0948	Park and Conservation Fund #0962	Total
Business Services											
Corporation taxes and fees											\$ 200,245,227
Uniform Limited Partnership											1,839,477
Uniform Commercial Code											3,182,249
Limited Liability Partnership											34,877,073
Securities											351,425
License fees or registration											41,059,768
Library											
Copy fees and book dues											5,575
Federal government											7,661,791
User library charges							568,154				568,154
Archives											
Copy and recording fees											24,006
Index											
License fees or registration											1,311,988
Subscriptions of publication sales											35,693
Lobbyist registration											605,350
Lobbyist registration fines											14,550
Physical Services											
Parking fees				1,550							7,750
All departments											
Miscellaneous											57,886
Employee reimbursements											15,380
Check Write Off/GO Back											11,819
Commissions/concessions											6,695
State Board of Elections											1,238,000
Illinois Emergency Management Agency											527,399
Department of Transportation											311,313
Federal Motor Carrier Safety Administration											85,289
Unclaimed assets											46,899
Payment to State and return of petty cash											2,652
Driver Services											
Operators' license and related fees					764,510						86,874,518
Sale of individual driving record											34,204,296
Automotive dealer fees											5,155,586
Renstate operators fees											9,662,240
Sale of vehicle or driver data											304,567
Standard Illinois identification card											4,177,944
Federal Transportation Safety Administration-Hazmat											82,042
Private organizations or individuals									663,100		1,607,702
Vehicle Services											
Commercial distribution fee											120,283,199
Short term trip permits											1,031,456
Personalized license plates											11,217,351
Certificate of title									6,444,086		209,957,975
Delinquent vehicle registration renewal											1,170,600
IRP audit fees		18,412	52,725		3,294,403	150,245,350		531,480,688			8,778
License fees or registration											1,226,215,717
SOS Police											
License fees or registration											625,946
Motor Vehicle Theft Prevention Council											1,022,000
Circuit Clerk fines											14,363
SOS Police Service fees	54,217										54,217
Fines, penalties or violations											33,152
Other Illinois State agencies & prior period adjustments											11,965
Total cash receipts per Comptroller	54,217	18,412	52,725	1,550	4,058,913	150,245,350	568,154	531,480,688	663,100	6,444,086	2,007,808,324
Receipts in transit to State Treasurer											
June 30, 2004											
June 30, 2005											54,523,766
Receipts in transit to State Comptroller											(52,920,747)
June 30, 2004											
June 30, 2005											(156,057,598)
Prior period and other adjustments											171,561,238
Total Office receipts	\$ 54,217	\$ 18,412	\$ 52,725	\$ 1,550	\$ 4,058,913	\$ 150,245,350	\$ 568,154	\$ 531,480,688	\$ 663,100	\$ 6,444,086	\$ 2,024,903,118

Note: The above information has been taken from the State Comptroller records and reconciled to the Office's Accounting Revenue Ledger

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

RECONCILIATION SCHEDULE OF CASH RECEIPTS BY DEPARTMENT, SOURCE AND FUND TO DEPOSITS REMITTED TO THE STATE COMPTROLLER

Year Ended June 30, 2004

Department and Source	General Revenue Fund #0001	Road Fund #0011	Live and Learn Fund #0026	Drivers' Education Fund #0031	State Parks Fund #0040	Lobbyist Registration Administration Fund #0044	General Obligation Retirement and Interest Fund #0101	CDLIS/AAMVA Net Trust Fund #0109	General Assembly Computer Equipment Revolving Fund #0155	Registered Limited Liability Partnership Fund #0167	Secretary of State Federal Projects Fund #0176	Violence Prevention Fund #0184
Business Services	\$163,267,903	-	-	-	-	-	-	-	-	-	-	-
Corporation taxes and fees	1,372,888	-	-	-	-	-	-	-	-	-	-	-
Uniform Limited Partnership	1,976,762	-	-	-	-	-	-	-	-	-	-	-
Uniform Commercial Code	27,527,036	-	-	-	-	-	-	-	-	394,504	-	-
Limited Liability Co. Act	-	-	-	-	-	-	-	-	-	-	-	-
Limited Liability Partnership	-	-	-	-	-	-	-	-	-	-	-	-
Securities	31,934,497	-	-	-	-	-	-	-	-	-	-	-
License fees or registration	-	-	-	-	-	-	-	-	-	-	-	-
Library	3,816	-	-	-	-	-	-	-	-	-	-	-
Copy fees and book dues	-	-	-	-	-	-	-	-	-	-	-	-
Federal government	-	-	-	-	-	-	-	-	-	-	-	-
User library charges	-	-	-	-	-	-	-	-	-	-	-	-
Archives	46,488	-	-	-	-	-	-	-	-	-	-	-
Copy and recording fees	-	-	-	-	-	-	-	-	-	-	-	-
Index	1,496,086	-	-	-	-	-	-	-	-	-	-	-
License fees or registration	-	-	-	-	-	-	-	-	-	-	-	-
Subscriptions of publication sales	-	-	-	-	-	-	-	-	78,715	-	-	-
Lobbyist registration	-	-	-	564,100	-	-	-	-	-	-	-	-
Lobbyist registration fines	-	-	-	13,450	-	-	-	-	-	-	-	-
Physical Services	-	-	-	-	-	-	8,704	-	-	-	-	-
Parking fees	-	-	-	-	-	-	-	-	-	-	-	-
All departments	31,229	29,973	-	-	-	-	-	-	-	-	-	-
Miscellaneous	5,934	8,819	-	-	-	-	-	-	-	-	-	-
Employee reimbursements	8,367	-	-	-	-	-	-	-	-	-	-	-
Check Write Off/GO Back	27,211	-	-	-	-	-	-	-	-	-	-	-
Commissions/concessions	-	-	-	-	-	-	-	-	-	-	-	-
State Board of Education	-	-	-	-	-	-	-	-	-	-	-	-
State Board of Elections	-	-	-	-	-	-	-	-	-	-	-	-
Department of Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Private organizations or individuals	59,929	-	-	-	-	-	-	-	-	-	-	-
Unclaimed assets	-	1,124	-	-	-	-	-	-	-	-	-	-
Repayment to State and return of petty cash	-	-	-	-	-	-	-	-	-	-	-	-
Driver Services	-	42,816,332	-	11,802,650	-	-	-	709,836	-	-	191,467	-
Operators' license and related fees	17,995,104	-	-	-	-	-	-	-	-	-	-	-
Sale of individual driving record	5,125,715	-	-	-	-	-	-	-	-	-	-	-
Automotive dealer fees	2,795,556	-	-	-	-	-	-	-	-	-	-	-
Reinstatement operators license	85,301	-	-	-	-	-	-	-	-	-	-	-
Sale of vehicle or driver data	-	-	-	-	-	-	-	-	-	-	-	-
Private organizations or individuals	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Services	96,813,852	-	-	-	-	-	-	-	-	-	-	-
Commercial distribution fee	704,488	-	-	-	-	-	-	-	-	-	-	-
Short term trip permits	1,525,143	-	-	-	-	-	-	-	-	-	-	-
Personalized license plates	33,936,859	148,088,064	-	-	-	-	-	-	-	-	-	-
Certificate of title	3,263	-	-	-	-	-	-	-	-	-	-	-
IRP audit fees	-	610,391,879	-	-	1,360,200	-	-	-	-	-	-	636,425
License fees or registration	-	-	-	-	-	-	-	-	-	-	-	-
SOS Police	-	593,234	-	-	-	-	-	-	-	-	-	-
License fees or registration	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Theft Prevention Council	-	-	-	-	-	-	-	-	-	-	-	-
Circuit Clerk fees	-	-	-	-	-	-	-	-	-	-	-	-
SOS Police Service fees	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties or violations	-	-	-	-	-	-	-	-	-	-	-	-
Other Illinois State agencies & prior period adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total cash receipts per Comptroller	28,067	524	8,044	11,802,650	1,360,200	577,550	8,704	709,836	78,715	394,504	191,467	636,425
Receipts in transit to State Treasurer	386,771,494	801,929,969	8,044	11,802,650	1,360,200	577,550	8,704	709,836	78,715	394,504	191,467	636,425
June 30, 2003	1,120,600	48,371,669	-	-	-	-	-	-	-	-	-	-
June 30, 2004	(1,605,595)	(52,918,371)	-	-	-	-	-	-	-	-	-	-
Receipts in transit to State Comptroller	(9,017,002)	(135,073,812)	-	-	-	-	-	-	-	-	-	-
June 30, 2003	9,190,681	146,866,917	-	-	-	-	-	-	-	-	-	-
June 30, 2004	(28,067)	(3,289)	(8,044)	-	-	-	-	-	-	-	-	-
Prior period and other adjustments	\$386,432,311	\$809,173,083	-	\$11,802,650	\$1,360,200	\$577,550	\$8,704	\$709,836	\$78,715	\$394,504	\$191,467	\$636,425
Total Office receipts	\$386,432,311	\$809,173,083	-	\$11,802,650	\$1,360,200	\$577,550	\$8,704	\$709,836	\$78,715	\$394,504	\$191,467	\$636,425

Note: The above information has been taken from State Comptroller records and reconciled to the Office's Accounting Revenue Ledger.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

RECONCILIATION SCHEDULE OF CASH RECEIPTS BY DEPARTMENT, SOURCE AND FUND TO DEPOSITS REMITTED TO THE STATE COMPTROLLER

Year Ended June 30, 2004

	Secretary of State	Drunk & Drugged	Securities	Inter-	Family	Motor	Securities	Department of	Secretary of	Corporate	Illinois	Protest
	#0185	#0276	#0292	#0295	#0322	#0323	#0362	Business	State	Franchise	Habitat	Fund
								Special	Evidence	Tax	Fund	#0401
								Operations	Fund	Fund	#0391	#0401
								Fund	#0374	#0380	#0391	#0401
Department and Source												
Business Services												
Corporation taxes and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,247,923	\$ -	\$ 2,478,117	\$ -	\$ 2,266,577
Uniform Limited Partnership	-	-	-	-	-	-	-	-	-	-	-	-
Uniform Commercial Code	-	-	-	-	-	-	-	-	-	-	-	-
Limited Liability Co. Act	-	-	-	-	-	-	-	-	-	-	-	-
Limited Liability Partnership	-	-	-	-	-	-	-	-	-	-	-	-
Securities												
License fees or registration												
Library												
Copy fees and book dues			2,471,153									
Federal government												
User library charges												
Archives												
Copy and recording fees												
Index												
License fees or registration												
Subscriptions of publication sales												
Lobbyist registration												
Lobbyist registration fines												
Physical Services												
Parking fees												
All departments												
Miscellaneous												
Employee reimbursements												
Check Write Off/GO Back												
Commissions/concessions												
State Board of Education				74,467								
State Board of Elections				28,080								
Department of Transportation												
Private organizations or individuals				4,500								
Unclaimed assets												
Repayment to State and return of petty cash												
Driver Services												
Operators' license and related fees		2,203,510			1,710							
Sale of individual driving record												
Automotive dealer fees						275,891						
Renstate operators license												
Sale of vehicle or driver data												
Private organizations or individuals												
Vehicle Services												
Commercial distribution fee												705,748
Short term trip permits												
Personalized license plates												
Certificate of title	1,525,143											
IRP audit fees												
License fees or registration	619,981										256,275	235,155
SOS Police												
License fees or registration												
Motor Vehicle Theft Prevention Council												
Circuit Clerk fines				774,000								
SOS Police Service fees												
Fines, penalties or violations												
Other Illinois State agencies & prior period adjustments									7,125			
Total cash receipts per Comptroller	2,162,663	2,203,510	2,471,153	881,085	1,710	275,891	18,117,535	7,247,923	(14,960)	2,478,117	256,275	3,207,480
Receipts in transit to State Treasurer												
June 30, 2003												
June 30, 2004												
Receipts in transit to State Comptroller												
June 30, 2003												
June 30, 2004												
Prior period and other adjustments	(17,539)			(38)			(26)					
Total Office receipts	\$ 2,145,124	\$ 2,203,510	\$ 2,471,153	\$ 881,047	\$ 1,710	\$ 275,891	\$ 18,117,529	\$ 7,247,923	\$ (14,960)	\$ 2,478,117	\$ 256,275	\$ 3,207,480

Note: The above information has been taken from State Comptroller records and reconciled to the Office's Accounting Revenue Ledger.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

RECONCILIATION SCHEDULE OF CASH RECEIPTS BY DEPARTMENT, SOURCE AND FUND TO DEPOSITS REMITTED TO THE STATE COMPTROLLER

Year Ended June 30, 2004

Department and Source	Common School Fund #0412	State College & University Trust Fund #0417	University Grant Fund #0418	Alternative Fuels Fund #0422	Safety Responsibility Fund #0436	Library Services Fund #0470	State Library Fund #0471	Secretary of State Special Services Fund #0483	Wildlife Prairie Park Fund #0504	Master Mason Fund #0508	Illinois Fire Fighters Memorial Fund #0510	Illinois & Michigan Canal Fund #0570
Business Services												
Corporation taxes and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,661,700	\$ -	\$ -	\$ -	\$ -
Uniform Limited Partnership												
Uniform Commercial Code								1,598,856				
Limited Liability Co. Act												
Limited Liability Partnership												
Securities												
License fees or registration												
Library												
Copy fees and book dues							1,268					
Federal government						7,032,466						
User library charges												
Archives												
Copy and recording fees												
Index												
License fees or registration												
Subscriptions of publication sales												
Lobbyist registration												
Lobbyist registration fines												
Physical Services												
Parking fees												
All departments												
Miscellaneous												
Employee reimbursements												
Check Write Off/GO Back												
Commissions/concessions												
State Board of Education												
State Board of Elections												
Department of Transportation												
Private organizations or individuals												
Unclaimed assets												
Repayment to State and return of petty cash												
Driver Services								16,123,371				
Operators' license and related fees												
Sale of individual driving record												
Automotive dealer fees												
Renovate operators license												
Sale of vehicle or driver data												
Private organizations or individuals												
Vehicle Services												
Commercial distribution fee												
Short term trip permits												
Personalized license plates												
Certificate of title												
IRP audit fees												
License fees or registration	375,836	206,730	50,825	626,220	835,406				22,425	42,489	296,970	7,800
SOS Police												
License fees or registration												
Motor Vehicle Theft Prevention Council												
Chout Clerk fines												
SOS Police Service fees												
Fines, penalties or violations												
Other Illinois State agencies & prior period adjustments												
Total cash receipts per Comptroller	375,836	206,730	50,825	626,220	835,406	7,032,466	1,268	21,598,524	22,425	42,489	296,970	7,800
Receipts in transit to State Treasurer												
June 30, 2003												
June 30, 2004												
Receipts in transit to State Comptroller												
June 30, 2003												
June 30, 2004												
Prior period and other adjustments						(4,667)		(14,597)				
Total Office receipts	\$ 375,836	\$ 206,730	\$ 50,825	\$ 626,220	\$ 835,406	\$ 7,032,466	\$ 1,268	\$ 21,383,927	\$ 22,425	\$ 42,489	\$ 296,970	\$ 7,800

Note: The above information has been taken from State Comptroller records and reconciled to the Office's Accounting Revenue Ledger.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

RECONCILIATION SCHEDULE OF CASH RECEIPTS BY DEPARTMENT, SOURCE AND FUND TO DEPOSITS REMITTED TO THE STATE COMPTROLLER

Year Ended June 30, 2004

Department and Source	Off Highway Vehicle Fund #0574	Park District Youth Fund #0585	September 11th Heritage Project Fund #0588	Illinois Route 66 Heritage Project Fund #0594	Police Memorial Committee Fund #0598	Mammogram Fund #0599	Motor Vehicle License Plate Fund #0622	Motor Carrier Safety Inspection Fund #0649	Organ Donor Awareness Fund #0716	Secretary of State DUI Administration Fund #0732	Illinois Future Teachers Corps Scholarship Fund #0753	Secretary of State Police DUI Fund #0758
Business Services												
Corporation taxes and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uniform Limited Partnership												
Uniform Commercial Code												
Limited Liability Co. Act												
Limited Liability Partnership												
Securities												
License fees or registration												
Library												
Copy fees and book dues												
Federal government												
User library charges												
Archives												
Copy and recording fees												
Index												
License fees or registration												
Subscriptions of publication sales												
Lobbyist registration												
Lobbyist registration fines												
Physical Services												
Parking fees												
All departments												
Miscellaneous												
Employee reimbursements												
Check Write Off/GO Back												
Commissions/concessions												
State Board of Education												
Department of Transportation												
Private organizations or individuals												
Unclaimed assets												
Repayment to State and return of petty cash												
Driver Services												
Operators' license and related fees										1,549,360		
Sale of individual driving record												
Automotive dealer fees												
Reinstatement operators license												
Sale of vehicle or driver data												
Private organizations or individuals												
Vehicle Services												
Commercial distribution fee												
Short term trip permits												
Personalized license plates	545,105						12,340,672					
Certificate of title												
IRP audit fees												
License fees or registration		11,100	38,457	16,150	29,009	89,999			92,372		7,002	
SOS Police												
License fees or registration												
Motor Vehicle Theft Prevention Council												
Circuit Clerk fines												28,481
SOS Police Service fees												
Fines, penalties or violations												
Other Illinois State agencies & prior period adjustments												29,245
Total cash receipts per Comptroller	545,105	11,100	38,457	16,150	29,009	89,999	12,340,672	2,366,120	92,372	1,549,360	7,002	57,726
Receipts in transit to State Treasurer												
June 30, 2003												
June 30, 2004												
Receipts in transit to State Comptroller												
June 30, 2003												
June 30, 2004												
Prior period and other adjustments							(22)					
Total Office receipts	\$ 545,105	\$ 11,100	\$ 38,457	\$ 16,150	\$ 29,009	\$ 89,999	\$ 12,340,672	\$ 2,366,120	\$ 92,372	\$ 1,549,360	\$ 7,002	\$ 57,726

Note: The above information has been taken from State Comptroller records and reconciled to the Office's Accounting Revenue Ledger.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

RECONCILIATION SCHEDULE OF CASH RECEIPTS BY DEPARTMENT, SOURCE AND FUND TO DEPOSITS REMITTED TO THE STATE COMPTROLLER

Year Ended June 30, 2004

	Secretary of State Police Services Fund #0759	U.S. Marine Corps Scholarship Fund #0760	Pet Overpopulation Fund #0764	State Parking Facility Maintenance Fund #0782	Cycle Rider Safety Training Fund #0863	International Registration Plan Fund #0890	Library Trust Fund #0893	State Construction Account Fund #0902	Secretary of State Grant Fund #0948	Park and Conservation Fund #0962	Total
Department and Source											
Business Services											
Corporation taxes and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,922,220
Uniform Limited Partnership	-	-	-	-	-	-	-	-	-	-	1,372,888
Uniform Commercial Code	-	-	-	-	-	-	-	-	-	-	3,575,618
Limited Liability Co. Act	-	-	-	-	-	-	-	-	-	-	27,527,036
Limited Liability Partnership	-	-	-	-	-	-	-	-	-	-	394,504
Securities	-	-	-	-	-	-	-	-	-	-	52,523,179
License fees or registration	-	-	-	-	-	-	-	-	-	-	5,084
Library	-	-	-	-	-	-	-	-	-	-	7,032,466
Copy fees and book dues	-	-	-	-	-	-	4,934,219	-	-	-	4,934,219
Federal government	-	-	-	-	-	-	-	-	-	-	46,488
User library charges	-	-	-	-	-	-	-	-	-	-	1,496,086
Archives	-	-	-	-	-	-	-	-	-	-	78,715
Copy and recording fees	-	-	-	-	-	-	-	-	-	-	564,100
Index	-	-	-	-	-	-	-	-	-	-	13,450
License fees or registration	-	-	-	-	-	-	-	-	-	-	10,880
Subscriptions of publication sales	-	-	-	-	-	-	-	-	-	-	61,202
Lobbyist registration	-	-	-	-	-	-	-	-	-	-	14,753
Lobbyist registration fines	-	-	-	-	-	-	-	-	-	-	8,367
Physical Services	-	-	-	-	-	-	-	-	-	-	27,211
Parking fees	-	-	-	2,176	-	-	-	-	-	-	74,467
All departments	-	-	-	-	-	-	-	-	-	-	28,080
Miscellaneous	-	-	-	-	-	-	-	-	-	-	191,467
Employee reimbursements	-	-	-	-	-	-	-	-	-	-	4,500
Check Write OBT/GO Back	-	-	-	-	-	-	-	-	-	-	59,929
Commissions/concessions	-	-	-	-	-	-	-	-	-	-	1,124
State Board of Education	-	-	-	-	-	-	-	-	-	-	77,572,909
State Board of Elections	-	-	-	-	-	-	-	-	-	-	17,995,104
Department of Transportation	-	-	-	-	-	-	-	-	-	-	5,401,606
Private organizations or individuals	-	-	-	-	-	-	-	-	-	-	2,795,556
Unclaimed assets	-	-	-	-	-	-	-	-	-	-	85,301
Repayment to State and return of petty cash	-	-	-	-	-	-	-	-	-	-	1,042,956
Driver Services	-	-	-	-	-	-	-	-	207,550	-	97,519,600
Operators' license and related fees	-	-	-	-	-	-	-	-	-	-	704,488
Sale of individual driving record	-	-	-	-	-	-	-	-	-	-	3,050,286
Automotive dealer fees	-	-	-	-	-	-	-	-	-	-	6,170,338
Renstate operators license	-	-	-	-	-	-	-	-	-	-	201,081,038
Sale of vehicle or driver data	-	-	-	-	-	-	-	-	-	-	3,263
Private organizations or individuals	-	-	-	-	-	-	-	-	-	-	1,255,367,802
Vehicle Services	-	-	-	-	-	-	-	-	-	-	593,234
Commercial distribution fee	-	-	-	-	-	-	-	-	-	-	774,000
Short term trip permits	-	-	-	-	-	-	-	-	-	-	37,741
Personalized license plates	-	-	-	-	-	-	-	-	-	-	16,561
Certificate of title	-	-	-	-	-	-	-	-	-	-	7,125
IRP audit fees	-	-	29,025	-	-	-	-	-	-	-	76,289
License fees or registration	-	4,373	-	-	3,590,395	169,258,634	-	467,072,056	-	-	1,943,092,892
SOS Police	-	-	-	-	-	-	-	-	-	-	49,492,269
License fees or registration	-	-	-	-	-	-	-	-	-	-	(54,523,766)
Motor Vehicle Theft Prevention Council	-	-	-	-	-	-	-	-	-	-	(144,090,814)
Circuit Clerk fees	9,260	-	-	-	-	-	-	-	-	-	156,057,598
SOS Police Service fees	16,561	-	-	-	-	-	-	-	-	-	(76,289)
Fines, penalties or violations	-	-	-	-	-	-	-	-	-	-	\$ 21,426
Other Illinois State agencies & prior period adjustments	(4,395)	-	-	-	-	-	-	-	-	-	\$ 29,025
Receipts in transit to State Comptroller	21,426	4,373	29,025	2,176	3,590,395	169,258,634	4,934,219	467,072,056	207,550	6,170,338	\$ 21,426
Receipts in transit to State Treasurer	-	-	-	-	-	-	-	-	-	-	\$ 29,025
Receipts in transit to State Comptroller	-	-	-	-	-	-	-	-	-	-	\$ 2,176
Receipts in transit to State Treasurer	-	-	-	-	-	-	-	-	-	-	\$ 4,373
Prior period and other adjustments	-	-	-	-	-	-	-	-	-	-	\$ 467,072,056
Total Office receipts	\$ 21,426	\$ 4,373	\$ 29,025	\$ 2,176	\$ 3,590,395	\$ 169,258,634	\$ 4,934,219	\$ 467,072,056	\$ 207,550	\$ 6,170,338	\$ 1,949,951,890

Note: The above information has been taken from State Comptroller records and reconciled to the Office's Accounting Revenue Ledger.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES

The following are explanations of variations in expenditures which exceed \$25,000 and 15% or more as compared to the prior year:

Operations:

1. Personal Services extra help decreased by \$1,035,576, or 16.18%, between fiscal year 2003 and 2004. Due to significant budget cuts in fiscal year 2004, and late passage of the final budget, the Office was forced to delay the hiring of extra help employees until later in the fiscal year than usual, causing fiscal year 2004 expenditures to be less than in the previous year.
2. Group insurance expenditures increased by \$527,074, or 45.69%, from fiscal year 2004 to 2005. Two factors affect this fluctuation. First, group insurance rates increased by roughly 10% between fiscal year 2004 and 2005. Second, changes to the appropriations for personal services between fiscal year 2004 and 2005 caused the Office to shift payroll costs from General Revenue Fund and Road Fund to various special funds. The Office does not pay group insurance for payrolls in the General Revenue Fund and the Road Fund, but it does pay group insurance from some of the other funds. Thus, each employee that was moved to a special fund's payroll directly increased the group insurance cost to the Office by about \$12,000 in fiscal year 2005.
3. State Retirement Fund contributions increased by \$9,851,049, or 70.89%, between fiscal year 2004 and 2005. In reality, State Retirement Fund contributions only increased by \$7,221,603, or 43.70%, when combining this account with the Pension-Continuing Appropriation account described below. The increase is largely the result of an increase in the State Retirement Fund contribution rate from 13.44% in fiscal year 2004 to 16.11% in fiscal year 2005.
4. Pension – Continuing Appropriation expenditures increased by \$2,629,446, or 100.00%, between fiscal year 2003 and 2004, and decreased by the same amount between fiscal year 2004 and 2005. Because the actual payout rates for State Retirement contributions were higher than the rates included in the final appropriations, insufficient funds were appropriated to agencies throughout the State in fiscal year 2004. As such, the continuing appropriation for pension payments authorized by the State Pension Funds Continuing Appropriation Act (40 ILCS 15) was invoked during fiscal year 2004 only. In fiscal year 2005, no payments were made from this account.

Operations (continued):

5. Travel expenditures decreased by \$145,912, or 15.13%, between fiscal year 2003 and 2004, and decreased by another \$129,947, or 15.88%, between fiscal year 2004 and 2005. Budget cuts in fiscal year 2004 forced the Office to look closely at operations to identify areas that could be scaled back with minimal impact on the critical functions of the Office. The Office was able to save money by reducing non-critical travel, particularly out-of-state travel, and by utilizing new video and teleconferencing technology, enabling Office officials and employees to conduct business between Springfield and other locations without incurring travel costs. The use of telecommunications equipment in lieu of employee travel continued to expand in fiscal year 2005.
6. Printing expenditures decreased by \$1,120,551, or 22.55%, between fiscal year 2003 and 2004, and decreased by another \$634,787, or 16.50%, between fiscal year 2004 and 2005. Most of the decrease between fiscal year 2003 and 2004 is the result of printing costs for validation stickers being paid as lump sum expenditures by the Motor Vehicle License Plate Fund, which previously had been paid as a printing expenditure in the Road Fund, causing Printing costs to decrease in fiscal year 2004 and Motor Vehicle License Plate Fund costs to increase. The decrease from fiscal year 2004 to 2005 was caused primarily by the same type of reason, in that significant printing costs for temporary registration permits were shifted from printing expenditures within the Road Fund to lump sum expenditures in the Motor Vehicle License Plate Fund. Actual reductions to overall printing expenditures did occur between fiscal year 2003 and 2004, and between fiscal year 2004 and 2005. These were primarily due to increased use of and reliance on electronic documents and Internet-based forms, which has reduced the need for paper and printing costs in recent years.
7. Commodities expenditures increased by \$1,477,910, or 24.83%, between fiscal year 2003 and 2004, and decreased by \$2,841,609, or 38.24%, between fiscal year 2004 and 2005. This fluctuation was primarily spurred by purchases of license plates, in which an unusually high number of license plates were purchased in fiscal year 2004, causing the increase from fiscal year 2003 to 2004. The result was more license plate inventory on hand at the end of fiscal year 2004. The Office recognized this situation and adjusted by purchasing fewer license plates in fiscal year 2005, explaining the reduction in commodities expenditures.
8. Equipment expenditures increased by \$712,399, or 29.18% between fiscal year 2004 and 2005. In fiscal year 2005, the Office began making payments on a new IBM Enterprise Server that was purchased to replace the mainframe that was previously used. Additionally, federal reimbursements for the purchase of commercial driver license (CDL) automated testing machines enabled the Office to purchase more CDL machines in fiscal year 2005.
9. Electronic data processing (EDP) expenditures increased by \$1,079,257, or 16.29%, between fiscal year 2004 and 2005. This increase was caused by shifting payments for photographing, imaging and printing driver licenses and identification cards from Office Automation and Technology lump sums, within the Secretary of State Special Services Fund, to the EDP line item.

Operations (continued):

10. The Interagency Grant Fund expenditures increased \$1,441,442, or 129.51%, from fiscal year 2004 to 2005. Approximately \$625,000 of this increase was attributed to two grants from the U.S. Department of Homeland Security received by the Office as a pass-through grant from the Illinois Emergency Management Agency. One grant was to increase security at the Capitol Complex. The other was to enable driver license and identification card photos and information to be instantly accessible to law enforcement agencies throughout Illinois. Approximately \$760,000 of the increase was attributable to a grant from the U.S. Election Assistance Commission received by the Office as a pass-through grant from the Illinois State Board of Elections to link voter and driver databases and enable the Office to register voters at driver service facilities throughout the State. The majority of the expenditures for this project were paid in fiscal year 2005.
11. The Secretary of State Grant Fund expenditures increased \$216,689, or 2443.77%, from fiscal year 2003 to 2004. This fund depends on funding made available from non-governmental sources for specified programs. During fiscal year 2004, the Illinois State Library received \$664,000 from the Bill and Melinda Gates Foundation to be sub-granted to local libraries for technology improvements over a three-year period. Thus, expenditures from the fund were much higher in fiscal year 2004 and 2005 than in previous years.
12. The Securities Investors' Education Fund program increased by \$180,730 or 220.03%, between fiscal year 2003 and 2004. This increase occurred because fiscal year 2004 was the first year in which payroll costs were paid from this fund, through lump sum appropriations, as a result of identifying employees who work specifically on this program. Also, postage expenditures were incurred for the first time in fiscal year 2004, as lump sum appropriations, to cover the costs of mailings related to increasing the public's awareness of securities fraud.
13. Alternate Fuels Fund expenditures increased \$169,827, or 100.0%, from fiscal year 2003 to 2004. The alternate fuel program ended in fiscal year 2002, so no funds were expended in fiscal year 2003. During 2003, legislation was passed to continue the program. However, due to budget constraints and timing, no funds were expended in fiscal year 2003. The program resumed in full in fiscal year 2004.
14. Motor Vehicle License Plate Fund expenditures decreased \$2,863,283, or 20.79%, from fiscal year 2004 to 2005. This fluctuation was spurred primarily by the purchases of license plates, in which an unusually high number of license plates were purchased in fiscal year 2004, causing an increase from fiscal year 2003 to 2004. The result was more license plate inventory on hand at the end of fiscal year 2004. The Office recognized this situation and adjusted by purchasing fewer license plates in fiscal year 2005, explaining the reduction in expenditures between fiscal year 2004 and 2005.

Operations (continued):

15. Online Computer Library Center program expenditures decreased \$4,082,771, or 81.07%, from fiscal year 2004 to 2005. This program, which was statutorily authorized but not required by the State Library Act, involved collecting user fees from local libraries and paying them to the contractors providing the service. In fiscal year 2005, the collection aspect of this program was transferred from the Illinois State Library to the Lincoln Trail Library System. As such, the agency fund that collected and passed through the fees was liquidated early in fiscal year 2005, resulting in considerably fewer expenditures than in prior years.
16. Secretary of State DUI Administration Fund expenditures increased \$764,437, or 104.00%, between fiscal year 2003 and 2004 and decreased \$237,388, or 15.83%, between fiscal year 2004 and 2005. The Office did not begin spending money from this fund until the end of April 2002. It took several months before the fund began regularly paying bills, due largely to billing delays by contractual attorneys, causing fiscal year 2003 expenditures to be considerably less than a full year of expenditures. Fiscal year 2004 represents a full year of expenditures. Also, relatively significant postage expenditures were paid from this fund in fiscal year 2004 to cover the cost of mailings of various documents, primarily administrative orders and case files involved in an administrative hearing. No postage was paid from this fund in fiscal year 2005, causing the decrease.
17. Social Security on-line verification expenditures increased \$127,508, or 210.12%, between fiscal year 2003 and 2004 and decreased \$147,988, or 78.64%, between fiscal year 2004 and 2005. The majority of the expenditures for this program have been payments to contractual software programmers, who received payments from March 2003 until October 2004. Thus, payments were made for only three and a half months of fiscal year 2003, all of fiscal year 2004, and only four months of fiscal year 2005. This explains the increase in fiscal year 2004 and decrease in fiscal year 2005.
18. Department of Homeland Security program expenditures increased by \$100,980, or 100.00%, between fiscal year 2004 and 2005. Beginning in fiscal year 2005, the Office is required to collect a federal government fee for commercial driver license (CDL) applicants seeking a CDL endorsement to transport hazardous materials. The Office collects these fees and periodically forwards payment to the U.S. Department of Homeland Security.

Awards and grants

19. Library lump sums increased by \$620,150, or 60.53%, between fiscal year 2003 and 2004 due to the shifting of appropriations between funds, increasing the library lump sum appropriations from the Secretary of State Special Services Fund, and decreasing those from the General Revenue and Live and Learn Funds.

Permanent improvements

20. Expenditures for permanent improvements decreased by \$386,425, or 40.92%, between fiscal year 2004 and 2005. This decrease occurred because the Office did not receive an appropriation from the Capital Development Fund for rehabilitation and maintenance of various facilities in fiscal year 2005, because the General Assembly did not pass a capital appropriation bill early in fiscal year 2005. Funding has since been restored in fiscal year 2006.
21. Alterations and repairs expenditures increased by \$1,904,846, or 402.78%, between fiscal year 2004 and 2005. This increase was the direct result of spending to increase security at the Capitol Complex following the tragic murder of a Capitol security guard.

Refunds

22. Corporate franchise tax refunds increased by \$1,312,084, or 103.86%, between fiscal year 2003 and 2004, and decreased by \$2,059,584, or 79.97%, between fiscal year 2004 and 2005. The Office issues refunds when corporations pay more franchise taxes than required. In fiscal year 2004, an extremely large refund was paid to a company that overpaid their taxes, causing a spike in fiscal year 2004 refund expenditures.
23. Safety responsibility refunds decreased by \$233,351, or 23.71%, between fiscal year 2004 and 2005. Uninsured motorists involved in certain accidents must post a cash bond to the Office to compensate the injured party. This bond is maintained in the non-appropriated Safety Responsibility Fund. Upon adjudication of damage, the injured party is compensated and any residual funds are returned to the motorist from this fund. The decrease was a result of fewer court orders for payments to injured parties in fiscal year 2005, which is beyond the control of the Office.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS

The following are explanations of variations in receipts that exceed \$25,000 and 15% or more as compared to the prior year.

In fiscal year 2004, several fee increases were implemented. Many of the fees doubled from their original amount. The implementation date for many of the fees was July 1, 2003, but others took effect on September 30, 2003; December 1, 2003; and January 1, 2004. As a result, fee increases affected the receipt totals of both fiscal year 2004 and 2005.

Business Services

1. Corporation taxes and fees: The fee increases related to corporations included raising the franchise tax cap of \$1 million to \$2 million, doubling the expedited service fees from a range of \$10 - \$100 to \$20-\$200, and raising the corporate annual report fee from \$25 to \$75. The combined effect was an increase of \$27,077,072, or 17.8%, from fiscal year 2003 to 2004.
2. Uniform Limited Partnership: In fiscal year 2004, several fee increases took effect. Many of the fees doubled from their original amount generating an increase of \$878,555, or 177.7%, from fiscal year 2003 to 2004, and an increase of \$466,589, or 34.0%, from fiscal year 2004 to 2005.
3. Limited Liability Company Act: In fiscal year 2004, several fee increases took effect, including, but not limited to: \$50 increase in filing the annual report, \$100 increase in filing articles of incorporation and to file applications of authority, \$10-\$50 increases in filing articles of amendments, and a \$200 increase in the penalty to return to good standing. These fee increases resulted in \$11,412,710, or 70.8%, more receipts from fiscal year 2003 to 2004 and \$7,350,037, or 26.7%, from fiscal year 2004 to 2005.
4. Limited Liability Partnership: In fiscal year 2004, several fee increases took effect pertaining to admission and restatement of certificates of limited partnerships, filing of certificates and amendments, filing of renewal reports, filing fees for reinstatements, and miscellaneous copy and other document fees. As a result, receipts increased \$252,009, or 176.9%, from fiscal year 2003 to 2004.

Securities

5. License fees or registrations: Receipts increased \$28,757,586, or 121.0%, from fiscal year 2003 to 2004. Much of the increase was due to the doubling of the fees pertaining to wire transfers, federally covered investment advisors, registration transfers, investment advisor representation, uniform limited offering exemptions, and securities audit and enforcement investment advisor re-registration. That same year, the Securities Department was awarded \$11 million from lawsuits related to security fraud. Several large companies paid out millions in fines that were shared by the states. In fiscal year 2005, absent any lawsuit proceeds and fee increases, deposits decreased \$11,463,411, or 21.8%.

Library

6. Federal government: Federal receipts increased \$941,016, or 15.4%, from fiscal year 2003 to 2004. Because funds are reimbursed after being expended, the timing of expenses and reimbursements will vary year to year, especially if received during the month of July relating to expenditures occurring prior to July. For example, in July 2003, approximately \$942,000 was deposited, as compared to approximately \$256,000 during the same period in 2002.
7. User library charges: In November 2004, the State Library ceased being the fiscal office for the Online Computer Library Center (OCLC) program. Prior to this date, the State Library would bill and collect receipts from other libraries participating in OCLC program. Lincoln Trail Library is now the fiscal office in charge of collecting receipts. As a result, receipts related to user library charges decreased \$4,366,065, or 88.5%, from fiscal year 2004 to 2005.

Archives

8. Copy and recording fees: In fiscal year 2004, receipts pertaining to copy and recording fees increased \$36,505, or 365.7%, from fiscal year 2003. \$17,300 of this increase was due to a miscategorization of fees to this department that should have categorized elsewhere. The remaining \$19,205 is the result of fee increases pertaining to microfilm sales and the institution of new fees related to research and the sale of land plat information.

Index

9. License fees or registrations: In fiscal year 2004, the Index Department lobbyist registration fee increased. Prior to fiscal year 2004, the registration fee was originally set at \$50 per registration, regardless of the tax status of the organization. Beginning in fiscal year 2004, for-profit entities pay \$300 in registration fees. As a result, receipts increased \$872,762, or 140.0%, from fiscal year 2003 to 2004.

Index

10. Subscriptions and publications sales: In fiscal year 2004, sales of the Administrative Code on CDROM and the Illinois Register totaled \$66,410, and declined further to \$28,710 in fiscal year 2005. These declining sales resulted in overall subscription and publication sales receipts to decrease \$43,020, or 54.7%, from fiscal year 2004 to 2005. In fiscal year 2004, the Index Department started to phase out the CDROM production because of budgetary constraints. They currently do not produce the CDROM.
11. Lobbyist registration: In fiscal year 2004, the Index Department lobbyist registration fee increased. Prior to fiscal year 2004, the registration fee was originally set at \$50 per registration, regardless of the tax status of the organization. Beginning in fiscal year 2004, not-for-profit entities pay \$100 in registration fees. As a result, receipts increased \$327,430, or 138.3%, from fiscal year 2003 to 2004.

All Departments

12. Employee reimbursements normally result from the personal phone calls made by employees and jury duty stipends paid to employees by circuit courts. These repayments will vary year to year. However, in fiscal year 2003, two employees repaid the Office \$20,000 for improper travel expenses in order to avoid court action. Also, until fiscal year 2004, the Department of Police regularly deposited costs for services in the Road Fund. It is estimated that \$24,000 was deposited. In fiscal year 2004, and going forward, the Office's Department of Police deposits fines and other costs for service into the Secretary of State Police Services Fund and the Secretary of State Police DUI Fund, which are in the "SOS Police" section of the Comparative Schedule of Cash Receipts - By Department and Source. The absence of these amounts from the Road Fund and the employee improprieties are attributed to the \$42,513, or 74.2%, decline from fiscal year 2003 to 2004.
13. State Board of Education: In fiscal year, the Office received a \$74,467 one-time grant for driver education in public schools.
14. State Board of Elections: In fiscal year 2004, the Office received a grant under the Help America Vote Act. The grant continued into fiscal year 2005. As a result, receipts of this kind increased \$28,080, or 100%, from fiscal year 2003 to 2004, and then \$1,209,920, or 4308.8%, from fiscal year 2004 to 2005.
15. Illinois Emergency Management Agency (IEMA): In fiscal year 2005, a grant originating from the Office of Homeland Security, and passed through IEMA, was awarded for the purchase of security equipment for the Capitol Complex.

All Departments – Continued

16. Department of Transportation: The Social Security on-line verification (SSOLV) program reimburses the Office for contractual services provided by outside contractors for data processing services. The Office modified its Drivers Application during fiscal year 2004-2005 to accommodate the automatic verification of Social Security numbers for new and renewed drivers licenses. As part of this, the Office had to verify all existing Social Security numbers, and this occurred primarily in fiscal year 2004. As a result, the reimbursements increased \$123,196, or 180.5%, from fiscal year 2003 to 2004, then decreased \$106,178, or 55.5%, from fiscal year 2004 to 2005.
17. Federal Motor Carrier Safety Administration: In fiscal year 2005, a grant was awarded to purchase Commercial Driver License testing equipment.

Driver Services

18. Sale of individual driving records: In fiscal year 2004, the fee for the sale of individual driving records increased from \$6 to \$12. The additional \$6 was deposited into the General Revenue Fund. The fee increase resulted in \$17,995,104, or 100%, more receipts than fiscal year 2003, and a \$16,209,192, or 90.1%, increase from fiscal year 2004 to 2005.
19. Automotive dealer fees: In fiscal year 2004, twelve different automotive dealer fees were increased. The fee increases ranged from as high as \$900 to as low as \$25 and totaled \$5,401,606.
20. Reinstate operator's licenses: In fiscal year 2004, statutory suspension and revocations fees were raised. The suspension fees increased from \$60 to \$250 and the revocations doubled from \$250 to \$500. In most cases, all of the increase was deposited into the General Revenue Fund. The fee increases generated \$2,795,556 in the last four months of fiscal year 2004. In fiscal year 2005, 13 months of revenue was recorded as a result of the implementation of 30 ILCS 230/5a, which requires the Office to "deposit all fees into the funds specified in the statute imposing or authorizing the fee no more than 30 days after receipt of the fee by the Secretary of State." As a result, deposits increased \$6,866,684, or 245.6%, from fiscal year 2004.
21. Sale of vehicle or driver data: In fiscal year 2004, bulk data statistic fees were doubled from \$250 to \$500. The increase resulted in \$85,301 of receipts deposited into the General Revenue Fund. In fiscal year 2005, this category was expanded to include \$250 of the \$500 fee for companies participating in the on-demand sticker sales program. Companies participating in the program are essentially purchasing vehicle and driver data in bulk when selling on-demand stickers. As a result, these receipts increased \$219,266, or 257.0%, from fiscal year 2004 to 2005.
22. Standard Illinois identification card: In fiscal year 2005, fees on standard ID cards were raised from \$4 to \$20. The \$16 increase was deposited into the General Revenue Fund and generated \$4,177,944 of increased receipts.

Driver Services – Continued

23. Federal Transportation Safety Administration (FTSA) – Hazardous Materials: In fiscal year 2005, the FTSA required that all commercial drivers license drivers of hazardous material be fingerprinted and run through a criminal database before licensing. The \$34 fingerprinting fee is collected by the issuing state and forwarded to the FTSA. \$82,042 was collected in fiscal year 2005.
24. Private organizations or individuals: In fiscal year 2005, the Bill and Melinda Gates Foundation awarded a grant in the amount of \$662,000 to the State Library, thus increasing these receipts by \$564,746, or 54.1%, from fiscal year 2004 to 2005.

Vehicles Services

25. Commercial distribution fee: In fiscal year 2004, the General Assembly added a surcharge equal to 36% to the existing cost to register flat weight and mileage vehicle plates. Unlike other fee increases, this fee did not exist prior to fiscal year 2004. All of the fee revenue was deposited into the General Revenue Fund. In its first year of implementation only 10 months of revenue was deposited, which yielded \$97,519,600. In fiscal year 2005, 13 months of revenue was deposited into the General Revenue Fund due to the implementation of 30 ILCS 230/5a, as explained above. The three additional months of revenue resulted in an increase of \$22,763,599, or 23.3%, from fiscal year 2004 to 2005.
26. Short term trip permits: In fiscal year 2004, the permit fee was raised from \$4 to \$10. The \$6 increase is deposited into the General Revenue Fund. In its first year of implementation only 10 months of revenue, or \$704,488, was deposited. In fiscal year 2005, 13 months of revenue was deposited into the General Revenue Fund due to the implementation of 30 ILCS 230/5a, as explained earlier. The three additional months of revenue results in an increase of \$326,968, or 46.4%, from fiscal year 2004 to 2005.
27. Personalized license plates: In fiscal year 2004, three new fees were assessed to vehicle owners who, by definition, fell into the personalized plate categories. The three personalized fees assessed were a \$7 renewal fee, a \$47 original issuance fee, and a \$25 fee for motorcycles. Fifty percent of the new fees are deposited into the General Revenue Fund and the other half is deposited into the Secretary of State Special License Plate Fund. In its first year, 4 months of revenue, or \$3,050,286, was deposited. In fiscal year 2005, 13 months of revenue was deposited into the General Revenue Fund due to the implementation of 30 ILCS 230/5a, as explained earlier. Thus, fiscal year 2005 receipts increased from fiscal year 2004 receipts by \$8,167,065, or 267.7%.
28. Delinquent vehicle registration renewal: Beginning in fiscal year 2005, a \$20 fee was assessed to owners of vehicles who failed to renew their license plates within 1 month after the expiration date. The change went into effect January 1, 2005 for plates that expired January 31. Owners registered on or after March 1 were the first to pay the late fee. \$1,170,600 was collected in fiscal year 2005 as a result of this new fee.

SOS Police

29. Motor Vehicle Theft Prevention (MVTP) Council: The Office's Department of Police receives a yearly grant from the MVTP Council. The Department's Special Audit Team uses the grant to regulate the sale and distribution of auto parts as required by the Illinois Vehicle Code. The department is reimbursed by grant proceeds after funds have been expended. The timing of deposits will vary year to year, which explains the decrease of \$491,900, or 38.9%, from fiscal year 2003 to 2004, and increase of \$248,000, or 32.0%, from fiscal year 2004 to 2005.
30. Circuit Clerk fines: By statute, in addition to other applicable fines, any person convicted of a DUI for the first time shall pay an additional \$100, and any person convicted of a DUI for a second time shall pay an additional \$200 to the Circuit Clerk. The proceeds of either the \$100 or \$200 fine are shared equally between the law enforcement agencies participating in the arrest. In fiscal year 2004, the Office's Department of Police participated in more DUI arrests, thus receipts increased \$33,346, or 758.7%, from fiscal year 2003 to 2004.
31. SOS Police Services fees: By statute, the Office's Department of Police may collect or charge for services for the cost of providing its personnel, equipment and services when other governmental agencies request such services. In fiscal year 2005, the Office's Department of Police were involved in a federal investigation for which costs were recovered and related receipts increased \$37,656, or 227.4%, from fiscal year 2004.
32. Fines, penalties or violations: Under State and federal forfeiture statutes, the Office's Department of Police is authorized to share in the recovery assets seized by State or federal authorities when they are active participants to any investigation. Recovered assets are sold for cash, which is then divided between law enforcement agencies. In most cases, seized assets are the result of federal investigations. Proceeds will vary each year because they are not predictable or reliable sources of income. Currency or property seized must be adjudicated through the courts and in some cases it can take years before any proceeds are realized.

In fiscal year 2003, \$77,000 in restitution, as part of the federal investigation Operation Safe Road, was included in this category, but is not related to assets forfeitures. Forfeited assets totaled \$30,000 that year. In fiscal year 2004, proceeds from seizures declined down to \$7,000 and overall receipts from fiscal year 2003 to 2004 decreased \$100,100, or 93.4%. Proceeds from seizures increased to \$33,000 in fiscal year 2005, and the Office's Department of Police was able to share in seizures that generated larger sums of cash. These related receipts increased \$26,027, or 365.3%, from fiscal year 2004 to 2005.

33. Other Illinois State agencies and prior period adjustments: Prior period adjustments are 1) the refund of an expended appropriation from a prior year and 2) the correction of revenues that were posted to the wrong fund in a prior year. The correction of revenues net effect for the current period will be zero because each adjustment will have a source and a destination fund. The remainder is prior year refunds.

SOS Police - Continued

The SOS has 30 operational appropriated funds and over \$300 million in annual appropriations. With the volume of vouchers processed and the large sum of funds expended each year it is not unreasonable for prior year refunds to fluctuate from a high of \$217,174 in fiscal year 2003 down to \$11,865 in fiscal year 2005. Thus the decrease of receipts in this category of \$140,885, or 64.9%, from fiscal year 2003 to 2004, and \$64,424, or 84.4%, from fiscal year 2004 to 2005.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

Year Ended June 30, 2005

Operation Group, Fund, Major Object Code, and Explanation	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
<u>General Administrative Group</u>			
General Revenue Fund – 0001			
1. Printing – The printing of the 2005-2006 Handbook of Illinois Government was completed in May and paid in July 2005. The printing of Illinois Highway Maps ordered in June was completed and paid for in August 2005.	\$ 450,806	\$ 379,995	84.29
2. Equipment - Equipment items frequently have a long time period between the beginning of the approval process, actually ordering the equipment, and paying the bill after receipt. Significant lapse period expenditures included computers and related equipment, servers, and library books and periodicals.	1,456,870	811,065	55.67
Securities Audit and Enforcement Fund – 0362			
1. Equipment - Equipment items frequently have a long time period between the beginning of the approval process, actually ordering the equipment, and paying the bill after receipt. Significant lapse period expenditures included computers and related equipment, and five replacement vehicles for securities auditors.	104,515	35,290	33.77

Operation Group, Fund, Major Object Code, and Explanation	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
<u>Motor Vehicle Group</u>			
General Revenue Fund – 0001			
1. Security Measures Capitol – Expenditures were authorized by a supplemental appropriation several months into fiscal year 2005. Projects to upgrade security systems were not completed until late in the fiscal year or continued into fiscal year 2006, causing expenditures in lapse period. Equipment ordered late in the fiscal year was received and paid after June 30. Expenditures for armed guard services continued into the lapse period.	\$ 1,952,155	\$ 905,730	46.40
Road Fund – 0011			
1. Commodities - License plates ordered in June were received and paid during the lapse period. More license plates are purchased later in the fiscal year, because the remaining stock from the beginning of the year typically lasts several months before more plates are ordered.	2,614,029	1,189,096	45.49
2. Printing – Vehicle title applications, pressure-sealed renewal notices, and other printing items ordered between December 2004 and June 2005 were not received until late June or July, with payments occurring during lapse period.	2,249,477	717,780	31.91
3. Equipment - Equipment items frequently have a long time period between the beginning of the approval process, actually ordering the equipment, and paying the bill after receipt. Significant lapse period expenditures included imaging equipment, computers and related equipment, and police vehicles.	1,050,136	792,921	75.51
4. Operation of Automotive Equipment - Automotive repairs are performed and paid when necessary. In fiscal year 2005, several repairs were needed near the end of the fiscal year, with payments made during lapse period.	459,567	117,952	25.67

Operation Group, Fund, Major Object Code, and Explanation	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
<u>Motor Vehicle Group (continued)</u>			
CDLIS/AAMVA Net Trust Fund – 0109			
1. Equipment - Automated commercial drivers license (CDL) testing equipment for Champaign, Mattoon, Carmi, Edwardsville and Robinson driver service facilities was received and paid in July 2005.	\$ 467,343	\$ 235,591	50.41
Secretary of State Special License Plate Fund – 0185			
1. Commodities - License plates ordered in June were received and paid during the lapse period. More license plates are purchased later in the fiscal year, because the remaining stock from the beginning of the year typically lasts several months before more plates are ordered.	399,857	162,551	40.65
Motor Vehicle Review Board Fund – 0323			
1. Contractual Services - Lapse period expenditures were the result of contractual attorneys' billings for services provided in May and June.	51,662	18,808	36.41
<u>General Administrative Group - Other</u>			
General Revenue Fund – 0001			
1. Miscellaneous Permanent Improvements - Buildings - Many projects are not completed until late in the fiscal year or even continued to the next fiscal year, causing expenditures in lapse period. Also, equipment ordered in the last quarter of the fiscal year often is received and paid after June 30.	425,613	208,913	49.09

Operation Group, Fund, Major Object Code, and Explanation	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
<u>General Administrative Group – Other (continued)</u>			
Securities Investors' Education Fund – 0292			
1. Public Awareness of Securities Fraud – Hardware for the Securities Department disaster recovery project was received in June 2005 but not paid until August. Also, a grant to the Illinois Council on Economic Education was paid in July 2005.	\$ 258,465	\$ 119,082	46.07
Live and Learn Fund – 0026			
1. Appropriation for construction – Uncertainty regarding possible interfund transfers prevented the Office from expending these construction grants until late June 2005. One of two payments was recorded by Comptroller in lapse period.	250,000	50,000	20.00
<u>General Administrative Group - Nonappropriated Funds</u>			
Secretary of State Interagency Grant Fund – 0295			
1. Help America Vote Act – EDP equipment ordered in May was received in late June 2005 and paid during lapse period.	759,953	396,960	52.23
2. Homeland Security Grant – Contractual Java programmer expenditures for work done April through June 2005 were paid during the lapse period. Also, computer and network-related equipment were ordered during May and June but not paid until lapse period. This project began late in the fiscal year, resulting in disproportionate lapse period expenditures.	99,755	96,165	96.40

Operation Group, Fund, Major Object Code, and Explanation	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
<u>Motor Vehicle Group - Nonappropriated Funds</u>			
Secretary of State Federal Projects Fund – 0176			
1. Department of Homeland Security – In March 2005, the Office began collecting fees for the U.S. Department of Homeland Security (USDHS) from applicants for a CDL with a hazardous material endorsement. Fees collected are paid to USDHS. Since the program began so late in the fiscal year, most expenditures were recorded during the lapse period.	\$ 100,980	\$ 95,506	94.58

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

Year Ended June 30, 2004

Operation Group, Fund, Major Object Code, and Explanation	<u>Total</u> <u>Expenditures</u>	<u>Lapse Period</u> <u>Expenditures</u>	<u>Percent</u>
<u>Executive Group</u>			
General Revenue Fund – 0001			
1. Contractual Services – Expenditures for legal services and software programming performed near the end of the fiscal year were paid in the lapse period after the invoices were received and reviewed. Also, \$30,000 was paid during the lapse period in accordance with a settlement agreement related to activities occurring prior to June 30, 2004.	\$ 474,605	\$ 122,611	25.83
2. Commodities – Near the end of the fiscal year, dwindling stocks of office supplies for the Executive Office were re-stocked so that employees would have the resources necessary to perform their job duties. The related bills were received and paid after June 30, 2004.	36,144	13,996	38.72
3. Equipment – Over \$23,000 worth of desktop personal computers ordered in late May were received on June 30, 2004. After processing time, the payment was not recorded as an expenditure until the lapse period.	38,675	28,934	74.81
4. Telecommunications – Due to extensive delays between CMS telecommunications service and billing dates, two months of service payments were paid during the lapse period. Also, an order of fax machines ordered before June 30, 2004 were not received until July, causing the expenditure to occur during lapse period.	141,035	33,376	23.67

Operation Group, Fund, Major Object Code, and Explanation	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
<u>General Administrative Group</u>			
General Revenue Fund – 0001			
1. Equipment – Equipment items frequently have a long time period between the beginning of the approval process, actually ordering the equipment, and paying the bill after receipt. Significant lapse period expenditures included computers, servers, police cars and cargo vans, and library books and periodicals.	\$ 1,076,516	\$ 640,754	59.52
Lobbyist Registration Administration Fund - 0044			
1. Contractual Services – Software purchased in relation to electronic filing project for online lobbyist registration was received in June but not billed until August.	75,134	34,987	46.57
2. Equipment – Hardware purchased in relation to electronic filing project for online lobbyist registration was received in June but not billed until July.	36,650	16,640	45.40
Securities Audit and Enforcement Fund – 0362			
1. Equipment – A scanner was received in June, but the related expenditure was not recorded until July. Additionally, computer monitors ordered in June were not received until July, resulting in lapse period expenditures.	204,732	47,465	23.18
Business Services Special Operations Fund – 0363			
1. Commodities – Storage media and imaging lamps related to the imaging project for business filings and documents were received in May but not billed until July 2004, resulting in significant lapse period expenditures.	40,217	10,629	26.43
2. Printing – Special envelopes were ordered and received in April, but not billed until late June. After processing time, the expenditure was not recorded until the lapse period.	22,877	8,087	35.35

Operation Group, Fund, Major Object Code, and Explanation	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
<u>General Administrative Group (continued)</u>			
Business Services Special Operations Fund – 0363 (continued)			
3. Equipment – Personal computers and scanners ordered in May and June were not received until July and August respectively. The \$37,000 scanner, purchased in relation to the imaging project for business filings and documents, was received and paid in August.	\$ 66,257	\$ 53,159	80.23
Secretary of State Special Services Fund – 0483			
1. Expansion of Literacy Program – Due to late passage of the fiscal year 2004 budget, combined with uncertainty regarding new interfund transfer authority granted the Governor’s Office of Management and Budget, many of the grant program timetables for expenditures were pushed back until later in the year, resulting in more lapse period expenditures.	1,291,081	402,199	31.15
<u>Motor Vehicle Group</u>			
General Revenue Fund – 0001			
1. Commodities – License plates ordered in June were received and paid during the lapse period. More license plates are purchased later in the fiscal year, because the remaining stock from the beginning of the year typically lasts several months before more plates are ordered.	1,260,880	1,201,866	95.32
2. Printing – Payments for printing of vehicle title documents with beginning service dates as far back as September 2003 were not paid until lapse period due to delays in billing and payment processing.	724,640	347,093	47.90
3. Equipment – A large order of printers ordered in May was not received until late June and was not paid until July 2004.	247,760	63,356	25.57

Operation Group, Fund, Major Object Code, and Explanation <u>Percent</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	
<u>Motor Vehicle Group (continued)</u>			
Road Fund – 0011			
1. Commodities – License plates ordered in June were received and paid during the lapse period. More license plates are purchased later in the fiscal year, because the remaining stock from the beginning of the year typically lasts several months before more plates are ordered.	\$ 4,719,412	\$ 2,279,736	48.31
2. Printing – Validation stickers, temporary registration permits, and pressure-sealed renewal notices ordered between February and June 2004 were not received until late June or July, with payments occurring during lapse period.	2,733,518	1,129,852	41.33
3. Equipment – Equipment related to the driver license imaging project was ordered in April but not received until July 2004.	366,021	108,085	29.53
4. Operation of Automotive Equipment – Automotive repairs are performed and paid when necessary. In fiscal year 2004, several repairs were needed near the end of the fiscal year, with payments during lapse period. Also, sirens and speakers for police vehicles were ordered in June but not received and paid until July 2004.	418,929	93,636	22.35
CDLIS/AAMVA Net Trust Fund – 0109			
1. Equipment – Automated CDL testing equipment for Galesburg and Freeport driver service facilities was received and paid by the Office in June but not recorded by the Comptroller until July 2004.	380,580	83,724	22.00

Operation Group, Fund, Major Object Code, and Explanation	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
<u>Motor Vehicle Group (continued)</u>			
Secretary of State Special License Plate Fund – 0185			
1. Commodities - License plates ordered in June were received and paid during the lapse period. More license plates are purchased later in the fiscal year, because the remaining stock from the beginning of the year typically lasts several months before more plates are ordered.	\$ 466,090	\$ 280,362	60.15
Motor Vehicle Review Board Fund – 0323			
1. Contractual Services - \$32,000 was paid during the lapse period in accordance with a settlement agreement related to activities occurring prior to June 30, 2004. Other lapse period expenditures were the result of contractual attorneys' billings for services provided in May and June.	86,793	52,889	60.94
<u>General Administrative Group - Other</u>			
General Revenue Fund – 0001			
1. Miscellaneous Permanent Improvements - Buildings – Many projects are not completed until late in the fiscal year or even continued to the next fiscal year, causing expenditures in lapse period. Also, equipment ordered in the last quarter of the fiscal year often is received and paid after June 30.	438,649	166,743	38.01
Live and Learn Fund – 0026			
1. Family Literacy Program – The entire lapse period expenditure was a Community Literacy Grant payment to the Rockford Area Literacy Council that was recorded as an expenditure in the first week of July 2004.	498,970	109,999	22.05

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

ANALYSIS OF CASH RECEIPTS
(UNAUDITED)

COMPARISON OF RECEIPTS

Vehicle Services and Driver Services Departments

Passenger vehicle and truck registrations accounted for \$1,502,435,974, or 75% and \$1,473,179,733, or 76% of total receipts per the Office's accounting revenue ledger during fiscal years 2005 and 2004, respectively.

The following information indicates the volume of transactions by fiscal year of sale:

	Year ended June 30,		
	2005	2004	2003
Passenger car plates	7,617,742	7,495,294	7,375,597
Taxi and livery, ambulance - hearse plates	19,072	18,878	18,620
Truck and bus plates	1,867,193	1,854,936	1,830,181
Trailer and semi-trailer plates	818,264	760,278	772,506
Motorcycle plates	63,721	277,475	260,777
Dealers and in-transit plates	85,939	94,875	220,959
Service fees on license transfers	830,071	873,745	899,474
Drivers' licenses	3,157,186	3,178,300	3,135,283
Drivers' histories	5,606,970	4,982,793	5,876,103
Duplicates and replacements - plates and drivers licenses	293,836	271,358	302,469
Titles and duplicates	3,510,113	3,628,099	3,552,147
Other	<u>3,581,762</u>	<u>2,641,571</u>	<u>2,937,642</u>
Total	<u>27,451,869</u>	<u>26,077,602</u>	<u>27,181,758</u>

Department of Business Services

The second largest cash collecting department in the Office of the Secretary of State is the Department of Business Services, whose primary responsibility is administration of the Business Corporation Act. A total of 357,114 domestic and foreign business corporations filed returns under the Act reporting information which permits the Department to calculate the franchise tax, the largest source of receipts for this Department.

Department of Business Services - Continued

Franchise taxes and licenses fees are collected annually from each corporation. In addition, franchise taxes are payable to the Office upon stock issuances and on increases in paid-in capital. As a result, franchise tax collections fluctuate from year to year.

Other collections by the Department of Business Services include filing fees required with applications for articles of incorporation, certificates of authority of foreign corporations, articles of amendments, articles of merger or consolidation, certificates of withdrawal, reservations of name and filing fees collected from approximately 74,466 not-for-profit corporations.

The following table indicates the collections in the General Revenue Fund by the Department of Business Services for corporation taxes and fees in each of the last five fiscal years and the number of business corporations registered in Illinois in each of the last five calendar years:

Year ended <u>June 30</u>	Receipts <u>Amount</u>	<u>Number of Registered Corporations</u>			
		Year ended <u>December 31</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>
2005	\$ 181,126,038	2004	357,114	323,789	33,325
2004	163,267,903	2003	347,213	314,280	32,933
2003	142,364,670	2002	337,842	304,779	33,063
2002	159,418,774	2001	326,292	293,165	33,127
2001	146,024,485	2000	319,271	286,048	33,223

The Uniform Commercial Code Division of the Department of Business Services collects fees through its administration of records involving security interests and commercial transactions as directed by the Uniform Commercial Code. A summary of the collections in the General Revenue Fund for the last five years follows:

Year ended <u>June 30</u>	<u>Amount</u>
2005	\$ 1,256,621
2004	1,976,762
2003	1,582,269
2002	1,752,207
2001	1,789,736

Securities Department

The Securities Department administers the Illinois Securities Law of 1953 which relates to:

1. Registration of securities in the State of Illinois before public offering or sale.
2. Registration of security dealers and salesmen.
3. Registration of investment advisors.

Securities Department – Continued

Registration of securities for sale in the State and the related receipts fluctuate depending upon general economic and stock market conditions. A summary of collections in the General Revenue Fund during each of the five fiscal years ended June 30 and the value of debt and equity securities in each of the five years ended December 31 follows:

<u>Receipts</u>		<u>Equity Securities Registered</u>	
<u>Year ended</u> <u>June 30</u>	<u>Amount</u>	<u>Year ended</u> <u>December 31</u>	<u>Amount</u>
2005	\$ 32,164,035	2004	\$ 109,479,209,055
2004	31,934,497	2003	142,246,140,328
2003	13,409,708	2002	74,177,654,376
2002	15,237,324	2001	87,140,466,165
2001	16,382,715	2000	81,219,336,035

Index Department

The Index Department collects fees for the registration of notaries public, issuance of certified copies, judges' fees, and photostats. A summary of receipts for the last five fiscal years follows:

<u>Year ended</u> <u>June 30</u>	<u>Amount</u>
2005	\$ 1,311,988
2004	1,496,086
2003	623,324
2002	761,105
2001	519,217

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

ANALYSIS OF ACCOUNTS RECEIVABLE

June 30, 2005 and 2004

The Office's receivable balances consist of amounts due from the federal government for grant programs, amounts due from various tax receipts, registration fees and amounts due from other state funds.

The following is a schedule of receivable balances (expressed in thousands) at June 30, 2005 and 2004. The other receivables at June 30, 2005 and 2004 were expected to be collected within one year and, therefore, classified as current.

	<u>2005</u>	<u>2004</u>
Tax receipts	\$ 1,476	\$ 1,871
Due from federal government	379	677
Other receivables	57,219	42,245
Due from other funds	182	-
Due from component units	<u>2</u>	<u>97</u>
	<u>\$ 59,258</u>	<u>\$ 44,890</u>
Receivables - Current	<u>\$ 57,219</u>	<u>\$ 42,245</u>

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

ANALYSIS OF OPERATIONS

AGENCY FUNCTIONS AND PLANNING PROGRAM

Years Ended June 30, 2005 and 2004

Jesse White, Illinois' 37th Secretary of State, assumed the office on January 11, 1999. The principal office of the Office is in the State Capitol, 213 Capitol Building, Springfield, Illinois 62756. The Secretary also maintains administrative offices in Chicago, as well as facilities throughout the State, for drivers' licenses and motor vehicle related services.

The diverse responsibilities of this Office include the registering and titling of motor vehicles; issuing drivers' licenses; scheduling and conducting formal and informal hearings on driving privileges and registration matters; administering Safety and Financial Responsibility laws; maintaining a vast data processing system which also assists law enforcement with immediate driver and motor vehicle information; and maintaining a Department of Police to enforce compliance with the provisions of the Illinois Vehicle Code and investigate code violations.

Other responsibilities include issuing corporate charters and certificates; registering dealers, brokers, agents, solicitors and investment advisors for securities; regulating the issuance of securities and enforcement of the Illinois Securities Law; and retaining Uniform Commercial Code filings reflecting security interests of creditors financing businesses on the basis of secured transactions.

The Office is responsible for filing a significant number of legal and statutory documents, including Public Acts passed by the General Assembly, gubernatorial and amendatory vetoes, as well as registering trademarks, copyrights, notaries public and lobbyists. The Secretary serves as the Illinois State Librarian, State Archivist, and Ex-officio Clerk of the Court of Claims. The Office publishes the Rules of the Road, the Handbook of Illinois Government, the Illinois Blue Book, the Illinois Administrative Code, as well as other general educational materials for public distribution.

The aforementioned responsibilities are carried out by 21 departments which administer the various functions and duties prescribed by law. The diversity of these responsibilities necessitates a comprehensive planning program.

The Office has a planning program, in which individual department goals are developed and updated at least annually. Upper management oversees the individual departments and is ultimately responsible for establishing Office-wide goals that will be accomplished if the individual department goals are met. The Office's plans consider resources, alternative approaches, and the feasibility of implementing programs pursuant to the plan and time schedule. External considerations include the needs of people of Illinois, legislative mandates and coordination with goals and objectives of other agencies for providing similar services.

Auditors' Assessment

Our review of the agency functions and planning program at the Office of the Secretary of State for the years ended June 30, 2005 and 2004 revealed that the Office's system by which it establishes formal written goals is consistent with the statutory purpose of the Office. The Office appears to have an adequate system that provides for the goals and objectives to be periodically reevaluated with alternative approaches being considered.

STATE OF ILLINOIS
OFFICE OF SECRETARY OF STATE

ANALYSIS OF PERSONAL SERVICES

The following schedules show the average number of Illinois Office of the Secretary of State employees for the years ended June 30, 2005, 2004 and 2003, and the expenditures from the personal service accounts for those fiscal years. Extra help consists of student workers, intermittent employees and other temporary help.

	Average Number of Employees For the Year Ended June 30					
	2005		2004		2003	
	Regular Positions	Extra Help	Regular Positions	Extra Help	Regular Positions	Extra Help
Operating Groups:						
Executive group	79	3	77	2	78	3
General administrative group	1,119	49	1,111	53	1,161	60
Motor vehicle group	2,347	288	2,352	286	2,394	339
Total average number of employees	<u>3,545</u>	<u>340</u>	<u>3,540</u>	<u>341</u>	<u>3,633</u>	<u>402</u>

	Expenditures Year Ended June 30 (Including lapse period expenditures)		
	2005	2004	2003
Operating Groups:			
Executive group	\$ 4,798,383	\$ 4,245,583	\$ 4,266,435
General administrative group	50,475,533	50,202,956	54,522,181
Motor vehicle group	91,953,056	88,767,007	92,005,760
Total expenditures	<u>\$ 147,226,972</u>	<u>\$ 143,215,546</u>	<u>\$ 150,794,376</u>
Detail object code:			
Regular positions	\$ 141,632,397	\$ 137,851,707	\$ 144,394,961
Extra help	5,594,575	5,363,839	6,399,415
Total expenditures	<u>\$ 147,226,972</u>	<u>\$ 143,215,546</u>	<u>\$ 150,794,376</u>
Average salary per regular position	<u>\$ 39,953</u>	<u>\$ 38,941</u>	<u>\$ 39,745</u>

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

ACCOUNTING REVENUE SALES ANALYSIS AS REPORTED
BY VEHICLE SERVICES AND DRIVERS SERVICES
(Unaudited)

	Year ended June 30,		
	2005	2004	2003
Vehicle Services - vehicle registration and related fees			
Passenger car licenses	\$ 586,272,154	\$ 577,842,582	\$ 570,559,360
Taxi and livery licenses	1,350,579	1,328,271	1,308,159
Motorcycle licenses	2,158,498	10,438,891	9,774,055
Dealers - license and certificates of authority	1,744,410	1,786,314	2,845,559
M and U plates	51,919	66,749	66,872
Trucks			
Flat rate licenses	193,605,280	180,186,374	188,159,132
Mileage licenses	8,443,234	8,726,879	10,059,949
Mileage tax - current and prior	799,946	719,345	868,750
Conservation licenses	179,584	163,480	183,488
Other (Truckster and Farm)	137,750	159,500	183,250
International reciprocity plates	226,524,011	201,525,001	203,530,855
Trailers			
Regular licenses	27,201,614	23,449,836	23,927,113
Mileage licenses	201,720	232,360	271,150
Farm licenses	864,683	1,011,427	698,809
Installments			
Flat rate licenses	7,782,257	8,904,037	10,160,193
Bus licenses	27,700	245,920	29,840
Recreational vehicle and trailer licenses	6,210,948	6,234,439	6,227,478
Transfers	12,125,359	12,750,245	13,115,286
IRP - Transfers	338,115	356,910	359,235
Farm trailers and trucks	20,530,057	15,907,489	14,501,644
Prorate Excess	427,277	-	-
Reclass			
Regular and calendar	2,131,777	796,184	660,053
Titles	193,068,933	200,447,622	197,415,524
Other - misc. account, trip permits, etc.	210,258,169	219,899,878	50,168,118
Total motor vehicles sales	1,502,435,974	1,473,179,733	1,305,073,872
Total drivers' services - sales and related fees	124,927,221	99,548,860	78,304,562
Total vehicle, drivers' and related fees sales	\$ 1,627,363,195	\$ 1,572,728,593	\$ 1,383,378,434

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

EMERGENCY PURCHASES

Year Ended June 30, 2005

Location	Description	Amount	Actual/ Estimated
Physical Services	Purchase of coal	\$ 128,115	Actual
Police	Purchase security equipment for the State Capitol	291,643	Actual
Physical Services	Repair and re-construction of the west wall of Howlett Building which collapsed	748,254	Estimate
Physical Services	Repair damaged asbestos pipe insulation in several tunnels of the Capitol Complex	57,875	Actual
Physical Services	Replace roof at the Chicago South Driver Services Facility	70,000	Estimate
State Archives	Purchase of equipment for producing microfilm, microfiche and CDs	34,235	Actual
Physical Services	Repair limestone panels located on the upper corners of the Stratton Building	250,000	Estimate
Physical Services	Renovate HVAC systems in the library stack levels of the Archives Building	<u>3,286,606</u>	Actual
		<u>\$ 4,866,728</u>	

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

EMERGENCY PURCHASES

Year Ended June 30, 2004

Department	Description	Amount	Actual/ Estimated
Physical Services	Upgrade sorter and retrofit new printers for current machines	\$ 38,597	Actual
Physical Services	Repair damaged asbestos pipe insulation in several tunnels of the Capitol Complex	78,375	Estimate
Physical Services	Purchase of coal	128,115	Estimate
Information Technology	Repair and replace damaged computer equipment at 69 W. Washington, Chicago	30,042	Actual
State Archives	Purchase of equipment for producing microfilm, microfiche and CDs	10,000	Estimate
		<u>\$ 285,129</u>	

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

ILLINOIS FIRST PROJECTS

Fiscal Years Ended June 30, 2005 and 2004

The Secretary of State did not participate in any Illinois First projects during the engagement period.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

SERVICE EFFORTS AND ACCOMPLISHMENTS
(UNAUDITED)

The second largest constitutional office in the State of Illinois – the Office of the Secretary of State - is visited by more Illinois residents than any other in State Government. The Office generates more money than all but two other state agencies, raising approximately \$2 billion a year for the state highway construction fund.

License Plate Replating

Under Secretary of State Jesse White's leadership, all Illinois motorists will have received new license plates by the end of Fiscal Year 2006. After an initial phase of passenger and B-truck license plates in 2001-2002, the Office has focused on those vehicle owners holding specialty license plates (i.e. environmental, military, organ donor, etc.), commercial car and truck license plates, recreation trailer license plates, and antique vehicle license plates. The final phase of the replating process, which includes a small population of license plates such as school buses, taxis, and livery vehicles, will be completed by June 2006.

Dealer Direct Access

Under the leadership of Secretary White, a pilot program was initiated that would allow some licensed automobile dealers to directly access the Secretary of State database and order new license plates and vehicle registrations for new automobile owners at the time of purchase. This project allows new vehicle owners to immediately purchase and display their Illinois license plates at the time they take possession of a vehicle rather than waiting the 30-60 days for paperwork to be completed and license plates to be mailed to them following the purchase.

Regional Commercial Driver's License Facilities

The Secretary of State's office has established 12 regional commercial driver's license facilities throughout the State of Illinois. This regional application process allows facilities to be better equipped to handle the special circumstances involved in the CDL application process, such as road testing and automated written testing.

Automating the Driver Education "Blue Slip" Process

Secretary of State Jesse White's office automated the driver education certificate of completion process (also known as the "blue slip"). With the elimination of paper certificates, all of the information is exchanged between the Illinois State Board of Education (ISBE) and the Office electronically. As a result, student-drivers may learn of their successful completion of the driver education process within 48 hours by accessing a secure ISBE web page over the internet. Before this process was automated, it would routinely take weeks.

First-Person Consent Organ/Tissue Donor Registry

Secretary of State Jesse White successfully spearheaded the new law that makes a person's decision to donate organs and tissue following death binding under State law. Previously, an individual's organs and tissues could not be donated without the consent of the person's next of kin, even if he or she had joined the State's donor registry. According to Gift of Hope, an organ and tissue procurement organization, one in five families say no to organ and tissue donation when approached for permission. 19 percent of families say no to donation even when they are told that their loved one had joined the State's donor registry. It is estimated that this new law could save at least 100 additional lives each year. Illinois has the largest Organ and Tissue Donor Registry in the nation with over 6 million registered donors. This law is expected to expand the registry even more.

Court Supervision Legislation

Secretary of State Jesse White spearheaded legislation that will make our roads safer through the limitation of court supervision. House Bill 1483 was signed into law on July 26th, 2005. This measure limits drivers to two court supervisions for moving violations in a 12-month period. Any other moving violation a driver is found guilty of during that time frame results in convictions reported to the individual's permanent driving record. This law is necessary because a small percentage of Illinois drivers have received too many dispositions of court supervision in recent years. Some drivers have been granted court supervision more than a dozen times in a single year. This new law makes a driver's permanent record a more accurate reflection of the driver's driving habits.

Disability Placard Legislation and Enforcement

Secretary of State Jesse White proposed legislation that increases fines for those caught improperly parking in a disability parking space. HB1316 was signed into law on August 19, 2005. The law increases the fine to \$500 and allows the Secretary of State to suspend their driver's license. The Secretary of State's office has also worked with various law enforcement organizations to conduct "sting" operations at highly attended events (i.e., professional sports games, NASCAR races, etc.) to catch those individuals abusing the disability placard.

Traffic Safety Outreach

The Secretary of State is one of the leading advocates for Traffic Safety in the State of Illinois. He has produced one DUI and two bike safety videos for use in the Traffic Safety Speakers Bureau along with several public service announcements for television.

Expansion of the Business Services Name Search Database

Due to the overwhelming success of the on-line database that allowed prospective businesses to search incorporated business names for availability, the database was expanded to include Limited Liability Companies.

New Website for Government Information and Services

Secretary of State Jesse White, as the State Librarian, established a pilot project of a new website where the public can e-mail questions regarding the State and federal government. The Government Information Online (<http://govtinfo.org/>) is a national pilot project involving more than thirty libraries across the United States. The site offers live chat schedules with librarians Monday through Friday, or users may send a question about State or federal government to a government information librarian and receive an answer within 48 hours. The pilot project ran through November 15, 2005.

CreditSafe Program

Secretary of State Jesse White launched a new program to teach the safe and responsible use of credit cards to young people and adults in Illinois through his website. The program, called CreditSafe, is an interactive teaching tool designed to help students understand credit and how it affects their personal finances.

State Library Outreach through Grants

One of the primary statutory responsibilities of the State Library is to distribute monetary grants to libraries and literacy agencies for the continuing education, development, and enhancement of library and literacy services to the people of Illinois. In Fiscal Year 2005, the State Library awarded over \$52.6 million in library and literacy grants for a variety of purposes, including per capita grants to local and school libraries for general purposes. Some of the more specific grants included \$5.3 million in federal pass through grants for digital imaging projects, training for library staff, and enhancement of library collections. Other grants included \$6.7 million to nearly 200 local literacy programs serving 34,860 adult students. Secretary White's Project Next Generation mentoring program provided grants in Fiscal Year 2005 benefiting 345 students served by 46 mentors at 22 sites throughout the State. This program is expected to add another 4 participating sites in Fiscal Year 2006.

Investment Advisory Registration Depository

The Securities Department Registration Division oversaw the successful implementation of the Investment Advisory Registration Depository (IARD) for all federally covered and state registered investment advisers and their employed representatives. In 2004, newly approved registrations for broker-dealers increased by fourteen percent and new investment adviser registrations and notification filings increased to a record 289, which was a jump of thirty-six percent over 2003.

Library Diversity Program

Established in Fiscal Year 2004, and funded largely by grants from the Bill and Melinda Gates Foundation, the Diversity Program has launched 24 information programs and presentations attended by over 750 members of the library community and general public that focus on the State Library and the library community of Illinois' services available to the minority population of the State. Additionally, the program has sponsored 12 exhibits that focus on the ever-changing roles of minorities in Illinois.

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

STATISTICAL HIGHLIGHTS

Years Ended June 30, 2005, 2004 and 2003

RECEIPT / EXPENDITURE STATISTICS

	Fiscal Year 2005		Fiscal Year 2004		Fiscal Year 2003	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
RECEIPTS						
Total cash receipts (all funds)	\$ 2,024,903,118	100.0 %	\$ 1,949,951,890	100.0 %	\$ 1,688,952,399	100.0 %
EXPENDITURES						
Operations						
Personal services	\$ 153,040,125	31.4 %	\$ 148,871,849	29.9 %	\$ 156,515,635	31.0 %
Other payroll costs	35,987,653	7.4	27,993,068	5.6	27,617,291	5.5
Contractual services	31,281,083	6.4	32,207,825	6.5	35,057,697	6.9
Other operations expenditures	48,632,828	10.0	56,942,858	11.4	56,365,912	11.2
Awards and grants	268,941,689	55.2	266,015,600	53.4	275,556,535	54.6
Refunds and permanent improvements	211,318,668	43.4	224,096,136	45.1	222,995,430	44.2
Total expenditures (all funds)	\$ 486,856,273	100.0 %	\$ 497,481,820	100.0 %	\$ 504,900,504	100.0 %
Average number of employees	3,545		3,540		3,633	
Regular positions	340		341		402	
Extra help						
Cost of property and equipment	\$ 423,055,816		\$ 420,725,135		\$ 407,673,846	

SELECTED ACTIVITY MEASURES

Passenger car plates	7,617,742	7,495,294	7,375,597
Truck and bus plates	1,867,193	1,854,936	1,830,181
Driver's licenses	3,157,186	3,178,300	3,135,283
Driver's histories	5,606,970	4,982,793	5,876,103
Registered corporations	357,114	347,213	337,842
Equity securities registered (billions)	\$ 109.5	\$ 142.2	\$ 74.2

OFFICE HEAD

Honorable Jesse White