

McGladrey & Pullen

Certified Public Accountants

State of Illinois Department of Revenue

Financial Audit
For the Year Ended June 30, 2005
Performed as Special Assistant Auditors
For the Auditor General, State of Illinois

**State of Illinois
Department of Revenue**

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Note: The Department has issued a separately bound Compliance Report.

State of Illinois
Department of Revenue

Agency Officials
For the Year Ended June 30, 2005

Director	Brian A. Hamer	
Associate Director	Jodie Winnett	
Chief of Staff	Jennifer Ricker Scott Miller (Acting)	09/07/04 – Current 07/01/02 – 09/06/04
Chief Fiscal Officer	David Hunt	
Program Administrators:		
Administrative Services	Stephanie Arkin	
Account Processing	Scott Miller	07/01/04 - Current
Information Services	Curt Smith	
Tax Enforcement	August Yount David Bartholomew	02/01/05 - Current 07/01/04 – 01/03/05
Managers:		
Financial Control Bureau	Larry Lascody, Jr.	
Policy and Communications Office	Mike Klemens	
General Counsel	Mark Hellner Louise Calvert (Acting)	03/01/05 – Current 07/01/04 – 03/01/05

Agency offices are located at:

101 West Jefferson
Springfield, Illinois 62794

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

**State of Illinois
Department of Revenue**

Financial Statement Report

Summary

The audit of the accompanying basic financial statements of the State of Illinois, Department of Revenue (Department), was performed by McGladrey & Pullen, LLP.

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

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's 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, the business-type activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Department of Revenue, as of and for the year ended June 30, 2005, which collectively comprise the State of Illinois, Department of Revenue's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Illinois, Department of Revenue's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the financial statements of the State of Illinois, Department of Revenue are intended to present the financial position and changes in financial position and cash flows, where applicable, of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State that is attributable to the transactions of the State of Illinois, Department of Revenue. 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 including cash flows, where applicable, thereof 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, the business-type activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Department of Revenue, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, 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 30, 2005 on our consideration of the State of Illinois, Department of Revenue's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The State of Illinois, Department of Revenue has not presented a management's discussion and analysis and budgetary comparison information for the General and Motor Fuel Tax Funds that accounting principles generally accepted in the United State of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Illinois, Department of Revenue's basic financial statements. The combining statements and schedules listed as supplementary information 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 statements and schedules listed as supplementary information in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

McGladrey & Pullen, LLP

Schaumburg, Illinois
December 19, 2005

State of Illinois
Department of Revenue

Statement of Net Assets

June 30, 2005 (Expressed in Thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Unexpended appropriations	\$ 15,291	\$ -	\$ 15,291
Cash equity in State Treasury	966,095	38,234	1,004,329
Cash and cash equivalents	1	8,013	8,014
Investments	-	1,233	1,233
Taxes receivable, net	1,256,084	-	1,256,084
Intergovernmental receivables	373	-	373
Other receivables	2,559	7,374	9,933
Due from Department fiduciary funds	-	711	711
Due from Department funds	(36,762)	36,762	-
Inventories	170	1,611	1,781
Prepaid expenses	250	116	366
Capital assets being depreciated, net	1,515	699	2,214
Total assets	<u>2,205,576</u>	<u>94,753</u>	<u>2,300,329</u>
LIABILITIES			
Accounts payable and accrued liabilities	904,974	48,449	953,423
Intergovernmental payables	904,740	267	905,007
Due to Department fiduciary funds	23,529	-	23,529
Due to other State fiduciary funds	764	110	874
Due to other State funds	61,267	2,642	63,909
Due to State of Illinois component units	1,525	1	1,526
Deferred revenue	15,185	2,970	18,155
Long-term obligations:			
Portion due or payable within one year	451	158	609
Portion due or payable after one year	13,825	2,170	15,995
Total liabilities	<u>1,926,260</u>	<u>56,767</u>	<u>1,983,027</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,464	699	2,163
Restricted for education	-	37,287	37,287
Unrestricted net assets	277,852	-	277,852
Total net assets	<u>\$ 279,316</u>	<u>\$ 37,986</u>	<u>\$ 317,302</u>

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

State of Illinois
Department of Revenue
Statement of Activities

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

Functions/Programs	Program Revenues		Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities						
General government	\$ 277,174	\$ 39,342	\$ 51	\$ (237,781)	\$ -	\$ (237,781)
Health and social services	(49)	-	-	49	-	49
Employment and economic development	5,000	-	-	(5,000)	-	(5,000)
Environment and business regulation	13,310	6,429	-	(6,881)	-	(6,881)
Intergovernmental-revenue sharing	4,173,002	-	-	(4,173,002)	-	(4,173,002)
Interest	10	-	-	(10)	-	(10)
Total governmental activities	<u>4,468,447</u>	<u>45,771</u>	<u>51</u>	<u>(4,422,625)</u>	<u>-</u>	<u>(4,422,625)</u>
Business-type activities						
Lottery	1,196,982	1,818,422	-	-	621,440	621,440
Total Department	<u>\$ 5,665,429</u>	<u>\$ 1,864,193</u>	<u>\$ 51</u>			
General revenues						
Taxes:						
Income taxes				10,384,232	-	10,384,232
Sales taxes				9,022,163	-	9,022,163
Motor fuel taxes				1,428,628	-	1,428,628
Public utility taxes				1,452,913	-	1,452,913
Other taxes				1,806,120	-	1,806,120
Interest and investment income				1,421	640	2,061
Other revenues				4,912	-	4,912
Appropriations from State Resources				216,201	-	216,201
Lapsed appropriations				(12,937)	-	(12,937)
Receipts collected and transmitted to State Treasury				(18,252,020)	-	(18,252,020)
Amount of SAMS transfers-in				(2,843,980)	-	(2,843,980)
Amount of SAMS transfers-out				1,201,036	-	1,201,036
Capital transfers to other State agencies				(106)	-	(106)
Early terminations of capital lease obligations				113	-	113
Transfers-in				618,862	-	618,862
Transfers-out				(322,029)	(619,371)	(941,400)
Total general revenues and transfers				<u>4,705,529</u>	<u>(618,731)</u>	<u>4,086,798</u>
Change in net assets				282,904	2,709	285,613
Net assets, July 1, 2004				(3,588)	35,277	31,689
Net assets, June 30, 2005				<u>\$ 279,316</u>	<u>\$ 37,986</u>	<u>\$ 317,302</u>

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

State of Illinois
Department of Revenue

Balance Sheet -
Governmental Funds

June 30, 2005 (Expressed in Thousands)

	General Fund	Motor Fuel Tax Fund 0012	Non-major funds	Total Governmental Funds
ASSETS				
Unexpended appropriations	\$ 7,084	\$ 6,832	\$ 1,375	\$ 15,291
Cash equity in State Treasury	360,159	3,430	602,506	966,095
Cash and cash equivalents	-	-	1	1
Taxes receivables, net	897,161	123,907	235,016	1,256,084
Intergovernmental receivables	357	16	-	373
Other receivables	-	-	2,559	2,559
Due from other Department funds	11,190	-	246,684	257,874
Inventories	170	-	-	170
Total assets	<u>\$ 1,276,121</u>	<u>\$ 134,185</u>	<u>\$ 1,088,141</u>	<u>\$ 2,498,447</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 875,959	\$ 4,847	\$ 24,168	\$ 904,974
Intergovernmental payables	1,015	4,120	899,605	904,740
Due to other Department fiduciary funds	-	-	23,529	23,529
Due to other State fiduciary funds	356	178	230	764
Due to other Department funds	242,679	-	51,957	294,636
Due to other State funds	58,128	152	2,987	61,267
Due to State of Illinois component units	-	2	1,523	1,525
Unavailable revenue	151,783	7,035	21,148	179,966
Deferred revenue	15,185	-	-	15,185
Total liabilities	<u>1,345,105</u>	<u>16,334</u>	<u>1,025,147</u>	<u>2,386,586</u>
FUND BALANCES (DEFICITS)				
Reserved for:				
Encumbrances	1	-	789	790
Inventories	170	-	-	170
Unreserved, undesignated				
General fund	(69,155)	-	-	(69,155)
Special revenue funds	-	117,851	62,205	180,056
Total fund balances (deficits)	<u>(68,984)</u>	<u>117,851</u>	<u>62,994</u>	<u>111,861</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,276,121</u>	<u>\$ 134,185</u>	<u>\$ 1,088,141</u>	<u>\$ 2,498,447</u>

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

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

Total fund balances-governmental funds	\$	111,861
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		1,515
<p>Prepaid expenses for governmental activities are current uses of financial resources for funds</p>		250
<p>Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.</p>		179,966
<p>Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of:</p>		
<p>Installment purchase obligations</p>		(51)
<p>Compensated absences</p>		(14,225)
		(14,225)
Net assets of governmental activities	\$	279,316

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

State of Illinois
Department of Revenue

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

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

	General Fund	Motor Fuel Tax Fund 0012	Non-major funds	Total Governmental Funds
REVENUES				
Federal operating grants	\$ -	\$ 51	\$ -	\$ 51
Income taxes	9,569,989	-	805,750	10,375,739
Sales taxes	6,629,485	-	2,390,909	9,020,394
Motor fuel taxes	-	1,351,104	74,672	1,425,776
Public utility taxes	1,068,538	-	384,357	1,452,895
Other taxes	848,533	9	958,783	1,807,325
Licenses and fees	6,560	1,149	36,831	44,540
Other charges for services	1,080	-	112	1,192
Interest and other investment income	62	-	1,359	1,421
Other	818	-	4,094	4,912
Total revenues	18,125,065	1,352,313	4,656,867	24,134,245
EXPENDITURES				
General government	156,451	59,094	60,923	276,468
Health and social services	-	-	(49)	(49)
Employment and economic development	-	-	5,000	5,000
Environment and business regulation	-	-	13,310	13,310
Intergovernmental	-	-	4,173,002	4,173,002
Debt service - principal	198	-	15	213
Debt service - interest	10	-	-	10
Capital outlays	157	58	185	400
Total expenditures	156,816	59,152	4,252,386	4,468,354
Excess (deficiency) of revenues over (under) expenditures	17,968,249	1,293,161	404,481	19,665,891
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
Appropriations from State resources	130,097	81,297	4,807	216,201
Lapsed appropriations	(5,030)	(7,489)	(418)	(12,937)
Receipts collected and transmitted to State Treasury	(15,998,295)	(1,363,847)	(889,878)	(18,252,020)
Amount of SAMS Transfers-in	(2,806,180)	-	(37,800)	(2,843,980)
Amount of SAMS Transfers-out	1,199,339	-	1,697	1,201,036
Transfers-in	1,165,769	-	1,196,135	2,361,904
Transfers-out	(1,330,435)	-	(734,636)	(2,065,071)
Net other sources (uses) of financial resources	(17,644,735)	(1,290,039)	(460,093)	(19,394,867)
Net change in fund balances	323,514	3,122	(55,612)	271,024
Fund balances (deficits), July 1, 2004	(392,498)	114,729	118,606	(159,163)
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ (68,984)	\$ 117,851	\$ 62,994	\$ 111,861

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

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

Net change in fund balances	\$ 271,024
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation in the current period exceeded capital outlays.	(430)
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.	213
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the increase in unavailable revenue over the prior year.	11,966
Prepaid expenses in the Statement of Net Assets are not reported as expenses in governmental funds. This amount represents the decrease in prepaid expense over the prior year.	(629)
Some capital assets were transferred out to other State agencies and, therefore, no proceeds were received for the capital asset's value.	(106)
Early terminations of capital lease obligations decrease the outstanding obligations of the Department in the current year.	113
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.	
Decrease in compensated absences obligation	749
Decrease in accrued interest	4
Change in net assets of governmental activities	\$ 282,904

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

State of Illinois
Department of Revenue

Statement of Net Assets -
Proprietary Funds

June 30, 2005 (Expressed in Thousands)

	Nonmajor Enterprise Fund State Lottery 0711
ASSETS	
Cash equity with State Treasurer	\$ 38,234
Cash and cash equivalents	8,013
Investments, short-term	130
Other receivables, net	7,374
Due from other Department fiduciary funds	711
Due from other Department funds	36,762
Inventories	1,611
Prepaid expenses	116
Total current assets	<u>92,951</u>
Investments	1,103
Capital assets being depreciated, net	699
Total assets	<u>94,753</u>
LIABILITIES	
Accounts payable and accrued liabilities	48,449
Intergovernmental payables	267
Due to other State fiduciary funds	110
Due to other State funds	2,642
Due to State of Illinois component units	1
Deferred revenue	2,970
Current portion of long-term obligations	158
Total current liabilities	<u>54,597</u>
Noncurrent portion of long-term obligations	2,170
Total liabilities	<u>56,767</u>
NET ASSETS	
Invested in capital assets, net of related debt	699
Net assets restricted for education	37,287
Total net assets	<u>\$ 37,986</u>

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

State of Illinois
Department of Revenue

Statement of Revenues, Expenses and Changes in Fund
Net Assets - Proprietary Funds

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

	<u>Nonmajor Enterprise Fund</u>
	<u>State Lottery 0711</u>
OPERATING REVENUES	
Charges for sales and services	\$ 1,814,347
Other	4,075
Total operating revenues	<u>1,818,422</u>
OPERATING EXPENSES	
Cost of sales and services	130,580
Prizes and claims	1,005,184
General and administrative	60,889
Depreciation	311
Total operating expenses	<u>1,196,964</u>
Operating income (loss)	<u>621,458</u>
NONOPERATING REVENUES (EXPENSES)	
Interest and investment income	640
Other	(18)
Income (loss) before operating transfers	<u>622,080</u>
Transfers-out	<u>(619,371)</u>
Net income (loss)	<u>2,709</u>
Net assets (deficit), July 1, 2004	<u>35,277</u>
NET ASSETS (DEFICIT), JUNE 30, 2005	<u><u>\$ 37,986</u></u>

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

State of Illinois
Department of Revenue

Statement of Cash Flows -
Proprietary Funds

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

	Nonmajor Enterprise Fund State Lottery 0711
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from sales and services (net of \$827,490 cash prizes paid by agents and \$91,790 commission retained by agents)	\$ 897,846
Cash payments to suppliers for goods and services	(24)
Cash payments to employees for services	(93,348)
Cash payments for lottery prizes	(195,473)
Cash receipts from other operating activities	4,075
Net cash provided (used) by operating activities	<u>613,076</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers-out to other funds	(614,304)
Net cash provided (used) by noncapital financing activities	<u>(614,304)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(158)
Net cash (used) by capital and related financing activities	<u>(158)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends on investments	640
Net cash provided (used) by investing activities	<u>640</u>
Net increase (decrease) in cash and cash equivalents	(746)
Cash and cash equivalents, July 1, 2004	<u>46,993</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 2005	\$ <u>46,247</u>
Reconciliation of cash and cash equivalents to the statement of net assets:	
Total cash and cash equivalents per the statement of net assets	\$ 8,013
Add: Cash equity with State Treasurer	38,234
CASH AND CASH EQUIVALENTS, JUNE 30, 2005	\$ <u>46,247</u>

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

State of Illinois
Department of Revenue

Statement of Cash Flows -
Proprietary Funds

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

	Nonmajor Enterprise Fund State Lottery 0711
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
OPERATING INCOME (LOSS)	\$ 621,458
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	311
Provision for uncollectible accounts	696
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	3,910
(Increase) decrease in due from other funds	(142)
(Increase) decrease in inventory	1,714
(Increase) decrease in prepaid expenses	82
Increase (decrease) in accounts payable and accrued liabilities	2,188
Increase (decrease) in intergovernmental payables	(15,849)
Increase (decrease) in due to other funds	61
Increase (decrease) in deferred revenues	(1,228)
Increase (decrease) in other liabilities	(125)
Total adjustments	(8,382)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 613,076
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Transfers of capital assets to other funds	(9)

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

State of Illinois

Department of Revenue

Statement of Fiduciary Net Assets

June 30, 2005 (Expressed in Thousands)

	<u>Investment Trust Fund</u>		
		<u>Deferred Prize Winners Trust Fund 0978</u>	<u>Agency Funds</u>
ASSETS			
Cash equity in State Treasury	\$	983	\$ 222,693
Cash and cash equivalents		-	1,898
Fixed income investments		870,360	-
Taxes receivable, net		-	113,289
Other receivables, net		3	232
Due from other Department funds		-	23,529
Total assets		<u>871,346</u>	<u>\$ 361,641</u>
LIABILITIES			
Accounts payable and accrued liabilities		-	\$ 14,721
Intergovernmental payables		-	345,015
Due to other Department funds		711	-
Due to other State funds		12	-
Other liabilities		263	1,905
Total liabilities		<u>986</u>	<u>\$ 361,641</u>
NET ASSETS			
Restricted-Held in trust for prizewinners		<u>870,360</u>	
Total net assets	<u>\$</u>	<u>870,360</u>	

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

State of Illinois
Department of Revenue

Statement of Changes in Fiduciary Net Assets

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

	Investment Trust Fund
	Deferred Prize Winners Trust Fund 0978
Additions:	
Investment earnings:	
Interest, dividends and other investment income	\$ 62,561
Net decrease in the fair value of investments	(8,681)
Net investment income	<u>53,880</u>
Participant account transactions:	
Prize securities deposited	<u>36,601</u>
Total additions	<u>90,481</u>
Deductions:	
Payments to prizewinners	<u>223,993</u>
Total deductions	<u>223,993</u>
Net additions (deductions)	(133,512)
Net assets, July 1, 2004	<u>1,003,872</u>
Net assets, JUNE 30, 2005	<u><u>\$ 870,360</u></u>

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

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2005

(1) Organization

The Department of Revenue (the Department) is a part of the executive branch of government of the State of Illinois (State) and operates under the authority of and review by the Illinois General Assembly. The Department operates under a budget approved by the General Assembly in which resources primarily from the General Revenue Fund and the Motor Fuel Tax Funds are appropriated for the use of the Department. Activities of the Department are subject to the authority of the Office of the Governor, the State's chief executive officer, and other departments of the executive and legislative branches of government (such as the Department of Central Management Services, the Governor's Office of Management and Budget, the State Treasurer's Office, and the State Comptroller's Office) as defined by the Illinois General Assembly. All funds appropriated to the Department and all other cash received are under the custody and control of the State Treasurer, with the exception of the Surety Bond Fund and the Lottery Agent Security Deposits Fund.

The Department is organized to provide for administering, collecting, enforcing and determining distribution of the taxes imposed by the State's major tax acts. The Department also administers and oversees the operations of the Illinois Lottery, the Liquor Control Commission, the Illinois Gaming Board, and the Illinois Racing Board.

(2) Summary of Significant Accounting Policies

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

(a) Financial Reporting Entity

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

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

Based upon the required criteria, the Department has no component units and is not a component unit of any other entity. However, because the Department is not legally separate from the State of Illinois, the financial statements of the Department are included in the financial statements of the State of Illinois. The State of Illinois' Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's Office, Division of Financial Reporting, 325 West Adams Street, Springfield, Illinois, 62704-1871.

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(b) Basis of Presentation

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

Government-wide Statements. The government-wide statement of net assets and statement of activities report the overall financial activity of the Department, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the Department. These statements distinguish between the *governmental* and *business-type* activities of the Department. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the assets and liabilities of the Department's governmental and business-type 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 different business-type activities of the Department and for each function of the Department's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipients of goods or services offered by the programs. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equally values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

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

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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 Department and accounted for in the general fund include, among others, general government services.

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.

Additionally, the Office administers the following fund types:

Governmental Fund Types:

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

Proprietary Fund Types:

Enterprise – The State Lottery Fund accounts for operations of the State Lottery in which the net proceeds are used for the support of the State’s Common School Fund.

Fiduciary Fund Types:

Investment Trust - This fund accounts for the external portion of investment pools made on behalf of Lottery prizewinners.

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

(c) Measurement Focus and Basis of Accounting

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

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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 income taxes, sales taxes, public utility taxes, motor fuel taxes, other taxes and interest. All other revenue sources including fines, penalties, licenses, and other miscellaneous revenues 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 and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The State also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The State has elected not to follow subsequent private-sector guidance as it relates to the Department's operations.

(d) Shared Fund Presentation

The financial statement presentation for the General Revenue Fund, Education Assistance Fund, Motor Fuel Tax Fund, Public Utility Fund, Underground Storage Tank Fund, Illinois Gaming Law Enforcement Fund, Used Tire Management Fund, Natural Areas Acquisition Fund, Open Space Lands Acquisition and Development Fund, Common School Fund, Drycleaner Environment Response Trust Fund, Supplemental Low Income Energy Assistance Fund, Renewable Energy Resources Trust Fund, School Infrastructure Fund, Petroleum Resources Revolving Fund, International Tourism Fund, Tobacco Settlement Recovery Fund, Emergency Public Health Fund, Build Illinois Fund, and Local Tourism Fund represent only the portion of the shared fund that can be directly attributed to the operations of the Department. Financial statements for total fund operations of the shared State funds are presented in the State of Illinois' 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 Department's portion of shared funds:

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Unexpended Appropriations

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

Appropriations from State Resources

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

Lapsed Appropriations

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

Receipts Collected and Transmitted to State Treasury

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

Amount of SAMS Transfers-In

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

Amount of SAMS Transfers-Out

This “other financing source” account represents cash transfers made by the Office of the Comptroller in accordance with statutory 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 Department. As a result, amounts reported in the governmental funds balance sheet as interdepartmental interfund receivables and payables have been eliminated in the government-wide statement of net assets. Amounts reported in the governmental funds balance sheet and proprietary statement of net assets 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.

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(f) Cash and Cash Equivalents

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

(g) Inventories

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

(h) Prepaid items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items on the government-wide statement of net assets.

(i) Interfund Transactions

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

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

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

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

(j) Capital Assets

Capital assets, which consist of equipment and automobiles, are reported at cost. Contributed assets are reported at estimated fair value at the time received. Capital assets are depreciated using the straight-line method.

The capitalization threshold for equipment and automobiles is \$5,000 and the estimated useful life is 3-15 years.

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(k) *Compensated Absences*

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

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

(l) *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.

(m) *Net Assets*

In the government-wide and proprietary fund statements 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."

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(n) 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.

(o) 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.

(3) Deposits and Investments

(a) Deposits

The State Treasurer is the custodian of the State's cash and cash equivalents for funds maintained in the State Treasury. These deposits are pooled and invested with other State funds in accordance with the Deposit of State Moneys Act of the Illinois Compiled Statutes (15 ILCS 520/11). Funds held by the State Treasurer have not been categorized as to credit risk because the Department does not own individual securities. Detail on the nature of these deposits and investments is available within the State of Illinois' 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>Enterprise Funds</i>		
Annuities	\$ 1,233	8.57
<i>Fiduciary Funds</i>		
U.S. Treasury Bonds	\$ 870,360	4.18

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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.

Credit Risk: Prior to July 30, 1985, the Department did not have a formal investment policy that limited investment choices. Subsequent to July 30, 1985, the Department is limited to investing in direct obligations of the United States of America or backed by the full faith and credit of the United States of America. The Department's investments in annuities are not rated.

(4) Taxes Receivable

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

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Fiduciary Funds
Taxes receivables:				
Income	\$ 755,491	\$ -	\$ 64,327	\$ -
Sales	620,336	-	210,502	102,786
Motor fuel tax	-	152,536	11,598	-
Public utility	16,481	-	14,475	5,658
Other	33,388	-	22,012	4,845
Total taxes receivable	1,425,696	152,536	322,914	113,289
Less: allowance for uncollectible taxes	528,535	28,629	87,898	-
Taxes receivable, net	<u>\$ 897,161</u>	<u>\$ 123,907</u>	<u>\$ 235,016</u>	<u>\$ 113,289</u>

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Notes to Financial Statements

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(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 Department funds.

<u>Fund</u>	<u>Due from</u>		<u>Description/Purpose</u>
	<u>Other Department Funds</u>	<u>Other Department Fiduciary Funds</u>	
General	\$ 11,190	\$ -	Due from other Department funds pursuant to statutory tax allocations.
Nonmajor governmental funds	246,684	-	Due from other Department funds pursuant to statutory tax allocations.
Lottery	36,762	711	Due from General Fund for cumulative overpayment of lottery profits and for unclaimed lottery prizes.
Fiduciary Funds	23,529	-	Due from other Department funds pursuant to statutory tax allocations.
	<u>\$ 318,165</u>	<u>\$ 711</u>	

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

Fund	Due to				Description/Purpose
	Other Department Funds	Other State Funds	Other Department Fiduciary Funds	Other State Fiduciary Funds	
General	\$ 242,679	\$ 58,128	\$ -	\$ 356	Due to other Department funds pursuant to statutory tax allocations, to other State funds for administrative expenses, and to other State fiduciary funds for payment of retirement benefits.
Motor Fuel	-	152	-	178	Due to other State funds for administrative expenses and to other State fiduciary funds for payment of retirement benefits.
Nonmajor governmental funds	51,957	2,987	23,529	230	Due to other Department funds pursuant to statutory tax allocations, to other State funds for administrative expenses, other Department fiduciary funds pursuant to statutory tax allocations, and to other State fiduciary funds for payment of retirement benefits.
Lottery	-	2,642	-	110	Due to other State funds for administrative expenses and due to other State fiduciary funds for payment of retirement benefits.
Fiduciary Funds	711	12	-	-	Due to Lottery Fund for unclaimed lottery prizes and to other State funds for administrative expenses.
	<u>\$ 295,347</u>	<u>\$ 63,921</u>	<u>\$ 23,529</u>	<u>\$ 874</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:

<u>Fund</u>	<u>Transfers in from</u>		<u>Description/Purpose</u>
	<u>Other Department Funds</u>		
General	\$ 1,165,769		Transfers from Lottery Fund for lottery profits, other Department funds pursuant to statutory tax allocations, and from other State nonmajor governmental funds for debt service payments.
Nonmajor governmental funds		1,196,135	Transfers from other Department funds pursuant to statutory tax allocations.
	<u>\$ 2,361,904</u>		

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

<u>Fund</u>	<u>Transfers out to</u>		<u>Description/Purpose</u>
	<u>Other Department Funds</u>	<u>Other State Funds</u>	
General	\$ 1,031,793	\$ 298,642	Transfers to other Department funds and other State funds pursuant to statutory tax allocations.
Nonmajor governmental funds	711,249	23,387	Transfers to other Department funds and other State funds pursuant to statutory tax allocations and to other State funds for budget shortfalls.
Lottery Fund	618,862	509	Transfers to General Fund for lottery profits and to other State funds for budget shortfalls.
	<u>\$ 2,361,904</u>	<u>\$ 322,538</u>	

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(c) Balances Due to State of Illinois Component Units

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

<u>Fund</u>	<u>Due to</u>			<u>Description/Purpose</u>
	<u>Motor Fuel Tax Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Nonmajor Proprietary Fund</u>	
Illinois Housing Development Authority	\$ -	\$ 1,505	\$ -	Reimbursement for expenses incurred.
Illinois Toll Highway	-	-	1	Reimbursement for expenses incurred.
Northern Illinois University	1	-	-	Reimbursement for expenses incurred.
University of Illinois	1	18	-	Reimbursement for expenses incurred.
	<u>\$ 2</u>	<u>\$ 1,523</u>	<u>\$ 1</u>	

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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 being depreciated:					
Equipment	\$ 11,603	\$ 400	\$ 216	\$ (1,366)	\$ 10,421
Less accumulated depreciation:					
Equipment	<u>9,552</u>	<u>830</u>	<u>216</u>	<u>(1,260)</u>	<u>8,906</u>
Governmental activity capital assets, net	<u>\$ 2,051</u>	<u>\$ (430)</u>	<u>\$ -</u>	<u>\$ (106)</u>	<u>\$ 1,515</u>

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

General government \$ 830

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Balance June 30, 2005</u>
Business-type activities:					
Capital assets being depreciated:					
Equipment	3,029	158	149	(9)	3,029
Less accumulated depreciation:					
Equipment	<u>2,159</u>	<u>311</u>	<u>140</u>	<u>-</u>	<u>2,330</u>
Business-type activity capital assets, net	<u>\$ 870</u>	<u>\$ (153)</u>	<u>\$ 9</u>	<u>\$ (9)</u>	<u>\$ 699</u>

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(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:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2005</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Compensated Absences	\$ 14,974	\$ 8,312	\$ 9,061	\$14,225	\$ 400
Capital lease obligations	113	-	113	-	-
Installment purchase obligations	264	-	213	51	\$ 51
Total governmental activities	<u>\$ 15,351</u>	<u>\$ 8,312</u>	<u>\$ 9,387</u>	<u>\$14,276</u>	<u>\$ 451</u>
Business-type activities:					
Compensated Absences	\$ 1,220	\$ 580	\$ 705	\$ 1,095	\$ 28
Obligations to Lottery prizewinners	4,738	-	3,505	1,233	130
Total business-type activities	<u>\$ 5,958</u>	<u>\$ 580</u>	<u>\$ 4,210</u>	<u>\$ 2,328</u>	<u>\$ 158</u>

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

(b) Installment purchase obligations

The Department has acquired certain office and computer 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	\$ 51	\$ 1	\$ 52
	<u>\$ 51</u>	<u>\$ 1</u>	<u>\$ 52</u>

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(c) Obligations to Lottery Prize Winners

The State has obligations to certain lottery prize winners for awards payable in annual installments ranging from nineteen years to the life of the prize winner, with the first payment being made after the claim is presented for payment. In addition, the State has fulfilled its obligations for certain other prize winners through the purchase of annuities under group contracts.

For certain prize winners, annuities were purchased in the name of the State for which the State has retained the rights of ownership. Effective July 30, 1985, State law provides that the State Treasurer, with the consent of the Director of Revenue, may contract to invest in securities, which provide payments corresponding to the Lottery's obligation to these winners. The present value of these annuities and the related liabilities owed to prize winners, approximating \$1.233 million, have been reported in the financial statements of the State Lottery Fund, a non-major enterprise fund.

In addition to the prize obligations discussed above, the State has provided for other payments corresponding to the Lottery's obligation to prize winners through the purchase of direct obligations of the federal government, primarily in the form of United States Treasury zero coupon bonds. As established by State law, such securities shall be maintained in the Deferred Lottery Prize Winners Trust Fund, a special trust fund separate and apart from all public money or funds of the State. These investments are purchased in amounts to provide for annual annuity payments to the prize winner(s) of each qualifying individual drawing. Since these monies are invested by the State on behalf of external legally separate entities (the prize winners), with specific investments being acquired for these individual entities for which the income from and changes in the value of the investments affect only the prize winners for whom they were acquired, in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Deferred Lottery Prize Winners Trust Fund is reported as an investment trust fund. The investments of the fund are reported at fair value, \$870.360 million at June 30, 2005, and the net assets are reported as reserved for external investment pool participants.

(8) Pension Plan

Substantially all of the Department's full-time employees who are not eligible for participation in another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a 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. 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.

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The Department 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 Department) 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 Department) 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 General, Local Government Tax, Illinois Racing Board Grant, Illinois Tax Increment, School Infrastructure, and Personal Property Tax Replacement funds had fund balance deficits of \$68.984 million, \$4.305 million, \$21 thousand, \$546 thousand, \$232 thousand, and \$9.745 million, respectively, at June 30, 2005. The fund deficits in the General Fund and School Infrastructure Funds will be eliminated through the appropriation of future State revenues to the Department. The fund deficits in the Local Government Tax Fund and the Personal Property Tax Replacement Fund will be eliminated by future recognition of earned but unavailable revenues. The fund deficit of the Illinois Racing Board Grant Fund and the Illinois Tax Increment Fund will be eliminated through future revenues earned.

(11) Risk Management

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

The Department's risk management activities are financed through appropriations to the Illinois Department of Central Management Services and are accounted for in the general fund of the State.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2005

The claims are not considered to be a liability of the Department; and accordingly, have not been reported in the Department's financial statements for the year ended June 30, 2005.

(12) Commitments and Contingencies

(a) Operating leases

The Department leases certain office space under annual agreements which require the Department to make minimum lease payments. Rent expense under operating leases was \$2.887 million for the year ended June 30, 2005.

(b) Litigation

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

State of Illinois
Department of Revenue
Combining Schedule of Accounts
General Fund

June 30, 2005 (Expressed in Thousands)

	General Revenue Account 0001	Common School Special 0005	Education Assistance 0007	Income Tax Refund 0278	Common School 0412	Total
ASSETS						
Unexpended appropriation	\$ 7,084	\$ -	\$ -	\$ -	\$ -	7,084
Cash equity in State Treasury	116,888	31,002	8,526	194,169	9,574	360,159
Taxes receivable, net	681,609	104,694	28,343	79,359	3,156	897,161
Intergovernmental receivables	-	-	-	357	-	357
Due from other Department funds	2,590	-	8,600	-	-	11,190
Inventories	170	-	-	-	-	170
Total assets	\$ 808,341	\$ 135,696	\$ 45,469	\$ 273,885	\$ 12,730	\$ 1,276,121
LIABILITIES						
Accounts payable and accrued liabilities	\$ 170,215	\$ 48,073	\$ -	\$ 654,181	\$ 3,490	\$ 875,959
Intergovernmental payables	1,015	-	-	-	-	1,015
Due to other State fiduciary funds	356	-	-	-	-	356
Due to other Department funds	89,243	-	-	116,674	36,762	242,679
Due to other State funds	58,128	-	-	-	-	58,128
Unavailable revenue	102,800	6,381	8,159	33,347	1,096	151,783
Deferred revenue	15,185	-	-	-	-	15,185
Total liabilities	436,942	54,454	8,159	804,202	41,348	1,345,105
FUND BALANCES (DEFICITS)						
Reserved for:						
Encumbrances	1	-	-	-	-	1
Inventories	170	-	-	-	-	170
Unreserved	371,228	81,242	37,310	(530,317)	(28,618)	(69,155)
	371,399	81,242	37,310	(530,317)	(28,618)	(68,984)
Total fund balances (deficits)	\$ 808,341	\$ 135,696	\$ 45,469	\$ 273,885	\$ 12,730	\$ 1,276,121
Total liabilities and fund balances (deficits)						

State of Illinois
Department of Revenue
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund

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

	General Revenue Account 0001	Common School Special 0005	Education Assistance 0007	Income Tax Refund 0278	Common School 0412	Eliminations	Total
REVENUES							
Income taxes	\$ 8,523,094	\$ -	\$ 678,153	\$ 368,742	\$ -	\$ -	\$ 9,569,989
Sales taxes	4,971,251	1,658,234	-	-	-	-	6,629,485
Public utility taxes	963,977	-	-	-	104,561	-	1,068,538
Other taxes	532,489	-	-	-	316,044	-	848,533
Licenses and fees	6,276	-	-	-	284	-	6,560
Other charges for services	1,066	-	14	-	-	-	1,080
Interest and other investment income	-	-	-	-	62	-	62
Other	818	-	-	-	-	-	818
Total revenues	14,998,971	1,658,234	678,167	368,742	420,951	-	18,125,065
EXPENDITURES							
General government	119,299	-	-	37,152	-	-	156,451
Debt service - principal	198	-	-	-	-	-	198
Debt service - interest	10	-	-	-	-	-	10
Capital outlay	157	-	-	-	-	-	157
Total expenditures	119,664	-	-	37,152	-	-	156,816
Excess (deficiency) of revenues over (under) expenditures	14,879,307	1,658,234	678,167	331,590	420,951	-	17,988,249
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	130,097	-	-	-	-	-	130,097
Lapsed appropriations	(5,030)	-	-	-	-	-	(5,030)
Receipts collected and transmitted to State Treasury	(14,911,358)	-	(688,036)	-	(418,901)	-	(15,998,295)
Amount of SAMS transfers-in	(5,642)	-	(542,000)	-	(2,258,538)	-	(2,806,180)
Amount of SAMS transfers-out	1,199,339	-	-	-	-	-	1,199,339
Transfers-in	3,446	-	543,461	-	2,263,400	(1,644,538)	1,165,769
Transfers-out	(1,213,614)	(1,644,538)	-	(116,821)	-	1,644,538	(1,330,435)
Net other sources (uses) of financial resources	(14,802,762)	(1,644,538)	(656,575)	(116,821)	(414,039)	-	(17,644,735)
Net change in fund balances	76,545	13,696	11,592	214,769	6,912	-	323,514
Fund balances (deficits), July 1, 2004	294,854	67,546	25,718	(745,086)	(35,630)	-	(392,498)
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 371,399	\$ 81,242	\$ 37,310	\$ (530,317)	\$ (28,618)	\$ -	\$ (66,984)

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

	Special Revenue									
	Public Utility 0059	Underground Storage Tank 0072	Illinois Gaming Law Enforcement 0085	State Gaming 0129	State & Local Sales Tax Reform 0186	RTA Occupation and Use Tax Replacement 0187	County & Mass Transit 0188			
ASSETS										
Unexpended appropriations	\$ -	\$ 41	\$ 1,329	\$ -	\$ -	\$ -	\$ -			
Cash equity in State Treasury	-	4,235	23	22,339	37,705	-	45,829			
Cash and cash equivalents	-	-	-	-	-	-	-			
Taxes receivable, net	5,505	8,356	779	3,845	14,409	-	18,245			
Other receivables	-	-	-	-	-	-	-			
Due from other Department funds	-	-	-	-	-	5,056	-			
Total assets	\$ 5,505	\$ 12,632	\$ 2,131	\$ 26,184	\$ 52,114	\$ 5,056	\$ 64,074			
LIABILITIES										
Accounts payable and accrued liabilities	\$ 107	\$ 284	\$ 43	\$ 307	\$ -	\$ -	\$ -			
Intergovernmental payables	-	1	1,284	11,045	10,111	5,056	40,086			
Due to other Department fiduciary funds	-	-	-	-	-	-	23,529			
Due to other State fiduciary funds	-	7	10	66	-	-	-			
Due to other Department funds	-	-	-	8,600	40,142	-	-			
Due to other State funds	-	-	-	2,315	303	-	-			
Due to State of Illinois component units	-	-	-	18	-	-	-			
Unavailable revenue	7	1,949	6	-	1,558	-	459			
Total liabilities	114	2,241	1,343	22,351	52,114	5,056	64,074			
FUND BALANCES (DEFICITS)										
Reserved for encumbrances	-	15	8	-	-	-	-			
Unreserved, unrestricted	5,391	10,376	780	3,833	-	-	-			
Total fund balances	5,391	10,391	788	3,833	-	-	-			
Total liabilities and fund balances (deficits)	\$ 5,505	\$ 12,632	\$ 2,131	\$ 26,184	\$ 52,114	\$ 5,056	\$ 64,074			

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

	Special Revenue						
	Local Government Tax 0189	Illinois Sports Facility 0225	Emergency Public Health 0240	Racing Board Fingerprint License 0248	Illinois Charity 0271	Illinois Racing Board Grant 0280	Illinois Tax Increment 0281
ASSETS							
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity in State Treasury	219,072	3,688	8	165	400	27	2,599
Cash and cash equivalents	-	-	-	-	-	-	-
Taxes receivable, net	92,361	3,688	-	-	-	-	1,490
Other receivables	-	-	372	-	-	-	4
Due from other Department funds	-	625	-	-	-	-	-
Total assets	\$ 311,433	\$ 8,001	\$ 380	\$ 165	\$ 400	\$ 27	\$ 4,093
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 558
Intergovernmental payables	311,433	8,001	-	-	-	48	4,004
Due to other Department fiduciary funds	-	-	-	-	-	-	-
Due to other State fiduciary funds	-	-	-	-	-	-	3
Due to other Department funds	-	-	-	-	-	-	-
Due to other State funds	-	-	-	96	-	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-
Unavailable revenue	4,305	-	12	-	-	-	74
Total liabilities	\$ 315,738	\$ 8,001	\$ 12	\$ 96	\$ -	\$ 48	\$ 4,639
FUND BALANCES (DEFICITS)							
Reserved for encumbrances	-	-	-	-	-	-	508
Unreserved, unrestricted	(4,305)	-	368	69	400	(21)	(1,054)
Total fund balances	(4,305)	-	368	69	400	(21)	(546)
Total liabilities and fund balances (deficits)	\$ 311,433	\$ 8,001	\$ 380	\$ 165	\$ 400	\$ 27	\$ 4,093

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

	Special Revenue						
	Used Tire Management 0294	Natural Areas Acquisition 0298	Open Space Lands Acquisition & Development 0299	Nursing Home Grant Assistance 0348	Tax Compliance and Administration 0384	Local Government Distributive 0515	
ASSETS							
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Cash equity in State Treasury	56	452	1,054	-	1,354	-	47
Cash and cash equivalents	-	-	-	-	-	-	-
Taxes receivable, net	-	-	-	-	557	-	-
Other receivables	1,597	-	-	-	-	-	-
Due from other Department funds	-	-	-	-	-	-	114,879
Total assets	\$ 1,653	\$ 452	\$ 1,054	\$ 1,911	\$ 1,911	\$ 114,926	
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 83	\$ -	-
Intergovernmental payables	-	-	-	-	1	-	114,301
Due to other Department fiduciary funds	-	-	-	-	-	-	-
Due to other State fiduciary funds	-	-	-	-	4	-	-
Due to other Department funds	474	-	-	-	-	-	625
Due to other State funds	-	-	-	-	27	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-
Unavailable revenue	50	-	-	-	195	-	-
Total liabilities	524	-	-	-	310	114,926	
FUND BALANCES (DEFICITS)							
Reserved for encumbrances	-	-	-	-	74	-	5
Unreserved, unrestricted	1,129	452	1,054	-	1,527	-	(5)
Total fund balances	1,129	452	1,054	-	1,601	-	-
Total liabilities and fund balances (deficits)	\$ 1,653	\$ 452	\$ 1,054	\$ 1,911	\$ 1,911	\$ 114,926	

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

	Special Revenue						
	Drycleaner Environmental Response 0548	Supplemental Low Income Energy Assistance 0550	Renewable Energy Resource 0564	School Infrastructure 0568	Petroleum Resources 0573	International Tourism 0621	
ASSETS							
Unexpended appropriations	-	-	-	-	-	-	-
Cash equity in State Treasury	-	2,457	153	2,812	7	454	-
Cash and cash equivalents	-	-	-	-	-	-	-
Taxes receivable, net	240	5,271	-	1,285	-	912	-
Other receivables	-	-	376	-	-	-	-
Due from other Department funds	-	-	-	-	-	-	-
Total assets	\$ 240	\$ 7,728	\$ 529	\$ 4,097	\$ 7	\$ 1,366	-
LIABILITIES							
Accounts payable and accrued liabilities	-	-	-	3,267	-	12	-
Intergovernmental payables	-	-	-	-	-	-	-
Due to other Department fiduciary funds	-	-	-	-	-	-	-
Due to other State fiduciary funds	-	-	-	-	-	-	-
Due to other Department funds	-	-	-	-	-	-	-
Due to other State funds	-	-	-	-	-	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	1,062	-	28	-
Total liabilities	-	-	-	4,329	-	40	-
FUND BALANCES (DEFICITS)							
Reserved for encumbrances	240	7,728	529	(232)	7	1,326	-
Unreserved, unrestricted	240	7,728	529	(232)	7	1,326	-
Total fund balances	\$ 240	\$ 7,728	\$ 529	\$ 4,097	\$ 7	\$ 1,366	-
Total liabilities and fund balances (deficits)	-	-	-	-	-	-	-

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

	Special Revenue						
	Horse Racing 0632	Municipal Economic Development 0650	Tobacco Settlement Recovery 0733	Personal Property Tax Replacement 0802	Dram Shop 0821	Deferred Tax 0930	Senior Citizen Real Estate
ASSETS							
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity in State Treasury	2,594	122	-	241,140	343	-	2,086
Cash and cash equivalents	-	-	-	-	-	-	-
Taxes receivable, net	27	7	-	41,893	-	-	-
Other receivables	-	-	-	210	-	-	-
Due from other Department funds	-	-	-	116,674	-	-	-
Total assets	\$ 2,621	\$ 129	\$ 129	\$ 399,917	\$ 343	\$ 343	\$ 2,086
LIABILITIES							
Accounts payable and accrued liabilities	\$ 384	\$ -	\$ -	7,616	51	\$ -	\$ -
Intergovernmental payables	10	86	-	392,052	-	-	2,086
Due to other Department fiduciary funds	-	-	-	-	-	-	-
Due to other State fiduciary funds	52	-	-	85	3	-	-
Due to other Department funds	2,116	-	-	-	-	-	-
Due to other State funds	26	-	-	32	188	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-
Unavailable revenue	-	7	-	9,877	-	-	-
Total liabilities	2,588	93	5	409,662	242	242	2,086
FUND BALANCES (DEFICITS)							
Reserved for encumbrances	152	-	-	-	27	-	-
Unreserved, unrestricted	(119)	36	-	(9,745)	74	-	-
Total fund balances	33	36	-	(9,745)	101	-	-
Total liabilities and fund balances (deficits)	\$ 2,621	\$ 129	\$ 129	\$ 399,917	\$ 343	\$ 343	\$ 2,086

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

	Special Revenue					Total
	Illinois					
	Build Illinois 0960	Local Tourism 0969	Affordable Housing Trust - IDOR Activity 1286	Evidence Fund 1369		
ASSETS						
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	1,375
Cash equity in State Treasury	8,973	807	1,505	-	-	602,506
Cash and cash equivalents	-	-	-	1	-	1
Taxes receivable, net	34,538	1,608	-	-	-	235,016
Other receivables	-	-	-	-	-	2,559
Due from other Department funds	9,450	-	-	-	-	246,684
Total assets	\$ 52,961	\$ 2,415	\$ 1,505	\$ 1	\$ 1	\$ 1,088,141
LIABILITIES						
Accounts payable and accrued liabilities	\$ 11,430	\$ 21	\$ -	\$ -	\$ -	24,168
Intergovernmental payables	-	-	-	-	-	899,605
Due to other Department fiduciary funds	-	-	-	-	-	23,529
Due to other State fiduciary funds	-	-	-	-	-	230
Due to other Department funds	-	-	-	-	-	51,957
Due to other State funds	-	-	-	-	-	2,987
Due to State of Illinois component units	-	-	1,505	-	-	1,523
Unavailable revenue	1,523	36	-	-	-	21,148
Total liabilities	12,953	57	1,505	-	-	1,025,147
FUND BALANCES (DEFICITS)						
Reserved for encumbrances	-	-	-	-	-	789
Unreserved, unrestricted	40,008	2,358	-	1	-	62,205
Total fund balances	40,008	2,358	-	1	-	62,994
Total liabilities and fund balances (deficits)	\$ 52,961	\$ 2,415	\$ 1,505	\$ 1	\$ 1	\$ 1,088,141

State of Illinois
Department of Revenue
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						
	Public Utility 0059	Underground Storage Tank 0072	Illinois Gaming Law Enforcement 0085	State Gaming 0129	State & Local Sales Tax Reform 0186	RTA Occupation and Use Tax Replacement 0187	County & Mass Transit 0188
REVENUES							
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	200,682	-	312,074
Motor fuel taxes	-	74,672	-	-	-	-	-
Public utility taxes	5,479	-	-	-	-	-	-
Other taxes	-	-	3,508	665,893	-	-	-
License and fees	5,500	-	323	878	-	-	-
Other charges for services	-	-	-	-	-	-	-
Interest and other investment income	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	10,979	74,672	3,831	666,771	200,682	-	312,074
EXPENDITURES							
General government	-	719	-	6	1	1	-
Health and social services	-	-	-	-	-	-	-
Employment and economic development	-	-	-	-	-	-	-
Environment and business regulation	-	-	-	-	-	-	-
Intergovernmental	-	-	2,542	118,108	40,135	20,068	312,074
Debt service - principal	-	-	-	-	-	-	-
Capital outlay	-	719	2,542	118,114	40,136	20,069	312,074
Total expenditures	10,979	73,953	1,289	548,657	160,546	(20,069)	-
Excess (deficiency) of revenues over (under) expenditures	-	1,719	-	118,114	40,136	20,069	312,074
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	902	2,740	-	-	-	-
Lapsed appropriations	-	(158)	(191)	-	-	-	-
Receipts collected and transmitted to State Treasury	(11,082)	(71,941)	(3,847)	-	-	-	-
Amount of SAMS transfers-in	-	-	-	-	-	-	-
Amount of SAMS transfers-out	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-
Transfers-out	-	-	-	(548,012)	(160,546)	-	-
Net other sources (uses) of financial resources	(11,082)	(71,197)	(1,289)	(548,012)	(160,546)	20,069	-
Net change in fund balances	(103)	2,756	(9)	645	-	-	-
Fund balances (deficits), July 1, 2004	5,484	7,635	797	3,188	-	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 5,391	\$ 10,391	\$ 788	\$ 3,833	\$ -	\$ -	\$ -

State of Illinois
Department of Revenue
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						
	Local Government Tax 0189	Illinois Sports Facility 0225	Emergency Public Health 0240	Racing Board Fingerprint License 0248	Illinois Racing Board Charity 0271	Illinois Racing Board Grant 0280	Illinois Tax Increment 0281
REVENUES							
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,468,082	-	-	-	-	-	19,143
Motor fuel taxes	-	-	-	-	-	-	-
Public utility taxes	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	496	-
License and fees	-	-	3,966	119	772	-	-
Other charges for services	-	-	-	-	-	-	-
Interest and other investment income	-	-	-	-	-	-	47
Other	-	-	-	-	-	-	-
Total revenues	1,468,082	5,000	3,966	119	772	496	19,190
EXPENDITURES							
General government	-	-	-	-	-	-	54
Health and social services	-	-	-	-	-	-	-
Employment and economic development	-	5,000	-	-	-	-	-
Environment and business regulation	-	-	-	96	750	466	-
Intergovernmental	1,468,546	-	-	-	-	-	16,818
Debt service - principal	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	1,468,546	5,000	-	96	750	466	16,872
Excess (deficiency) of revenues over (under) expenditures	(464)	(5,000)	3,966	23	22	30	2,318
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	(3,962)	-	-	-	-
Amount of SAMS transfers-in	-	-	-	-	-	-	-
Amount of SAMS transfers-out	-	-	333	-	-	-	-
Transfers-in	-	5,000	-	-	-	-	-
Transfers-out	-	-	-	(3)	-	(25)	(2,354)
Net other sources (uses) of financial resources	-	5,000	(3,629)	(3)	-	(25)	(2,354)
Net change in fund balances	(464)	-	337	20	22	5	(36)
Fund balances (deficits), July 1, 2004	(3,841)	-	31	49	378	(26)	(510)
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ (4,305)	\$ -	\$ 368	\$ 69	\$ 400	\$ (21)	\$ (546)

State of Illinois
Department of Revenue
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						
	Used Tire Management 0294	Natural Areas Acquisition 0298	Open Space Lands Acquisition & Development 0299	Nursing Home Grant Assistance 0348	Tax Compliance and Administration 0384	Local Government Distributive 0515	
REVENUES							
Income taxes	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-
Motor fuel taxes	-	-	-	-	1,403	-	-
Public utility taxes	-	-	-	-	10	-	-
Other taxes	-	16,269	37,961	-	760	-	-
License and fees	12,628	-	-	-	112	-	-
Other charges for services	-	-	-	-	-	-	-
Interest and other investment income	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	12,628	16,269	37,961	-	2,285	-	-
EXPENDITURES							
General government	-	-	-	1	1,803	27	-
Health and social services	-	-	-	-	-	-	-
Employment and economic development	-	-	-	-	-	-	-
Environment and business regulation	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	1,011,565
Debt service - principal	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	16	-	-
Total expenditures	-	-	-	1	1,819	1,011,592	-
Excess (deficiency) of revenues over (under) expenditures	12,628	16,269	37,961	(1)	466	(1,011,592)	-
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	(13,024)	(16,046)	(37,440)	-	-	-	-
Amount of SAMS transfers-in	1,364	-	-	-	-	-	-
Amount of SAMS transfers-out	-	-	-	-	-	-	1,016,592
Transfers-in	(1,315)	-	-	-	(9,947)	-	(5,000)
Transfers-out	-	-	-	-	-	-	-
Net other sources (uses) of financial resources	(12,975)	(16,046)	(37,440)	-	(9,947)	1,011,592	-
Net change in fund balances	(347)	223	521	(1)	(9,481)	-	-
Fund balances (deficits), July 1, 2004	1,476	229	533	1	11,082	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 1,129	\$ 452	\$ 1,054	\$ -	\$ 1,601	\$ -	\$ -

State of Illinois
Department of Revenue
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						
	Drycleaner Environmental Response 0548	Supplemental Low Income Energy Assistance 0550	Renewable Energy Resource 0564	School Infrastructure 0568	Petroleum Resources 0573	International Tourism 0621	
REVENUES							
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sales taxes	-	-	-	-	-	-	
Motor fuel taxes	-	-	-	-	-	-	
Public utility taxes	-	80,626	-	92,800	-	-	
Other taxes	1,071	-	-	60,000	446	7,381	
License and fees	1,324	-	5,022	-	-	-	
Other charges for services	-	-	-	-	-	-	
Interest and other investment income	-	-	-	-	-	-	
Other	-	-	-	-	-	-	
Total revenues	2,395	80,626	5,022	152,800	446	7,381	
EXPENDITURES							
General government	-	-	-	-	-	-	
Health and social services	-	-	-	-	-	-	
Employment and economic development	-	-	-	-	-	-	
Environment and business regulation	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	-	
Debt service - principal	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	-	
Total expenditures	-	-	-	-	-	-	
Excess (deficiency) of revenues over (under) expenditures	2,395	80,626	5,022	152,800	446	7,381	
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	
Lapsed appropriations	-	-	-	-	-	-	
Receipts collected and transmitted to State Treasury	(2,415)	(79,322)	(4,952)	(151,154)	(439)	(7,245)	
Amount of SAMS transfers-in	-	-	-	-	-	-	
Amount of SAMS transfers-out	-	-	-	-	-	-	
Transfers-in	-	-	-	-	-	-	
Transfers-out	-	-	-	-	-	-	
Net other sources (uses) of financial resources	(2,415)	(79,322)	(4,952)	(151,154)	(439)	(7,245)	
Net change in fund balances	(20)	1,304	70	1,646	7	136	
Fund balances (deficits), July 1, 2004	260	6,424	459	(1,878)	-	1,190	
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 240	\$ 7,728	\$ 529	\$ (232)	\$ 7	\$ 1,326	

State of Illinois
Department of Revenue
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				
	Horse Racing 0632	Municipal Economic Development 0650	Tobacco Settlement Recovery 0733	Personal Property Tax Replacement 0802	Senior Citizen Real Estate Deferred Tax 0930
REVENUES					
Income taxes	\$ -	\$ -	\$ -	\$ 805,750	\$ -
Sales taxes	-	-	-	-	-
Motor fuel taxes	-	-	-	-	-
Public utility taxes	-	351	-	203,698	-
Other taxes	11,629	-	-	-	-
License and fees	-	-	-	-	5,538
Other charges for services	-	-	-	-	-
Interest and other investment income	-	1	-	1,311	-
Other	-	-	-	-	308
Total revenues	11,629	352	-	1,010,759	3,786
EXPENDITURES					
General government	-	300	32	-	3,786
Health and social services	-	-	(49)	-	-
Employment and economic development	-	-	-	-	-
Environment and business regulation	6,974	-	1,102	-	3,922
Intergovernmental	-	-	-	1,183,146	-
Debt service - principal	-	-	-	-	15
Capital outlay	16	-	-	14	139
Total expenditures	6,990	300	1,085	1,183,160	3,786
Excess (deficiency) of revenues over (under) expenditures	4,639	52	(1,085)	(172,401)	1,806
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
Appropriations from State resources	-	-	1,165	-	-
Lapsed appropriations	-	-	(69)	-	-
Receipts collected and transmitted to State Treasury	-	-	(8)	-	-
Amount of SAMS transfers-in	-	-	-	-	-
Amount of SAMS transfers-out	-	-	-	-	-
Transfers-in	-	-	-	116,674	-
Transfers-out	(4,633)	(15)	(5)	(50)	(2,731)
Net other sources (uses) of financial resources	(4,633)	(15)	1,083	116,624	(2,731)
Net change in fund balances	6	37	(2)	(55,777)	(925)
Fund balances (deficits), July 1, 2004	27	(1)	2	46,032	1,026
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 33	\$ 36	\$ -	(9,745)	\$ 101

State of Illinois
Department of Revenue
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					Total
	Build Illinois 0960	Local Tourism 0969	Housing Trust - IDOR Activity 1286	Evidence Fund 1369		
REVENUES						
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	805,750
Sales taxes	390,928	-	-	-	-	2,390,909
Motor fuel taxes	-	-	-	-	-	74,672
Public utility taxes	-	-	-	-	-	384,357
Other taxes	86,817	13,073	54,229	-	-	958,783
License and fees	-	-	-	1	-	36,831
Other charges for services	-	-	-	-	-	112
Interest and other investment income	-	-	-	-	-	1,359
Other	-	-	-	-	-	4,094
Total revenues	477,745	13,073	54,229	1	1	4,656,867
EXPENDITURES						
General government	-	-	54,229	-	-	60,923
Health and social services	-	-	-	-	-	(49)
Employment and economic development	-	-	-	-	-	5,000
Environment and business regulation	-	-	-	-	-	13,310
Intergovernmental	-	-	-	-	-	4,173,002
Debt service - principal	-	-	-	-	-	15
Capital outlay	-	-	-	-	-	185
Total expenditures	-	-	54,229	-	-	4,252,386
Excess (deficiency) of revenues over (under) expenditures	477,745	13,073	-	1	1	404,481
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Appropriations from State resources	-	-	-	-	-	4,807
Lapsed appropriations	-	-	-	-	-	(418)
Receipts collected and transmitted to State Treasury	(474,121)	-	-	-	-	(889,878)
Amount of SAMS transfers-in	(37,800)	(12,880)	-	-	-	(37,800)
Amount of SAMS transfers-out	-	-	-	-	-	1,697
Transfers-in	37,800	-	-	-	-	1,196,135
Transfers-out	-	-	-	-	-	(734,636)
Net other sources (uses) of financial resources	(474,121)	(12,880)	-	-	-	(460,093)
Net change in fund balances	3,624	193	-	1	1	(55,612)
Fund balances (deficits), July 1, 2004	36,384	2,165	-	-	-	118,606
FUND BALANCES (DEFICITS), JUNE 30, 2005	\$ 40,008	\$ 2,358	\$ -	\$ 1	\$ 1	\$ 62,994

State of Illinois
Department of Revenue
Combining Statement of Fiduciary Net Assets
Agency Funds
 June 30, 2005 (Expressed in Thousands)

	Agency					
	County Water Commission Tax 0084	Non-Home Rule Municipal ROT 0088	Home Rule Municipal Drink ROT 0097	Home Rule Municipal ROT 0138	Home Rule County ROT 0139	
ASSETS						
Cash equity in State Treasury	\$ 10,112	\$ 4,417	\$ 1,412	\$ 61,648	\$ 28,361	
Cash and cash equivalents	-	-	-	-	-	
Taxes receivable, net	2,042	1,862	726	35,565	17,125	
Other receivables	21	4	-	74	40	
Due from other Department funds	-	-	-	-	-	
Total assets	\$ 12,175	\$ 6,283	\$ 2,138	\$ 97,287	\$ 45,526	
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 1,311	\$ -	
Intergovernmental payables	12,175	6,283	2,138	95,976	45,526	
Other liabilities	-	-	-	-	-	
Total liabilities	\$ 12,175	\$ 6,283	\$ 2,138	\$ 97,287	\$ 45,526	

State of Illinois
Department of Revenue
Combining Statement of Fiduciary Net Assets
Agency Funds
 June 30, 2005 (Expressed in Thousands)

	Agency					
	County Option Motor Fuel Tax 0190	County Public Safety ROT 0219	Sports Facility Tax Trust 0229	Metropolitan Pier & Expo. Auth. Trust 0337	Illinois Tourism Tax 0452	
ASSETS						
Cash equity in State Treasury	\$ 5,598	\$ 8,074	\$ -	\$ -	\$ -	\$ 2,660
Cash and cash equivalents	-	-	-	-	-	-
Taxes receivable, net	2,568	4,036	7	7,697	1,427	-
Other receivables	10	-	-	13	-	-
Due from other Department funds	-	-	-	-	-	-
Total assets	\$ 8,176	\$ 12,110	\$ 7	\$ 17,329	\$ -	\$ 4,087
LIABILITIES						
Accounts payable and accrued liabilities	\$ 157	\$ -	\$ 7	\$ 6	\$ 7	-
Intergovernmental payables	8,019	12,110	-	17,323	4,080	-
Other liabilities	-	-	-	-	-	-
Total liabilities	\$ 8,176	\$ 12,110	\$ 7	\$ 17,329	\$ -	\$ 4,087

State of Illinois
Department of Revenue
Combining Statement of Fiduciary Net Assets
Agency Funds
 June 30, 2005 (Expressed in Thousands)

	Agency			
	Tax Suspense Trust 0583	Metro East Park & Recreation 0717	Municipal Telecommunications Fund 0719	RTA Public Transportation Tax 0741
ASSETS				
Cash equity in State Treasury	7	\$ 657	\$ 42,148	\$ 3
Cash and cash equivalents	-	-	-	-
Taxes receivable, net	-	242	5,658	-
Other receivables	-	-	-	-
Due from other Department funds	-	-	-	-
Total assets	7	\$ 899	\$ 47,806	\$ 3
LIABILITIES				
Accounts payable and accrued liabilities	-	-	13,233	-
Intergovernmental payables	-	899	34,573	3
Other liabilities	7	-	-	-
Total liabilities	7	\$ 899	\$ 47,806	\$ 3

State of Illinois
Department of Revenue
Combining Statement of Fiduciary Net Assets
Agency Funds
 June 30, 2005 (Expressed in Thousands)

	Agency Tennessee					
	RTA Sales Tax Trust 0812	Metro East Mass Transit District Tax 0841	Valley Authority Local Trust 0861	Municipal Automobile Renting Tax 0868	County Automobile Renting Tax 0869	
ASSETS						
Cash equity in State Treasury	\$ 42,717	\$ 4,260	\$ -	\$ -	\$ 911	\$ 89
Cash and cash equivalents	-	-	-	-	-	-
Taxes receivable, net	32,387	1,452	-	489	-	6
Other receivables	59	9	-	2	-	-
Due from other Department funds	23,529	-	-	-	-	-
Total assets	\$ 98,692	\$ 5,721	\$ -	\$ 1,402	\$ 1,402	\$ 95
LIABILITIES						
Accounts payable and accrued liabilities	-	-	-	-	-	-
Intergovernmental payables	98,692	5,721	-	1,402	-	95
Other liabilities	-	-	-	-	-	-
Total liabilities	\$ 98,692	\$ 5,721	\$ -	\$ 1,402	\$ 1,402	\$ 95

State of Illinois
Department of Revenue
Combining Statement of Fiduciary Net Assets
Agency Funds

June 30, 2005 (Expressed in Thousands)

	Agency			Total
	Municipal Replacement Vehicle Tax 0917	Surety Bond 1151	Lottery Agent Security Deposit 1309	
ASSETS				
Cash equity in State Treasury	-	-	-	222,693
Cash and cash equivalents	-	1,415	483	1,898
Taxes receivable, net	-	-	-	113,289
Other receivables	-	-	-	232
Due from other Department funds	-	-	-	23,529
Total assets	-	1,415	483	361,641
LIABILITIES				
Accounts payable and accrued liabilities	-	-	-	14,721
Intergovernmental payables	-	-	-	345,015
Other liabilities	-	1,415	483	1,905
Total liabilities	-	1,415	483	361,641

State of Illinois
Department of Revenue

Combining Statement of Changes in Assets and Liabilities
Agency Funds

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

	Balance at July 1, 2004	Additions	Deletions	Balance at June 30, 2005
County Water Commission Tax (0084)				
ASSETS				
Cash equity in State Treasury	\$ 8,887	\$ 34,815	\$ 33,590	\$ 10,112
Taxes receivable, net	1,807	2,042	1,807	2,042
Other receivables, net	6	21	6	21
Total assets	\$ 10,700	\$ 36,878	\$ 35,403	\$ 12,175
LIABILITIES				
Intergovernmental payables	\$ 10,700	\$ 12,175	\$ 10,700	\$ 12,175
Total liabilities	\$ 10,700	\$ 12,175	\$ 10,700	\$ 12,175
Non-Home Rule Municipal ROT (0088)				
ASSETS				
Cash equity in State Treasury	\$ 3,065	\$ 24,037	\$ 22,685	\$ 4,417
Taxes receivable, net	1,040	1,862	1,040	1,862
Other receivables, net	1	4	1	4
Total assets	\$ 4,106	\$ 25,903	\$ 23,726	\$ 6,283
LIABILITIES				
Intergovernmental payables	\$ 4,106	\$ 6,283	\$ 4,106	\$ 6,283
Total liabilities	\$ 4,106	\$ 6,283	\$ 4,106	\$ 6,283
Home Rule Municipal Soft Drink ROT (0097)				
ASSETS				
Cash equity in State Treasury	\$ 1,670	\$ 7,797	\$ 8,055	\$ 1,412
Taxes receivable, net	664	726	664	726
Total assets	\$ 2,334	\$ 8,523	\$ 8,719	\$ 2,138
LIABILITIES				
Intergovernmental payables	\$ 2,334	\$ 2,138	\$ 2,334	\$ 2,138
Total liabilities	\$ 2,334	\$ 2,138	\$ 2,334	\$ 2,138
Home Rule Municipal ROT (0138)				
ASSETS				
Cash equity in State Treasury	\$ 54,668	\$ 569,174	\$ 562,194	\$ 61,648
Taxes receivable, net	25,793	35,565	25,793	35,565
Other receivables, net	21	74	21	74
Total assets	\$ 80,482	\$ 604,813	\$ 588,008	\$ 97,287
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,299	\$ 1,311	\$ 1,299	\$ 1,311
Intergovernmental payables	79,183	95,976	79,183	95,976
Total liabilities	\$ 80,482	\$ 97,287	\$ 80,482	\$ 97,287

State of Illinois
Department of Revenue

Combining Statement of Changes in Assets and Liabilities
Agency Funds

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

	Balance at July 1, 2004	Additions	Deletions	Balance at June 30, 2005
Home Rule County ROT (0139)				
ASSETS				
Cash equity in State Treasury	\$ 27,780	\$ 293,176	\$ 292,595	\$ 28,361
Taxes receivable, net	15,146	17,125	15,146	17,125
Other receivables, net	12	40	12	40
Total assets	\$ 42,938	\$ 310,341	\$ 307,753	\$ 45,526
LIABILITIES				
Intergovernmental payables	\$ 42,938	\$ 45,526	\$ 42,938	\$ 45,526
Total liabilities	\$ 42,938	\$ 45,526	\$ 42,938	\$ 45,526
County Option Motor Fuel Tax (0190)				
ASSETS				
Cash equity in State Treasury	\$ 5,622	\$ 30,864	\$ 30,888	\$ 5,598
Taxes receivable, net	2,511	2,568	2,511	2,568
Other receivables, net	3	10	3	10
Total assets	\$ 8,136	\$ 33,442	\$ 33,402	\$ 8,176
LIABILITIES				
Accounts payable and accrued liabilities	\$ 157	\$ 157	\$ 157	\$ 157
Intergovernmental payables	7,979	8,019	7,979	8,019
Total liabilities	\$ 8,136	\$ 8,176	\$ 8,136	\$ 8,176
County Public Safety ROT (0219)				
ASSETS				
Cash equity in State Treasury	\$ 7,681	\$ 61,013	\$ 60,620	\$ 8,074
Taxes receivable, net	3,157	4,036	3,157	4,036
Total assets	\$ 10,838	\$ 65,049	\$ 63,777	\$ 12,110
LIABILITIES				
Intergovernmental payables	\$ 10,838	\$ 12,110	\$ 10,838	\$ 12,110
Total liabilities	\$ 10,838	\$ 12,110	\$ 10,838	\$ 12,110
Sports Facility Tax Trust (0229)				
ASSETS				
Cash equity in State Treasury	\$ -	\$ 26,336	\$ 26,336	\$ -
Taxes receivable, net	100	7	100	7
Total assets	\$ 100	\$ 26,343	\$ 26,436	\$ 7
LIABILITIES				
Accounts payable and accrued liabilities	\$ 100	\$ 7	\$ 100	\$ 7
Total liabilities	\$ 100	\$ 7	\$ 100	\$ 7

State of Illinois
Department of Revenue

Combining Statement of Changes in Assets and Liabilities
Agency Funds

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

	Balance at July 1, 2004	Additions	Deletions	Balance at June 30, 2005
Metro Pier & Exposition Authority Trust (0337)				
ASSETS				
Cash equity in State Treasury	\$ 13,713	\$ 91,126	\$ 95,220	\$ 9,619
Taxes receivable, net	7,300	7,697	7,300	7,697
Other receivables, net	4	13	4	13
Total assets	\$ 21,017	\$ 98,836	\$ 102,524	\$ 17,329
LIABILITIES				
Accounts payable and accrued liabilities	\$ 113	\$ 6	\$ 113	\$ 6
Intergovernmental payables	20,904	17,323	20,904	17,323
Total liabilities	\$ 21,017	\$ 17,329	\$ 21,017	\$ 17,329
Illinois Tourism Tax (0452)				
ASSETS				
Cash equity in State Treasury	\$ 2,094	\$ 13,168	\$ 12,602	\$ 2,660
Taxes receivable, net	1,268	1,427	1,268	1,427
Total assets	\$ 3,362	\$ 14,595	\$ 13,870	\$ 4,087
LIABILITIES				
Accounts payable and accrued liabilities	\$ 54	\$ 7	\$ 54	\$ 7
Intergovernmental payables	3,308	4,080	3,308	4,080
Total liabilities	\$ 3,362	\$ 4,087	\$ 3,362	\$ 4,087
Tax Suspense Trust (0583)				
ASSETS				
Cash equity in State Treasury	\$ 7	\$ -	\$ -	\$ 7
Total assets	\$ 7	\$ -	\$ -	\$ 7
LIABILITIES				
Other liabilities	\$ 7	\$ -	\$ -	\$ 7
Total liabilities	\$ 7	\$ -	\$ -	\$ 7
Metro East Park and Recreation (0717)				
ASSETS				
Cash equity in State Treasury	\$ 636	\$ 3,916	\$ 3,895	\$ 657
Taxes receivable, net	200	242	200	242
Total assets	\$ 836	\$ 4,158	\$ 4,095	\$ 899
LIABILITIES				
Intergovernmental payables	\$ 836	\$ 899	\$ 836	\$ 899
Total liabilities	\$ 836	\$ 899	\$ 836	\$ 899

State of Illinois
Department of Revenue

Combining Statement of Changes in Assets and Liabilities
Agency Funds

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

	Balance at July 1, 2004	Additions	Deletions	Balance at June 30, 2005
Municipal Telecommunications Fund (0719)				
ASSETS				
Cash equity in State Treasury	\$ 45,133	\$ 269,124	\$ 272,109	\$ 42,148
Taxes receivable, net	4,872	5,658	4,872	5,658
Total assets	\$ 50,005	\$ 274,782	\$ 276,981	\$ 47,806
LIABILITIES				
Accounts payable and accrued liabilities	\$ 20,837	\$ 13,233	\$ 20,837	\$ 13,233
Intergovernmental payables	29,168	34,573	29,168	34,573
Total liabilities	\$ 50,005	\$ 47,806	\$ 50,005	\$ 47,806
RTA Public Transportation Tax (0741)				
ASSETS				
Cash equity in State Treasury	\$ 2	\$ 1	\$ -	\$ 3
Total assets	\$ 2	\$ 1	\$ -	\$ 3
LIABILITIES				
Intergovernmental payables	\$ 2	\$ 3	\$ 2	\$ 3
Total liabilities	\$ 2	\$ 3	\$ 2	\$ 3
RTA Sales Tax Trust (0812)				
ASSETS				
Cash equity in State Treasury	\$ 39,655	\$ 665,298	\$ 662,236	\$ 42,717
Taxes receivable, net	28,643	32,387	28,643	32,387
Other receivables, net	15	59	15	59
Due from other Department funds	22,625	23,529	22,625	23,529
Total assets	\$ 90,938	\$ 721,273	\$ 713,519	\$ 98,692
LIABILITIES				
Intergovernmental payables	\$ 90,938	\$ 98,692	\$ 90,938	\$ 98,692
Total liabilities	\$ 90,938	\$ 98,692	\$ 90,938	\$ 98,692
Metro East Mass Transit Dist. Tax (0841)				
ASSETS				
Cash equity in State Treasury	\$ 4,328	\$ 25,983	\$ 26,051	\$ 4,260
Taxes receivable, net	1,276	1,452	1,276	1,452
Other receivables, net	2	9	2	9
Total assets	\$ 5,606	\$ 27,444	\$ 27,329	\$ 5,721
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2	\$ -	\$ 2	\$ -
Intergovernmental payables	5,604	5,721	5,604	5,721
Total liabilities	\$ 5,606	\$ 5,721	\$ 5,606	\$ 5,721

State of Illinois
Department of Revenue

Combining Statement of Changes in Assets and Liabilities
Agency Funds

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

	Balance at July 1, 2004	Additions	Deletions	Balance at June 30, 2005
Tennessee Valley Authority Local Trust (0861)				
ASSETS				
Cash equity in State Treasury	\$ -	\$ 200	\$ 200	\$ -
Total assets	\$ -	\$ 200	\$ 200	\$ -
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ 200	\$ 200	\$ -
Total liabilities	\$ -	\$ 200	\$ 200	\$ -
Municipal - Automobile Renting Tax (0868)				
ASSETS				
Cash equity in State Treasury	\$ 774	\$ 5,088	\$ 4,951	\$ 911
Taxes receivable, net	473	489	473	489
Other receivables, net	-	2	-	2
Total assets	\$ 1,247	\$ 5,579	\$ 5,424	\$ 1,402
LIABILITIES				
Intergovernmental payables	\$ 1,247	\$ 1,402	\$ 1,247	\$ 1,402
Total liabilities	\$ 1,247	\$ 1,402	\$ 1,247	\$ 1,402
County - Automobile Renting Tax (0869)				
ASSETS				
Cash equity in State Treasury	\$ 68	\$ 56	\$ 35	\$ 89
Taxes receivable, net	5	6	5	6
Total assets	\$ 73	\$ 62	\$ 40	\$ 95
LIABILITIES				
Intergovernmental payables	\$ 73	\$ 95	\$ 73	\$ 95
Total liabilities	\$ 73	\$ 95	\$ 73	\$ 95
Surety Bond (1151)				
ASSETS				
Cash and cash equivalents	\$ 548	\$ 1,105	\$ 238	\$ 1,415
Total assets	\$ 548	\$ 1,105	\$ 238	\$ 1,415
LIABILITIES				
Other liabilities	\$ 548	\$ 1,105	\$ 238	\$ 1,415
Total liabilities	\$ 548	\$ 1,105	\$ 238	\$ 1,415

State of Illinois

Department of Revenue

Combining Statement of Changes in Assets and Liabilities

Agency Funds

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

	Balance at July 1, 2004	Additions	Deletions	Balance at June 30, 2005
Lottery Agent Security Deposit (1309)				
ASSETS				
Cash and cash equivalents	\$ 426	\$ 177	\$ 120	\$ 483
Total assets	\$ 426	\$ 177	\$ 120	\$ 483
LIABILITIES				
Other liabilities	\$ 426	\$ 177	\$ 120	\$ 483
Total liabilities	\$ 426	\$ 177	\$ 120	\$ 483
Total - All Agency Funds				
ASSETS				
Cash equity in State Treasury	\$ 215,783	\$ 2,121,172	\$ 2,114,262	\$ 222,693
Cash and cash equivalents	974	1,282	358	1,898
Taxes receivable, net	94,255	113,289	94,255	113,289
Other receivables, net	64	232	64	232
Due from other Department funds	22,625	23,529	22,625	23,529
Total assets	\$ 333,701	\$ 2,259,504	\$ 2,231,564	\$ 361,641
LIABILITIES				
Accounts payable and accrued liabilities	\$ 22,562	\$ 14,921	\$ 22,762	\$ 14,721
Intergovernmental payables	310,158	345,015	310,158	345,015
Other liabilities	981	1,282	358	1,905
Total liabilities	\$ 333,701	\$ 361,218	\$ 333,278	\$ 361,641