

STATE OF ILLINOIS
OFFICE OF THE
SECRETARY OF STATE

Financial Audit

For the Year Ended June 30, 2006

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

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

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FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying financial statements of the State of Illinois, Office of the Secretary of State was performed by Sleeper, Disbrow, Morrison, Tarro & Lively, LLC.

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

SLEEPER, DISBROW, MORRISON, TARRO & LIVELY, LLC

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INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Office of the Secretary of State, as of and for the year ended June 30, 2006, which collectively comprise the Office of the Secretary of State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Illinois, Office of the Secretary of State's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the financial statements of the State of Illinois, Office of the Secretary of State are intended to present the financial position and changes in financial position of only that portion of the governmental activities, each major fund, and the aggregate remaining fund information of the State that is attributable to the transactions of the State of Illinois, Office of the Secretary of State. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2006, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Office of the Secretary of State, as of June 30, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 12, 2007 on our consideration of the State of Illinois, Office of the Secretary of State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

Snyder, Diabrow, Morrison, Tarr & Lively, LLC

Decatur, Illinois
January 12, 2007

SLEEPER, DISBROW, MORRISON, TARRO & LIVELY, LLC

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Office of the Secretary of State, as of and for the year ended June 30, 2006, which collectively comprise State of Illinois, Office of the Secretary of State's basic financial statements and have issued our report thereon dated January 12, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Illinois, Office of the Secretary of State's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois, Office of the Secretary of State's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and

accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

S. Luper, Diabrow, Morrison, Tanno & Lively, LLC

Decatur, Illinois
January 12, 2007

State of Illinois
Office of the Secretary of State
Statement of Net Assets and Governmental Funds Balance Sheet
 June 30, 2006 (Expressed in Thousands)

	General Fund	Road Fund	Motor Fuel Tax Fund 0012	State Construction Account 0902	Other Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Net Assets
ASSETS								
Unexpended appropriations	\$ 6,936	\$ 8,262	\$ -	\$ -	\$ 785	\$ 15,983	\$ -	\$ 15,983
Cash equity with State Treasurer	14,056	152,794	-	-	41,420	208,270	-	208,270
Cash and cash equivalents	-	87	-	-	-	87	-	87
Taxes receivable, net	4,853	-	-	-	-	4,853	-	4,853
Intergovernmental receivables, net	2,283	32,279	-	944	648	35,561	-	35,561
Due from other Office funds	22,616	-	-	78,023	6,362	107,001	(107,001)	-
Due from other State funds	10	-	-	-	11	21	-	21
Inventories	-	1,450	-	-	2,132	3,582	-	3,582
Prepaid expenses	-	-	-	-	-	-	6,931	6,931
Capital assets not being depreciated	-	-	-	-	-	-	-	6,879
Capital assets being depreciated, net	-	-	-	-	-	-	62,469	62,469
Total assets	\$ 50,754	\$194,872	\$ -	\$ 78,967	\$ 51,413	\$ 376,006	(30,922)	\$ 345,084
LIABILITIES								
Accounts payable and accrued liabilities	\$ 6,072	\$ 7,361	\$ -	\$ -	\$ 5,482	\$ 18,915	\$ -	\$ 18,915
Intergovernmental payables	2,363	286	-	-	962	3,621	-	3,621
Due to other Office fiduciary funds	-	1,198	-	-	-	1,198	-	1,198
Due to other State fiduciary funds	401	460	-	-	58	919	-	919
Due to other Office funds	874	106,127	-	-	-	107,001	(107,001)	-
Due to other State funds	84	1,277	-	-	838	2,199	-	2,199
Due to State of Illinois component units	5	1	-	-	165	171	-	171
Unavailable revenue	-	-	-	-	11	11	(11)	-
Deferred revenue	-	-	-	-	292	292	-	292
Long-term obligations:								
Due within one year	-	-	-	-	-	-	17,987	17,987
Due subsequent to one year	-	-	-	-	-	-	2,536	2,536
Total liabilities	9,799	116,720	-	-	7,808	134,327	(86,469)	47,858
FUND BALANCES/NET ASSETS								
Reserved for:								
Encumbrances	1	-	-	-	21	22	(22)	-
Inventories	-	1,450	-	-	2,132	3,582	(3,582)	-
Unreserved:								
General fund	40,954	-	-	-	-	40,954	(40,954)	-
Special revenue funds	-	76,702	-	78,967	41,450	197,119	(197,119)	-
Capital projects fund	-	-	-	-	(4)	(4)	4	-
Debt service fund	-	-	-	-	6	6	(6)	-
Invested in capital assets, net of related debt	-	-	-	-	-	-	69,121	69,121
Unrestricted net assets	40,955	78,152	-	78,967	43,605	241,679	228,125	228,125
Total fund balances/net assets	\$ 50,754	\$194,872	\$ -	\$ 78,967	\$ 51,413	\$ 376,006	\$ 55,567	\$ 297,246
Total liabilities and fund balances								

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

State of Illinois
Office of the Secretary of State
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Assets
June 30, 2006
(Expressed in Thousands)

Total fund balances-governmental funds	\$	241,679
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		69,148
Prepaid expenses for governmental activities are current uses of financial resources for funds.		6,931
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.		11
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of:		
Compensated absences	(20,496)	
Capital lease obligations	(27)	
	(20,523)	(20,523)
Net assets of governmental activities	\$	<u>297,246</u>

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

State of Illinois

Office of the Secretary of State

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

For the Year Ended June 30, 2006 (Expressed in Thousands)

	General Fund	Road Fund	Motor Fuel Tax Fund 0012	State Construction Account 0902	Other Nonmajor Funds	Total Governmental Funds	Adjustments	Statement of Activities
Expenditures/expenses:								
General government	\$144,936	\$119,603	\$ 800	-	\$ 56,287	\$ 321,626	\$ 15,960	\$ 337,576
Debt service - principal	198	9	-	-	400	607	(607)	-
Debt service - interest	14	2	-	-	29	45	-	45
Capital outlays	626	615	-	-	1,102	2,343	(2,343)	-
Total expenditures/expenses	145,774	120,229	800	-	57,818	324,621	13,000	337,621
Program revenues:								
Charges for services:								
Licenses and fees	253,323	829,608	-	476,803	80,655	1,640,389	-	1,640,389
Other	30	14	-	-	53	97	-	97
Total charges for services	253,353	829,622	-	476,803	80,708	1,640,486	-	1,640,486
Operating grant revenue:								
Federal	-	-	-	-	7,043	7,043	6	7,049
Other	-	-	-	-	752	752	-	752
Total operating grant revenue	-	-	-	-	7,795	7,795	6	7,801
Net program revenues	107,579	709,393	(800)	476,803	30,685	1,323,660	(12,994)	1,310,666
General revenues:								
Interest and investment income	-	-	-	-	425	425	-	425
Other taxes	187,814	-	-	-	-	187,814	-	187,814
Other	6	-	-	-	62	68	-	68
Total general revenues	187,820	-	-	-	487	188,307	-	188,307
Other sources (uses):								
Appropriations from State resources	131,365	128,689	800	-	4,336	265,190	-	265,190
Reappropriation to future year(s)	-	-	-	-	(100)	(100)	-	(100)
Lapsed appropriations	(6,154)	(6,178)	-	-	(458)	(12,790)	-	(12,790)
Receipts collected and transmitted to State Treasury	(437,646)	(860,555)	-	(476,876)	(19,036)	(1,794,113)	-	(1,794,113)
Capital transfers from other State agencies	-	-	-	-	-	-	11,510	11,510
Amount of SAMS transfers-in	(136)	-	-	-	-	(136)	-	(136)
Amount of SAMS transfers-out	20,904	-	-	-	-	20,904	-	20,904
Capital lease and installment purchase financing	(1,446)	-	-	-	20	20	(20)	-
Transfers-in	(1,446)	-	-	-	6,904	5,458	1,446	6,904
Transfers-out	(1,551)	-	-	-	(9,045)	(10,596)	(1,446)	(12,042)
Total other sources (uses)	(294,564)	(738,044)	800	(476,876)	(17,379)	(1,528,163)	11,490	(1,514,673)
Change in fund balance/net assets	735	(28,651)	-	(73)	13,793	(14,196)	(1,504)	(15,700)
Fund balance/net assets, July 1, 2005	40,220	108,373	-	79,040	29,744	257,377	55,569	312,946
Increase (decrease) for changes in inventories	-	(1,570)	-	-	68	(1,502)	1,502	-
Fund balance/net assets, June 30, 2006	\$ 40,955	\$ 78,152	\$ -	\$ 78,967	\$ 43,605	\$ 241,679	\$ 55,567	\$ 297,246

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

State of Illinois
Office of the Secretary of State
Reconciliation of Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2006
(Expressed in Thousands)

Net change in fund balances	\$	(14,196)
Change in inventories		(1,502)
	\$	<u>(15,698)</u>

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation in the current period exceeded capital outlays.		(12,035)
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.		607
Early terminations of capital lease obligations decrease the outstanding obligations of the Office in the current year.		251
Some capital additions were financed through capital leases. In governmental funds, capital lease arrangements are considered a source of financing, but in the Statement of Net Assets the lease obligation is reported as a liability.		(20)
Some capital assets were transferred in from other State agencies and therefore, were received at no cost.		11,510
Proceeds from sales of capital assets are reported in the governmental funds. However, in the Statement of Activities, the book value of capital assets which are sold or scrapped are also reported. This is the book value of capital assets which were sold or scrapped.		(4)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the decrease in unavailable revenue over the prior year.		6
Prepaid expenses in the Statement of Activities are not reported as expenses in governmental funds. This amount represents the increase in prepaid expenses over the prior year.		589
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Below are such activities:		
Increase in compensated absences obligation		<u>(906)</u>

Change in net assets of governmental activities	\$	<u><u>(15,700)</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois
Office of the Secretary of State

Statement of Fiduciary Net Assets
 June 30, 2006 (Expressed in Thousands)

	<u>Agency Funds</u>
ASSETS	
Cash equity with State Treasurer	\$ 7,609
Cash and cash equivalents	257
Investments	2,321
Other receivables, net	21
Due from other Office funds	1,198
Total assets	<u>\$ 11,406</u>
LIABILITIES	
Other liabilities	\$ 11,406
Total liabilities	<u>\$ 11,406</u>

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

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

Notes to Financial Statements

June 30, 2006

(1) Organization

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

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

(2) Summary of Significant Accounting Policies

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

(a) Financial Reporting Entity

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

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

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

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

Notes to Financial Statements

June 30, 2006

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

(b) Basis of Presentation

The financial statements of the State of Illinois, Office of the Secretary of State, are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund of the State of Illinois, and the aggregate remaining fund information of the State of Illinois that is attributable to the transactions of the Office. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2006 and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

Notes to Financial Statements

June 30, 2006

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

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

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

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

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

Additionally, the Office administers the following fund types:

Governmental Funds:

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

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

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

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

Notes to Financial Statements

June 30, 2006

Fiduciary Funds:

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

(c) Measurement Focus and Basis of Accounting

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

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

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

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

(d) Shared Fund Presentation

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

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

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

Unexpended Appropriations

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

Appropriations from State Resources

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

Reappropriations to Future Year(s)

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

Lapsed Appropriations

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

Receipts Collected and Transmitted to State Treasury

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

Amount of SAMS Transfers-In

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

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Amount of SAMS Transfers-Out

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

(e) Eliminations

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

(f) Cash and Cash Equivalents

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

(g) Inventories

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

(h) Interfund Transactions

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

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

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

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

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

(i) Capital Assets

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

Capitalization thresholds and the estimated useful lives are as follows:

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

(j) Compensated Absences

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

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

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

(k) Fund Balances

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

(l) Net Assets

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

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

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

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

(m) Use of Estimates

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

(n) New Accounting Pronouncements

Effective for the year ended June 30, 2006 the State adopted GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, which established accounting and financial reporting standards for the impairment of capital assets. There was no significant impact on the Office's financial statements as a result of adopting this statement.

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Effective for the year ended June 30, 2006 the State adopted GASB Statement No. 47, *Accounting for Termination Benefits*, which established accounting and financial reporting standards for termination benefits. There was no significant impact on the Office's financial statements as a result of adopting this statement.

(3) Deposits

(a) Deposits

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

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

(b) Investments

As of June 30, 2006, the Office had the following investments outside of the State Treasury:

	Fair Value (Thousands)	Weighted Average Maturity (Years)
<i>Fiduciary Funds</i>		
U.S. Treasury Notes	\$ 100	4.88

On the fiduciary statement of net assets, the Office has an additional amount of \$2.221 million in certificates of deposit which are recorded as investments since their maturity dates were greater than 90 days at the time of purchase.

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

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(4) Taxes Receivable

Taxes receivable (amounts expressed in thousands) at June 30, 2006 are as follows:

	General Fund
Taxes receivables:	
Other	\$ 4,853

(5) Interfund Balances and Activity

(a) Balances Due to/from Other Funds

The following balances (amounts expressed in thousands) at June 30, 2006 represent amounts due from other Office and State funds.

Fund	Due from		Description/Purpose
	Other Office Funds	Other State Funds	
General	\$ 22,616	\$ 10	Due from Road Fund based on statutory allocations of fee receipts and due from other Office nonmajor governmental funds and other State funds for transfers of excess balances.
State Construction	78,023	-	Due from Road Fund based on statutory allocations of fee receipts.
Nonmajor governmental funds	6,362	11	Due from Road Fund based on statutory allocations of fee receipts and from other State funds for transfers of excess balances.
Fiduciary	1,198	-	Due from Road Fund based on statutory allocations of fee receipts.
	\$ 108,199	\$ 21	

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June 30, 2006

The following balances (amounts expressed in thousands) at June 30, 2006 represent amounts due to other Office and State of Illinois funds.

Fund	Due to				Description/Purpose
	Other Office Funds	Other State Funds	Other Office Fiduciary Funds	Other State Fiduciary Funds	
General	\$ 874	\$ 84	\$ -	\$ 401	Due to Office nonmajor governmental funds for statutory allocations of fee receipts, to other State funds for purchases of services, and to other State fiduciary funds for payment of retirement costs.
Road	106,127	1,277	1,198	460	Due to Office funds, other State funds, and other Office fiduciary funds for statutory allocations of fee receipts and to other State fiduciary funds for payment of retirement costs.
Nonmajor governmental funds	-	838	-	58	Due to other State funds for purchases of services and to other State fiduciary funds for payment of retirement costs.
	<u>\$ 107,001</u>	<u>\$ 2,199</u>	<u>\$ 1,198</u>	<u>\$ 919</u>	

(b) Transfers to/from Other Funds

Interfund transfers in (amounts expressed in thousands) for the year ended June 30, 2006, were as follows:

Fund	Transfers in from		Description/Purpose
	Other Office Funds	Other State Funds	
General	\$ (1,446)	\$ -	Transfer from Office nonmajor governmental funds for excess balances.
Nonmajor governmental funds	-	6,904	Transfer from other State funds pursuant to State statute.
	<u>\$ (1,446)</u>	<u>\$ 6,904</u>	

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Interfund transfers out (amounts expressed in thousands) for the year ended June 30, 2006, were as follows:

<u>Fund</u>	<u>Transfers out to</u>		<u>Description/Purpose</u>
	<u>Other Office Funds</u>	<u>Other State Funds</u>	
General	\$ (1,446)	\$ 2,997	Transfer to other Office funds pursuant to State statute and to other State funds to assist State budget shortfalls.
Nonmajor governmental funds	-	9,045	Transfer to other State funds to assist State budget shortfalls.
	<u>\$ (1,446)</u>	<u>\$ 12,042</u>	

(c) Balances due to State of Illinois Component Units

The following balances (amounts expressed in thousands) at June 30, 2006 represent amounts due to State of Illinois Component Units for reimbursement of expenses incurred.

<u>Component Unit</u>	<u>Due to</u>		
	<u>General Fund</u>	<u>Road Fund</u>	<u>Nonmajor Governmental Funds</u>
Illinois Toll Highway Authority	\$ 1	\$ 1	\$ -
Eastern Illinois University	3	-	107
Southern Illinois University	-	-	21
University of Illinois	1	-	37
	<u>\$ 5</u>	<u>\$ 1</u>	<u>\$ 165</u>

**STATE OF ILLINOIS
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Notes to Financial Statements

June 30, 2006

(6) Capital Assets

Capital asset activity (amounts expressed in thousands) for the year ended June 30, 2006 was as follows:

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Balance June 30, 2006</u>
Governmental activities:					
Capital assets not being depreciated:					
Land and land improvements	\$ 6,579	\$ -	\$ -	\$ -	\$ 6,579
Historical treasures & works of art	100	-	-	-	100
Total capital assets not being depreciated	<u>6,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,679</u>
Capital assets being depreciated:					
Buildings and building improvements	348,369	-	-	11,930	360,299
Equipment	63,128	2,323	11,963	292	53,780
Capital leases - equipment	49	20	-	-	69
Total capital assets being depreciated	<u>411,546</u>	<u>2,343</u>	<u>11,963</u>	<u>12,222</u>	<u>414,148</u>
Less accumulated depreciation:					
Buildings and building improvements	293,053	10,798	-	597	304,448
Equipment	55,476	3,554	11,959	115	47,186
Capital leases - equipment	19	26	-	-	45
Total accumulated depreciation	<u>348,548</u>	<u>14,378</u>	<u>11,959</u>	<u>712</u>	<u>351,679</u>
Total capital assets being depreciated, net	<u>62,998</u>	<u>(12,035)</u>	<u>4</u>	<u>11,510</u>	<u>62,469</u>
Governmental activity capital assets, net	<u>\$ 69,677</u>	<u>\$(12,035)</u>	<u>\$ 4</u>	<u>\$ 11,510</u>	<u>\$ 69,148</u>

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Notes to Financial Statements

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Depreciation expense for governmental activities (amounts expressed in thousands) for the year ended June 30, 2006 was charged as follows:

General government	\$ <u>14,378</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, 2006 were as follows:

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006	Amounts Due Within One Year
Governmental activities:					
Compensated absences	\$ 19,590	\$ 13,029	\$ 12,123	\$20,496	\$ 17,967
Capital lease obligations	31	20	24	27	20
Installment purchase obligations	834	-	834	-	-
Total governmental activities	\$ 20,455	\$ 13,049	\$ 12,981	\$20,523	\$ 17,987

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

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(b) Capital lease obligations

The Office leases certain office equipment with a historical cost and accumulated depreciation of \$69 and \$45, respectively, under capital lease arrangements. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered non-cancelable leases for financial reporting. Future minimum lease payments (amounts expressed in thousands) at June 30, 2006 are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 20	\$ 1	\$ 21
2008	7	-	7
	<u>\$ 27</u>	<u>\$ 1</u>	<u>\$ 28</u>

(8) Pension Plan

Substantially all of the Office's full-time employees who are not eligible for participation in another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity. The SERS is a single-employer defined benefit public employee retirement system (PERS) in which State employees participate, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems. The financial position and results of operations of the SERS for fiscal year 2006 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2006. The SERS issues a separate CAFR that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois, 62794-9255.

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

The Office pays employer retirement contributions based upon an actuarially determined percentage of their payrolls. For fiscal year 2006, the employer contribution rate was 7.792%. Effective for pay periods beginning after December 31, 1991, the State opted to pay the employee portion of retirement for most State agencies (including the Office) with employees covered by the State Employees' and Teachers' Retirement Systems. However, effective with the fiscal year 2004 budget, the State opted to stop paying the portion or a part of the portion of retirement for many State agencies (including the Office) for certain classes of employees covered by the State Employees' and Teachers' Retirement Systems. The pickup, when applicable, is subject to sufficient annual appropriations and those employees covered may vary across employee groups and State agencies.

**STATE OF ILLINOIS
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Notes to Financial Statements

June 30, 2006

(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 Capital Development Fund, Interagency Grant Fund, Library Services Fund and Vehicle Inspection Fund, nonmajor governmental funds had deficit fund balances (amounts expressed in thousands) of \$4, \$27, \$10 and \$1, respectively, at June 30, 2006. These deficits will be eliminated by future appropriations to the Office.

(11) Risk Management

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

The Office's risk management activities for workers' compensation, self-insurance and unemployment insurance are financed through appropriations to the Illinois Department of Central Management Services and are accounted for in the General Fund of the State. The claims are not considered to be a liability of the Office; and accordingly, have not been reported in the Office's financial statements for the year ended June 30, 2006.

(12) Commitments and Contingencies

(a) Operating leases

The Office leases certain office facilities and equipment under the terms of noncancelable operating lease agreements that require the Office to make minimum lease payments plus pay a pro rata share of certain operating costs. Rent expense under operating leases (amount expressed in thousands) was \$12,195 for the year ended June 30, 2006.

STATE OF ILLINOIS
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Notes to Financial Statements

June 30, 2006

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

<u>Year ending June 30,</u>	<u>Amount</u>
2007	\$ 6,950
2008	5,617
2009	5,299
2010	3,714
2011	2,815
2012-2016	<u>6,537</u>
	<u>\$ 30,932</u>

(b) Federal Funding

The Office receives federal grants which are subject to review and audit by federal grantor agencies. Certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At June 30, 2006, there were no material questioned costs that have not been resolved with the federal awarding agencies. However, questioned costs could still be identified during audits to be conducted in the future. Management of the Office believes there will be no material adjustments to the federal grants and, accordingly, has not recorded a provision for possible repayment.

(c) Litigation

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

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

**Combining Schedule of Accounts
General Fund**

June 30, 2006 (Expressed in Thousands)

	General Revenue 0001	Live and Learn 0026	Corporate Franchise Tax Refund 0380	Common School 0412	Eliminations	Total
ASSETS						
Unexpended appropriations	\$ 6,936	\$ -	\$ -	\$ -	\$ -	6,936
Cash equity with State Treasurer	9,834	2,231	1,991	-	-	14,056
Taxes receivable, net	4,853	-	-	-	-	4,853
Other receivables, net	2,283	-	-	-	-	2,283
Due from other Office funds	22,587	-	71	29	(71)	22,616
Due from other State funds	10	-	-	-	-	10
Due from State of Illinois component units	-	-	-	-	-	-
Total assets	\$ 46,503	\$ 2,231	\$ 2,062	\$ 29	(71)	\$ 50,754

LIABILITIES

Accounts payable and accrued liabilities	\$ 5,852	\$ 92	\$ 128	\$ -	\$ -	6,072
Intergovernmental payables	602	1,761	-	-	-	2,363
Due to other State fiduciary funds	401	-	-	-	-	401
Due to other Office funds	945	-	-	-	(71)	874
Due to other State funds	84	-	-	-	-	84
Due to State of Illinois component units	5	-	-	-	-	5
Total liabilities	7,889	1,853	128	-	(71)	9,799

FUND BALANCES (DEFICITS)

Reserved for:						
Encumbrances	-	1	-	-	-	1
Unreserved, undesignated	38,614	377	1,934	29	-	40,954
Total fund balances (deficits)	38,614	378	1,934	29	-	40,955
Total liabilities and fund balances (deficits)	\$ 46,503	\$ 2,231	\$ 2,062	\$ 29	(71)	\$ 50,754

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

For the Year Ended June 30, 2006 (Expressed in Thousands)

	General Revenue 0001	Live and Learn 0026	Corporate Franchise Tax Refund 0380	Common School 0412	Eliminations	Total
REVENUES						
Licenses and fees	\$ 252,944	-	-	\$ 379	-	\$ 253,323
Other charges for services	30	-	-	-	-	30
Other taxes	185,363	-	2,451	-	-	187,814
Other revenue	6	-	-	-	-	6
Total revenues	438,343	-	2,451	379	-	441,173
EXPENDITURES						
General government	124,346	20,589	1	-	-	144,936
Debt service - principal	198	-	-	-	-	198
Debt service - interest	14	-	-	-	-	14
Capital outlays	626	-	-	-	-	626
Total expenditures	125,184	20,589	1	-	-	145,774
Excess (deficiency) of revenues over (under) expenditures	313,159	(20,589)	2,450	379	-	295,399
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Appropriations from State resources	131,365	-	-	-	-	131,365
Lapsed appropriations	(6,154)	-	-	-	-	(6,154)
Receipts collected and transmitted to State Treasury	(437,274)	-	-	(372)	-	(437,646)
Amount of SAMS Transfers-in	(136)	-	-	-	-	(136)
Amount of SAMS Transfers-out	20,904	-	-	-	-	20,904
Transfers-in	(1,446)	19,162	-	-	(19,162)	(1,446)
Transfers-out	(19,162)	-	(1,551)	-	19,162	(1,551)
Net other sources (uses) of financial resources	(311,903)	19,162	(1,551)	(372)	-	(294,664)
Net change in fund balances	1,256	(1,427)	899	7	-	735
Fund balances (deficits), July 1, 2005	37,358	1,805	1,035	22	-	40,220
FUND BALANCES (DEFICITS), JUNE 30, 2006	\$ 38,614	\$ 376	\$ 1,934	\$ 29	\$ -	\$ 40,955

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

June 30, 2006 (Expressed in Thousands)

	Road 0011	Special Advance 1198	Eliminations	Total
ASSETS				
Unexpended appropriations	\$ 8,262	\$ -	\$ -	8,262
Cash equity with State Treasurer	152,794	-	-	152,794
Cash and cash equivalents	74	13	-	87
Other receivables, net	32,279	-	-	32,279
Due from other Office funds	-	2	(2)	-
Inventories	1,450	-	-	1,450
Total assets	\$ 194,859	\$ 15	(2)	\$ 194,872
LIABILITIES				
Accounts payable and accrued liabilities	\$ 7,361	\$ -	\$ -	7,361
Intergovernmental payables	296	-	-	296
Due to other Office fiduciary funds	1,198	-	-	1,198
Due to other State fiduciary funds	460	-	-	460
Due to other Office funds	106,129	-	(2)	106,127
Due to other State funds	1,277	-	-	1,277
Due to State of Illinois component units	1	-	-	1
Total liabilities	116,722	-	(2)	116,720
FUND BALANCES (DEFICITS)				
Reserved for inventories	1,450	-	-	1,450
Unreserved, undesignated	76,687	15	-	76,702
Total fund balances (deficits)	78,137	15	-	78,152
Total liabilities and fund balances (deficits)	\$ 194,859	\$ 15	(2)	\$ 194,872

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

For the Year Ended June 30, 2006 (Expressed in Thousands)

	Road 0011	Special Advance 1198	Total
REVENUES			
Licenses and fees	829,608	-	829,608
Other	14	-	14
Total revenues	829,622	-	829,622
EXPENDITURES			
General government	119,603	-	119,603
Debt service - principal	9	-	9
Debt service - interest	2	-	2
Capital outlays	615	-	615
Total expenditures	120,229	-	120,229
Excess (deficiency) of revenues over (under) expenditures	709,393	-	709,393
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Appropriations from State resources	128,689	-	128,689
Lapsed appropriations	(6,178)	-	(6,178)
Receipts collected and transmitted to State Treasury	(860,555)	-	(860,555)
Net other sources (uses) of financial resources	(738,044)	-	(738,044)
Net change in fund balances	(28,651)	-	(28,651)
Fund balances (deficits), July 1, 2005	108,358	15	108,373
Decrease for changes in inventories	(1,570)	-	(1,570)
FUND BALANCES (DEFICITS), JUNE 30, 2006	\$ 78,137	\$ 15	\$ 78,152

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2006 (Expressed in Thousands)

	Special Revenue							Secretary of State Federal Projects 0176
	Drivers Education 0031	Lobbyist Registration Administration 0044	Accessible Electronic Information Services 0106	CDLIS/ AAMVA Net Trust 0109	General Assembly Computer Equipment Revolving 0155	Registered Limited Liability Partnership 0167	Secretary of State Federal Projects 0176	
ASSETS								
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity with State Treasurer	-	445	40	531	-	284	108	
Intergovernmental receivables, net	-	-	-	-	-	-	-	
Other receivables, net	19	-	-	-	-	-	-	
Due from other Office funds	1,086	3	-	56	4	24	45	
Due from other State funds	-	-	-	-	-	-	-	
Inventories	-	-	-	-	-	-	-	
Total assets	\$ 1,105	\$ 448	\$ 40	\$ 587	\$ 4	\$ 308	\$ 153	

LIABILITIES	
Accounts payable and accrued liabilities	\$ -
Intergovernmental payables	11
Due to other State fiduciary funds	-
Due to other Office funds	-
Due to other State funds	-
Due to State of Illinois component units	-
Unavailable revenue	-
Deferred revenue	-
Total liabilities	11

FUND BALANCES (DEFICITS)	
Reserved for encumbrances	-
Reserved for inventories	-
Unreserved, undesignated	437
Total fund balances	437
Total liabilities and fund balances (deficits)	448

State of Illinois
Office of the Secretary of State -
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2006 (Expressed in Thousands)

	Special Revenue																			
	Violence Prevention 0184	Secretary of State Special License Plate 0185	Securities Investors Education 0292	Interagency Grant 0295	Family Financial Responsibility 0322	Motor Vehicle Review Board 0323	Securities Audit and Enforcement 0362													
ASSETS																				
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -													
Cash equity with State Treasurer	-	4,077	577	520	16	524	8,674													
Intergovernmental receivables, net	-	-	-	-	-	-	-													
Other receivables, net	-	-	-	-	-	-	36													
Due from other Office funds	60	602	-	-	-	2	163													
Due from other State funds	-	6	-	3	-	-	-													
Inventories	-	1,068	-	-	-	-	-													
Total assets	\$ 60	\$ 5,753	\$ 577	\$ 523	\$ 16	\$ 526	\$ 8,873													
LIABILITIES																				
Accounts payable and accrued liabilities	\$ -	\$ 484	\$ 202	\$ 77	\$ -	\$ 17	\$ 1,068													
Intergovernmental payables	-	1	-	2	-	1	11													
Due to other State fiduciary funds	-	1	-	3	-	1	17													
Due to other Office funds	-	-	-	-	-	-	-													
Due to other State funds	-	46	1	468	-	1	46													
Due to State of Illinois component units	-	-	-	-	-	-	-													
Unavailable revenue	-	-	-	-	-	-	-													
Deferred revenue	-	-	-	-	-	-	-													
Total liabilities	-	532	203	550	-	20	1,142													
FUND BALANCES (DEFICITS)																				
Reserved for encumbrances	-	-	3	2	-	-	-													
Reserved for inventories	-	1,068	-	-	-	-	-													
Unreserved, undesignated	60	4,153	371	(29)	16	506	7,731													
Total fund balances	60	5,221	374	(27)	16	506	7,731													
Total liabilities and fund balances (deficits)	\$ 60	\$ 5,753	\$ 577	\$ 523	\$ 16	\$ 526	\$ 8,873													

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2006 (Expressed in Thousands)

	Special Revenue						
	Department of Business Services Special Operations 0363	Secretary of State Evidence 0374	State College and University Trust 0417	University Grant 0418	Alternative Fuels 0422	Library Services 0470	State Library 0471
ASSETS							
Unexpended appropriations	-	-	-	-	36	-	-
Cash equity with State Treasurer	5,396	7	-	-	-	287	11
Intergovernmental receivables, net	-	-	-	-	-	648	-
Other receivables, net	-	-	-	-	482	-	-
Due from other Office funds	332	-	27	6	-	-	-
Due from other State funds	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	\$ 5,728	\$ 7	\$ 27	\$ 6	\$ 518	\$ 935	\$ 11
LIABILITIES							
Accounts payable and accrued liabilities	210	1	-	-	36	24	-
Intergovernmental payables	5	-	-	-	-	715	-
Due to other State fiduciary funds	8	-	-	-	-	-	-
Due to other Office funds	-	-	-	-	-	-	-
Due to other State funds	63	-	-	-	-	-	-
Due to State of Illinois component units	-	-	-	-	-	165	-
Unavailable revenue	-	-	-	-	-	11	-
Deferred revenue	-	-	-	-	-	30	-
Total liabilities	286	1	-	-	36	945	-

FUND BALANCES (DEFICITS)							
Reserved for encumbrances	-	1	-	-	-	10	-
Reserved for inventories	-	-	-	-	-	-	-
Unreserved, undesignated	5,442	5	27	6	482	(20)	11
Total fund balances	5,442	6	27	6	482	(10)	11
Total liabilities and fund balances (deficits)	\$ 5,728	\$ 7	\$ 27	\$ 6	\$ 518	\$ 935	\$ 11

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2006 (Expressed in Thousands)

	Special Revenue							
	Secretary of State Services 0483	Master Mason 0508	Illinois Fire Fighters' Memorial 0510	Illinois and Michigan Canal 0570	Off Highway Vehicle Trails 0574	Pan Hellenic Trust 0584	Park District Youth Program 0585	
ASSETS								
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Cash equity with State Treasurer	8,437	14	-	43	-	14	-	2
Intergovernmental receivables, net	-	-	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-	-	-
Due from other Office funds	1,825	7	45	1	39	3	-	2
Due from other State funds	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Total assets	\$ 10,262	\$ 21	\$ 45	\$ 44	\$ 39	\$ 17	\$ 17	\$ 4
LIABILITIES								
Accounts payable and accrued liabilities	\$ 1,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Intergovernmental payables	120	-	-	-	-	-	-	-
Due to other State fiduciary funds	10	-	-	-	-	-	-	-
Due to other Office funds	-	-	-	-	-	-	-	-
Due to other State funds	167	-	-	-	-	-	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	1,311	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)								
Reserved for encumbrances	-	-	-	-	-	-	-	3
Reserved for inventories	-	-	-	-	-	-	-	-
Unreserved, undesignated	8,951	21	45	44	39	17	17	1
Total fund balances	8,951	21	45	44	39	17	17	4
Total liabilities and fund balances (deficits)	\$ 10,262	\$ 21	\$ 45	\$ 44	\$ 39	\$ 17	\$ 17	\$ 4

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2006 (Expressed in Thousands)

		Special Revenue						
	Illinois Route 66 Heritage Project 0594	Police Memorial Committee 0598	Mammogram 0599	Motor Vehicle License Plate Awareness 0622	Organ Donor 0716	Secretary of State DUI Administration 0732		
ASSETS								
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cash equity with State Treasurer	9	36	18	9,314	20	1,029		
Intergovernmental receivables, net	-	-	-	-	-	-	-	
Other receivables, net	-	-	-	-	-	-	-	
Due from other Office funds	5	8	12	1,108	14	118		
Due from other State funds	-	-	-	-	-	-	-	
Inventories	-	-	-	1,064	-	-	-	
Total assets	\$ 14	\$ 44	\$ 30	\$ 11,486	\$ 34	\$ 1,147		
LIABILITIES								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 18	\$ 1,385	\$ 1	\$ 1		
Intergovernmental payables	-	-	-	13	-	-	-	
Due to other State fiduciary funds	-	-	-	12	-	-	-	
Due to other Office funds	-	-	-	-	-	-	-	
Due to other State funds	-	-	-	30	-	-	-	
Due to State of Illinois component units	-	-	-	-	-	-	-	
Unavailable revenue	-	-	-	-	-	-	-	
Deferred revenue	-	-	-	-	-	-	-	
Total liabilities	-	-	18	1,440	1	1		
FUND BALANCES (DEFICITS)								
Reserved for encumbrances	-	-	-	-	-	-	-	
Reserved for inventories	-	-	-	1,064	-	-	-	
Unreserved, undesignated	14	44	12	8,982	33	1,146		
Total fund balances	14	44	12	10,046	33	1,146		
Total liabilities and fund balances (deficits)	\$ 14	\$ 44	\$ 30	\$ 11,486	\$ 34	\$ 1,147		

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2006 (Expressed in Thousands)

	Special Revenue						
	Chicago and Northeast Illinois District Council of Carpenters 0756	Future Teacher Corps Scholarship 0753	Secretary of State DUI 0758	Secretary of State Police Services 0759	Marine Corps Scholarship 0760	Overpopulation Control 0764	Pet
ASSETS							
Unexpended appropriations	-	-	-	-	-	-	-
Cash equity with State Treasurer	-	-	39	22	14	-	182
Intergovernmental receivables, net	-	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-	-
Due from other Office funds	-	3	1	5	4	-	9
Due from other State funds	-	-	-	-	-	-	2
Inventories	-	-	-	-	-	-	-
Total assets	\$ 3	\$ 3	\$ 40	\$ 27	\$ 18	\$ 18	\$ 193
LIABILITIES							
Accounts payable and accrued liabilities	-	-	6	3	-	-	-
Intergovernmental payables	-	-	-	-	-	-	-
Due to other State fiduciary funds	-	-	-	-	-	-	-
Due to other Office funds	-	-	-	-	-	-	-
Due to other State funds	-	-	-	-	-	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	-	\$ 6	\$ 3	\$ -	\$ -	\$ -
FUND BALANCES (DEFICITS)							
Reserved for encumbrances	-	-	-	-	-	-	-
Reserved for inventories	-	-	-	-	-	-	-
Unreserved, undesignated	3	3	34	24	18	18	193
Total fund balances	3	3	34	24	18	18	193
Total liabilities and fund balances (deficits)	\$ 3	\$ 3	\$ 40	\$ 27	\$ 18	\$ 18	\$ 193

State of Illinois
Office of the Secretary of State
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2006 (Expressed in Thousands)

	Special Revenue				Capital Projects	Debt Service	Total
	State Parking Facility Maintenance 0782	Cycle Rider Safety Training 0863	Secretary of State Grant 0948	Vehicle Inspection 0963	Capital Development 0141	General Obligation Bond Retirement and Interest 0101	
ASSETS							
Unexpended appropriations	\$ -	\$ -	\$ -	\$ 117	\$ 632	\$ -	\$ 785
Cash equity with State Treasurer	-	-	730	-	-	-	41,420
Intergovernmental receivables, net	-	-	-	-	-	-	648
Other receivables, net	-	-	-	-	-	-	55
Due from other Office funds	-	255	-	-	-	6	6,362
Due from other State funds	-	-	-	-	-	-	11
Inventories	-	-	-	-	-	-	2,132
Total assets	\$ -	\$ 255	\$ 730	\$ 117	\$ 632	\$ 6	\$ 51,413
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 92	\$ 636	\$ -	\$ 5,482
Intergovernmental payables	-	-	-	5	-	-	962
Due to other State fiduciary funds	-	-	-	6	-	-	58
Due to other Office funds	-	-	-	-	-	-	-
Due to other State funds	-	-	-	15	-	-	838
Due to State of Illinois component units	-	-	-	-	-	-	165
Unavailable revenue	-	-	225	-	-	-	11
Deferred revenue	-	-	225	-	-	-	292
Total liabilities	-	-	225	118	636	-	7,808
FUND BALANCES (DEFICITS)							
Reserved for encumbrances	-	-	-	-	-	-	21
Reserved for inventories	-	-	-	-	-	-	2,132
Unreserved, undesignated	-	255	505	(1)	(4)	6	41,452
Total fund balances	-	255	505	(1)	(4)	6	43,605
Total liabilities and fund balances (deficits)	\$ -	\$ 255	\$ 730	\$ 117	\$ 632	\$ 6	\$ 51,413

State of Illinois
Office of the Secretary of State
Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds
For the Year Ended June 30, 2006 (Expressed in Thousands)

	Special Revenue										
	Drivers Education 0031	Lobbyist Registration Administration 0044	Accessible Electronic Information Services 0106	CDLIS/ AAMVA Net Trust 0109	General Assembly Computer Revolving 0155	Registered Limited Liability Partnership 0167	Secretary of State Federal Projects 0176				
REVENUES											
Federal government license and fees	\$ 11,705	-	\$ 586	-	\$ 453	-	\$ 386	-	\$ 44	-	44
Interest and other investment income	-	-	-	-	-	-	-	-	-	-	535
Other charges for services	-	-	-	-	38	-	-	-	-	-	-
Other revenues	-	20	-	-	-	-	-	-	-	-	-
Other operating grants	-	-	-	-	-	-	-	-	-	-	-
Total revenues	11,705	606	606	453	38	386	44	-	535	-	579
EXPENDITURES											
General government	-	371	-	600	-	111	-	-	-	-	574
Debt service - principal	-	-	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	99	-	-	-	-	-	-	-
Total expenditures	-	371	-	699	-	111	-	-	-	-	574
Excess (deficiency) of revenues over (under) expenditures	11,705	235	235	(246)	38	275	5	-	-	-	5
OTHER SOURCES (USES) OF FINANCIAL RESOURCES											
Appropriations from State resources	-	-	-	-	-	-	-	-	-	-	-
Reappropriation to future year(s)	-	-	-	-	-	-	-	-	-	-	-
Lapsed appropriations	(11,786)	-	-	-	(39)	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-	-	-	-	-
Capital lease and installment purchase acquisitions	-	-	40	-	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-	-	(227)	-	-
Transfers-out	-	-	-	-	-	-	-	-	-	-	-
Net other sources (uses) of financial resources	(11,786)	-	40	-	(39)	(227)	-	-	-	-	-
Net change in fund balances	(81)	235	40	(246)	(1)	48	5	-	-	-	5
Fund balances (deficits), July 1, 2005	1,186	202	-	645	5	255	18	-	-	-	-
Increase (decrease) for changes in inventories	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2006	\$ 1,105	\$ 437	\$ 40	\$ 399	\$ 4	\$ 303	\$ 23	\$ 4	\$ 303	\$ 23	\$ 23

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

For the Year Ended June 30, 2006 (Expressed in Thousands)

	Special Revenue										
	Violence Prevention 0184	Secretary of State License Plate 0185	Securities Investors Education 0292	Interagency Grant 0295	Family Financial Responsibility 0322	Motor Vehicle Review Board 0323	Securities Audit and Enforcement 0362				
REVENUES											
Federal government License and fees	568	5,521	124	457	1	310	8,305				
Interest and other investment income	-	-	-	-	-	-	425				
Other charges for services	-	-	-	-	-	-	-				
Other revenues	-	-	-	13	-	-	-				
Other operating grants	-	-	-	-	-	-	-				
Total revenues	568	5,521	124	470	1	310	8,730				
EXPENDITURES											
General government	-	4,315	538	214	-	405	6,709				
Debt service - principal	-	-	-	-	-	-	6				
Debt service - interest	-	-	-	-	-	-	1				
Capital outlays	-	-	70	241	-	-	144				
Total expenditures	-	4,315	608	455	-	405	6,860				
Excess (deficiency) of revenues over (under) expenditures	568	1,206	(484)	15	1	(95)	1,870				
OTHER SOURCES (USES) OF FINANCIAL RESOURCES											
Appropriations from State resources	-	-	-	-	-	-	-				
Reappropriation to future year(s)	-	-	-	-	-	-	-				
Lapsed appropriations	-	-	-	-	-	-	-				
Receipts collected and transmitted to State Treasury	(573)	-	-	-	-	-	20				
Capital lease and installment purchase acquisitions	-	-	-	-	-	-	6,804				
Transfers-in	-	-	-	-	-	-	-				
Transfers-out	-	(520)	(100)	(41)	-	(250)	(4,660)				
Net other sources (uses) of financial resources	(573)	(520)	(100)	(41)	-	(250)	2,144				
Net change in fund balances	(5)	686	(584)	(26)	1	(345)	4,014				
Fund balances (deficits), July 1, 2005	65	3,650	958	(1)	15	851	3,717				
Increase (decrease) for changes in inventories	-	885	-	-	-	-	-				
FUND BALANCES (DEFICITS), JUNE 30, 2006	\$ 60	\$ 5,221	\$ 374	\$ (27)	\$ 16	\$ 506	\$ 7,731				

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

For the Year Ended June 30, 2006 (Expressed in Thousands)

	Department of Business Services Special Operations 0363	Secretary of State Evidence 0374	State College and University Trust 0417	University Grant 041B	Alternative Fuels 0422	Library Services 0470	State Library 0471	Special Revenue
REVENUES								
Federal government License and fees	8,345	-	232	53	1,457	-	-	6,542
Interest and other investment income	-	-	-	-	-	-	-	-
Other charges for services	-	20	-	-	-	-	1	-
Other revenues	-	-	-	-	-	-	-	-
Other operating grants	-	-	-	-	-	-	-	-
Total revenues	8,345	20	232	53	1,457	-	-	6,542
EXPENDITURES								
General government	3,576	28	-	-	159	-	-	6,482
Debt service - principal	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	85	-
Total expenditures	3,576	28	-	-	159	-	85	6,547
Excess (deficiency) of revenues over (under) expenditures	4,769	(8)	232	53	1,298	-	(5)	5
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	-	-	-	-	225	-	-	-
Reappropriation to future year(s)	-	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	(68)	-	-	-
Receipts collected and transmitted to State Treasury	-	-	(233)	(53)	(1,547)	-	-	-
Capital lease and installment purchase acquisitions	-	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-	-
Transfers-out	(727)	-	-	-	-	-	-	-
Net other sources (uses) of financial resources	(727)	-	(233)	(53)	(1,390)	-	-	-
Net change in fund balances	4,042	(8)	(1)	-	(92)	-	(5)	5
Fund balances (deficits), July 1, 2005	1,400	14	28	6	574	-	(5)	6
Increase (decrease) for changes in inventories	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2006	5,442	6	27	6	482	(10)	11	

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

For the Year Ended June 30, 2006 (Expressed in Thousands)

	Special Revenue							
	Secretary of State Special Services 0483	Master Mason 0508	Illinois Fire Fighters' Memorial 0510	Illinois and Michigan Canal 0570	Off Highway Vehicle Trails 0574	Pan Hellenic Trust 0584	Park District Youth Program 0585	
REVENUES								
Federal government license and fees	\$ 23,380	45	371	8	480	17	19	
Interest and other investment income	-	-	-	-	-	-	-	
Other charges for services	-	-	-	-	-	-	-	
Other revenues	-	-	-	-	-	-	-	
Other operating grants	-	-	-	-	-	-	-	
Total revenues	23,380	45	371	8	480	17	19	
EXPENDITURES								
General government	18,935	75	-	-	-	-	27	
Debt service - principal	394	-	-	-	-	-	-	
Debt service - interest	28	-	-	-	-	-	-	
Capital outlays	453	-	-	-	-	-	-	
Total expenditures	19,810	75	-	-	-	-	27	
Excess (deficiency) of revenues over (under) expenditures	3,570	(30)	371	8	480	17	(8)	
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	-	-	-	-	-	-	-	
Reappropriation to future year(s)	-	-	-	-	-	-	-	
Lapsed appropriations	-	-	(367)	-	(478)	-	-	
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-	
Capital lease and installment purchase acquisitions	-	-	-	-	-	-	-	
Transfers-in	-	-	-	-	-	-	-	
Transfers-out	(2,500)	-	-	-	-	-	-	
Net other sources (uses) of financial resources	(2,500)	-	(367)	-	(478)	-	-	
Net change in fund balances	1,070	(30)	4	8	2	17	(8)	
Fund balances (deficits), July 1, 2005	7,881	51	41	36	37	-	12	
Increase (decrease) for changes in inventories	-	-	-	-	-	-	-	
FUND BALANCES (DEFICITS), JUNE 30, 2006	\$ 8,951	\$ 21	\$ 45	\$ 44	\$ 39	\$ 17	\$ 4	

State of Illinois
Office of the Secretary of State
Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds
For the Year Ended June 30, 2006 (Expressed in Thousands)

	Special Revenue					
	Illinois Route 66 Heritage Project 0594	Police Memorial Committee 0598	Mammogram Program 0599	Motor Vehicle License Plate 0622	Organ Donor Awareness 0716	Secretary of State DUI Administration 0732
REVENUES						
Federal government	-	-	-	-	-	-
License and fees	42	69	110	12,032	128	1,320
Interest and other investment income	-	-	-	-	-	-
Other charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Other operating grants	-	-	-	-	-	-
Total revenues	42	69	110	12,032	128	1,320
EXPENDITURES						
General government	45	80	156	7,685	200	1,066
Debt service - principal	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	45	80	156	7,685	200	1,066
Excess (deficiency) of revenues over (under) expenditures	(3)	(11)	(46)	4,347	(72)	254
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Appropriations from State resources	-	-	-	-	-	-
Reappropriation to future year(s)	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-
Capital lease and installment purchase acquisitions	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-
Transfers-out	-	-	-	-	-	-
Net other sources (uses) of financial resources	-	-	-	-	-	-
Net change in fund balances	(3)	(11)	(46)	4,347	(72)	254
Fund balances (deficits), July 1, 2005	17	55	58	6,516	105	892
Increase (decrease) for changes in inventories	-	-	-	(617)	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2006	\$ 14	\$ 44	\$ 12	\$ 10,046	\$ 33	\$ 1,146

State of Illinois
Office of the Secretary of State
Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds
For the Year Ended June 30, 2006 (Expressed in Thousands)

	Special Revenue						
	Future Teacher Corps Scholarship 0753	Chicago and Northeast Illinois District Council of Carpenters 0756	Secretary of State DUI 0758	Secretary of State Police Services 0759	Marine Corps Scholarship 0760	Overpopulation Control 0764	Pet
REVENUES							
Federal government	-	-	-	-	-	-	-
License and fees	24	-	-	54	34	-	72
Interest and other investment income	-	-	-	-	-	-	-
Other charges for services	-	-	14	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Other operating grants	-	-	14	-	-	-	-
Total revenues	24		14	54	34		72
EXPENDITURES							
General government	-	-	8	46	30	-	-
Debt service - principal	-	-	-	-	-	-	-
Debt service - interest	-	-	-	5	-	-	-
Capital outlays	-	-	8	51	30	-	-
Total expenditures			8	51	30		
Excess (deficiency) of revenues over (under) expenditures	24		6	3	4		72
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Reappropriation to future year(s)	-	-	-	-	-	-	-
Lapsed appropriations	(23)	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-
Capital lease and installment purchase acquisitions	-	-	-	-	-	-	60
Transfers-in	-	-	-	-	-	-	-
Transfers-out	-	-	-	-	-	-	-
Net other sources (uses) of financial resources	(23)						60
Net change in fund balances	1		6	3	4		132
Fund balances (deficits), July 1, 2005	2	-	28	21	14	-	61
Increase (decrease) for changes in inventories	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2006	3		34	24	18		193

State of Illinois
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Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Governmental Funds
For the Year Ended June 30, 2006 (Expressed in Thousands)

	Special Revenue			Capital Projects		Debt Service		Total
	State Parking Facility Maintenance 0782	Cycle Rider Safety Training 0863	Secretary of State Grant 0948	Vehicle Inspection 0963	Capital Development 0141	General Obligation Bond Retirement and Interest 0101		
REVENUES								
Federal government License and fees	-	-	-	-	-	-	-	\$ 7,043
Interest and other investment income	2	3,855	-	-	-	12	-	80,655
Other charges for services	-	-	-	-	-	-	-	425
Other revenues	-	-	-	-	-	-	-	53
Other operating grants	-	-	752	-	-	-	-	62
Total revenues	2	3,855	752	-	-	12	-	88,990
EXPENDITURES								
General government	32	-	247	2,470	1,123	-	-	56,287
Debt service - principal	-	-	-	-	-	-	-	400
Debt service - interest	-	-	-	-	-	-	-	29
Capital outlays	32	-	247	2,470	1,123	-	-	1,102
Total expenditures	(30)	3,855	505	(2,470)	(1,123)	12	-	31,172
Excess (deficiency) of revenues over (under) expenditures								
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	150	-	-	2,736	1,225	-	-	4,336
Reappropriation to future year(s)	(118)	-	-	(266)	(6)	-	-	(100)
Lapsed appropriations	(2)	(3,927)	-	-	-	(8)	-	(458)
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-	(19,036)
Capital lease and installment purchase acquisitions	-	-	-	-	-	-	-	20
Transfers-in	-	-	-	-	-	-	-	6,904
Transfers-out	-	-	-	-	-	-	-	(9,045)
Net other sources (uses) of financial resources	30	(3,927)	-	2,470	1,119	(8)	-	(17,379)
Net change in fund balances	-	(72)	505	-	(4)	4	-	13,793
Fund balances (deficits), July 1, 2005	-	327	-	(1)	-	2	-	28,744
Increase (decrease) for changes in inventories	-	-	-	-	-	-	-	68
FUND BALANCES (DEFICITS), JUNE 30, 2006	\$ -	\$ 255	\$ 505	\$ (1)	\$ (4)	\$ 6	\$ -	\$ 43,605

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

June 30, 2006 (Expressed in Thousands)

	Safety Responsibility 0436	International Registration Plan 0890	Go-Back 1110	Safekeeping 1344	Total
ASSETS					
Cash equity with State Treasurer	\$ 1,868	\$ 5,741	\$ -	\$ -	\$ 7,609
Cash and cash equivalents	-	-	-	257	257
Investments	-	-	-	2,321	2,321
Other receivables, net	-	21	-	-	21
Due from other Office funds	80	1,118	-	-	1,198
Total assets	\$ 1,948	\$ 6,880	\$ -	\$ 2,578	\$ 11,406
LIABILITIES					
Other liabilities	\$ 1,948	\$ 6,880	\$ -	\$ 2,578	\$ 11,406
Total liabilities	\$ 1,948	\$ 6,880	\$ -	\$ 2,578	\$ 11,406

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

For the Year Ended June 30, 2006 (Expressed in Thousands)

	Balance at		Balance at	
	June 30, 2005	Additions	Deletions	June 30, 2006
Safety Responsibility (0436)				
ASSETS				
Cash equity with State Treasurer	\$ 1,695	\$ 1,103	\$ 930	\$ 1,868
Due from other Office funds	30	80	30	80
Total assets	\$ 1,725	\$ 1,183	\$ 960	\$ 1,948
LIABILITIES				
Other liabilities	\$ 1,725	\$ 1,029	\$ 806	\$ 1,948
Total liabilities	\$ 1,725	\$ 1,029	\$ 806	\$ 1,948
International Registration Plan (0890)				
ASSETS				
Cash equity with State Treasurer	\$ 3,425	\$ 155,431	\$ 153,115	\$ 5,741
Other receivables, net	24	21	24	21
Due from other Office funds	671	1,118	671	1,118
Total assets	\$ 4,120	\$ 156,570	\$ 153,810	\$ 6,880
LIABILITIES				
Other liabilities	\$ 4,120	\$ 156,570	\$ 153,810	\$ 6,880
Total liabilities	\$ 4,120	\$ 156,570	\$ 153,810	\$ 6,880
Go-Back (1110)				
ASSETS				
Cash and cash equivalents	\$ -	\$ 228	\$ 228	\$ -
Total assets	\$ -	\$ 228	\$ 228	\$ -
LIABILITIES				
Other liabilities	\$ -	\$ 228	\$ 228	\$ -
Total liabilities	\$ -	\$ 228	\$ 228	\$ -
Safekeeping (1344)				
ASSETS				
Cash and cash equivalents	\$ 193	\$ 72	\$ 8	\$ 257
Investments	2,214	2,221	2,114	2,321
Total assets	\$ 2,407	\$ 2,293	\$ 2,122	\$ 2,578
LIABILITIES				
Other liabilities	\$ 2,407	\$ 2,293	\$ 2,122	\$ 2,578
Total liabilities	\$ 2,407	\$ 2,293	\$ 2,122	\$ 2,578
Total - All Agency Funds				
ASSETS				
Cash equity with State Treasurer	\$ 5,120	\$ 156,534	\$ 154,045	\$ 7,609
Cash and cash equivalents	193	300	236	257
Investments	2,214	2,221	2,114	2,321
Other receivables, net	24	21	24	21
Due from other Office funds	701	1,198	701	1,198
Total assets	\$ 8,252	\$ 160,274	\$ 157,120	\$ 11,406
LIABILITIES				
Other liabilities	\$ 8,252	\$ 160,120	\$ 156,966	\$ 11,406
Total liabilities	\$ 8,252	\$ 160,120	\$ 156,966	\$ 11,406

Note: The assets and the liabilities of the Safekeeping Fund were included in the assets and the liabilities of the Go-Back Fund at June 30, 2005.