

**State of Illinois
DEPARTMENT OF REVENUE
FINANCIAL AUDIT
For the Year Ended June 30, 2016**

**AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016**

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

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
FINANCIAL AUDIT
For the Year Ended June 30, 2016
AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

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AGENCY OFFICIALS

Director	Constance Beard (1/20/2015 – present) Brian A. Hamer (through 1/19/2015)
Assistant Director	Edward Buckles (1/28/2015 – present) Vacant (through 1/27/2015)
Associate Director	Chimaobi Enyia (9/18/2015 – present) Vacant (through 9/17/2015)
Chief of Staff	Kevin Conner (9/1/2015 – present) Lainie Krozel (through 9/15/2015)
Chief Financial Officer	Cory Staley (8/16/2015 – present) Cory Staley, Acting (through 8/15/2015)
Chief Internal Auditor	Barbara Ringler (4/1/2015 – present) Cory Staley, Acting (7/26/2014 – 3/31/2015) Ryan McCoy (through 7/25/2014)
Liquor Control Commission	U-Jung Choe (9/23/2015 – present) Vacant (8/30/2014 – 9/22/2015) Gloria Materre (through 8/29/2014)
Program Administrators:	
Administrative Services	Joe Romang, (4/1/2016 – present) Joe Romang, Acting (8/1/2015 – 3/31/2016) Angela Oxley (through 7/31/2015)
Account Processing	Kevin Richards (4/16/2016 – present) Vacant (1/1/2016 – 4/15/2016) O. Wayne Richie (through 12/31/2015)
Administrative Hearings	Terry Charlton
Audit	Daniel Hall
Board of Appeals	Brian Wolfberg
Chief Information Security Officer	Debbie Price, Acting (8/1/2016 – present) Tom Pantier, Acting (12/20/2014 – 7/31/2016) Vacant (9/20/2014 – 12/19/2014) Brad Boroff (through 9/19/2014)

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AGENCY OFFICIALS

Collections	Vince Cacioppo (2/16/2016 – present) Vince Cacioppo, Acting (10/19/2015 – 2/15/2016) Kevin Conner, Acting (4/29/2015 – 10/18/15) Vacant (4/26/2015 – 4/28/2015) Henry Butler (through 4/25/2015)
Communications Officer	Darlene Logsdon (12/7/2015 – present) Vacant (2/1/2015 – 12/6/2015) Carol Knowles (through 1/31/2015)
Criminal Investigations	Brian Cooper, Acting (5/1/2015 – present) Vacant (through 4/30/15)
Equal Employment Opportunity	John Nelson (12/16/2015 – present) Chimaobi Enyia, Acting (9/18/2015 – 12/15/2015) Chimaobi Enyia (2/9/2015 – 9/17/2015) Vacant (10/1/2014 – 2/8/2015) Ruby Taylor (though 9/30/2014)
General Counsel	Mark Dyckman (9/11/2015 – present) Jim Nichelson, Acting (7/23/2015 – 12/31/2015) Mike Pieczonka (1/20/2015 – 7/24/2015) Gail Niemann (through 1/19/2015)
Informal Conference Board	Brian Fliflet, Acting (7/1/2016 – present) Brian Fliflet (8/21/2015 – 6/30/2016) Vacant (8/1/2015 – 8/20/2015) Louise Calvert (through 7/31/2015)
Information Technology	Debbie Price (8/1/2016 – present) Tom Pantier (10/16/2015 – 7/31/2016) Tom Pantier, Acting (12/20/2014 – 10/15/2015) Vacant (12/16/2014 – 12/19/2014) Matthew Bell (through 12/15/2014)
Internal Affairs	Stephen Peters (7/1/2016 – present) Vacant (1/1/2016 – 6/30/2016) Robert (Bobby) Orr, Acting (through 12/31/2015)
Labor Relations	Catherine Lacey (6/22/2015 – present) Vacant (2/21/2015 – 6/21/2015) Matthew Bilinsky (through 2/20/2015)

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AGENCY OFFICIALS

Human Resources	Julie Moscardelli (5/18/2015 – present) Vacant (2/21/2015 – 5/17/2015) Matthew Bilinsky, Acting (through 2/20/2015)
Legislative Office	Jane McEnaney (2/3/2015 – present) Vacant (through 2/2/2015)
Taxpayer Services	Brenda Towers (4/15/2015 – present) Brenda Towers, Acting (through 4/14/2015)
Administrative and Regulatory Shared Services Center:	Disbanded 7/1/2016
Director	Vacant
Chief Fiscal Officer	Jessica Olive (12/7/2015 – 8/21/2016) Vacant (10/1/2015 – 12/6/2015) Kathryn Hanlon (through 9/30/2015)
Liquor Control Board Members (as of November 17, 2016)	Constance Beard, Chair Thomas Gibbons Patricia Pulido Sanchez Maria Saldana Donald G. O’Connell James Pandolfi Cynthia Cronin Cahill

Department Offices are located at:

Springfield, Illinois

Willard Ice Building
101 W. Jefferson Street
Springfield, Illinois 62702

Des Plaines, Illinois

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

Marion, Illinois

2309 W. Main Street, Suite 114
Marion, Illinois 62959

Paramus, New Jersey

45 Eisenhower Drive, Suite 248
Paramus, New Jersey 07652

Chicago, Illinois

James R. Thompson Center
100 West Randolph Street
Chicago, Illinois 60601

Fairview Heights, Illinois

15 Executive Drives, Suite 2
Fairview Heights, Illinois 62208

Rockford, Illinois

200 S. Wyman Street
Rockford, Illinois 61101



STATE OF ILLINOIS
DEPARTMENT OF REVENUE
101 WEST JEFFERSON STREET
SPRINGFIELD, ILLINOIS 62702

Springfield Office: 217 785-7570
Chicago Office: 312 814-3190

CONSTANCE BEARD
Director

BRUCE RAUNER
Governor

March 23, 2017

Sikich LLP
3201 West White Oaks Drive, Suite 102
Springfield, IL 62704

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Department of Revenue (Department). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Department's compliance with the following assertions during the two-year period ended June 30, 2016. Based on this evaluation, we assert that during the years ended June 30, 2015 and June 30, 2016, the Department has materially complied with the assertions below.

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

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

Yours truly,

Illinois Department of Revenue

SIGNED ORIGINAL ON FILE

Constance Beard, Director

SIGNED ORIGINAL ON FILE

Cory Staley, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Mark Dyckman, General Counsel

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
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COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain a qualified opinion on compliance and a material weakness over internal control.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Findings	10	14
Repeated findings*	5	9
Prior recommendations implemented or not repeated*	10	9

* Considers the follow-up on findings from the 2014 compliance examination (2014-002 to 2014-014) and the 2015 financial audit (2015-001 and 2015-002).

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)			
2016-001	14	Lack of controls over GenTax	Material Weakness
FINDINGS (STATE COMPLIANCE)			
2016-002	16	Weaknesses in project management of GenTax	Significant Deficiency and Noncompliance
2016-003	18	Controls and safeguards over the processing of taxpayer information	Significant Deficiency and Noncompliance
2016-004	20	Weaknesses in GenTax receipt allocations	Significant Deficiency and Noncompliance
2016-005	22	Weaknesses in GenTax receipt reconciliations	Significant Deficiency and Noncompliance

2016-006	24	Misallocation of telecommunication tax	Significant Deficiency and Noncompliance
2016-007	26	Exceptions in testing personnel and timekeeping	Significant Deficiency and Noncompliance
2016-008	29	Noncompliance with the State Employment Records Act	Significant Deficiency and Noncompliance
2016-009	31	Policies and procedures regarding operation of State vehicles not followed	Significant Deficiency and Noncompliance
2016-010	34	Noncompliance with statutory mandates	Significant Deficiency and Noncompliance

In addition, the following finding which is reported as a current finding and relating to *Government Auditing Standards* also meets the reporting requirements for State Compliance or internal control over State Compliance.

2016-001	14	Lack of controls over GenTax	Material Weakness and Material Noncompliance
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PRIOR FINDINGS NOT REPEATED

A	37	Inaccuracies in the Department's year-end financial reporting process
B	37	Inadequate review of external service providers
C	37	Weaknesses in controls over sales and user tax receipts
D	37	Inadequate security controls over GenTax
E	38	Weaknesses over the change management process
F	38	Lack of disaster contingency planning or testing
G	38	Issues noted with monitoring taxpayer accounts and refunds
H	38	Noncompliance with the Fiscal Control and Internal Auditing Act
I	38	Noncompliance with the Charitable Games Act and Pull Tabs and Jar Games Act
J	39	Inadequate computer security controls

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on March 20, 2017. Attending were:

Illinois Department of Revenue

Constance Beard, Director
Edward Buckles, Assistant Director
Kevin Conner, Chief of Staff
Cory Staley, Chief Financial Officer
Barbara Ringler, Chief Internal Auditor
Angela Bartlett, Deputy Chief Internal Auditor

Office of the Auditor General

Janis Van Durme, Audit Manager
Stacie Sherman, Audit Manager

Sikich LLP – Special Assistant Auditors

Amy L. Sherwood, Partner
Meredith Angel, Manager

Responses to the recommendations were provided by Barbara Ringler in correspondence dated March 23, 2017.

INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE AND
ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Department of Revenue's (Department) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2016. The management of the Department is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Department's compliance based on our examination.

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

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

As described in item 2016-001 in the accompanying schedule of findings, the Department did not comply with the requirements regarding all applicable laws and regulations, including the State uniform accounting system in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for the Department to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the Department complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2016. However, the results of our procedures disclosed other instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2016-002 through 2016-010.

Internal Control

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Department's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal*

control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2016-001 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2016-002 through 2016-010 to be significant deficiencies.

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

The Department's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Department's responses and, accordingly, we express no opinion on the responses.

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

SIGNED ORIGINAL ON FILE

Springfield, Illinois
March 23, 2017

INDEPENDENT AUDITOR'S 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 Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Department of Revenue (Department), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements and have issued our report thereon dated February 14, 2017.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as item 2016-001, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Department's Response to Findings

The Department's response to the finding identified in our audit is described in the accompanying schedule of findings. The Department's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

SIGNED ORIGINAL ON FILE

Springfield, Illinois
February 14, 2017

SCHEDULE OF FINDINGS

CURRENT FINDINGS – Government Auditing Standards

2016-001. FINDING (Lack of controls over GenTax)

The Department of Revenue (Department) failed to implement adequate change management, disaster recovery, and security controls over the enterprise wide tax system (GenTax). During fiscal year 2016, GenTax processed over 13.3 million tax returns and \$38.7 billion in payments from taxpayers.

During detailed testing, the auditors noted:

Change Management

The Department did not have a formal change management standard in place until April 2016 to control the change process over GenTax. During detailed testing of 35 completed change requests during the audit period, we found:

- Testing documentation was not maintained,
- Approvals to move the changes to the production environment were not always maintained, and
- Duties were not properly segregated as developers conducted testing, approved changes to be moved to the production environment, and had access to the production environment.

Disaster Recovery

The Department had not developed a disaster recovery plan and had not conducted testing to ensure GenTax or the ancillary applications and data could be timely restored.

Access Security Control

The Department had not developed an access control policy rights to GenTax during the audit period.

Department management stated that there was a very basic GenTax change control process in place, however, it did not formally address the issues outlined above. The Department had requested a disaster recovery test from the Illinois Department of Central Management Services, but it was not feasible given the budgetary constraints. Although the policy was not thoroughly documented, the Department's Security team was following rigorous access security protocols.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to ensure State's resources are used efficiently and effectively.

The Internal Revenue Service's Publication 1075, Tax Information Security Guidelines For Federal, State and Local Agencies, Safeguards for Protecting Federal Tax Returns and Return Information, requires State agencies to implement adequate security controls to protect taxpayer information.

Failure to implement and maintain adequate control may lead to improper changes, access, and security flaws, which could result in inaccurate data and availability issues. (Finding Code No. 2016-001)

RECOMMENDATION

The Department should establish and maintain adequate controls over the security, availability, integrity, and confidentiality of GenTax data. Specifically, the Department should:

- Ensure the change management process is effectively controlled and documented. In addition, the Department should ensure all changes adhere to the Department's change control standards.
- Restrict programmer access to all production programs and data. If the Department determines that programmer access is necessary, it should establish and enforce compensating controls to ensure appropriate management oversight and approval of changes.
- Develop a disaster recovery plan to ensure the recoverability of GenTax and all ancillary applications and data. In addition, the recovery plan should be tested on an annual basis and continually updated to reflect environmental changes and improvements identified from tests.
- Establish a documented process over the administration of GenTax user access rights.

DEPARTMENT RESPONSE

The Department agrees with the recommendation. The change management process implemented in April 2016 is being followed. The Department has implemented security measures requiring dual approval prior to migration of any changes into production. The Department is actively working with the Illinois Department of Innovation and Technology to conduct disaster recovery testing in order to gain assurance that it could recover in the event of a disaster. The Department published an Access Control Procedure Manual effective November 2016.

CURRENT FINDINGS – State Compliance

2016-002. FINDING (Weaknesses in project management of GenTax)

The Department of Revenue (Department) had weaknesses with the controls over the project management of the enterprise wide tax system (GenTax).

Since the initial implementation in December 2007, the Department has expended over \$70.5 million in contracted vendor assistance for GenTax development and expansions. During the examination period, the Department continued its expansion with the implementation of the legacy systems: Motor Fuel tax, Bingo tax, Charitable Games tax, and Pull Tab tax (Rollout 5). In addition, the Department replaced its legacy Consolidated Accounting System with the GenTax General Ledger.

The auditors reviewed contracts, statements of work, contract deliverables, testing, and data conversion documentation related to Rollout 5 and the General Ledger, noting:

- The vendor’s contract deliverables were not always approved by the Department or were approved after Rollout 5 or the General Ledger went into production.
- Testing scripts did not always provide detail as to the actual testing performed and the testing scripts with identified problems did not contain documentation associated with the corrective action.

Department management stated this was due to oversight. Additionally, emphasis was not placed on the documentation aspect, but rather on the actual testing itself.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to ensure State’s resources are used efficiently and effectively.

Generally accepted information technology guidance endorses the development and implementation of a process to ensure projects meet management’s objectives and comply with contract requirements.

The lack of an effective and controlled development process may lead to excessive expenditures and a system which does not meet the goals or needs of the Department. Additionally, an inadequate development process increases the risk the system will not have the required accuracy, integrity, availability, and security. During fiscal year 2016, GenTax processed over 13.3 million tax returns and \$38.7 billion in payments from taxpayers. (Finding Code No. 2016-002)

RECOMMENDATION

The Department should ensure the development process is adequately controlled and documented. Specifically, the Department should ensure:

- Vendor deliverables are reviewed and timely approved.
- All system testing is properly documented, reviewed and approved.

DEPARTMENT RESPONSE

The Department accepts the recommendation.

Revised procedures have been put in place to ensure documentation of all deliverable review and approvals are complete and sufficient.

System testing will be done using defined test cases with documented results and approvals.

2016-003. FINDING (Controls and safeguards over the processing of taxpayer information)

The Department of Revenue (Department) has not completely implemented controls and safeguards over processing taxpayer information. During fiscal years 2016 and 2015, the Department processed 12,014,495 and 13,360,094 tax returns, totaling \$40,299,337,174 and \$38,700,154,393, respectively.

The Department receives and uses federal tax information (FTI) to verify information contained on various State tax returns; therefore, under the Internal Revenue Service's definition of comingling, the information on the Department's tax processing system (GenTax) related to Business Income Tax (BIT) and Individual Income Tax (IIT) is considered FTI and should be handled as such. FTI includes any return, Revenue Agent's Report, transcript, or any information received on diskette and/or any other electronic transmission of data received from the Internal Revenue Service (IRS). This includes all of the IRS extract files received by the Department. Any detailed information printed or copied or used in any manner, including screen prints and/or detailed reports, with specific taxpayer information from GenTax that includes BIT and/or IIT information should be handled as FTI.

During testing auditors noted instances in which the Department's internal controls to protect taxpayer information contained weaknesses in certain physical safeguards to control access to areas within the Department as well as the storage of taxpayer information. Department staff confirmed to the auditors they were not aware of any specific instances of loss of confidential information due to the identified weaknesses in physical safeguards.

The Department is responsible for ensuring the confidentiality of tax information within its possession. The Department maintains data that is covered by both State and Federal requirements. The State's disclosure statutes are within the Retailers' Occupation Tax Act (35 ILCS 120/11) and the Illinois Income Tax Act (35 ILCS 5/917). The Internal Revenue Code (26 U.S. Code §6103(a)) requires returns and return information to be confidential and no State officer or employee shall disclose return information for unofficial purposes. Further, the Code defines "return information" as "a taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over assessments, or tax payments..."

To address data received from the IRS, the Department developed a definition of what information is considered FTI, which was approved by the Project Manager of the IRS Office of Safeguards. In addition, the Department is required to ensure all tax information is protected in accordance with the Internal Revenue Service's Publication 1075, Tax Information Security Guidelines for Federal, State, and Local Agencies, Safeguards for Protecting Federal Tax Returns and Return Information.

The State statute and IRS Publication 1075 require the Department to ensure it safeguards federal tax information from unauthorized disclosure. Specifically, section 4.1 of IRS Publication 1075 states, "Security may be provided for a document, an item, or an area in a number of ways. These include, but are not limited to, locked containers of various types, vaults, locked rooms, locked rooms that have reinforced perimeters, locked buildings, guards, electronic security systems, fences, identification systems, and control measures."

The Fiscal Control and Internal Auditing Act (30 ILCS I 0/3001) requires State agencies to establish a system of fiscal and administrative controls to provide assurance that "funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation."

Department management stated the combination of past building deficiencies, the loss of fiscal year funding, coupled with the scope of what needs to be secured, has prevented the Department from performing the necessary measures to secure the storage of all federal tax information.

The Department has the responsibility to ensure only authorized individuals have access to taxpayer information and taxpayer payments. Failure to completely implement controls and safeguards could result in taxpayer identity theft or unintended use and the misappropriation of taxpayer payments. (Finding Code No. 2016-003, 2014-002, 2013-004, 12-05, 11-06, 10-09)

RECOMMENDATION

We recommend the Department ensure taxpayer information is adequately protected during both business and non-business hours from potential unauthorized access as mandated by State statute and IRS Publication 1075.

DEPARTMENT RESPONSE

The Department accepts the recommendation. Funding has been appropriated, and the Department is on target for a completion date within fiscal year 2018.

2016-004. FINDING (Weaknesses in GenTax receipt allocations)

The Department of Revenue (Department) implemented the General Ledger portion of GenTax as part of its multi-year, multi-system conversion project in March 2016 to replace the Consolidated Accounting System. Auditors tested the General Ledger system and noted weaknesses concerning the allocation of income and sales (ROT) tax receipts.

Auditors noted the following:

- Business Income Tax receipt allocations to the Fund for Advancement of Education and the Commitment to Human Services Fund were unable to be determined in April, May and June of 2016 resulting in an estimated \$2,759,290 of misallocations between these funds and the General Revenue Fund. Further, the amount of misallocation had to be estimated by the Department due to the inability to determine if Form 1041 – U.S. Income Tax Return for Estates and Trusts receipts were remitted for Trusts or Estates.
- ROT receipts were misallocated between the General Revenue Fund, Common School Fund, and the Build Illinois Fund at year-end due to inaccuracies in how the system allocates money to State funds. The General Revenue Fund received \$3,812 in excess allocations, while the Common School Fund and Build Illinois Fund were under allocated \$1,348 and \$2,464, respectively, during fiscal year 2016.
- Individual Income Tax receipts were misallocated between the Education Assistance Fund and the Income Tax Refund Fund. The misallocation of \$3,811 was due to the reversal of the allocation percentages used in the allocation tables during the implementation of the GenTax General Ledger system.
- Individual, Corporate, and Replacement Tax receipts were misallocated between the General Revenue Fund, Education Assistance Fund, Income Tax Refund Fund, and the Personal Property Tax Replacement Fund. The General Revenue Fund and Personal Property Tax Replacement Fund received \$12,870 and \$2,969 in excess allocations, respectively, while the Income Tax Refund Fund and the Education Assistance Fund were under allocated \$10,697 and \$5,142, respectively, during fiscal year 2016. This misallocation was due to a true-up process that takes place within the new GenTax General Ledger system, which was not completely trueed-up as of June 30, 2016.

The Fiscal Control and Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system of fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department management stated the Department administers a majority of the State's tax acts. Most of these acts are structured on a pay-as-you-go basis requiring taxpayers to remit payments throughout the year with the filing of the returns occurring less frequently. Return information is needed to precisely allocate the taxpayer payments to State funds in accordance with statutory requirements. Statewide cash flow considerations necessitate the

Department to allocate money to the applicable funds timely before return information is available. Consequently, the initial fund allocations are made using estimates based upon historical information. The Department implemented a new receipts processing system in March 2016 that provides enhanced functionality to allow for subsequent true-ups of initial allocation using return information. During the engagement period, the development of reporting needed for certain true-up processes had not been completed.

Weaknesses in the Department's GenTax General Ledger system could lead to uncorrected allocation errors to State funds and potential misstatement of the Department's financial statements. (Finding Code No. 2016-004)

RECOMMENDATION

We recommend the Department develop the reporting necessary to complete the true-up process for the receipt allocation errors noted in fiscal year 2016 and identify and prevent errors which could occur in the future. We recommend the Department complete the appropriate adjustments to State funds where needed to correct the allocation errors identified in fiscal year 2016. In addition, we recommend the Department test and perfect the functionality of its GenTax General Ledger system to ensure the subsequent true-up process performs in accordance with statutory requirements.

DEPARTMENT RESPONSE

The Department accepts the recommendation. The recommended programming changes were completed and appropriate adjustments to State funds were performed in early fiscal year 2017.

2016-005. FINDING (Weaknesses in GenTax receipt reconciliations)

The Department of Revenue (Department) implemented the General Ledger portion of GenTax as part of its multi-year, multi-system conversion project in March 2016 to replace the Consolidated Accounting System. Auditors tested the General Ledger system and noted the Department did not perform reconciliations of the allocations for Liquor Tax, Energy Assistance fees, and Electricity Excise Tax deposits.

During testing, auditors noted the Department uses historical percentages to allocate various tax collection deposits to the appropriate funds in accordance with the statute. The Department does not perform a reconciliation of deposit allocations to actual return information for Liquor Tax, Energy Assistance fee, and Electricity Excise Tax deposits to determine that the allocation of the deposits are in accordance with the statutes. Specifically,

- The Department allocates Liquor Tax between the General Revenue Fund and the Capital Projects Fund based upon weighted average percentages determined after a statutory amendment. In order to determine if the allocation percentages are in accordance with the statute, the Department must obtain detailed information. However, the Department is unable to obtain such information, and therefore, the Department does not perform a true-up of the allocations used to the actual information throughout the fiscal year. The Liquor Control Act of 1934 (235 ILCS 5/8-1) requires all proceeds of the additional tax imposed over alcoholic liquor by Public Act 96-34 be deposited into the Capital Projects Fund with the remainder of the tax deposited into the General Revenue Fund.
- The Energy Assistance Act requires the Department to allocate 100% of the fee to the Supplemental Low-Energy Resource Trust Fund. However, the return used for the fee also includes renewable energy resources and coal technology development assistance fees, so the Department developed a composite average to be utilized in the allocation split. The Department does not perform a true-up of the allocation of the fees to the actual return information throughout the fiscal year. The Energy Assistance Act (305 ILCS 20/13) requires all proceeds of the Energy Assistance Charge remitted to the Department in accordance with subsection (f) to be deposited into the Supplemental Low-Income Energy Assistance Fund.
- The Electricity Excise Tax requires the Department to allocate funds between the General Revenue Fund and the Public Utility Fund, with an additional \$416,667 being deposited monthly into the General Revenue Fund. The renewable energy resources, coal technology development, and energy assistance charges are all reported on the same tax return (RPU-6) and the Department requires return information in order to determine the actual allocation to the funds. The Department does not perform a true-up of the allocation of the tax to the actual return information throughout the fiscal year. The Electricity Excise Tax Law (35 ILCS 640/2-9 and 35 ILCS 640/2-11) requires 3% of the proceeds to be deposited into the Public Utility Fund less a monthly deposit of \$416,667 into the General Revenue Fund. The remaining 97% of the proceeds are to be deposited into the General Revenue Fund in accordance with the State Finance Act (30 ILCS 105/4).

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system of fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department management stated these tax acts are structured on a pay-as-you-go basis requiring taxpayers to remit payments throughout the year with the filing of the related returns occurring less frequently. Return information is needed to precisely allocate the taxpayer payments to State funds in accordance with statutory requirements. Statewide cash flow considerations necessitate the Department to allocate money to funds timely before return information is available. Consequently, the initial fund allocations are made using estimates based upon historical information. The Department implemented a new receipts processing system in March 2016 that provides enhanced functionality to allow for subsequent true-ups of initial allocations using return information. During the engagement period, this functionality was implemented for multiple major tax types.

Failure to reconcile deposit allocations of Liquor Tax, Energy Assistance Fee, and Electricity Excise Tax with actual return data may lead to incorrect allocation of deposits within the State Treasury and noncompliance with statutes. (Finding Code No. 2016-005)

RECOMMENDATION

We recommend the Department develop the reporting necessary to allow it to reconcile the less major tax types to actual return data and perform the true-ups as necessary. In addition, we recommend the Department test and perfect the functionality of its GenTax General Ledger system to ensure the subsequent true-up process performs in accordance with statutory requirements.

DEPARTMENT RESPONSE

The Department accepts the recommendation. The recommended functionality is being implemented into the GenTax General Ledger for the remaining taxes that are administered by the Department. The targeted completion date is within fiscal year 2018.

2016-006. FINDING (Misallocation of telecommunication tax)

The Department of Revenue (Department) did not properly allocate the Telecommunications Excise Tax and the Simplified Telecommunications Tax as required by the Telecommunications Excise Tax Act (35 ILCS 630) and the Simplified Municipal Telecommunications Tax Act (35 ILCS 636).

Auditors noted, during testing of 5 telecommunication tax returns (RT-2s), 1 (20%) was misallocated by GenTax, resulting in an overpayment to local municipalities and an underpayment to State funds. An amount reported in error on line 8b of the RT-2 tested was allocated across all local municipalities included on the return instead of allocated based on the most recent tax rate, which consisted of the 7% State rate and no local portion. The overpayment to local municipalities and underpayment to State funds based on our sample was \$0.16. The Department determined there were 182 returns filed in fiscal year 2015 and fiscal year 2016 in which data was entered on line 8b, resulting in a total tax reported of \$23,079 for the two fiscal years. The amount of the total allocation error is unknown to the auditors, but the maximum error would be \$23,079.

The Telecommunications Excise Tax Act (35 ILCS 630/4) states, beginning January 1, 1998, a tax is imposed upon the act or privilege of originating in this State or receiving in this State interstate telecommunications by a person in this State at the rate of 7% of the gross charge for such telecommunications purchased at retail from a retailer by such person. Section 6 of the Act (35 ILCS 630/6) states that, of the money received by the Department, one-half shall be deposited into the School Infrastructure Fund and one-half shall be deposited into the Common School Fund.

The Simplified Municipal Telecommunications Tax Act (35 ILCS 636/5-10) provides the authority to municipalities to pass ordinances to impose a local telecommunications tax. The maximum rates for a local telecommunications tax is established in Section 5-15 of the Simplified Municipal Telecommunications Tax Act (35 ILCS 636/5-15). For municipalities with a population of less than \$500,000, the authorized rate may not exceed 6% of the gross charged for telecommunications purchased at retail in increments of .25%. For municipalities with a populations of 500,000 or more, the authorized rate may not exceed 7% of the gross for telecommunications purchased at retail in increments of .25%.

Department management stated the GenTax System utilized by the Department to allocate telecommunication taxes collected was not programmed to properly allocate amounts reported in error on Line 8b of the RT-2. Issues with the change management process of the GenTax System have been reported by the auditors in Finding 2016-001, Lack of Controls over GenTax.

Misallocation of telecommunication taxes may result in overpayments or underpayments to municipalities and State funds. Additionally, these misallocations indicate noncompliance with State Law. (Finding Code No. 2016-006)

RECOMMENDATION

We recommend the Department ensure the necessary corrections are made to GenTax to properly allocate the telecommunication taxes collected to the appropriate State funds.

DEPARTMENT RESPONSE

The Department accepts the recommendation. A programming change to our tax system has been completed. The Department will process corrected allocation records for the amounts allowed by statute.

2016-007. FINDING (Exceptions in testing personnel and timekeeping)

The Department of Revenue (Department) did not ensure all required processes were followed in the administration of its personnel and timekeeping functions.

During testing, auditors noted:

- The Department did not perform employee evaluations as required.

Auditors tested the evaluations for 40 employees during the engagement period. For these employees, 75 total evaluations should have been performed during the engagement period, which includes applicable annual evaluations and probationary evaluations. Of the 75 evaluations tested, the auditors noted:

- 20 evaluations (27%) were not completed within 30 days of evaluation period end. The delinquencies ranged from 36 to 577 days late.
- 3 (4%) evaluations were not on file and available for review.
- 1 evaluation (1%) for fiscal year 2015 was completed 82 days before the evaluation period ended on June 30, 2015.
- 1 evaluation (1%) for fiscal year 2016 was completed 34 days before the evaluation period ended on August 31, 2015.

The Illinois Administrative Code (80 Ill. Adm. Code 302.270) requires an evaluation to be completed on employees on an annual basis at minimum. The Department's Policy Handbook states that new employees will be on a probationary six-month period, during which they will have two evaluations; one at the midpoint of the six month period and one two weeks prior to the end of the probationary period. Employees who have been promoted or transferred are be evaluated at the midpoint and during the final month of the probationary period.

Department personnel stated circumstances, including retirements, new managers hired, workload and evaluations not tied to an increase in salary, have caused/allowed for evaluations to not be administered timely.

- Auditors noted exceptions in testing the Department's timekeeping records. Exceptions were noted with 21 of 40 (53%) employees tested, with multiple exceptions noted regarding some employees.
 - We noted 20 of 40 (50%) employees had Central Time and Attendance System (CTAS) reports signed between 3 and 306 days late.
 - We also noted 1 of 40 (3%) CTAS reports lacked a signature and date of the division manager.

The Department's policy states that on a quarterly basis, a verification report generated from CTAS for each employee that lists their available accumulated vacation, sick, personal time and any other time taken within the quarter requires signatures by the division manager, timekeeper, and employee. The Department does not have a policy in place stating the number of days as to when the quarterly CTAS reports are to be signed by all parties. Auditors used 30 days as a timeliness criteria, which is based upon the Statewide Accounting Management System (SAMS) that requires most reports and reconciliations to be completed within 30 days following the end of the previous month. Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all state agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law. Ensuring that the CTAS reports are reviewed and signed by the end of the next month establishes a reasonable system of internal control in order to ensure that resources are being utilized efficiently.

Department personnel stated, since there is not a Department policy that requires a specific timeframe for the CTAS quarterly reports to be signed, emphasis was not placed on timeliness of the quarterly reports being signed by the employee and the manager. In addition, due to employee work locations, it makes it even more difficult to meet the 30 day timeframe the auditors have cited. Finally, due to the extensive manual nature of the process, it takes a minimum of 10 to 20 days before the employee receives the report.

In response to this finding from the previous engagement, the Department stated it would work to further automate the notification process for employee performance evaluations. The Department further stated it would redouble its efforts to develop more accurate and timely overtime and leave records. Auditors did not note weaknesses during testing of overtime and leave records during the engagement period.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as the foundation for salary adjustments, promotions, demotions, discharges, layoffs, recalls, and reinstatement decisions. Failure to review timekeeping reports in a timely manner could result in payments to individuals not entitled to the benefit. (Finding Code No. 2016-007, 2014-010, 12-17, 10-36, 09-18, 08-13, 07-07)

RECOMMENDATION

We recommend the Department ensure employee performance evaluations are performed in a timely manner in accordance with the Illinois Administrative Code and the Department's Policy Handbook. In addition, we recommend the Department review timekeeping reports in a timely manner. If a 30 day time period after month end is not conducive to the Department's environment, we recommend the Department establish a policy enumerating when, following month end, it will review the CTAS reports. We also recommend the Department interject automation into the review process and decrease its reliance on manual processes.

DEPARTMENT RESPONSE

The Department accepts the recommendation. Efforts have been initiated to communicate the timeframes for submitting employee evaluations and ensure the efficient and timely review of timekeeping reports.

2016-008. FINDING (Noncompliance with the State Employment Records Act)

The Department of Revenue (Department) included inaccurate information in its “Agency Workforce Report” filed for fiscal years 2014 and 2015 during the engagement period. In addition, the corrected reports filed for fiscal years 2012 and 2013 were incomplete and the Department was unable to provide evidence it resubmitted those to the required parties.

The “Agency Workforce Reports” filed for fiscal years 2014 and 2015 contained inaccurate information. The fiscal year 2014 report contained 1 mathematical error and the fiscal year 2015 report contained 17 mathematical errors. Additionally, the Department did not gather accurate information for physically disabled males and females for these reports. At the time of concluding the testing of this area, the Department had not submitted amended reports for fiscal year 2014 and 2015 to the Illinois Secretary of State or the Governor’s office.

During the previous engagement, finding 2014-011 cited the “Agency Workforce Reports” filed for fiscal years 2012 and 2013 included inaccurate information. The Department re-submitted those reports to the Secretary of State without percentages included on the reports. Additionally, auditors were unable to determine if the reports were resubmitted to the Office of the Governor due to lack of documentation to the affirmative provided by the Department.

The State Employment Records Act (5 ILCS 410/1 et seq.) requires State agencies to annually report to the Office of the Secretary of State and the Governor’s Office the number of minorities, women, and physically disabled persons along with the related salary and statistical information to provide State officials and administrators with the information to help guide efforts to achieve a more diversified workforce. The Illinois State Auditing Act (30 ILCS 5/3-2.2) states if the Auditor General determines that a State agency has materially failed to comply with the requirements of the State Employment Records Act, the State agency, within 30 days after the release of the audit by the Auditor General, shall prepare and file with the Governor and the Office of the Secretary of State corrected reports covering the periods affected by the noncompliance.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the functions and procedures of the Department designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department’s activities.

In response to this finding from the previous engagement, Department management stated the Department would correct the aforementioned “Agency Workforce Reports” and ensure that those responsible for preparing the Reports understand the definitions of each workforce category. Related to the exceptions noted during the current engagement, Department management stated the “Agency Workforce Report” was created via a manual process, mistakes were made, and deadlines were missed.

The data contained in the “Agency Workforce Report” is important to the State’s efforts in achieving a diversified workforce. Failure to accurately prepare the report results in noncompliance with the State Employment Records Act. Failure to retain evidence of submission to the required parties results in noncompliance with the State Records Act. (Finding Code No. 2016-008, 2014-011)

RECOMMENDATION

We recommend the Department submit a corrected “Agency Workforce Report” for fiscal years 2015 and 2014 to the Governor and the Office of the Secretary of State. We also recommend the Department submit a corrected “Agency Workforce Report” for fiscal years 2012 and 2013, with percentages, to the Governor and Office of the Secretary of State, in order to ensure compliance with the Illinois State Auditing Act from the previous engagement. Finally, we recommend the Department ensure documentation of its submission to the appropriate parties is maintained in compliance with the State Records Act.

DEPARTMENT RESPONSE

The Department accepts the recommendation. The Agency Workforce Reports for fiscal years 2012 through 2015 have been corrected and resubmitted. The Department is working on establishing procedures and policies for creating the Agency Workforce Reports to provide a consistent and accurate annual submission.

2016-009. FINDING (Policies and procedures regarding operation of State vehicles not followed)

The Department of Revenue (Department) did not have proper controls over reporting of accidents, maintenance of its motor pool vehicles, and personally assigned vehicles.

During the engagement period, Department employees were involved in 24 motor vehicle accidents while driving on State business. Auditors noted exceptions concerning 2 of the 24 (8%) accidents as follows:

- Two of 24 (8%) were not reported to the Department's Administrative Services Division of Operational Special Services (OSS) in accordance with the Department's policy within 48 hours of the accidents, not including weekends and holidays. The accident reports were 1 to 4 days late. Department management stated one employee submitted a late signature and one employee failed to send the form to OSS.
- Two of 24 (8%) accidents were not communicated to the Department of Central Management Services (DCMS) within the 7 day requirement. These reports were 2 to 3 days late. Department management stated one instance involved a holiday weekend and there was a shortage of staff in OSS during this period. The second instance involved the driver mistakenly sending the packet to another agency other than the Department of Revenue; therefore, OSS was not timely in submitting the packet to CMS.

In order to assist in communicating accidents to the Department of Central Management Services (DCMS) within 7 calendar days, as required by the DCMS Vehicle Guide, the Department has a policy within its Vehicle Policy Manual which requires drivers involved in an accident to complete and submit the Motorist's Report of Illinois Vehicle Accident form (SR-1) and Illinois Motorist Report and Vehicle Accident Questionnaire (OSD-27) to OPSS within 48 hours of the accident, not including weekends and holidays. The DCMS Vehicle Usage program states, "The completed SR-1 should be distributed as follows... Original: Department of Transportation" (IDOT). Additionally, the SR-1 report instructs drivers to submit the completed form to IDOT. When accidents are not reported internally or to IDOT in a timely manner or at all, the State's ability to settle or defend itself against claims could be impaired.

During testing of maintenance records for 25 vehicles in operation at the Department during the engagement period, auditors noted the following exceptions:

- Tire rotations did not occur for 7 of 25 (28%) vehicles as required. Of these 7 vehicles, 6 vehicles had 8 occurrences in which the tire rotations took place within the 12 month requirement but exceeded the mileage requirement by 2,010 to 5,143 miles. 1 of the 7 vehicles had one occurrence in which the tire rotation took place under the 10,000 mile requirement but exceeded the 12 month requirement by 4 months.

- Oil changes did not occur as required for 7 of 25 (28%) vehicles. Of these 7 vehicles, 4 vehicles had 6 occurrences in which the oil change was within the required time frame but exceeded the mileage by 1,169 to 4,755 miles. 3 of the 7 vehicles had five occurrences in which the oil change was under the mileage requirement but exceeded the time frame by 1 to 4 months.
- One vehicle did not have an annual inspection during calendar year 2015 (inspections occurred on November 12, 2014 and January 25, 2016, 395 days apart).

The Illinois Administrative Code (44 Ill. Adm. Code 5040.400) (Code) requires all state-owned or leased vehicles which fall under this Part to undergo regular service and/or repair in order to maintain the vehicles in road worthy, safe, operating condition and appropriate cosmetic condition. Driver should check oil, coolant, and battery water levels (if possible) regularly, such as at each refueling. The Code further requires agencies to have vehicles inspected by CMS or an authorized vendor at least once per year or as required by law and maintain vehicles in accordance with the schedules provided by CMS or with other schedules acceptable to CMS that provide for proper care and maintenance of special use vehicles.

Under the DCMS Vehicle Usage Program, effective July 1, 2012, the DCMS policy requires oil changes every 3,000 miles or 6 months on model year 2002 and older passenger vehicles and every 5,000 miles or 6 months on model year 2003 and newer passenger vehicles and tire rotation every second oil change.

Department management stated the old electronic Automated Cost Reporting System lagged a month behind as mileage and/or dates of vehicle maintenance requirements had to be manually updated. This resulted in human error and delays in reminders and reporting.

During testing of the Department's personally assigned vehicles, the following exceptions were noted:

- Five of 12 (42%) personally assigned vehicles were not driven a minimum of 1,500 miles per month as required according to IDOR's Vehicle Policy Manual, which states a minimum of 1,500 miles per month must be driven for public purposes and be in the best interest of the State.
- One of 12 (8%) employee's provided the Annual License and Insurance Certificates after the deadline, and 2 of 12 (17%) did not provide the Annual License and Insurance Certificate pursuant to the Illinois Vehicle Code (625 ILCS 5/7-601) (Code). The Code requires certification be provided during the period July 1 through July 31 of each calendar year, or within 30 days of any new assignment of a vehicle on an ongoing basis, whichever is later.

Department management stated the old electronic Automated Cost Reporting System lagged a month behind as mileage and/or dates of vehicle maintenance requirements had to be manually updated. This resulted in human error and delays in reminders and reporting.

In response to this finding from the previous engagement, the Department stated it would continue to remind drivers of the requirements of the Vehicle Policy, and will improve documentation of maintenance services.

Failure to timely report accidents could hinder recovery of costs to the State. Failure to adequately maintain vehicles can cost the State significant amounts in future years through additional repair bills and shortened useful lives for vehicles. Driving personally assigned vehicles less than the minimum number of miles outlined in IDOR's Vehicle Policy Manual is not an effective use of a personally assigned vehicle. Failure to provide the Annual License and Insurance Certificate as required by the Illinois Vehicle Code (625 ILCS 5/7-601) is noncompliance with State statute. (Finding Code No. 2016-009, 2014-009, 12-15)

RECOMMENDATION

We recommend the Department annually send a formal notice to those employees whose jobs involve travel to remind them of the requirement and importance of filing internally and externally required accident reports in a timely manner. In addition, we recommend the Department enforce vehicle maintenance schedules and the submission of Annual License and Insurance Certificates. Finally, we encourage the Department to review those personally assigned vehicles to ensure they are utilizing them in accordance with the IDOR Vehicle Policy Manual. If the vehicle does not need to be personally assigned, we encourage the Department to release it to the Department's fleet.

DEPARTMENT RESPONSE

The Department accepts the recommendation. A new system is being tested that will remedy the concerns raised during the audit. In addition, the Department is updating the Vehicle Policy Manual. The targeted completion date is within fiscal year 2018.

2016-010. FINDING (Noncompliance with statutory mandates)

The Department of Revenue (Department) did not comply with various statutory mandates.

During testing auditors noted the following:

- Two of 14 (14%) International Fuel Tax Agreement (IFTA) payments tested were not certified to the Comptroller by the 15th day of the month. These late payments ranged from 2 and 8 days after the 15th of the month.

According to the Motor Fuel Tax Law (35 ILCS 505/8(d)(6)), payment of motor fuel use taxes due to member jurisdictions under the terms of the International Fuel Tax Agreement (IFTA) shall be certified to the Comptroller by the 15th day of each month.

Department management stated the processing of these invoices was delayed as a result of human error.

- The Department's Unified Economic Development Budget (UEDB) submission to the General Assembly and the Department of Commerce and Economic Opportunity (DCEO) was not completed properly. The Department reported the aggregate amount of uncollected or diverted State tax revenues filed during a fiscal year; however, the Department was required to report detailed information for the preceding fiscal year. The Department completed the submission of the report on October 6, 2015, using data for returns filed during fiscal year 2013. The report due on October 6, 2015, should have used data for returns filed during fiscal year 2015.

The Corporate Accountability for Tax Expenditures Act (20 ILCS 715/10) (Act) requires the Department to submit an annual UEDB to the General Assembly and the DCEO by September 30, detailing the aggregate amount of uncollected or diverted State tax revenues resulting from each type of development assistance provided in the tax statutes, as reported on tax returns filed during the preceding year.

The Department stated the operational capabilities of the Department, i.e. filing dates, are limited by the timing of when taxpayers file tax returns, and the fiscal year data needed to comply with the statute is not yet available by the due date of the report.

- During testing of the Illinois Department of Revenue Sunshine Act (20 ILCS 2515/4) (Act), the Department filed the fiscal year 2014 cumulative index and fiscal year 2015 cumulative index in Volume 40, Issue 36 on September 2, 2016. The 2014 cumulative index should have been filed on January 15, 2015, which was 596 days late. The 2015 cumulative index should have been filed on January 15, 2016, which was 231 days late.

The Act states the Department shall publish on or before January 15, 1982, and annually thereafter, a cumulative index of all such informal rulings, opinions, or letters issued by the Department during the preceding calendar year.

The Department management stated, due to significant turnover of support staff in the Legal Division, the 2014 and 2015 cumulative indexes were not filed by January 15 of the year in which they were due. Department management stated the cumulative indexes have since been filed, although they were filed late.

- The Department failed to comply with the statutory requirements set forth in the Illinois Independent Tax Tribunal Act of 2012 (35 ILCS 1010/1-50(b)) (Act). The Act states the Department shall file an answer in the Tax Tribunal no later than 30 days after its receipt of the Tax Tribunal's notification that the taxpayer has filed a petition in the proper form or within such additional time as the Tax Tribunal may specify. Auditors noted exceptions concerning the timeliness of the Department's answers during the engagement period. Answers for 3 of 38 (8%) active cases were filed 8 to 25 days late during fiscal year 2015 and 1 of 17 (6%) cases were filed 28 days late during fiscal year 2016.

Department management stated the cause for the late filing of Tax Tribunal answers was insufficient staffing levels in the Department's litigation unit. The creation of the Tax Tribunal created additional front loaded work for the Litigation staff at a time when the unit had not adequately replaced several retirees. Efforts were underway to hire additional litigation staff, but a combination of budget, labor, and Rutan hiring procedures slowed the process.

In response to this finding from the previous engagement, the Department stated the Department would strive to comply more fully with the statutory requirements for the Tennessee Valley Authority, IFTA, and Illinois Housing Development Authority (IHDA). The Department also stated it would again seek a legislative remedy for UEDB. Through June 30, 2016, the Department had a Memorandum of Understanding (MOU) with the IHDA which set forth the requirements for the distribution of funds from the Federal HOME Investment Trust Fund. In the previous engagement, the Department was cited for noncompliance with that MOU. Auditors did not note noncompliance with the MOU between the Department and the IHDA during the engagement period. Auditors also did not note noncompliance with the statutory requirements for the Tennessee Valley Authority during the engagement period.

By not performing statutorily mandated requirements the Department is failing to address the concerns and issues that the legislature considered important. (Finding Code No. 2016-010, 2014-012)

RECOMMENDATION

We recommend the Department comply with the statutory requirements or seek a legislative remedy as appropriate.

DEPARTMENT RESPONSE

The Department accepts the recommendation.

- The Department will remind staff of the timeliness requirement for processing International Fuel Tax Agreement payments under the Motor Fuel Tax Law.
- The Department will continue to seek a legislative remedy to address the filing requirements under the Corporate Accountability for Tax Expenditures Act.
- The cumulative indexes required under the Illinois Department of Revenue Sunshine Act that were due during the audit period have now been published. Staff members will be reminded of the statutory requirement regarding the timely filing of said indexes.
- The Department is in the process of hiring additional staff, which will help ensure the filing requirements under the Illinois Independent Tax Tribunal Act of 2012 are met timely.

PRIOR FINDINGS NOT REPEATED

- A. **FINDING** (Inaccuracies in the Department's year-end financial reporting process)

The prior audit noted the Department of Revenue's (Department) initial year-end financial reporting in accordance with generally accepted accounting principles (GAAP) to the Illinois Office of the Comptroller contained inaccuracies.

During the current audit, auditors noted the Department performed an analysis of the percentages used in the calculation of uncollectible taxes receivable testing. Based upon the analysis it was determined the percentages used were reasonable. The auditors noted no material errors in the data used to calculate unearned revenue or taxes receivable for the Department's financial statements. As a result, this finding is not repeated. (Finding Code No. 2015-001, 2014-001, 2013-001, 12-01)

- B. **FINDING** (Inadequate review of external service providers)

The prior audit noted the Department did not perform and document internal control reviews of all external service providers used to data enter tax returns.

During the current audit, auditors noted the Department was able to provide documentation indicating adequate performance of internal control reviews of all required external service providers. As a result, this finding is not repeated. (Finding Code No. 2015-002)

- C. **FINDING** (Weaknesses in controls over sales and use tax receipts)

During the prior engagement, auditors noted weaknesses in the Department's internal control over the deposit, allocation, and distribution of receipts from sales and use taxes (Retailers' Occupation Tax or ROT).

In previous years, the Department's receipt allocation process was a manual paper process involving data amassed from several sources with complex calculations on multiple spreadsheets. It relied on interaction between various areas within the Department that are responsible for portions of the ROT tax deposit and allocation process. During the engagement period, the Department automated much of the receipt allocation process. Auditors were able to test the process and developed recommendations which were noted in previous findings. As a result, this finding is not repeated. (Finding Code No. 2014-003, 2013-006, 12-07, 11-10)

- D. **FINDING** (Inadequate security controls over GenTax)

During the prior engagement, the Department continued to lack adequate security controls over GenTax (State of Illinois enterprise wide tax system) system and data.

During the current engagement, the auditors noted security control weaknesses remained and were combined with other general Information Technology control weaknesses and reported as Finding Code No. 2016-001. (Finding Code No. 2014-004, 12-11, 10-24)

E. **FINDING** (Weaknesses over the change management process)

During the prior engagement, the Department lacked adequate controls over the change management process.

During the current engagement, the auditors noted change management control weaknesses remained and were combined with other general Information Technology control weaknesses and reported as Finding Code No. 2016-001. (Finding Code No. 2014-005, 12-12, 10-24, 09-8, 08-8)

F. **FINDING** (Lack of disaster contingency planning or testing)

During the prior engagement, the Department continued to have inadequate planning or testing for the recovery of its applications or data.

During the current engagement, the auditors noted disaster contingency weaknesses remained and were combined with other general Information Technology control weaknesses and reported as Finding Code No. 2016-001. (Finding Code No. 2014-006, 12-13, 10-34, 09-15, 08-10, 07-4, 06-2)

G. **FINDING** (Issues noted with monitoring taxpayer accounts and refunds)

During the prior engagement, while testing various areas within the Department, auditors identified issues with monitoring refunds to deceased taxpayers as well as documenting reviews of taxpayer accounts in process. In addition, auditors noted a lack of policies and procedures (business rules) related to the Department's internal offset program.

During the current engagement, auditors noted improvement in the areas of monitoring and documenting reviews of deceased taxpayers and taxpayer accounts in process, and business rules existed. As a result, this prior finding is not repeated. (Finding Code No. 2014-007)

H. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act)

During the prior engagement, auditors noted the Department's Office of Internal Audit (OIA) did not comply with the Fiscal Control and Internal Auditing Act (Act) (FCIAA).

During the current engagement, auditors noted minor instances of noncompliance concerning FCIAA which has been moved to the Department's Report of Immaterial Findings. (Finding Code No. 2014-008, 12-14)

I. **FINDING** (Noncompliance with the Charitable Games Act and Pull Tabs and Jar Games Act)

During the prior engagement, the Department failed to comply with statutory requirements set forth in the Charitable Games Act and the Pull Tabs and Jar Games Act. Auditors noted the Department issued payments for the correct number of licenses for pull tabs and jar games, but incorrectly used the fiscal year 2012 rate per license causing a total underpayment of \$88,475 to the Illinois Gaming Law Enforcement Fund. In addition, the Department incorrectly used both the fiscal year 2012 number of and rate per licenses for charitable games causing a net overpayment of \$24,702 to the Illinois Gaming Law Enforcement Fund.

During the current engagement, the Department correctly applied rates and the number of licenses for charitable games and pull tabs and jar games pursuant to the statutes. Additionally, the Department offset current payments for the over and under payments noted in previous years. As a result, this finding is not repeated. (Finding Code No. 2014-013)

J. **FINDING** (Inadequate computer security controls)

During the prior engagement, the Department did not maintain adequate security control over the Information Technology environment.

During the current engagement, the Department enhanced computer security controls to address most of the weaknesses. One issue regarding security policies remained and was combined with other general Information Technology control weaknesses and reported as Finding Code No. 2016-001. (Finding Code No. 2014-014)

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
FINANCIAL AUDIT
For the Year Ended June 30, 2016
AMD COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

FINANCIAL STATEMENT REPORT

SUMMARY

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

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

SUMMARY OF FINDINGS

The auditors identified matters involving the Department's internal control over financial reporting that they considered to be a material weakness. The material weaknesses is described in the accompanying Schedule of Findings on pages 14-15 of this report as item:

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2016-001	14	Lack of controls over GenTax	Material weakness

PRIOR FINDINGS NOT REPEATED

A	37	Inaccuracies in the Department's year-end financial reporting process
B	37	Inadequate review of external service providers

EXIT CONFERENCE

The Department did not request an exit conference.

The responses to the recommendations were provided by Barbara Ringler in correspondence dated February 9, 2017.

INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

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, Department of Revenue (Department), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 for the Department as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements of the Department 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 Department. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2016, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 11, the Department has the following significant fund deficits as of June 30, 2016: General Revenue Fund \$1.719 billion, Local Government Tax Fund (non-major special revenue fund) \$173.852 million and Personal Property Tax Replacement Fund (non-major special revenue fund) \$224.546 million. The Department's plan to eliminate these deficits is highly dependent on the collection and allocation of future State revenues to the Department.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information for any of its funds and related pension information for its Department-wide financial statements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit for the year ended June 30, 2016 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The accompanying supplementary information, such as the combining General Fund schedules, nonmajor and Agency fund financial statements, the State Compliance Schedules 1 through 12, and the Analysis of Operations Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information for the year ended June 30, 2016, in the combining General Fund schedules, nonmajor and Agency fund financial statements, the State Compliance Schedules 1 through 12, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2016, in the combining General Fund schedules, nonmajor and Agency fund financial statements, the State Compliance Schedules 1 through 12, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2016, in the combining General Fund schedules, nonmajor and Agency fund financial statements, the State Compliance Schedules 1 through 12, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Department's basic financial statements as of and for the years ended June 30, 2015 and June 30, 2014 (not presented herein), and have issued our reports thereon dated January 15, 2016 and February 10, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying supplementary information for the years ended June 30, 2015 and June 30, 2014 in Schedules 2 through 12 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2015 and June 30, 2014 financial statements. The accompanying supplementary information for the years ended June 30, 2015 and June 30, 2014 in Schedules 2 through 12 has been subjected to the auditing procedures applied in the audits of the June 30, 2015 and June 30, 2014 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the years ended June 30, 2015 and June 30, 2014 in Schedules 2 through 12 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

The accompanying supplementary information in the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2017 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering the Department's internal control over financial reporting and compliance.

Restricted Use of this Auditor's Report

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

SIGNED ORIGINAL ON FILE

Springfield, Illinois

February 14, 2017, except for State Compliance

Schedules 1 and 3 through 12 for which

the date is March 23, 2017

State of Illinois
Department of Revenue

Statement of Net Position

June 30, 2016 (Expressed in Thousands)

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Unexpended appropriations	\$ 32,669
Cash equity in State Treasury	1,229,112
Cash and cash equivalents	3
Securities lending collateral equity with State Treasurer	45,037
Taxes receivable, net	1,371,654
Intergovernmental receivables	344
Other receivables, net of allowance of \$1,629	19,128
Due from State funds	6,054
Loans and notes receivable, long-term	41,334
Due from State of Illinois component units	348,976
Inventories	111
Prepaid expenses	18
Capital assets being depreciated/amortized, net	21,007
Total assets	3,115,447
Deferred outflow of resources - pension	221,542
Total assets and deferred outflows of resources	3,336,989
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Accounts payable and accrued liabilities	408,209
Income tax refunds payable	1,299,839
Intergovernmental payables	1,042,936
Obligations under securities lending of State Treasurer	45,037
Due to Department fiduciary funds	70,044
Due to other State fiduciary funds	1,397
Due to other State funds	473,437
Due to State of Illinois component units	45,211
Unearned revenue	873,698
Long-term obligations:	
Portion due or payable within one year	1,727
Portion due or payable after one year	9,714
Net pension liability	932,892
Total liabilities	5,204,141
Deferred inflow of resources - pension	73,205
Total liabilities and deferred inflows of resources	5,277,346
NET POSITION	
Net investment in capital assets	20,948
Restricted - other	32,482
Unrestricted	(1,993,787)
Total net position	\$ (1,940,357)

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, 2016 (Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
Governmental activities				
General government	\$ 372,436	\$ 52,940	\$ 20	\$ (319,476)
Health and social services	12,455	-	-	(12,455)
Employment and economic development	5,000	-	-	(5,000)
Environmental and business regulation	6,890	-	-	(6,890)
Intergovernmental-revenue sharing	5,229,507	-	-	(5,229,507)
Interest	7	-	-	(7)
Total governmental activities	<u>\$ 5,626,295</u>	<u>\$ 52,940</u>	<u>\$ 20</u>	<u>\$ (5,573,335)</u>
General revenues				
Income taxes				16,877,678
Sales taxes				10,961,020
Motor fuel taxes				1,322,372
Public utility taxes				1,335,578
Other taxes				1,073,275
Interest and investment income				5,078
Other revenues (expenses)				10,235
Appropriations from State resources				198,964
Lapsed appropriations				(11,802)
Receipts collected and transmitted to State Treasury				(25,824,400)
Amount of SAMS transfers-in				(2,113,934)
Amount of SAMS transfers-out				2,222,009
Early terminations of capital lease obligations				65
Transfers-in				200
Transfers-out				(443,016)
Total general revenues and transfers				<u>5,613,322</u>
Change in net position				39,987
Net position, July 1, 2015 (as restated)				(1,980,344)
Net position June 30, 2016				<u>\$ (1,940,357)</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, 2016 (Expressed in Thousands)

	General Fund	Nonmajor funds	Eliminations	Total Governmental Funds
ASSETS				
Unexpended appropriations	\$ 3,331	\$ 29,338	\$ -	\$ 32,669
Cash equity in State Treasury	459,273	769,839	-	1,229,112
Cash and cash equivalents	-	3	-	3
Securities lending collateral equity with State Treasurer	-	45,037	-	45,037
Taxes receivables, net	986,783	384,871	-	1,371,654
Intergovernmental receivables	-	344	-	344
Other receivables, net of allowance of \$1,629	410	18,718	-	19,128
Due from other Department funds	43,936	203,137	(247,073)	-
Due from other State funds	2,708	3,346	-	6,054
Loans and notes receivable, long-term	-	41,334	-	41,334
Due from State of Illinois component units	-	348,976	-	348,976
Inventories	111	-	-	111
Total assets	<u>\$ 1,496,552</u>	<u>\$ 1,844,943</u>	<u>\$ (247,073)</u>	<u>\$ 3,094,422</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 315,204	\$ 93,005	\$ -	\$ 408,209
Income tax refunds payable	1,299,839	-	-	1,299,839
Intergovernmental payables	17,141	1,025,795	-	1,042,936
Obligations under securities lending of State Treasurer	-	45,037	-	45,037
Due to other Department fiduciary funds	35,695	34,349	-	70,044
Due to other State fiduciary funds	-	1,397	-	1,397
Due to other Department funds	203,137	43,936	(247,073)	-
Due to other State funds	464,048	9,389	-	473,437
Due to State of Illinois component units	-	45,211	-	45,211
Unearned revenue	644,904	228,794	-	873,698
Total liabilities	<u>2,979,968</u>	<u>1,526,913</u>	<u>(247,073)</u>	<u>4,259,808</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	235,910	59,882	-	295,792
Total deferred inflows of resources	<u>235,910</u>	<u>59,882</u>	<u>-</u>	<u>295,792</u>
Total liabilities and deferred inflows of resources	<u>3,215,878</u>	<u>1,586,795</u>	<u>(247,073)</u>	<u>4,555,600</u>
FUND BALANCES (DEFICITS)				
Nonspendable (Inventories)	111	-	-	111
Restricted	-	32,482	-	32,482
Committed	194,958	706,578	-	901,536
Unassigned	(1,914,395)	(480,912)	-	(2,395,307)
Total fund balances (deficits)	<u>(1,719,326)</u>	<u>258,148</u>	<u>-</u>	<u>(1,461,178)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,496,552</u>	<u>\$ 1,844,943</u>	<u>\$ (247,073)</u>	<u>\$ 3,094,422</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 Position
June 30, 2016
(Expressed in Thousands)

Total fund balances-governmental funds \$ (1,461,178)

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 21,007

Prepaid expenses for governmental activities are current uses of financial resources for funds. 18

Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds. 295,792

Deferred outflows of resources related to pensions. 221,542

Deferred inflows of resources related to pensions. (73,205)

Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of:

Capital lease obligations	(59)
Compensated absences	(11,382)
Net pension liability	(932,892)
	(932,892)

Net position of governmental activities **\$ (1,940,357)**

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, 2016 (Expressed in Thousands)

	General Fund	Nonmajor funds	Eliminations	Total Governmental Funds
REVENUES				
Federal operating grants	\$ -	\$ 20	\$ -	\$ 20
Income taxes	13,473,346	3,397,472	-	16,870,818
Sales taxes	7,905,433	3,052,882	-	10,958,315
Motor fuel taxes	-	1,322,727	-	1,322,727
Public utility taxes	938,529	396,592	-	1,335,121
Other taxes	717,138	355,679	-	1,072,817
Licenses and fees	6,963	41,022	-	47,985
Other charges for services	1,879	3,108	-	4,987
Interest and other investment income	-	4,691	-	4,691
Other	1,787	8,447	-	10,234
Total revenues	<u>23,045,075</u>	<u>8,582,640</u>	<u>-</u>	<u>31,627,715</u>
EXPENDITURES				
General government	84,809	191,990	-	276,799
Health and social services	-	12,455	-	12,455
Employment and economic development	5,000	-	-	5,000
Environmental and business regulation	-	6,890	-	6,890
Intergovernmental	-	5,229,507	-	5,229,507
Debt service - principal	-	50	-	50
Debt service - interest	-	7	-	7
Capital outlay	3,451	684	-	4,135
Total expenditures	<u>93,260</u>	<u>5,441,583</u>	<u>-</u>	<u>5,534,843</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,951,815</u>	<u>3,141,057</u>	<u>-</u>	<u>26,092,872</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
Appropriations from State resources	84,485	81,342	-	165,827
Lapsed appropriations	(8,372)	(3,430)	-	(11,802)
Receipts collected and transmitted to State Treasury	(22,632,256)	(3,192,144)	-	(25,824,400)
Capital lease acquisitions	-	174	-	174
Amount of SAMS transfers-in	(2,076,134)	(37,800)	-	(2,113,934)
Amount of SAMS transfers-out	2,221,234	775	-	2,222,009
Transfers-in	49,474	200	(49,474)	200
Transfers-out	(440,897)	(51,593)	49,474	(443,016)
Net other sources (uses) of financial resources	<u>(22,802,466)</u>	<u>(3,202,476)</u>	<u>-</u>	<u>(26,004,942)</u>
Net change in fund balances	149,349	(61,419)	-	87,930
Fund balances (deficits), July 1, 2015 (as restated)	<u>(1,868,675)</u>	<u>319,567</u>	<u>-</u>	<u>(1,549,108)</u>
FUND BALANCES (DEFICITS), JUNE 30, 2016	<u>\$ (1,719,326)</u>	<u>\$ 258,148</u>	<u>\$ -</u>	<u>\$ (1,461,178)</u>

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, 2016
(Expressed in Thousands)

Net change in fund balances	\$	87,930
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/amortization expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays in the current period exceeded depreciation.		260
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Position the lease obligation is reported as a liability.		(174)
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.		10,481
Prepaid expenses in the Statement of Activities are reported as expenditures in governmental funds. Prepaid expenses decreased by this amount during the year.		(1,120)
Change in deferred outflows of resources related to pensions.		96,408
Change in deferred inflows of resources related to pensions.		(35,030)
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 Position.		50
Early terminations of capital lease obligations decrease the outstanding obligations of the Department in the current year.		65
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		1,011
Increase in net pension liability		(119,894)
Change in net position of governmental activities	\$	39,987

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

State of Illinois
Department of Revenue

Statement of Fiduciary Net Position

June 30, 2016 (Expressed in Thousands)

	<u>Agency Funds</u>
ASSETS	
Cash equity in State Treasury	\$ 529,679
Cash and cash equivalents	519
Securities lending collateral equity with State Treasurer	72,798
Taxes receivable, net	227,861
Other receivables, net	163
Due from other Department funds	70,044
Total assets	<u><u>\$ 901,064</u></u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 6,260
Intergovernmental payables	821,486
Obligations under securities lending of State Treasurer	72,798
Other liabilities	520
Total liabilities	<u><u>\$ 901,064</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, 2016

(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 are appropriated for the use of the Department. Activities of the Department are subject to the authority of the Office of the Governor, the State's chief executive officer, and other departments of the executive and legislative branches of government (such as the Department of Central Management Services, the Governor's Office of Management and Budget, the State Treasurer's Office, and the State Comptroller's Office) as defined by the Illinois General Assembly. All funds appropriated to the Department and all other cash received are under the custody and control of the State Treasurer, with the exception of the Surety Bond Fund and the Evidence Fund.

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

(2) Summary of Significant Accounting Policies

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

(a) Financial Reporting Entity

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

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

Based upon the required criteria, the Department has no component units and is not a component unit of any other entity. However, because the Department is not legally separate from the State of Illinois, the financial statements of the Department are 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 and changes in financial position of only that portion of the governmental activities, each major governmental fund of the State of Illinois, and the aggregate remaining fund information of the State of Illinois that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2016 and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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Additionally, the Department administers the following fund types:

Governmental Fund Types:

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

Fiduciary Fund Types:

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

(c) Measurement Focus and Basis of Accounting

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

In accordance with Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, recognition of nonexchange transactions in the financial statements is required unless the transactions are not measurable (reasonably estimable) or are not probable of collection. In this regard, the Department annually has an inventory of returns (primarily income tax and sales tax), that are in various stages of processing, dispute or review at year-end and through the date of issuing the financial statements (“unperfected returns”). Certain potential receivables and/or refunds that may result upon perfecting the returns are subject to estimation. Upon perfecting the returns, cash allocations to other governmental and fiduciary funds will be required and may be material.

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Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principle and interest on formal debt issues, claims and judgments, and compensated absences are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

(d) Shared Fund Presentation

The financial statement presentation for the General Revenue Fund, Education Assistance Fund, Motor Fuel Tax Fund, Public Utility Fund, Underground Storage Tank Fund, Compassionate Use of Medical Cannabis Fund, Illinois Gaming Law Enforcement Fund, Emergency Public Health Fund, Used Tire Management Fund, Natural Areas Acquisition Fund, Open Space Lands Acquisition and Development Fund, Common School Fund, Drycleaner Environmental Response Trust Fund, Supplemental Low Income Energy Assistance Fund, Renewable Energy Resources Trust Fund, School Infrastructure Fund, International Tourism Fund, Fund for the Advancement of Education, Commitment to Human Services Fund, Budget Stabilization Fund, Capital Projects Fund, Build Illinois Fund, Local Tourism Fund and Build Illinois Bond 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:

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.

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

(e) Eliminations

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

(f) Cash and Cash Equivalents

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

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(g) Inventories

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

(h) Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as expenditures in the governmental funds and as prepaid expenses in the government-wide statement of net position.

(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 statements of net position.

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.

(j) Capital and Intangible Assets

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

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(k) *Compensated Absences*

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

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

Sick days earned between January 1, 1984 and December 31, 1997 (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997 will be converted to service time for purposes of calculating employee pension benefits.

(l) *Fund Balances*

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

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

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

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

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

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

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(m) Net Position

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

Invested in Capital Assets – This consists of capital assets, net of accumulated depreciation and amortization.

Restricted – This consists of amounts that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the State’s policy to use restricted resources first, then unrestricted resources when they are needed. Restricted net position and restricted fund balance resulting from enabling legislation consists of \$32,482 to be used for general government at June 30, 2016.

Unrestricted – This consists of amounts that do not meet the definition of “restricted” or “invested in capital assets”.

(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) Pensions

In accordance with the Department’s adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the net pension liability, deferred outflows of resources, deferred inflows of resources, appropriations from State resources, and pension expense have been recognized in the government-wide financial statements.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plan’s fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liabilities.

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

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(p) *New Accounting Pronouncements*

Effective for the year ending June 30, 2016, the Department adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which addresses accounting and financial reporting issues related to fair value measurements. The statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of this statement had no impact on the Department's financial statements.

Effective for the year ending June 30, 2016, the Department adopted GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is established to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of this statement had no impact on the Department's financial statements.

Effective for the year ending June 30, 2016, the Department adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. This statement enhances comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. The implementation of this statement had no impact on the Department's financial statements.

(q) *Future Adoption of GASB Statements*

Effective for the year ending June 30, 2017, the Department will adopt GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, which establishes standards to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Department has not yet determined the impact on its financial statements as a result of adopting this statement.

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Effective for the year ending June 30, 2017, the Department will adopt GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which establishes standards to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Department has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2018, the Department will adopt GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which establishes standards to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This statement also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Department has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2017, the Department will adopt GASB Statement No. 77, *Tax Abatement Disclosures*, which requires governments that enter into tax abatement agreements to disclose information about the agreements. This statement improves financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. The Department has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2017, the Department will adopt GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which addresses a practice issue regarding the scope and applicability of GASB Statement No. 68. The issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for these pensions. The Department has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2017, the Department will adopt GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, which amends the blending requirements for the financial statement presentation of component units of all state and local governments. This statement will enhance comparability of financial

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Effective for the year ending June 30, 2018, the Department will adopt GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, which requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. This statement will enhance the comparability of financial statements by providing accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. The Department has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2017, the Department will adopt GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, which clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures. This statement also clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). This statement will improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues. The Department has not yet determined the impact on its financial statements as a result of adopting this statement.

(3) Deposits and Investments

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

(a) Deposits

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

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(b) Securities Lending Transactions

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

During fiscal year 2016, Deutsche Bank AG lent U.S. Agency securities and U.S. Treasury securities and received as collateral U.S. dollar denominated cash. Borrowers were required to deliver collateral for each loan equal to at least 100% of the aggregate fair value of the loaned securities. Loans are marked to market daily. If the fair value of collateral falls below 100%, the borrower must provide additional collateral to raise the fair value to 100%.

The State Treasurer did not impose any restrictions on loan amounts of available and eligible securities during fiscal year 2016. In the event of borrower default, Deutsche Bank AG provides the State Treasurer with counterparty default indemnification. In addition, Deutsche Bank AG is obligated to indemnify the State Treasurer if Deutsche Bank AG loses any securities, collateral or investments of the State Treasurer in Deutsche Bank AG's custody. Moreover, there were no losses during fiscal year 2016 resulting from a default of the borrowers or Deutsche Bank AG.

During fiscal year 2016, the State Treasurer and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested in repurchase agreements with approved counterparties collateralized with securities approved by Deutsche Bank AG and marked to market daily at no less than 102%. Because the loans are terminable at will, their duration did not generally match the duration of the investments made with cash collateral. The State Treasurer had no credit risk as a result of its securities lending program as the collateral held exceeded the fair value of the securities lent.

In accordance with GASB Statement No. 28, paragraph 9, the Office of the State Treasurer has allocated the assets and obligations at June 30, 2016 arising from securities lending agreements to the various funds of the State. The total allocated to the Department was \$117.835 million at June 30, 2016 including \$72.798 million allocated to agency funds administered by the Department.

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(4) Taxes Receivable

Taxes receivable (amounts expressed in thousands) at June 30, 2016 are as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds	Fiduciary Funds
Taxes receivable:				
Income	\$ 953,214	207,088	\$ 1,160,302	\$ -
Sales	673,721	184,443	858,164	170,035
Motor Fuel Tax	-	128,027	128,027	5,500
Public Utility	7,064	10,758	17,822	1,330
Other	62,086	26,525	88,611	138,360
Total taxes receivable	<u>\$ 1,696,085</u>	<u>556,841</u>	<u>\$ 2,252,926</u>	<u>\$ 315,225</u>
Less: allowance for uncollectible taxes	<u>\$ 709,302</u>	<u>171,970</u>	<u>\$ 881,272</u>	<u>\$ 87,364</u>
Taxes receivable, net	<u>\$ 986,783</u>	<u>384,871</u>	<u>\$ 1,371,654</u>	<u>\$ 227,861</u>

(5) Loans and Notes Receivable

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

Loans receivable (amounts expressed in thousands) at June 30, 2016 are as follows:

	Governmental Activities
Senior Citizens Real Estate Deferred Tax	<u>\$ 41,334</u>

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(6) Interfund Balances and Activity

(a) Balances Due from/to Other Funds

The following balances (amounts expressed in thousands) at June 30, 2016 represent amounts due from other Department and State funds.

<u>Fund</u>	<u>Due from</u>		<u>Description/Purpose</u>
	<u>Other Department Funds</u>	<u>Other State Funds</u>	
General	\$ 43,936	\$ 2,708	Due from other Department funds pursuant to statutory tax allocations, for administrative cost reimbursements, and from other State funds pursuant to statutory tax allocations
Nonmajor governmental funds	203,137	3,346	Due from other Department and other State funds pursuant to statutory tax allocations.
Fiduciary funds	70,044	-	Due from other Department funds pursuant to statutory tax allocations.
	<u>\$ 317,117</u>	<u>\$ 6,054</u>	

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The following (amounts expressed in thousands) at June 30, 2016 represent amounts due to other Department and other State funds.

Due to					
Fund	Other Department Funds	Other State Funds	Other Department Fiduciary Funds	Other State Fiduciary Funds	Description/Purpose
General	\$ 203,137	\$ 464,048	\$ 35,695	\$ -	Due to other Department and other Department fiduciary funds pursuant to statutory tax allocations, and due to other State funds for administrative expenses.
Nonmajor governmental funds	43,936	9,389	34,349	1,397	Due to other Department and other State funds pursuant to statutory tax and fee allocations, for administrative cost reimbursements and administrative expenses, to other Department fiduciary funds pursuant to statutory tax allocations, and to other State fiduciary funds for payment of retirement benefits.
	<u>\$ 247,073</u>	<u>\$ 473,437</u>	<u>\$ 70,044</u>	<u>\$ 1,397</u>	

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(b) Transfers from/to Other Funds

Interfund transfers in (amounts expressed in thousands) for the year ended June 30, 2016, were as follows:

<u>Fund</u>	<u>Transfers in from</u>		<u>Description/Purpose</u>
	<u>Other Department Funds</u>	<u>Other State Funds</u>	
General	\$ 49,474	\$ -	Transfers from other Department funds pursuant to statutory tax allocations.
Nonmajor governmental funds	-	200	Transfers from other State funds pursuant to statutory tax allocations.
	<u>\$ 49,474</u>	<u>\$ 200</u>	

Interfund transfers out (amounts expressed in thousands) for the year ended June 30, 2016, 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	\$ -	\$ 440,897	Transfers to other State funds pursuant to statutory tax allocations.
Nonmajor governmental funds	49,474	2,119	Transfers to other Department and other State funds pursuant to statutory tax allocations.
	<u>\$ 49,474</u>	<u>\$ 443,016</u>	

**STATE OF ILLINOIS
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June 30, 2016

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

The Illinois Housing Development Authority owed the Department's nonmajor governmental funds \$348.976 million at June 30, 2016, for advances on loan programs. The Nonmajor Funds owe \$45.211 million at June 30, 2016, to State of Illinois Component Units for reimbursements for expenses incurred.

(7) Capital Assets

Capital asset activity (amounts expressed in thousands) for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Deletions	Net Transfers	Balance June 30, 2016
Governmental activities:					
Capital assets being depreciated/amortized:					
Equipment	\$ 3,918	\$ 42	\$ (12)	\$ 443	\$ 4,391
Capital Leases-equipment	-	174	(35)	-	139
Internally generated computer software	32,768	3,919	-	-	36,687
	<u>36,686</u>	<u>4,135</u>	<u>(47)</u>	<u>443</u>	<u>41,217</u>
Less accumulated depreciation/amortization:					
Equipment	3,751	91	(12)	443	4,273
Capital Leases-equipment	-	115	(35)	-	80
Internally generated computer software	12,188	3,669	-	-	15,857
	<u>15,939</u>	<u>3,875</u>	<u>(47)</u>	<u>443</u>	<u>20,210</u>
Governmental activity capital assets, net	<u>\$ 20,747</u>	<u>\$ 260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,007</u>

Depreciation/amortization expense for governmental activities (amounts expressed in thousands) for the year ended June 30, 2016, was charged to functions as follows:

General government	<u>\$ 3,875</u>
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**STATE OF ILLINOIS
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Notes to Financial Statements

June 30, 2016

(8) Long-Term Obligations

(a) Changes in Long-Term Obligations

Changes in long-term obligations (amounts expressed in thousands) for the year ended June 30, 2016 were as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Amounts Due Within One Year
Governmental activities:					
Net Pension Liability	\$ 812,998	\$ 119,894	\$ -	\$ 932,892	\$ -
Compensated Absences	12,393	14,374	15,385	11,382	1,691
Capital lease obligations	-	174	115	59	36
Total governmental activities	\$ 825,391	\$ 134,442	\$ 15,500	\$ 944,333	\$ 1,727

Compensated absences and the net pension liability will be liquidated by the applicable governmental funds that account for the salaries and wages of the related employees.

(b) Capital lease obligations

The Department leases certain office and computer equipment with a historical cost and accumulated depreciation of \$139 thousand and \$80 thousand, respectively, under capital lease arrangements. Future minimum lease payments (amounts expressed in thousands) at June 30, 2016, are as follows:

Year Ending June 30	Principal	Interest	Total
2017	\$ 36	\$ 10	\$ 46
2018	14	4	18
2019	9	3	12
	<u>\$ 59</u>	<u>\$ 17</u>	<u>\$ 76</u>

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(9) Defined Benefit Pension Plan

Plan Description. Substantially all of the Department's full-time employees who are not eligible for participation in another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a single-employer defined benefit pension trust fund in the State of Illinois reporting entity and is treated as a cost sharing plan by the Department. SERS is governed by article 14 of the Illinois Pension Code (40 ILCS 5/1, et al.). The plan consists of two tiers of contribution requirements and benefit levels based on when an employee was hired. Members who first become an employee and participate under any of the State's retirement plans on or after January 1, 2011, are members of Tier 2, while Tier 1 consists of employees hired before January 1, 2011, or those who have service credit prior to January 1, 2011. The provisions below apply to both Tier 1 and 2 members, except where noted. The SERS issues a separate CAFR available at www.srs.illinois.gov or that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois, 62794-9255.

Benefit Provisions. SERS provides retirement benefits based on the member's final average compensation and the number of years of credited service that have been established. The retirement benefit formula available to general State employees is 1.67% for each year of covered service and 2.2% for each year of noncovered service. The maximum retirement annuity payable is 75% of final average compensation as calculated under the regular formula. The minimum monthly retirement annuity payable is \$15.00 for each year of covered employment and \$25.00 for each year of noncovered employment.

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

Regular Formula Tier 1	Regular Formula Tier 2
<p>A member must have a minimum of eight years of service credit and may retire at:</p> <ul style="list-style-type: none"> • Age 60, with 8 years of service credit. • Any age, when the member's age (years & whole months) plus years of service credit (years & whole months) equal 85 years (1,020 months) (Rule of 85) with eight years of credited service. • Between ages 55-60 with 25-30 years of service credit (reduced 1/2 of 1% for each month under age 60). <p>The retirement benefit is based on final average compensation and credited service. Final average compensation is the 48 highest consecutive months of service within the last 120 months of service.</p> <p>Under the Rule of 85, a member is eligible for the first 3% increase on January 1 following the first full year of retirement, even if the member is not age 60. If the member retires at age 60 or older, he/she will receive a 3% pension increase every year on January 1, following the first full year of retirement.</p> <p>If the member retires before age 60 with a reduced retirement benefit, he/she will receive a 3% pension increase every January 1 after the member turns age 60 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.</p>	<p>A member must have a minimum of 10 years of credited service and may retire at:</p> <ul style="list-style-type: none"> • Age 67, with 10 years of credited service. • Between ages 62-67 with 10 years of credited service (reduced 1/2 of 1% for each month under age 67). <p>The retirement benefit is based on final average compensation and credited service. For regular formula employees, final average compensation is the average of the 96 highest consecutive months of service within the last 120 months of service. The retirement benefit is calculated on a maximum salary of \$106,800. This amount increases annually by 3% or one-half of the Consumer Price Index, whichever is less.</p> <p>If the member retires at age 67 or older, he/she will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, every year on January 1, following the first full year of retirement. The calendar year 2015 rate is \$111,572.</p> <p>If the member retires before age 67 with a reduced retirement benefit, he/she will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, every January 1 after the member turns age 67 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.</p>

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

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

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

Contributions. Contribution requirements of active employees and the State are established in accordance with Chapter 40, section 5/14-133 of the Illinois Compiled Statutes. Member contributions are based on fixed percentages of covered payroll ranging between 4.00% and 12.50%. Employee contributions are fully refundable, without interest, upon withdrawal from State employment. Tier 1 members contribute based on total annual compensation. Tier 2 members contribute based on an annual compensation rate not to exceed \$106,800 with limitations for future years increased by the lesser of 3% or one-half of the annual percentage increase in the Consumer Price Index. For 2016, this amount was \$111,572.

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

For fiscal year 2016, the required employer contributions were computed in accordance with the State's funding plan. This funding legislation provides for a systematic 50-year funding plan with an ultimate goal to achieve 90% funding of the plan's liabilities. In addition, the funding plan provided for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Since the 15-year phase-in period ended June 30, 2010, the State's contribution will remain at a level percentage of payroll for the next 35 years until the 90% funded level is achieved. For fiscal year 2016, the employer contribution rate was 45.598%. The Department's contribution amount for fiscal year 2016 was \$29.707 million.

Pension liability, deferred outflows of resources, deferred inflows of resources and expense related to pensions. At June 30, 2016, the Department reported a liability of \$932.892 million for its proportionate share of the State's net pension liability for SERS on the statement of net position. The net pension liability was measured as of June 30, 2015 (current year measurement date), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Department's portion of the net pension liability was based on the Department's proportion of employer contributions relative to all employer contributions made to the plan during the year ended June 30, 2015. As of the current year measurement date of June 30, 2015, the Department's proportion was 3.3308%, which was an increase of 0.3312% from its proportion measured as of the prior year measurement date of June 30, 2014.

**STATE OF ILLINOIS
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Notes to Financial Statements

June 30, 2016

For the year ended June 30, 2016, the Department recognized pension expense of \$91.653 million which is reported in the General government function of the Statement of Activities. The Department recognized a pension benefit for this amount which is reported in Appropriations from State resources in the General revenues section of the Statement of Activities. At June 30, 2016, the Department reported deferred outflows and deferred inflows of resources related to the pension liability from the following sources (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,837	\$ 12,111
Changes of assumptions	68,444	-
Net difference between projected and actual investment earnings on pension plan investments	-	14,130
Changes in proportion	120,554	46,964
Department contributions subsequent to the measurement date	29,707	-
Total	\$ 221,542	\$ 73,205

\$29.707 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows (amounts expressed in thousands):

Year ended June 30,	
2017	\$ 38,926
2018	38,926
2019	27,890
2020	12,888
Total	\$ 118,630

**STATE OF ILLINOIS
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Notes to Financial Statements

June 30, 2016

Actuarial Methods and Assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality: 105 percent of the RP2014 Healthy Annuitant mortality table, sex distinct, with rates projected to 2015.

Inflation: 3.0%

Investment Rate of Return: 7.25%, net of pension plan investment expense, including inflation.

Salary increases: Salary increase rates based on age related productivity and merit rates plus inflation.

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

Retirement Age: Experience-based table of rates specific to the type of eligibility condition. Table was last updated for the June 30, 2014, valuation pursuant to an experience study of the period July 1, 2009 to June 30, 2013.

The long-term expected real rate of return on pension plan investments was determined based on the simulated average 10-year annualized geometric return for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. For each major asset class that is included in the pension plan's target asset allocation, calculated as of the measurement date of June 30, 2015, the best estimates of the geometric real rates of return as summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	30%	5.69%
Fixed Income	20%	1.62%
Hedge Funds	10%	4.00%
International Equity	20%	6.23%
Real Estate	10%	5.50%
Infrastructure	5%	6.00%
Private Equity	5%	10.10%
Total	100%	5.03%

**STATE OF ILLINOIS
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Notes to Financial Statements

June 30, 2016

Discount Rate. A discount rate of 7.02% was used to measure the total pension liability as of the measurement date of June 30, 2015, as compared to a discount rate of 7.09% used to measure the total liability as of the prior year measurement date. The June 30, 2015, single blended discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.80%, based on an index of 20 year general obligation bonds with an average AA credit rating as published by the Federal Reserve. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made based on the statutorily required rates under Illinois law. Based on these assumptions, the pension plan's fiduciary net position and future contributions will be sufficient to finance the benefit payments through the year 2067. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2067, and the municipal bond rate was applied to all benefit payments after that date.

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

	1% Decrease 6.02%	Discount Rate 7.02%	1% Increase 8.02%
Department's proportionate share of the net pension liability	\$ 1,123,047	\$ 932,892	\$ 775,049

Payables to the pension plan. At June 30, 2016, the Department reported a payable of \$888 thousand to SERS for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2016.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2016

(10) Post-employment Benefits

The State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the Department of Central Management Services. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

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

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department of Central Management Services may be obtained by writing to the Department of Central Management Services, 704 Stratton Office Building, Springfield, Illinois, 62706.

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2016

(11) Fund Balance

(a) Fund Balances

At June 30, 2016, the Department's fund balance restrictions (amounts expressed in thousands) were for the following purposes:

	General Fund	Nonmajor Special Revenue Funds	Total
Nonspendable purpose:			
Inventory	\$ 111	\$ -	\$ 111
Total Nonspendable	\$ 111	\$ -	\$ 111
Restricted purpose:			
General Government	\$ -	\$ 32,482	\$ 32,482
Total Restricted	\$ -	\$ 32,482	\$ 32,482
Committed purpose:			
General Government	\$ -	\$ 4,759	\$ 4,759
Health and Social Services	-	470,626	470,626
Employment and Economic Development	-	4,066	4,066
Environment and Business Regulation	-	32,662	32,662
Education	177,992	41,738	219,730
Capital Outlay	16,966	152,727	169,693
Total Committed	\$ 194,958	\$ 706,578	\$ 901,536
Total Unassigned	\$ (1,914,395)	\$ (480,912)	\$ (2,395,307)
Total fund balances (deficit)	\$ (1,719,326)	\$ 258,148	\$ (1,461,178)

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Notes to Financial Statements

June 30, 2016

(b) Fund Deficits

The General Fund (\$1.719) billion and the following nonmajor governmental funds had fund deficits at June 30, 2016, as noted: Public Utility (\$37) thousand, Illinois Gaming Law Enforcement (\$368) thousand, State and Local Sales Tax Reform (\$41.516) million, County and Mass Transit District (\$40.593) million, Local Government Tax (\$173.852) million, and Personal Property Tax Replacement (\$224.546) million. The fund deficit in the General Fund will be eliminated through the collection and allocation of future State revenues to the Department. The fund deficit of the Public Utility, Illinois Gaming Law Enforcement, and the Personal Property Tax Replacement funds will be eliminated through future revenues earned. The fund deficit of the State and Local Sales Tax Reform, County and Mass Transit District, and Local Government Tax funds will be managed through future revenues earned.

(12) Risk Management

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

The Department's risk management activities are financed through appropriations to the Illinois Department of Central Management Services and are accounted for in the general fund of the State. The claims are not considered to be a liability of the Department; and accordingly, have not been reported in the Department's financial statements for the year ended June 30, 2016.

(13) Commitments and Contingencies

(a) Operating leases

The Department leases certain office space under annual agreements which require the Department to make monthly lease payments. Rent expense under operating leases was \$1.558 million for the year ended June 30, 2016.

(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**

Notes to Financial Statements

June 30, 2016

(14) Restatement

For fiscal year 2016, the Department is required to report additional funds which were reported by other State agencies previously. Therefore, the financial statements have been restated as of July 1, 2015, as follows:

	Nonmajor Funds	Governmental Activities
Net position, June 30, 2015, as previously reported	233,061	(2,066,850)
Additional funds July 1, 2015 fund balance	86,506	86,506
Net position, July 1, 2015, as restated	319,567	(1,980,344)

(15) Subsequent Events

The State of Illinois has adopted a partial fiscal year 2017 operating budget as of the date of this report, February 14, 2017. The budget authorizes General Revenue Fund appropriations through December 31, 2016, and full fiscal year appropriations for other State funds. If additional General Revenue Fund resources are not appropriated for use after December 31, 2016, the Department may be unable to make payments from certain appropriated accounts to vendors, local governments, and other State agencies. General Revenue Fund payments to Department employees for work performed are being made pursuant to a July 2015 court order.

The Department collects individual and corporate income taxes as well as replacement taxes pursuant to statutory authority. Replacement taxes, less estimated refunds, are deposited into the Personal Property Tax Replacement Fund and paid to local governments. In fiscal year 2015, the Department classified certain collections of individual and corporate income taxes as replacement taxes and as a result overpaid an estimated \$166.831 million to local governments. The Department discovered the error in fiscal year 2016 and has recorded a receivable from local governments for this amount at June 30, 2016. Legislation signed into law in June 2016 appropriated \$100.000 million to local community college districts and local school districts. The appropriations were expended in September 2016. The expenditures were made in lieu of recovery from local governments. As of the date of this report, February 14, 2017, the overpayment has been estimated. A final determination will be made when the necessary tax return information is available. Additional future legislation, substantively similar to that of June 2016, is anticipated to address the remaining overpayment once the final determination of the overpayment amount has been made. For these reasons, the Department considers the receivable uncollectible and has recorded an allowance at June 30, 2016, for the full \$166.831 million.

State of Illinois
Department of Revenue

Combining Schedule of Accounts -
General Fund

June 30, 2016 (Expressed in Thousands)

	General Revenue Account 0001	Common School Special 0005	Education Assistance 0007	Illinois Sports Facility 0225	Income Tax Refund 0278	Common School 0412	Municipal Economic Development 0650	Budget Stabilization 0686	Capital Projects 0694	Eliminations	Total
ASSETS											
Unexpended appropriations	\$ 3,331	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,331
Cash equity in State Treasury	188,740	149,754	11,056	62,898	42,380	4,429	-	-	16	-	459,273
Taxes receivable, net	749,943	102,930	35,334	1,683	78,870	832	-	-	17,191	-	986,783
Other receivables, net	410	-	-	-	-	-	-	-	-	-	410
Due from other Department funds	4,277	-	-	-	43,778	-	-	-	-	(4,119)	43,936
Due from other State funds	-	-	-	-	2,708	-	-	-	-	-	2,708
Inventories	111	-	-	-	-	-	-	-	-	-	111
Total assets	\$ 946,812	\$ 252,684	\$ 46,390	\$ 64,581	\$ 167,736	\$ 5,261	\$ -	\$ -	\$ 17,207	\$ (4,119)	\$ 1,496,552
LIABILITIES											
Accounts payable and accrued liabilities	238,702	73,014	-	-	-	1,992	5	1,250	241	-	315,204
Income tax refunds payable	-	-	-	-	1,299,839	-	-	-	-	-	1,299,839
Intergovernmental payables	224	-	-	16,917	-	-	-	-	-	-	17,141
Due to other Department fiduciary funds	35,695	-	-	-	-	-	-	-	-	-	35,695
Due to other Department funds	203,137	-	-	-	4,119	-	-	-	-	(4,119)	203,137
Due to other State funds	416,384	-	-	47,664	-	-	-	-	-	-	464,048
Unearned revenue	480,711	-	38,465	-	125,728	-	-	-	-	-	644,904
Total liabilities	1,374,853	73,014	38,465	64,581	1,429,686	1,992	5	1,250	241	(4,119)	2,979,968
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue	187,245	4,885	14,452	-	29,266	62	-	-	-	-	235,910
Total deferred inflows of resources	187,245	4,885	14,452	-	29,266	62	-	-	-	-	235,910
Total liabilities and deferred inflows of resources	1,562,098	77,899	52,917	64,581	1,458,952	2,054	5	1,250	241	(4,119)	3,215,878
FUND BALANCES (DEFICITS)											
Nonspendable - Inventory	111	-	-	-	-	-	-	-	-	-	111
Committed	-	174,785	-	-	-	3,207	-	-	16,966	-	194,958
Unassigned	(615,397)	-	(6,527)	-	(1,291,216)	-	(5)	(1,250)	-	-	(1,914,395)
Total fund balances (deficits)	(615,286)	174,785	(6,527)	-	(1,291,216)	3,207	(5)	(1,250)	16,966	-	(1,719,326)
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 946,812	\$ 252,684	\$ 46,390	\$ 64,581	\$ 167,736	\$ 5,261	\$ -	\$ -	\$ 17,207	\$ (4,119)	\$ 1,496,552

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2016 (Expressed in Thousands)

	General Revenue Account 0001	Common School Special 0005	Education Assistance 0007	Illinois Sports Facility 0225	Income Tax Refund 0278	Common School 0412	Municipal Economic Development 0650	Budget Stabilization 0686	Capital Projects 0694	Eliminations	Total
REVENUES											
Income taxes	\$ 12,397,184	\$ -	\$ 1,147,432	\$ -	\$ (71,270)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,473,346
Sales taxes	5,837,723	2,005,954	-	-	-	-	-	-	61,756	-	7,905,433
Public utility taxes	856,710	-	-	-	-	81,819	-	-	-	-	938,529
Other taxes	452,016	-	-	47,664	-	98,751	-	-	118,707	-	717,138
Licenses and fees	6,752	-	-	-	-	211	-	-	-	-	6,963
Other charges for services	1,879	-	-	-	-	-	-	-	-	-	1,879
Other	1,787	-	-	-	-	-	-	-	-	-	1,787
Total revenues	19,554,051	2,005,954	1,147,432	47,664	(71,270)	180,781	-	-	180,463	-	23,045,075
EXPENDITURES											
General government	84,747	-	-	-	62	-	-	-	-	-	84,809
Employment and economic development	-	-	-	5,000	-	-	-	-	-	-	5,000
Capital outlay	2,201	-	-	-	-	-	-	1,250	-	-	3,451
Total expenditures	86,948	-	-	5,000	62	-	-	1,250	-	-	93,260
Excess (deficiency) of revenues over (under) expenditures	19,467,103	2,005,954	1,147,432	42,664	(71,332)	180,781	-	(1,250)	180,463	-	22,951,815
OTHER SOURCES (USES) OF FINANCIAL RESOURCES											
Appropriations from State resources	84,485	-	-	-	-	-	-	-	-	-	84,485
Lapsed appropriations	(8,372)	-	-	-	-	-	-	-	-	-	(8,372)
Receipts collected and transmitted to State Treasury	(21,122,860)	-	(1,150,843)	-	-	(183,258)	-	-	(175,295)	-	(22,632,256)
Amount of SAMS transfers-in	(78,977)	-	-	-	-	(1,997,157)	-	-	-	-	(2,076,134)
Amount of SAMS transfers-out	2,221,234	-	-	-	-	-	-	-	-	-	2,221,234
Transfers-in	4,815	-	-	5,000	43,778	1,997,157	-	-	-	(2,001,276)	49,474
Transfers-out	(392,624)	(1,997,157)	-	(47,664)	(4,728)	-	-	-	-	2,001,276	(440,897)
Net other sources (uses) of financial resources	(19,292,299)	(1,997,157)	(1,150,843)	(42,664)	39,050	(183,258)	-	-	(175,295)	-	(22,802,466)
Net change in fund balances	174,804	8,797	(3,411)	-	(32,282)	(2,477)	-	(1,250)	5,168	-	149,349
Fund balances (deficits), July 1, 2015	(790,090)	165,988	(3,116)	-	(1,258,934)	5,684	(5)	-	11,798	-	(1,868,675)
FUND BALANCES (DEFICITS), JUNE 30, 2016	\$ (615,286)	\$ 174,785	\$ (6,527)	\$ -	\$ (1,291,216)	\$ 3,207	\$ (5)	\$ (1,250)	\$ 16,966	\$ -	\$ (1,719,326)

State of Illinois
Department of Revenue

Combining Balance Sheet -
Nonmajor Governmental Funds

June 30, 2016 (Expressed in Thousands)

	Special Revenue							
	Motor Fuel Tax 0012	Public Utility 0059	Underground Storage Tank 0072	Compassionate Use of Medical Cannabis 0075	Illinois Gaming Law Enforcement 0085	IDOR Federal Trust 0140	Rental Housing Support Program 0150	State & Local Sales Tax Reform 0186
ASSETS								
Unexpended appropriations	\$ 28,347	\$ -	\$ 297	\$ -	\$ 694	\$ -	\$ -	\$ -
Cash equity in State Treasury	19	-	-	-	28	47	56,012	47,868
Cash and cash equivalents	-	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	-	-	-	-	-	-	-	-
Taxes receivable, net	111,209	2	6,565	87	321	-	-	13,665
Intergovernmental receivables	-	-	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-	-	-
Due from other Department funds	-	-	-	-	-	-	-	-
Due from other State funds	-	-	-	-	-	-	-	-
Loans and notes receivable, long-term	-	-	-	-	-	-	-	-
Due from State of Illinois component units	-	-	-	-	-	-	-	-
Total assets	\$ 139,575	\$ 2	\$ 6,862	\$ 87	\$ 1,043	\$ 47	\$ 56,012	\$ 61,533
LIABILITIES								
Accounts payable and accrued liabilities	25,700	37	77	-	22	14	-	-
Intergovernmental payables	63	-	3	-	1,384	-	-	23,286
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	-	-
Due to other Department fiduciary funds	-	-	-	-	-	-	-	-
Due to other State fiduciary funds	611	-	28	-	-	-	-	-
Due to other Department funds	-	-	-	-	-	-	-	78,247
Due to other State funds	3,565	-	189	-	5	-	-	-
Due to State of Illinois component units	74	-	-	-	-	-	23,533	-
Unearned revenue	-	-	-	-	-	33	-	-
Total liabilities	30,013	37	297	-	1,411	47	23,533	101,533
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	474	2	197	4	-	-	-	1,516
Total deferred inflows of resources	474	2	197	4	-	-	-	1,516
Total liabilities and deferred inflows of resources	30,487	39	494	4	1,411	47	23,533	103,049
FUND BALANCES (DEFICITS)								
Restricted	-	-	-	-	-	-	32,479	-
Committed	109,088	-	6,368	83	-	-	-	-
Unassigned	-	(37)	-	-	(368)	-	-	(41,516)
Total fund balances (deficits)	109,088	(37)	6,368	83	(368)	-	32,479	(41,516)
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 139,575	\$ 2	\$ 6,862	\$ 87	\$ 1,043	\$ 47	\$ 56,012	\$ 61,533

(Continued)

State of Illinois
Department of Revenue

Combining Balance Sheet -
Nonmajor Governmental Funds

June 30, 2016 (Expressed in Thousands)

	Special Revenue							
	RTA Occupation and Use Tax Replacement	County & Mass Transit	Local Govt Tax	Emergency Public Health	Debt Collection	Illinois Affordable Housing Trust	Used Tire Management	Natural Areas Acquisition
	0187	0188	0189	0240	0279	0286	0294	0298
ASSETS								
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity in State Treasury	-	38,672	173,002	3	-	54,820	12	407
Cash and cash equivalents	-	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	-	-	-	-	-	13,619	-	-
Taxes receivable, net	-	13,768	54,473	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-	-
Other receivables, net	-	-	-	832	-	24	3,161	-
Due from other Department funds	7,357	-	-	-	-	-	-	-
Due from other State funds	-	-	3,300	-	-	-	-	-
Loans and notes receivable, long-term	-	-	-	-	-	-	-	-
Due from State of Illinois component units	-	-	-	-	-	348,976	-	-
Total assets	\$ 7,357	\$ 52,440	\$ 230,775	\$ 835	\$ -	\$ 417,439	\$ 3,173	\$ 407
LIABILITIES								
Accounts payable and accrued liabilities	-	-	-	-	-	12,289	-	4
Intergovernmental payables	7,357	58,091	402,775	-	-	5,353	-	-
Obligations under securities lending of State Treasurer	-	-	-	-	-	13,619	-	-
Due to other Department fiduciary funds	-	34,349	-	-	-	-	-	-
Due to other State fiduciary funds	-	-	-	-	-	-	-	-
Due to other Department funds	-	-	-	-	-	-	158	-
Due to other State funds	-	-	-	-	-	-	-	-
Due to State of Illinois component units	-	-	-	-	-	21,419	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	7,357	92,440	402,775	-	-	52,680	158	4
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	593	1,852	9	-	-	34	-
Total deferred inflows of resources	-	593	1,852	9	-	-	34	-
Total liabilities and deferred inflows of resources	7,357	93,033	404,627	9	-	52,680	192	4
FUND BALANCES (DEFICITS)								
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	826	-	364,759	2,981	403
Unassigned	-	(40,593)	(173,852)	-	-	-	-	-
Total fund balances (deficits)	-	(40,593)	(173,852)	826	-	364,759	2,981	403
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 7,357	\$ 52,440	\$ 230,775	\$ 835	\$ -	\$ 417,439	\$ 3,173	\$ 407

(Continued)

State of Illinois
Department of Revenue

Combining Balance Sheet -
Nonmajor Governmental Funds

June 30, 2016 (Expressed in Thousands)

	Special Revenue						
	Open Space Lands Acquisition & Development 0299	Tax Compliance and Administration 0384	Local Government Distributive 0515	Drycleaner Environmental Response 0548	Supplemental Low Income Energy Assistance 0550	Renewable Energy Resource 0564	School Infrastructure 0568
ASSETS							
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity in State Treasury	951	7,720	21	-	-	-	1,698
Cash and cash equivalents	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	-	1,739	-	-	-	-	-
Taxes receivable, net	-	1,636	-	84	8,352	-	351
Intergovernmental receivables	-	-	-	-	-	-	-
Other receivables, net	-	6	-	-	-	490	-
Due from other Department funds	-	177	264,400	-	-	-	-
Due from other State funds	-	46	-	-	-	-	-
Loans and notes receivable, long-term	-	-	-	-	-	-	-
Due from State of Illinois component units	-	-	-	-	-	-	-
Total assets	\$ 951	\$ 11,324	\$ 264,421	\$ 84	\$ 8,352	\$ 490	\$ 2,049
LIABILITIES							
Accounts payable and accrued liabilities	10	2,077	-	-	31	2	1,842
Intergovernmental payables	-	636	264,421	-	-	-	-
Obligations under securities lending of State Treasurer	-	1,739	-	-	-	-	-
Due to other Department fiduciary funds	-	-	-	-	-	-	-
Due to other State fiduciary funds	-	218	-	-	-	-	-
Due to other Department funds	-	-	-	-	-	-	-
Due to other State funds	-	1,759	-	-	-	-	-
Due to State of Illinois component units	-	1	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	10	6,430	264,421	-	31	2	1,842
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	135	-	1	-	-	62
Total deferred inflows of resources	-	135	-	1	-	-	62
Total liabilities and deferred inflows of resources	10	6,565	264,421	1	31	2	1,904
FUND BALANCES (DEFICITS)							
Restricted	-	-	-	-	-	-	-
Committed	941	4,759	-	83	8,321	488	145
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	941	4,759	-	83	8,321	488	145
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 951	\$ 11,324	\$ 264,421	\$ 84	\$ 8,352	\$ 490	\$ 2,049

(Continued)

State of Illinois
Department of Revenue

Combining Balance Sheet -
Nonmajor Governmental Funds

June 30, 2016 (Expressed in Thousands)

	Special Revenue						
	International Tourism 0621	Fund for the Advancement of Education 0640	Commitment to Human Services 0644	Personal Property Tax Replacement 0802	Dram Shop 0821	Local Government Video Gaming 0842	Foreclosure Prevention 0891
ASSETS							
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity in State Treasury	305	45,659	-	277,926	5,405	9,466	6,332
Cash and cash equivalents	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	-	-	-	29,679	-	-	-
Taxes receivable, net	714	6,115	51,767	68,455	-	4,366	-
Intergovernmental receivables	-	-	-	-	-	-	68
Other receivables, net	-	-	-	53	109	-	-
Due from other Department funds	-	-	-	-	-	-	-
Due from other State funds	-	-	-	-	-	-	-
Loans and notes receivable, long-term	-	-	-	-	-	-	-
Due from State of Illinois component units	-	-	-	-	-	-	-
Total assets	\$ 1,019	\$ 51,774	\$ 51,767	\$ 376,113	\$ 5,514	\$ 13,832	\$ 6,400
LIABILITIES							
Accounts payable and accrued liabilities	24	-	-	32,058	559	-	-
Intergovernmental payables	-	-	-	243,297	908	13,832	-
Obligations under securities lending of State Treasurer	-	-	-	29,679	-	-	-
Due to other Department fiduciary funds	-	-	-	-	-	-	-
Due to other State fiduciary funds	-	-	-	466	74	-	-
Due to other Department funds	-	-	-	43,778	-	-	-
Due to other State funds	-	-	-	3,302	569	-	-
Due to State of Illinois component units	-	-	-	1	-	-	102
Unearned revenue	-	3,875	3,875	221,011	-	-	-
Total liabilities	24	3,875	3,875	573,592	2,110	13,832	102
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	29	6,306	6,299	27,067	109	-	-
Total deferred inflows of resources	29	6,306	6,299	27,067	109	-	-
Total liabilities and deferred inflows of resources	53	10,181	10,174	600,659	2,219	13,832	102
FUND BALANCES (DEFICITS)							
Restricted	-	-	-	-	-	-	-
Committed	966	41,593	41,593	-	3,295	-	6,298
Unassigned	-	-	-	(224,546)	-	-	-
Total fund balances (deficits)	966	41,593	41,593	(224,546)	3,295	-	6,298
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 1,019	\$ 51,774	\$ 51,767	\$ 376,113	\$ 5,514	\$ 13,832	\$ 6,400

(Continued)

State of Illinois
Department of Revenue

Combining Balance Sheet -
Nonmajor Governmental Funds

June 30, 2016 (Expressed in Thousands)

	Special Revenue						
	Abandoned Residential Property Municipality Relief 0892	Senior Citizen Real Estate Deferred Tax 0930	Build Illinois 0960	Local Tourism 0969	Evidence Fund 1369	Eliminations	Total
ASSETS							
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,338
Cash equity in State Treasury	17,825	11,884	12,769	988	-	-	769,839
Cash and cash equivalents	-	-	-	-	3	-	3
Securities lending collateral equity with State Treasurer	-	-	-	-	-	-	45,037
Taxes receivable, net	-	-	40,750	2,191	-	-	384,871
Intergovernmental receivables	276	-	-	-	-	-	344
Other receivables, net	-	14,043	-	-	-	-	18,718
Due from other Department funds	-	-	9,450	-	-	(78,247)	203,137
Due from other State funds	-	-	-	-	-	-	3,346
Loans and notes receivable, long-term	-	41,334	-	-	-	-	41,334
Due from State of Illinois component units	-	-	-	-	-	-	348,976
Total assets	\$ 18,101	\$ 67,261	\$ 62,969	\$ 3,179	\$ 3	\$ (78,247)	\$ 1,844,943
LIABILITIES							
Accounts payable and accrued liabilities	-	-	18,180	79	-	-	93,005
Intergovernmental payables	-	4,389	-	-	-	-	1,025,795
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	45,037
Due to other Department fiduciary funds	-	-	-	-	-	-	34,349
Due to other State fiduciary funds	-	-	-	-	-	-	1,397
Due to other Department funds	-	-	-	-	-	(78,247)	43,936
Due to other State funds	-	-	-	-	-	-	9,389
Due to State of Illinois component units	81	-	-	-	-	-	45,211
Unearned revenue	-	-	-	-	-	-	228,794
Total liabilities	81	4,389	18,180	79	-	(78,247)	1,526,913
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	14,043	1,150	-	-	-	59,882
Total deferred inflows of resources	-	14,043	1,150	-	-	-	59,882
Total liabilities and deferred inflows of resources	81	18,432	19,330	79	-	(78,247)	1,586,795
FUND BALANCES (DEFICITS)							
Restricted	-	-	-	-	3	-	32,482
Committed	18,020	48,829	43,639	3,100	-	-	706,578
Unassigned	-	-	-	-	-	-	(480,912)
Total fund balances (deficits)	18,020	48,829	43,639	3,100	3	-	258,148
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 18,101	\$ 67,261	\$ 62,969	\$ 3,179	\$ 3	\$ (78,247)	\$ 1,844,943

(Concluded)

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2016 (Expressed in Thousands)

Special Revenue

	Motor Fuel Tax 0012	Public Utility 0059	Underground Storage Tank 0072	Compassionate Use of Medical Cannabis 0075	Illinois Gaming Law Enforcement 0085	IDOR Federal Trust 0140	Rental Housing Support Program 0150	State & Local Sales Tax Reform 0186
REVENUES								
Federal operating grants	\$ 27	\$ -	\$ -	\$ -	\$ -	\$ (7)	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Sales taxes	-	-	-	546	-	-	-	119,880
Motor fuel taxes	1,247,047	-	75,680	-	-	-	-	-
Public utility taxes, net	-	6,358	-	-	-	-	-	-
Other taxes, net	-	-	-	-	1,740	-	14,230	-
License and fees	755	-	-	-	304	-	-	-
Other charges for services	-	-	-	-	-	-	-	-
Interest and other investment income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	1,247,829	6,358	75,680	546	2,044	(7)	14,230	119,880
EXPENDITURES								
General government	55,403	-	1,881	-	-	30	23,533	-
Health and social services	-	-	-	-	-	-	-	-
Environmental and business regulation	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	959	-	-	82,373
Debt service - principal	50	-	-	-	-	-	-	-
Debt service - interest	7	-	-	-	-	-	-	-
Capital outlay	684	-	-	-	-	-	-	-
Total expenditures	56,144	-	1,881	-	959	30	23,533	82,373
Excess (deficiency) of revenues over (under) expenditures	1,191,685	6,358	73,799	546	1,085	(37)	(9,303)	37,507
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	77,535	-	1,929	-	1,878	-	-	-
Lapsed appropriations	(2,473)	-	(37)	-	(920)	-	-	-
Receipts collected and transmitted to State Treasury	(1,278,041)	(6,302)	(76,906)	(463)	(2,084)	-	-	-
Capital lease acquisitions	174	-	-	-	-	-	-	-
Amount of SAMS transfers-in	-	-	-	-	-	-	-	-
Amount of SAMS transfers-out	-	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-	-
Transfers-out	(115)	-	-	-	-	-	-	(38,570)
Net other sources (uses) of financial resources	(1,202,920)	(6,302)	(75,014)	(463)	(1,126)	-	-	(38,570)
Net change in fund balances	(11,235)	56	(1,215)	83	(41)	(37)	(9,303)	(1,063)
Fund balances (deficits), July 1, 2015 (as restated)	120,323	(93)	7,583	-	(327)	37	41,782	(40,453)
FUND BALANCES (DEFICITS), JUNE 30, 2016	\$ 109,088	\$ (37)	\$ 6,368	\$ 83	\$ (368)	\$ -	\$ 32,479	\$ (41,516)

(Continued)

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2016 (Expressed in Thousands)

Special Revenue

	RTA Occupation and Use Tax Replacement 0187	County & Mass Transit 0188	Local Govt Tax 0189	Emergency Public Health 0240	Debt Collection 0279	Illinois Affordable Housing Trust 0286	Used Tire Management 0294	Natural Areas Acquisition 0298
REVENUES								
Federal operating grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-	-	-	-	-
Sales taxes	39,553	365,481	1,806,581	-	-	-	-	-
Motor fuel taxes	-	-	-	-	-	-	-	-
Public utility taxes, net	-	-	-	-	-	-	-	-
Other taxes, net	-	-	-	-	-	39,658	-	11,897
License and fees	-	-	-	3,617	-	2	13,790	-
Other charges for services	-	-	-	-	-	-	-	-
Interest and other investment income	-	-	-	-	-	2,164	-	-
Other	-	-	-	-	-	8,389	-	-
Total revenues	39,553	365,481	1,806,581	3,617	-	50,213	13,790	11,897
EXPENDITURES								
General government	-	-	-	-	-	26,549	-	-
Health and social services	-	-	-	-	-	12,455	-	-
Environmental and business regulation	-	-	-	-	-	-	-	-
Intergovernmental	39,553	365,450	1,806,587	-	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	39,553	365,450	1,806,587	-	-	39,004	-	-
Excess (deficiency) of revenues over (under) expenditures	-	31	(6)	3,617	-	11,209	13,790	11,897
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	-	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	(3,587)	-	-	(13,676)	(11,546)
Capital lease acquisitions	-	-	-	-	-	-	-	-
Amount of SAMS transfers-in	-	-	-	-	-	-	-	-
Amount of SAMS transfers-out	-	-	-	-	-	-	775	-
Transfers-in	-	-	-	-	-	-	-	-
Transfers-out	-	-	-	-	(4)	-	(696)	-
Net other sources (uses) of financial resources	-	-	-	(3,587)	(4)	-	(13,597)	(11,546)
Net change in fund balances	-	31	(6)	30	(4)	11,209	193	351
Fund balances (deficits), July 1, 2015 (as restated)	-	(40,624)	(173,846)	796	4	353,550	2,788	52
FUND BALANCES (DEFICITS), JUNE 30, 2016	\$ -	\$ (40,593)	\$ (173,852)	\$ 826	\$ -	\$ 364,759	\$ 2,981	\$ 403

(Continued)

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2016 (Expressed in Thousands)

	Special Revenue						
	Open Space Lands Acquisition & Development 0299	Tax Compliance and Administration 0384	Local Government Distributive 0515	Drycleaner Environmental Response 0548	Supplemental Low Income Energy Assistance 0550	Renewable Energy Resource 0564	School Infrastructure 0568
REVENUES							
Federal operating grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	5,370	1,285,773	-	-	-	-
Sales taxes	-	8,356	238,637	-	-	-	-
Motor fuel taxes	-	-	-	-	-	-	-
Public utility taxes, net	-	(207)	-	-	99,175	-	69,819
Other taxes, net	27,761	759	-	343	-	-	45,812
License and fees	-	199	-	1,418	-	5,822	-
Other charges for services	-	152	-	-	-	-	-
Interest and other investment income	-	16	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	27,761	14,645	1,524,410	1,761	99,175	5,822	115,631
EXPENDITURES							
General government	-	16,104	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-
Environmental and business regulation	-	-	-	-	-	-	-
Intergovernmental	-	-	1,519,410	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	-	16,104	1,519,410	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	27,761	(1,459)	5,000	1,761	99,175	5,822	115,631
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	(26,941)	-	-	(1,779)	(98,872)	(5,804)	(115,085)
Capital lease acquisitions	-	-	-	-	-	-	-
Amount of SAMS transfers-in	-	-	-	-	-	-	-
Amount of SAMS transfers-out	-	-	-	-	-	-	-
Transfers-in	-	970	-	-	-	-	-
Transfers-out	-	-	(5,000)	-	-	-	-
Net other sources (uses) of financial resources	(26,941)	970	(5,000)	(1,779)	(98,872)	(5,804)	(115,085)
Net change in fund balances	820	(489)	-	(18)	303	18	546
Fund balances (deficits), July 1, 2015 (as restated)	121	5,248	-	101	8,018	470	(401)
FUND BALANCES (DEFICITS), JUNE 30, 2016	\$ 941	\$ 4,759	\$ -	\$ 83	\$ 8,321	\$ 488	\$ 145

(Continued)

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2016 (Expressed in Thousands)

	Special Revenue						
	International Tourism 0621	Fund for the Advancement of Education 0640	Commitment to Human Services 0644	Personal Property Tax Replacement 0802	Dram Shop 0821	Local Government Video Gaming 0842	Foreclosure Prevention 0891
REVENUES							
Federal operating grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	-	456,724	456,724	1,192,881	-	-	-
Sales taxes	-	-	-	-	-	-	-
Motor fuel taxes	-	-	-	-	-	-	-
Public utility taxes, net	-	-	-	221,447	-	-	-
Other taxes, net	5,431	-	-	-	-	51,042	-
License and fees	-	-	-	-	7,281	-	-
Other charges for services	-	-	-	-	1,128	-	1,828
Interest and other investment income	-	-	-	513	-	-	-
Other	-	-	-	-	58	-	-
Total revenues	5,431	456,724	456,724	1,414,841	8,467	51,042	1,828
EXPENDITURES							
General government	-	-	-	68,196	110	-	102
Health and social services	-	-	-	-	-	-	-
Environmental and business regulation	-	-	-	-	6,890	-	-
Intergovernmental	-	-	-	1,364,133	-	51,042	-
Debt service - principal	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	-	-	-	1,432,329	7,000	51,042	102
Excess (deficiency) of revenues over (under) expenditures	5,431	456,724	456,724	(17,488)	1,467	-	1,726
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	(5,337)	(458,384)	(458,384)	-	-	-	-
Capital lease acquisitions	-	-	-	-	-	-	-
Amount of SAMS transfers-in	-	-	-	-	-	-	-
Amount of SAMS transfers-out	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-
Transfers-out	-	-	-	(43,778)	-	-	(2,000)
Net other sources (uses) of financial resources	(5,337)	(458,384)	(458,384)	(43,778)	-	-	(2,000)
Net change in fund balances	94	(1,660)	(1,660)	(61,266)	1,467	-	(274)
Fund balances (deficits), July 1, 2015 (as restated)	872	43,253	43,253	(163,280)	1,828	-	6,572
FUND BALANCES (DEFICITS), JUNE 30, 2016	\$ 966	\$ 41,593	\$ 41,593	\$ (224,546)	\$ 3,295	\$ -	\$ 6,298

(Continued)

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2016 (Expressed in Thousands)

	Special Revenue							
	Abandoned Residential Property Municipality Relief 0892	Senior Citizen Real Estate Deferred Tax 0930	Build Illinois 0960	Local Tourism 0969	Evidence Fund 1369	Eliminations	Total	
	REVENUES							
	Federal operating grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20
Income taxes	-	-	-	-	-	-	3,397,472	
Sales taxes	-	-	473,848	-	-	-	3,052,882	
Motor fuel taxes	-	-	-	-	-	-	1,322,727	
Public utility taxes, net	-	-	-	-	-	-	396,592	
Other taxes, net	-	-	139,413	17,593	-	-	355,679	
License and fees	7,834	-	-	-	-	-	41,022	
Other charges for services	-	-	-	-	-	-	3,108	
Interest and other investment income	-	1,998	-	-	-	-	4,691	
Other	-	-	-	-	-	-	8,447	
Total revenues	7,834	1,998	613,261	17,593	-	-	8,582,640	
EXPENDITURES								
General government	81	-	-	-	1	-	191,990	
Health and social services	-	-	-	-	-	-	12,455	
Environmental and business regulation	-	-	-	-	-	-	6,890	
Intergovernmental	-	-	-	-	-	-	5,229,507	
Debt service - principal	-	-	-	-	-	-	50	
Debt service - interest	-	-	-	-	-	-	7	
Capital outlay	-	-	-	-	-	-	684	
Total expenditures	81	-	-	-	1	-	5,441,583	
Excess (deficiency) of revenues over (under) expenditures	7,753	1,998	613,261	17,593	(1)	-	3,141,057	
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	-	-	-	-	-	-	81,342	
Lapsed appropriations	-	-	-	-	-	-	(3,430)	
Receipts collected and transmitted to State Treasury	-	-	(611,666)	(17,287)	-	-	(3,192,144)	
Capital lease acquisitions	-	-	-	-	-	-	174	
Amount of SAMS transfers-in	-	-	(37,800)	-	-	-	(37,800)	
Amount of SAMS transfers-out	-	-	-	-	-	-	775	
Transfers-in	-	-	37,800	-	-	(38,570)	200	
Transfers-out	-	-	-	-	-	38,570	(51,593)	
Net other sources (uses) of financial resources	-	-	(611,666)	(17,287)	-	-	(3,202,476)	
Net change in fund balances	7,753	1,998	1,595	306	(1)	-	(61,419)	
Fund balances (deficits), July 1, 2015 (as restated)	10,267	46,831	42,044	2,794	4	-	319,567	
FUND BALANCES (DEFICITS), JUNE 30, 2016	\$ 18,020	\$ 48,829	\$ 43,639	\$ 3,100	\$ 3	\$ -	\$ 258,148	

(Concluded)

State of Illinois
Department of Revenue

Combining Statement of Fiduciary Net Position -
Agency Funds

June 30, 2016 (Expressed in Thousands)

	Agency						
	County Water Commission Tax 0084	Non-Home Rule Municipal ROT 0088	Home Rule Municipal Soft Drink ROT 0097	Municipal Wireless Service Emergency 0125	Home Rule Municipal ROT 0138	Home Rule County ROT 0139	Business District ROT 0160
ASSETS							
Cash equity in State Treasury	\$ 6,660	\$ 24,142	\$ 2,391	\$ 1,709	\$ 116,456	\$ 139,768	\$ 3,086
Cash and cash equivalents	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	1,222	4,597	-	-	17,116	26,234	-
Taxes receivable, net	137	8,659	972	-	78,727	14,855	829
Other receivables, net	2	8	-	33	31	47	-
Due from other Department funds	-	-	-	-	-	-	-
Total assets	\$ 8,021	\$ 37,406	\$ 3,363	\$ 1,742	\$ 212,330	\$ 180,904	\$ 3,915
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental payables	6,799	32,809	3,363	1,742	195,214	154,670	3,915
Obligations under securities lending of State Treasurer	1,222	4,597	-	-	17,116	26,234	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	\$ 8,021	\$ 37,406	\$ 3,363	\$ 1,742	\$ 212,330	\$ 180,904	\$ 3,915

(Continued)

State of Illinois
Department of Revenue

Combining Statement of Fiduciary Net Position -
Agency Funds

June 30, 2016 (Expressed in Thousands)

Agency

	County Option Motor Fuel Tax 0190	County Public Safety ROT 0219	Sports Facility Tax Trust 0229	Private Vehicle Use Home Rule 0263	Metropolitan Pier & Expo. Auth. Trust 0337	Illinois Tourism Tax 0452	School Facility Occupation Tax 0498
ASSETS							
Cash equity in State Treasury	\$ 5,896	\$ 17,240	\$ -	\$ 3,798	\$ 43,811	\$ 5,760	\$ 19,370
Cash and cash equivalents	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	1,097	-	-	-	8,304	-	-
Taxes receivable, net	3,070	2,562	219	620	15,593	2,892	1,697
Other receivables, net	2	-	-	-	15	-	-
Due from other Department funds	-	-	-	-	-	-	-
Total assets	\$ 10,065	\$ 19,802	\$ 219	\$ 4,418	\$ 67,723	\$ 8,652	\$ 21,067
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 217	\$ -	\$ 253	\$ 110	\$ -
Intergovernmental payables	8,968	19,802	2	4,418	59,166	8,542	21,067
Obligations under securities lending of State Treasurer	1,097	-	-	-	8,304	-	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	\$ 10,065	\$ 19,802	\$ 219	\$ 4,418	\$ 67,723	\$ 8,652	\$ 21,067

(Continued)

State of Illinois
Department of Revenue

Combining Statement of Fiduciary Net Position -
Agency Funds

June 30, 2016 (Expressed in Thousands)

	Agency							
	Flood Prevention Occupation Tax 0558	Tax Suspense Trust 0583	Metro East Park & Recreation 0717	Municipal Telecom 0719	RTA Sales Tax Trust 0812	Metro East Mass Transit District Tax 0841	Tennessee Valley Authority Local Trust 0861	
ASSETS								
Cash equity in State Treasury	\$ 2,881	\$ 1	\$ 1,337	\$ 22,881	\$ 106,030	\$ 5,233	\$ -	
Cash and cash equivalents	-	-	-	-	-	-	-	
Securities lending collateral equity with State Treasurer	-	-	-	-	13,045	966	-	
Taxes receivable, net	567	-	219	1,084	92,942	1,513	-	
Other receivables, net	-	-	-	-	23	2	-	
Due from other Department funds	-	-	-	35,695	34,349	-	-	
Total assets	\$ 3,448	\$ 1	\$ 1,556	\$ 59,660	\$ 246,389	\$ 7,714	\$ -	
LIABILITIES								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 5,680	\$ -	\$ -	\$ -	
Intergovernmental payables	3,448	-	1,556	53,980	233,344	6,748	-	
Obligations under securities lending of State Treasurer	-	-	-	-	13,045	966	-	
Other liabilities	-	1	-	-	-	-	-	
Total liabilities	\$ 3,448	\$ 1	\$ 1,556	\$ 59,660	\$ 246,389	\$ 7,714	\$ -	

(Continued)

State of Illinois
Department of Revenue

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

June 30, 2016 (Expressed in Thousands)

	Agency			
	Municipal Automobile Renting Tax 0868	County Automobile Renting Tax 0869	Surety Bond 1151	Total
ASSETS				
Cash equity in State Treasury	\$ 1,181	\$ 48	\$ -	\$ 529,679
Cash and cash equivalents	-	-	519	519
Securities lending collateral equity with State Treasurer	208	9	-	72,798
Taxes receivable, net	680	24	-	227,861
Other receivables, net	-	-	-	163
Due from other Department funds	-	-	-	70,044
Total assets	\$ 2,069	\$ 81	\$ 519	\$ 901,064
LIABILITIES				
Accounts payable and accrued liabilities	-	-	-	6,260
Intergovernmental payables	1,861	72	-	821,486
Obligations under securities lending of State Treasurer	208	9	-	72,798
Other liabilities	-	-	519	520
Total liabilities	\$ 2,069	\$ 81	\$ 519	\$ 901,064

(Concluded)

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2016 (Expressed in Thousands)

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
County Water Commission Tax (0084)				
ASSETS				
Cash equity in State Treasury	\$ 6,647	\$ 37,639	\$ 37,626	\$ 6,660
Securities lending collateral equity with State Treasurer	2,264	23,234	24,276	1,222
Taxes receivable, net	2,125	35,626	37,614	137
Other receivables, net	2	25	25	2
Total assets	\$ 11,038	\$ 96,524	\$ 99,541	\$ 8,021
LIABILITIES				
Intergovernmental payables	\$ 8,774	\$ 35,651	\$ 37,626	\$ 6,799
Obligations under securities lending of State Treasurer	2,264	23,234	24,276	1,222
Total liabilities	\$ 11,038	\$ 58,885	\$ 61,902	\$ 8,021
Non-Home Rule Municipal ROT (0088)				
ASSETS				
Cash equity in State Treasury	\$ 24,432	\$ 127,228	\$ 127,518	\$ 24,142
Securities lending collateral equity with State Treasurer	8,524	92,968	96,895	4,597
Taxes receivable, net	6,940	128,850	127,131	8,659
Other receivables, net	8	97	97	8
Total assets	\$ 39,904	\$ 349,143	\$ 351,641	\$ 37,406
LIABILITIES				
Intergovernmental payables	\$ 31,380	\$ 128,947	\$ 127,518	\$ 32,809
Obligations under securities lending of State Treasurer	8,524	92,968	96,895	4,597
Total liabilities	\$ 39,904	\$ 221,915	\$ 224,413	\$ 37,406
Home Rule Municipal Soft Drink ROT (0097)				
ASSETS				
Cash equity in State Treasury	\$ 1,947	\$ 9,574	\$ 9,130	\$ 2,391
Taxes receivable, net	885	9,661	9,574	972
Total assets	\$ 2,832	\$ 19,235	\$ 18,704	\$ 3,363
LIABILITIES				
Intergovernmental payables	\$ 2,832	\$ 9,661	\$ 9,130	\$ 3,363
Total liabilities	\$ 2,832	\$ 9,661	\$ 9,130	\$ 3,363
Municipal Wireless Service Emergency (0125)				
ASSETS				
Cash equity in State Treasury	\$ -	\$ 10,763	\$ 9,054	\$ 1,709
Other receivables, net	-	10,796	10,763	33
Total assets	\$ -	\$ 21,559	\$ 19,817	\$ 1,742
LIABILITIES				
Intergovernmental payables	\$ -	\$ 10,796	\$ 9,054	\$ 1,742
Total liabilities	\$ -	\$ 10,796	\$ 9,054	\$ 1,742

(Continued)

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2016 (Expressed in Thousands)

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
Home Rule Municipal ROT (0138)				
ASSETS				
Cash equity in State Treasury	\$ 119,208	\$ 988,529	\$ 991,281	\$ 116,456
Securities lending collateral equity with State Treasurer	34,248	343,657	360,789	17,116
Taxes receivable, net	69,745	997,145	988,163	78,727
Other receivables, net	33	364	366	31
Total assets	<u>\$ 223,234</u>	<u>\$ 2,329,695</u>	<u>\$ 2,340,599</u>	<u>\$ 212,330</u>
LIABILITIES				
Intergovernmental payables	\$ 188,986	\$ 997,509	\$ 991,281	\$ 195,214
Obligations under securities lending of State Treasurer	34,248	343,657	360,789	17,116
Total liabilities	<u>\$ 223,234</u>	<u>\$ 1,341,166</u>	<u>\$ 1,352,070</u>	<u>\$ 212,330</u>
Home Rule County ROT (0139)				
ASSETS				
Cash equity in State Treasury	\$ 16,464	\$ 529,612	\$ 406,308	\$ 139,768
Securities lending collateral equity with State Treasurer	19,543	317,824	311,133	26,234
Taxes receivable, net	20,072	524,103	529,320	14,855
Other receivables, net	19	320	292	47
Total assets	<u>\$ 56,098</u>	<u>\$ 1,371,859</u>	<u>\$ 1,247,053</u>	<u>\$ 180,904</u>
LIABILITIES				
Intergovernmental payables	\$ 36,555	\$ 524,423	\$ 406,308	\$ 154,670
Obligations under securities lending of State Treasurer	19,543	317,824	311,133	26,234
Total liabilities	<u>\$ 56,098</u>	<u>\$ 842,247</u>	<u>\$ 717,441</u>	<u>\$ 180,904</u>
Business District ROT (0160)				
ASSETS				
Cash equity in State Treasury	\$ 2,948	\$ 17,556	\$ 17,418	\$ 3,086
Taxes receivable, net	1,392	16,993	17,556	829
Total assets	<u>\$ 4,340</u>	<u>\$ 34,549</u>	<u>\$ 34,974</u>	<u>\$ 3,915</u>
LIABILITIES				
Intergovernmental payables	\$ 4,340	\$ 16,993	\$ 17,418	\$ 3,915
Total liabilities	<u>\$ 4,340</u>	<u>\$ 16,993</u>	<u>\$ 17,418</u>	<u>\$ 3,915</u>
County Option Motor Fuel Tax (0190)				
ASSETS				
Cash equity in State Treasury	\$ 5,738	\$ 32,877	\$ 32,719	\$ 5,896
Securities lending collateral equity with State Treasurer	1,883	20,868	21,654	1,097
Taxes receivable, net	3,001	32,924	32,855	3,070
Other receivables, net	2	22	22	2
Total assets	<u>\$ 10,624</u>	<u>\$ 86,691</u>	<u>\$ 87,250</u>	<u>\$ 10,065</u>
LIABILITIES				
Intergovernmental payables	\$ 8,741	\$ 32,946	\$ 32,719	\$ 8,968
Obligations under securities lending of State Treasurer	1,883	20,868	21,654	1,097
Total liabilities	<u>\$ 10,624</u>	<u>\$ 53,814</u>	<u>\$ 54,373</u>	<u>\$ 10,065</u>

(Continued)

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2016 (Expressed in Thousands)

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
County Public Safety ROT (0219)				
ASSETS				
Cash equity in State Treasury	\$ 15,155	\$ 93,558	\$ 91,473	\$ 17,240
Taxes receivable, net	3,813	92,307	93,558	2,562
Total assets	\$ 18,968	\$ 185,865	\$ 185,031	\$ 19,802
LIABILITIES				
Intergovernmental payables	\$ 18,968	\$ 92,307	\$ 91,473	\$ 19,802
Total liabilities	\$ 18,968	\$ 92,307	\$ 91,473	\$ 19,802
Sports Facility Tax Trust (0229)				
ASSETS				
Cash equity in State Treasury	\$ -	\$ 46,213	\$ 46,213	\$ -
Taxes receivable, net	962	45,470	46,213	219
Total assets	\$ 962	\$ 91,683	\$ 92,426	\$ 219
LIABILITIES				
Accounts payable and accrued liabilities	\$ 238	\$ 217	\$ 238	\$ 217
Intergovernmental payables	724	45,253	45,975	2
Total liabilities	\$ 962	\$ 45,470	\$ 46,213	\$ 219
Private Vehicle Use Home Rule (0263)				
ASSETS				
Cash equity in State Treasury	\$ -	\$ 19,987	\$ 16,189	\$ 3,798
Taxes receivable, net	-	20,607	19,987	620
Total assets	\$ -	\$ 40,594	\$ 36,176	\$ 4,418
LIABILITIES				
Intergovernmental payables	\$ -	\$ 20,607	\$ 16,189	\$ 4,418
Total liabilities	\$ -	\$ 20,607	\$ 16,189	\$ 4,418
Metro Pier & Exposition Authority Trust (0337)				
ASSETS				
Cash equity in State Treasury	\$ 52,066	\$ 145,946	\$ 154,201	\$ 43,811
Securities lending collateral equity with State Treasurer	17,828	93,610	103,134	8,304
Taxes receivable, net	15,110	146,324	145,841	15,593
Other receivables, net	17	103	105	15
Total assets	\$ 85,021	\$ 385,983	\$ 403,281	\$ 67,723
LIABILITIES				
Accounts payable and accrued liabilities	\$ 278	\$ 253	\$ 278	\$ 253
Intergovernmental payables	66,915	146,174	153,923	59,166
Obligations under securities lending of State Treasurer	17,828	93,610	103,134	8,304
Total liabilities	\$ 85,021	\$ 240,037	\$ 257,335	\$ 67,723

(Continued)

State of Illinois
Department of Revenue

Combining Statement of Changes in Assets and Liabilities -
Agency Funds

For the Year Ended June 30, 2016 (Expressed in Thousands)

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
Illinois Tourism Tax (0452)				
ASSETS				
Cash equity in State Treasury	\$ 6,255	\$ 22,847	\$ 23,342	\$ 5,760
Taxes receivable, net	2,641	23,098	22,847	2,892
Due from other Department funds	1,529	-	1,529	-
Total assets	\$ 10,425	\$ 45,945	\$ 47,718	\$ 8,652
LIABILITIES				
Accounts payable and accrued liabilities	\$ 120	\$ 110	\$ 120	\$ 110
Intergovernmental payables	10,305	22,988	24,751	8,542
Total liabilities	\$ 10,425	\$ 23,098	\$ 24,871	\$ 8,652
School Facility Occupation Tax (0498)				
ASSETS				
Cash equity in State Treasury	\$ 13,472	\$ 80,617	\$ 74,719	\$ 19,370
Taxes receivable, net	4,636	77,678	80,617	1,697
Total assets	\$ 18,108	\$ 158,295	\$ 155,336	\$ 21,067
LIABILITIES				
Intergovernmental payables	\$ 18,108	\$ 77,678	\$ 74,719	\$ 21,067
Total liabilities	\$ 18,108	\$ 77,678	\$ 74,719	\$ 21,067
Flood Prevention Occupation Tax (0558)				
ASSETS				
Cash equity in State Treasury	\$ 2,329	\$ 11,057	\$ 10,505	\$ 2,881
Taxes receivable, net	614	11,010	11,057	567
Total assets	\$ 2,943	\$ 22,067	\$ 21,562	\$ 3,448
LIABILITIES				
Intergovernmental payables	\$ 2,943	\$ 11,010	\$ 10,505	\$ 3,448
Total liabilities	\$ 2,943	\$ 11,010	\$ 10,505	\$ 3,448
Tax Suspense Trust (0583)				
ASSETS				
Cash equity in State Treasury	\$ 45	\$ 34	\$ 78	\$ 1
Total assets	\$ 45	\$ 34	\$ 78	\$ 1
LIABILITIES				
Other liabilities	\$ 45	\$ 34	\$ 78	\$ 1
Total liabilities	\$ 45	\$ 34	\$ 78	\$ 1
Metro East Park and Recreation (0717)				
ASSETS				
Cash equity in State Treasury	\$ 1,367	\$ 4,459	\$ 4,489	\$ 1,337
Taxes receivable, net	238	4,440	4,459	219
Total assets	\$ 1,605	\$ 8,899	\$ 8,948	\$ 1,556
LIABILITIES				
Intergovernmental payables	\$ 1,605	\$ 4,440	\$ 4,489	\$ 1,556
Total liabilities	\$ 1,605	\$ 4,440	\$ 4,489	\$ 1,556

(Continued)

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2016 (Expressed in Thousands)

	Balance at				Balance at	
	July 1, 2015	Additions	Deletions		June 30, 2016	
Municipal Telecommunications Fund (0719)						
ASSETS						
Cash equity in State Treasury	\$ 42,761	\$ 216,129	\$ 236,009	\$	22,881	
Taxes receivable, net	1,639	215,397	215,952		1,084	
Due from other Department funds	24,080	11,615	-		35,695	
Total assets	\$ 68,480	\$ 443,141	\$ 451,961	\$	59,660	
LIABILITIES						
Accounts payable and accrued liabilities	\$ 9,603	\$ 5,680	\$ 9,603	\$	5,680	
Intergovernmental payables	58,877	221,509	226,406		53,980	
Total liabilities	\$ 68,480	\$ 227,189	\$ 236,009	\$	59,660	
RTA Sales Tax Trust (0812)						
ASSETS						
Cash equity in State Treasury	\$ 109,757	\$ 1,271,445	\$ 1,275,172	\$	106,030	
Securities lending collateral equity with State Treasurer	27,219	266,895	281,069		13,045	
Taxes receivable, net	93,724	1,130,143	1,130,925		92,942	
Other receivables, net	26	285	288		23	
Due from other Department funds	34,549	140,032	140,232		34,349	
Total assets	\$ 265,275	\$ 2,808,800	\$ 2,827,686	\$	246,389	
LIABILITIES						
Intergovernmental payables	\$ 238,056	\$ 1,270,460	\$ 1,275,172	\$	233,344	
Obligations under securities lending of State Treasurer	27,219	266,895	281,069		13,045	
Total liabilities	\$ 265,275	\$ 1,537,355	\$ 1,556,241	\$	246,389	
Metro East Mass Transit Dist. Tax (0841)						
ASSETS						
Cash equity in State Treasury	\$ 5,515	\$ 30,685	\$ 30,967	\$	5,233	
Securities lending collateral equity with State Treasurer	1,886	19,627	20,547		966	
Taxes receivable, net	1,606	30,571	30,664		1,513	
Other receivables, net	2	21	21		2	
Total assets	\$ 9,009	\$ 80,904	\$ 82,199	\$	7,714	
LIABILITIES						
Intergovernmental payables	\$ 7,123	\$ 30,592	\$ 30,967	\$	6,748	
Obligations under securities lending of State Treasurer	1,886	19,627	20,547		966	
Total liabilities	\$ 9,009	\$ 50,219	\$ 51,514	\$	7,714	
Tennessee Valley Authority Local Trust (0861)						
ASSETS						
Cash equity in State Treasury	\$ 22	\$ 226	\$ 248	\$	-	
Total assets	\$ 22	\$ 226	\$ 248	\$	-	
LIABILITIES						
Intergovernmental payables	\$ 22	\$ 226	\$ 248	\$	-	
Total liabilities	\$ 22	\$ 226	\$ 248	\$	-	

(Continued)

State of Illinois
Department of Revenue

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

For the Year Ended June 30, 2016 (Expressed in Thousands)

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
Municipal Automobile Renting Tax (0868)				
ASSETS				
Cash equity in State Treasury	\$ 1,180	\$ 6,908	\$ 6,907	\$ 1,181
Securities lending collateral equity with State Treasurer	374	4,346	4,512	208
Taxes receivable, net	657	6,926	6,903	680
Other receivables, net	-	5	5	-
Total assets	\$ 2,211	\$ 18,185	\$ 18,327	\$ 2,069
LIABILITIES				
Intergovernmental payables	\$ 1,837	\$ 6,931	\$ 6,907	\$ 1,861
Obligations under securities lending of State Treasurer	374	4,346	4,512	208
Total liabilities	\$ 2,211	\$ 11,277	\$ 11,419	\$ 2,069
County Automobile Renting Tax (0869)				
ASSETS				
Cash equity in State Treasury	\$ 53	\$ 233	\$ 238	\$ 48
Securities lending collateral equity with State Treasurer	20	163	174	9
Taxes receivable, net	25	232	233	24
Total assets	\$ 98	\$ 628	\$ 645	\$ 81
LIABILITIES				
Intergovernmental payables	\$ 78	\$ 232	\$ 238	\$ 72
Obligations under securities lending of State Treasurer	20	163	174	9
Total liabilities	\$ 98	\$ 395	\$ 412	\$ 81
Surety Bond (1151)				
ASSETS				
Cash and cash equivalents	\$ 743	\$ 75	\$ 299	\$ 519
Total assets	\$ 743	\$ 75	\$ 299	\$ 519
LIABILITIES				
Other liabilities	\$ 743	\$ 75	\$ 299	\$ 519
Total liabilities	\$ 743	\$ 75	\$ 299	\$ 519
Total - All Agency Funds				
ASSETS				
Cash equity in State Treasury	\$ 427,361	\$ 3,704,122	\$ 3,601,804	\$ 529,679
Cash and cash equivalents	743	75	299	519
Securities lending collateral equity with State Treasurer	113,789	1,183,192	1,224,183	72,798
Taxes receivable, net	229,825	3,549,505	3,551,469	227,861
Other receivables, net	109	12,038	11,984	163
Due from other Department funds	60,158	151,647	141,761	70,044
Total assets	\$ 831,985	\$ 8,600,579	\$ 8,531,500	\$ 901,064
LIABILITIES				
Accounts payable and accrued liabilities	\$ 10,239	\$ 6,260	\$ 10,239	\$ 6,260
Intergovernmental payables	707,169	3,707,333	3,593,016	821,486
Obligations under securities lending of State Treasurer	113,789	1,183,192	1,224,183	72,798
Other liabilities	788	109	377	520
Total liabilities	\$ 831,985	\$ 4,896,894	\$ 4,827,815	\$ 901,064

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
FINANCIAL AUDIT
For the Year Ended June 30, 2016
AMD COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:
 - Schedule of Appropriations, Expenditures and Lapsed Balances
 - Fiscal Year 2016
 - Fiscal Year 2015
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Locally-Held Funds
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending
 - Analysis of Accounts Receivable
 - Reconciliation of the Analysis of Accounts Receivable to the Taxes Receivable Footnote in the Financial Statements
- Analysis of Operations (Unaudited):
 - Agency Functions and Planning Program (Unaudited)
 - Budget Impasse Disclosures (Unaudited)
 - Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Unaudited)
 - Interest Costs on Fiscal Year 2016 Invoices (Unaudited)
 - Average Number of Employees (Unaudited)
 - Memorandums of Understanding (Unaudited)
 - Audit Collections Statistics (Unaudited)
 - Service Efforts and Accomplishments (Unaudited)

The auditor's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditor's opinion, it is fairly stated, in all material respects in relation to the basic financial statements as a whole from which it has been derived. The auditor's report also states the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

Schedule 1

Fourteen Months Ended August 31, 2016

Public Act 99-0491, Public Act 99-0524, and Court-Ordered Expenditures	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2016	Lapse Period Expenditures July 1 to August 31, 2016	Total Expenditures	Balances Reappropriated July 1, 2016	Balances Lapsed
General Revenue Fund (0001)						
Operational expenses	\$ 82,464,200	\$ 70,989,027	\$ 3,244,245	\$ 74,233,272	\$ -	\$ 8,230,928
Shared Services initiative and other operational expenses	1,960,900	1,733,374	86,884	1,820,258	-	140,642
Total General Revenue Fund	<u>\$ 84,425,100</u>	<u>\$ 72,722,401</u>	<u>\$ 3,331,129</u>	<u>\$ 76,053,530</u>	<u>\$ -</u>	<u>\$ 8,371,570</u>
Motor Fuel Tax Fund (0012)						
Personal services	18,159,900	17,159,302	737,849	17,897,151	-	262,749
State contributions to State Employees' Retirement System	8,280,500	7,846,579	337,287	8,183,866	-	96,634
State contributions to Social Security	1,280,200	1,227,371	52,656	1,280,027	-	173
Group insurance	4,608,000	4,032,688	224,490	4,257,178	-	350,822
Contractual services	3,358,100	-	3,347,483	3,347,483	-	10,617
Travel	808,200	-	799,886	799,886	-	8,314
Commodities	58,400	-	37,539	37,539	-	20,861
Printing	169,800	-	80,025	80,025	-	89,775
Equipment	15,000	-	2,933	2,933	-	12,067
Electronic data processing	7,212,500	5,150,360	2,062,135	7,212,495	-	5
Telecommunications	767,000	-	766,981	766,981	-	19
Operation of automotive equipment	43,200	-	43,200	43,200	-	-
Administration of Motor Fuel Tax Enforcement Grant from U.S.D.O.T.	150,000	-	148,912	148,912	-	1,088
Reimbursement to International Fuel Tax Agreement Member States	10,716,577	10,572,758	143,818	10,716,576	-	1
Motor Fuel Tax refunds	20,797,900	-	19,204,748	19,204,748	-	1,593,152
Shared Services Center	1,109,600	725,749	357,442	1,083,191	-	26,409
Total Motor Fuel Tax Fund	<u>\$ 77,534,877</u>	<u>\$ 46,714,807</u>	<u>\$ 28,347,384</u>	<u>\$ 75,062,191</u>	<u>\$ -</u>	<u>\$ 2,472,686</u>
Underground Storage Tank Fund (0072)						
Personal services	862,800	825,014	35,590	860,604	-	2,196
State contributions to State Employees' Retirement System	393,400	376,723	16,257	392,980	-	420
State contributions to Social Security	63,000	60,384	2,599	62,983	-	17
Group insurance	264,000	223,479	9,509	232,988	-	31,012
Travel	31,600	-	31,534	31,534	-	66
Commodities	700	-	435	435	-	265
Electronic data processing	244,800	109,251	135,549	244,800	-	-
Telecommunications	61,400	-	58,378	58,378	-	3,022
Motor Fuel Tax refunds	7,000	-	6,928	6,928	-	72
Total Underground Storage Tank Fund	<u>\$ 1,928,700</u>	<u>\$ 1,594,851</u>	<u>\$ 296,779</u>	<u>\$ 1,891,630</u>	<u>\$ -</u>	<u>\$ 37,070</u>
Illinois Gaming Law Enforcement Fund (0085)						
Personal services	407,000	142,147	-	142,147	-	264,853
State contributions to State Employees' Retirement System	185,600	64,879	-	64,879	-	120,721
State contributions to Social Security	31,100	10,377	-	10,377	-	20,723
Group insurance	144,000	45,914	-	45,914	-	98,086
Telecommunications	10,000	-	9,969	9,969	-	31
Grants for allocation to local law enforcement agencies	1,100,000	-	684,117	684,117	-	415,883
Total Illinois Gaming Law Enforcement Fund	<u>\$ 1,877,700</u>	<u>\$ 263,317</u>	<u>\$ 694,086</u>	<u>\$ 957,403</u>	<u>\$ -</u>	<u>\$ 920,297</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

Schedule 1

Fourteen Months Ended August 31, 2016

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2016	Lapse Period Expenditures July 1 to August 31, 2016	Total Expenditures	Balances Reappropriated July 1, 2016	Balances Lapsed
Public Act 99-0491, Public Act 99-0524, and Court-Ordered Expenditures						
Foreclosure Prevention Program Graduated Fund (0119)						
Grants to Madison County	\$ 11,000,000	\$ -	\$ -	\$ -	\$ -	\$ 11,000,000
Illinois Department of Revenue Federal Trust Fund (0140)						
Administrative costs	250,000	24,704	8,840	33,544	-	216,456
Rental Housing Support Program Fund (0150)						
Administration of the Rental Housing Support program	1,600,000	-	210,771	210,771	-	1,389,229
Grants to provide rental assistance to the Rental Housing Support Program Fund	35,000,000	-	8,761,156	8,761,156	-	26,238,844
Total Rental Housing Support Program Fund	<u>\$ 36,600,000</u>	<u>\$ -</u>	<u>\$ 8,971,927</u>	<u>\$ 8,971,927</u>	<u>\$ -</u>	<u>\$ 27,628,073</u>
State and Local Sales Tax Reform Fund (0186)						
Grants to allocate to Chicago for additional 1.25% use tax pursuant to P.A. 86-0928	84,400,000	65,995,157	13,159,776	79,154,933	-	5,245,067
Grant to Madison County	2,613,500	-	2,374,648	2,374,648	-	238,852
Total State and Local Sales Tax Reform Fund	<u>\$ 87,013,500</u>	<u>\$ 65,995,157</u>	<u>\$ 15,534,424</u>	<u>\$ 81,529,581</u>	<u>\$ -</u>	<u>\$ 5,483,919</u>
Regional Transportation Authority (RTA) Occupation and Use Tax Replacement Fund (0187)						
Grants to allocate to RTA for 10% of the 1.25% use tax pursuant to P.A. 86-0928	8,920,819	-	-	-	-	8,920,819
Illinois Affordable Housing Trust Fund (0286)						
Administration of the Illinois Affordable Housing Act	4,100,000	-	2,194,276	2,194,276	-	1,905,724
Grants to other State agencies	3,000,000	-	3,000,000	3,000,000	-	-
Grants, mortgages, loans, or for the purpose of securing bonds	53,000,000	-	21,425,000	21,425,000	-	31,575,000
Total Illinois Affordable Housing Trust Fund	<u>\$ 60,100,000</u>	<u>\$ -</u>	<u>\$ 26,619,276</u>	<u>\$ 26,619,276</u>	<u>\$ -</u>	<u>\$ 33,480,724</u>
Federal HOME Investment Trust Fund (0338)						
Illinois HOME Investment Partnerships Program	38,105,176	-	-	-	10,000,000	28,105,176
Tax Compliance and Administration Fund (0384)						
Personal services	5,578,300	4,484,581	193,950	4,678,531	-	899,769
State contributions to State Employees' Retirement System	2,543,600	2,044,016	88,461	2,132,477	-	411,123
State contributions to Social Security	416,700	325,762	14,081	339,843	-	76,857
Group insurance	2,592,000	1,753,949	77,581	1,831,530	-	760,470
Travel	437,000	-	431,055	431,055	-	5,945
Commodities	9,900	-	1,177	1,177	-	8,723
Electronic data processing	2,578,100	-	2,578,080	2,578,080	-	20
Telecommunications	111,400	-	110,999	110,999	-	401

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

Schedule 1

Fourteen Months Ended August 31, 2016

Public Act 99-0491, Public Act 99-0524, and Court-Ordered Expenditures	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2016	Lapse Period Expenditures July 1 to August 31, 2016	Total Expenditures	Balances Reappropriated July 1, 2016	Balances Lapsed
Tax Compliance and Administration Fund (0384) - continued						
Administration of the Dry Cleaners Environmental Response Trust Fund Act	\$ 142,200	\$ 128,918	\$ 13,281	\$ 142,199	\$ -	\$ 1
Administration of the Illinois Petroleum Education and Marketing Act	9,000	-	8,261	8,261	-	739
Administration of Simplified Telecommunications Act	2,687,100	2,429,936	256,600	2,686,536	-	564
Administration costs associated with the Municipality Sales Tax Act	175,700	159,007	16,689	175,696	-	4
Administration of Cigarette Retailer Enforcement Act	1,320,000	24,318	877,803	902,121	-	417,879
Shared Services Center	381,400	13,005	-	13,005	-	368,395
Total Tax Compliance and Administration Fund	<u>\$ 18,982,400</u>	<u>\$ 11,363,492</u>	<u>\$ 4,668,018</u>	<u>\$ 16,031,510</u>	<u>\$ -</u>	<u>\$ 2,950,890</u>
Local Government Distributive Fund (0515)						
Grants to allocate to local governments for additional 1.25% use tax pursuant to P.A. 86-0928	<u>255,100,000</u>	<u>197,502,067</u>	<u>39,364,424</u>	<u>236,866,491</u>	<u>-</u>	<u>18,233,509</u>
Municipal Telecommunications Fund (0719)						
Tax refunds	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,000</u>
Personal Property Tax Replacement Fund (0802)						
Personal services	12,325,100	11,529,213	507,788	12,037,001	-	288,099
State contributions to State Employees' Retirement System	5,620,000	5,265,434	232,046	5,497,480	-	122,520
State contributions to Social Security	925,800	843,688	37,219	880,907	-	44,893
Group insurance	3,864,000	3,495,030	150,007	3,645,037	-	218,963
Contractual services	398,700	-	398,619	398,619	-	81
Travel	245,900	-	245,528	245,528	-	372
Commodities	52,500	-	29,923	29,923	-	22,577
Printing	27,100	-	13,112	13,112	-	13,988
Electronic data processing	5,113,100	886,142	4,226,958	5,113,100	-	-
Telecommunications	561,100	-	561,063	561,063	-	37
Operation of automotive equipment	17,800	-	17,618	17,618	-	182
Ordinary and contingent expenses	1,000,000	997,740	161	997,901	-	2,099
Grants for the State's share of State's Attorneys' and Assistant State's Attorneys' salaries	13,875,000	12,352,289	-	12,352,289	-	1,522,711
Grants for the State's share of County Public Defenders' salaries	7,150,000	5,966,876	-	5,966,876	-	1,183,124
Grants for the State's share of County Supervisors of Assessments or County Assessors' salaries	3,250,000	3,018,092	-	3,018,092	-	231,908
Grants for additional compensation for local assessors as provided by Section 2.3 and 2.6 of the Revenue Act of 1939	350,000	170,250	750	171,000	-	179,000
Grants for additional compensation for local assessors as provided by Section 2.7 of the Revenue Act of 1939	660,000	258,000	120,000	378,000	-	282,000
Grants for additional compensation for county treasurers	663,000	663,000	-	663,000	-	-
Grants for annual stipend for sheriffs	663,000	661,792	926	662,718	-	282
Grants for stipend to county coroner	663,000	655,742	-	655,742	-	7,258
Grants for additional compensation for county auditors	110,500	110,500	-	110,500	-	-
Total Personal Property Tax Replacement Fund	<u>\$ 57,535,600</u>	<u>\$ 46,873,788</u>	<u>\$ 6,541,718</u>	<u>\$ 53,415,506</u>	<u>\$ -</u>	<u>\$ 4,120,094</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

Schedule 1

Fourteen Months Ended August 31, 2016

Public Act 99-0491, Public Act 99-0524, and Court-Ordered Expenditures	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2016	Lapse Period Expenditures July 1 to August 31, 2016	Total Expenditures	Balances Reappropriated July 1, 2016	Balances Lapsed
Dram Shop Fund (0821)						
Personal services	\$ 3,115,800	\$ 2,090,767	\$ 83,316	\$ 2,174,083	\$ -	\$ 941,717
State contributions to State Employees' Retirement System	1,420,700	955,295	38,069	993,364	-	427,336
State contributions to Social Security	238,400	153,537	6,115	159,652	-	78,748
Group insurance	1,080,000	624,318	28,233	652,551	-	427,449
Contractual services	325,700	-	310,057	310,057	-	15,643
Travel	90,000	-	31,505	31,505	-	58,495
Commodities	7,000	-	318	318	-	6,682
Printing	5,000	-	-	-	-	5,000
Equipment	2,900	-	-	-	-	2,900
Electronic data processing	247,500	-	239,121	239,121	-	8,379
Telecommunications	80,000	-	61,024	61,024	-	18,976
Operation of automotive equipment	75,400	-	39,925	39,925	-	35,475
Parental responsibility grant	200,000	-	31,250	31,250	-	168,750
Tobacco study	1,365,200	628,344	305,540	933,884	-	431,316
Operation of the Beverage Alcohol Sellers and Servers Education and Training (BASSET) program	288,700	128,730	28,506	157,236	-	131,464
Retailer education program	251,600	173,507	14,593	188,100	-	63,500
Grants to local government units to establish enforcement programs	1,000,000	-	878,530	878,530	-	121,470
Refunds	5,000	-	525	525	-	4,475
Shared Services Center	115,100	106,254	7,665	113,919	-	1,181
Total Dram Shop Fund	<u>\$ 9,914,000</u>	<u>\$ 4,860,752</u>	<u>\$ 2,104,292</u>	<u>\$ 6,965,044</u>	<u>\$ -</u>	<u>\$ 2,948,956</u>
Local Government Video Gaming Distributive Fund (0842)						
Allocation to local governments of net terminal income tax pursuant to Video Gaming Act	<u>50,000,000</u>	<u>44,743,629</u>	<u>4,833,601</u>	<u>49,577,230</u>	<u>-</u>	<u>422,770</u>
Foreclosure Prevention Program Fund (0891)						
Awards and grants, lump sums and other purposes	<u>8,500,000</u>	<u>-</u>	<u>102,511</u>	<u>102,511</u>	<u>-</u>	<u>8,397,489</u>
Abandoned Residential Property Municipality Relief Fund (0892)						
Awards and grants, lump sums and other purposes	<u>15,000,000</u>	<u>-</u>	<u>80,822</u>	<u>80,822</u>	<u>-</u>	<u>14,919,178</u>
Senior Citizens Real Estate Deferred Tax Revolving Fund (0930)						
Payments to counties	<u>8,000,000</u>	<u>-</u>	<u>4,389,206</u>	<u>4,389,206</u>	<u>-</u>	<u>3,610,794</u>
SUBTOTAL - Appropriated Funds	<u>\$ 830,799,872</u>	<u>\$ 492,658,965</u>	<u>\$ 145,888,437</u>	<u>\$ 638,547,402</u>	<u>\$ 10,000,000</u>	<u>\$ 182,252,470</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

Schedule 1

Fourteen Months Ended August 31, 2016

Public Act 99-0491, Public Act 99-0524, and Court-Ordered Expenditures	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2016	Lapse Period Expenditures July 1 to August 31, 2016	Total Expenditures	Balances Reappropriated July 1, 2016	Balances Lapsed
CONTINUING APPROPRIATIONS						
Income Tax Refund Fund (0278)						
Individual and unitary income tax refunds	\$ 1,856,414,696	\$ 1,856,414,695	\$ -	\$ 1,856,414,695	\$ -	\$ 1
Non-unitary income tax refunds	276,671,667	276,671,667	-	276,671,667	-	-
Total Income Tax Refund Fund	<u>\$ 2,133,086,363</u>	<u>\$ 2,133,086,362</u>	<u>\$ -</u>	<u>\$ 2,133,086,362</u>	<u>\$ -</u>	<u>\$ 1</u>
Regional Transportation Authority (RTA) Occupation and Use Tax Replacement Fund (0187)						
Grants to allocate to RTA for 10% of the 1.25% use tax pursuant to P.A. 86-0928	33,279,181	33,279,181	-	33,279,181	-	-
Local Government Distributive Fund (0515)						
Grants to local governments	1,301,122,536	1,301,122,535	-	1,301,122,535	-	1
Personal Property Tax Replacement Fund (0802)						
Shared revenue payments	1,320,489,566	1,320,489,566	-	1,320,489,566	-	-
SUBTOTAL - Continuing Appropriated Funds	<u>\$ 4,787,977,646</u>	<u>\$ 4,787,977,644</u>	<u>\$ -</u>	<u>\$ 4,787,977,644</u>	<u>\$ -</u>	<u>\$ 2</u>
SUBTOTAL - All Appropriated Funds	<u>\$ 5,618,777,518</u>	<u>\$ 5,280,636,609</u>	<u>\$ 145,888,437</u>	<u>\$ 5,426,525,046</u>	<u>\$ 10,000,000</u>	<u>\$ 182,252,472</u>
NON-APPROPRIATED EXPENDITURES						
General Revenue Fund (0001)						
Tax refunds		60,334	-	60,334		
County Water Commission Tax Fund (0084)						
Shared revenue payments		37,625,718	-	37,625,718		
Non-Home Rule Municipal Retailers' Occupation Tax Fund (0088)						
Shared revenue payments		127,518,464	-	127,518,464		
Home Rule Municipal Soft Drink Retailers' Occupation Tax Fund (0097)						
Shared revenue payments		9,129,829	-	9,129,829		
Municipal Wireless Service Emergency Fund (0125)						
Shared revenue payments		9,053,800	-	9,053,800		
Home Rule Municipal Retail Occupation Tax Fund (0138)						
Shared revenue payments		991,280,992	-	991,280,992		
Home Rule County Retailers' Occupation Tax Fund (0139)						
Shared revenue payments		448,574,303	-	448,574,303		
Rental Housing Support Program Fund (0150)						
Grants to provide rental assistance to the Rental Housing Support Program Fund		-	14,560,210	14,560,210		

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

Schedule 1

Fourteen Months Ended August 31, 2016

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2016	Lapse Period Expenditures July 1 to August 31, 2016	Total Expenditures	Balances Reappropriated July 1, 2016	Balances Lapsed
Public Act 99-0491, Public Act 99-0524, and Court-Ordered Expenditures						
Business District Retailers' Occupation Tax Fund (0160)						
Shared revenue payments		\$ 17,417,799	\$ -	\$ 17,417,799		
County and Mass Transit District Fund (0188)						
Shared revenue payments		225,250,490	-	225,250,490		
Local Government Tax Fund (0189)						
Shared revenue payments		1,803,684,765	-	1,803,684,765		
County Option Motor Fuel Tax Fund (0190)						
Shared revenue payments		32,718,877	-	32,718,877		
County Public Safety Retailers' Occupation Tax Fund (0219)						
Shared revenue payments		91,472,800	-	91,472,800		
Sports Facilities Tax Trust Fund (0229)						
Interfund tax and fee transfers		1,925,545	-	1,925,545		
Interfund advance transfers		50,002,416	-	50,002,416		
Total Sports Facilities Tax Trust Fund		\$ 51,927,961	\$ -	\$ 51,927,961		
Private Vehicle Use Home Rule Fund (0263)						
Shared revenue payments		16,188,778	-	16,188,778		
Illinois Tourism Tax Fund (0452)						
Shared revenue payments		23,342,341	-	23,342,341		
School Facility Occupation Tax Fund (0498)						
Shared revenue payments		79,860,620	-	79,860,620		
Flood Prevention Occupation Tax Fund (0558)						
Shared revenue payments		11,548,959	-	11,548,959		
Tax Suspense Trust Fund (0583)						
Disburse misdirected payments		25,498	2,187	27,685		
Metro East Park and Recreation Fund (0717)						
Shared revenue payments		4,488,888	-	4,488,888		
Municipal Telecommunications Fund (0719)						
Grants to local governments		232,916,362	-	232,916,362		
RTA Sales Tax Fund (0812)						
Shared revenue payments		1,275,171,982	-	1,275,171,982		

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

Schedule 1

Fourteen Months Ended August 31, 2016

Public Act 99-0491, Public Act 99-0524, and Court-Ordered Expenditures	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2016	Lapse Period Expenditures July 1 to August 31, 2016	Total Expenditures	Balances Reappropriated July 1, 2016	Balances Lapsed
Metro East Mass Transit District Tax Fund (0841)						
Shared revenue payments		\$ 30,967,259	\$ -	\$ 30,967,259		
Tennessee Valley Authority Local Trust Fund (0861)						
Shared revenue payments		247,964	-	247,964		
Municipal Automobile Renting Tax Fund (0868)						
Shared revenue payments		6,906,818	-	6,906,818		
County Automobile Renting Tax Fund (0869)						
Shared revenue payments		237,588	-	237,588		
SUBTOTAL - Nonappropriated Expenditures		<u>\$ 5,527,619,189</u>	<u>\$ 14,562,397</u>	<u>\$ 5,542,181,586</u>		
DEPARTMENT TOTAL - ALL FUNDS		<u>\$ 10,808,255,798</u>	<u>\$ 160,450,834</u>	<u>\$ 10,968,706,632</u>		

Notes:

- (a) Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to Department records.
- (b) Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.
- (c) During fiscal year 2016, the Department operated without enacted appropriations until Public Act 99-0491 was signed into law on December 7, 2015, and Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Department's court-ordered payroll payments were merged into the enacted appropriations within Funds 0001, 0012, 0072, 0085, 0384, 0802, and 0821. Further, the Department incurred non-payroll obligations within Funds 0001, 0012, 0072, 0085, 0150, 0186, 0187, 0286, 0384, 0515, 0802, 0821, 0842, 0891, 0892, and 0930, which the Department was unable to pay until the passage of Public Acts 99-0491 and 99-0524.
- (d) Public Act 99-0524 authorized the Department to pay fiscal year 2016 costs using its fiscal year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 152 includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department to be submitted against its fiscal year 2017 appropriations.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

Schedule 2

Fourteen Months Ended August 31, 2015

Public Act 98-0679, Public Act 99-0001	Appropriations (Net after Transfers)	Expenditures Through June 30, 2015	Lapse Period Expenditures July 1 to August 31, 2015	Total Expenditures	Balances Reappropriated July 1, 2015	Balances Lapsed
General Revenue Fund (0001)						
Operational expenses	\$ 95,391,300	\$ 88,379,806	\$ 4,971,543	\$ 93,351,349	\$ -	\$ 2,039,951
Governor's discretionary expenses	900,000	449,214	117,180	566,394	-	333,606
Shared Services initiative and other operational expenses	1,879,600	1,746,599	84,697	1,831,296	-	48,304
Total General Revenue Fund	<u>\$ 98,170,900</u>	<u>\$ 90,575,619</u>	<u>\$ 5,173,420</u>	<u>\$ 95,749,039</u>	<u>\$ -</u>	<u>\$ 2,421,861</u>
Motor Fuel Tax Fund (0012)						
Personal services	18,086,500	17,304,004	731,625	18,035,629	-	50,871
State contributions to State Employees' Retirement System	7,657,600	7,341,942	310,469	7,652,411	-	5,189
State contributions to Social Security	1,383,600	1,247,196	53,037	1,300,233	-	83,367
Group insurance	4,416,000	3,589,359	175,287	3,764,646	-	651,354
Contractual services	2,016,800	1,827,313	93,019	1,920,332	-	96,468
Travel	773,200	667,082	88,964	756,046	-	17,154
Commodities	58,400	6,611	-	6,611	-	51,789
Printing	169,800	147,752	17,303	165,055	-	4,745
Equipment	15,000	2,446	-	2,446	-	12,554
Electronic data processing	7,042,600	6,429,190	353,124	6,782,314	-	260,286
Telecommunications	767,000	678,492	72,641	751,133	-	15,867
Operation of automotive equipment	43,200	43,069	-	43,069	-	131
Administration of Motor Fuel Tax Enforcement Grant from U.S.D.O.T.	150,000	29,818	27,159	56,977	-	93,023
Reimbursement to International Fuel Tax Agreement Member States	6,000,000	3,063,912	2,916,877	5,980,789	-	19,211
Motor Fuel Tax refunds	22,000,000	15,615,497	1,404,249	17,019,746	-	4,980,254
Shared Services Center	908,800	860,496	34,205	894,701	-	14,099
Total Motor Fuel Tax Fund	<u>\$ 71,488,500</u>	<u>\$ 58,854,179</u>	<u>\$ 6,277,959</u>	<u>\$ 65,132,138</u>	<u>\$ -</u>	<u>\$ 6,356,362</u>
Underground Storage Tank Fund (0072)						
Personal services	844,400	796,889	34,609	831,498	-	12,902
State contributions to State Employees' Retirement System	357,500	337,824	14,670	352,494	-	5,006
State contributions to Social Security	64,600	58,155	2,527	60,682	-	3,918
Group insurance	253,000	193,228	10,393	203,621	-	49,379
Travel	30,200	30,133	-	30,133	-	67
Commodities	2,100	239	-	239	-	1,861
Printing	1,500	14	-	14	-	1,486
Electronic data processing	252,200	245,542	4,484	250,026	-	2,174
Telecommunications	61,400	61,005	-	61,005	-	395
Motor Fuel Tax refunds	12,000	-	-	-	-	12,000
Total Underground Storage Tank Fund	<u>\$ 1,878,900</u>	<u>\$ 1,723,029</u>	<u>\$ 66,683</u>	<u>\$ 1,789,712</u>	<u>\$ -</u>	<u>\$ 89,188</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

Schedule 2

Fourteen Months Ended August 31, 2015

Public Act 98-0679, Public Act 99-0001	Appropriations (Net after Transfers)	Expenditures Through June 30, 2015	Lapse Period Expenditures July 1 to August 31, 2015	Total Expenditures	Balances Reappropriated July 1, 2015	Balances Lapsed
Illinois Gaming Law Enforcement Fund (0085)						
Personal services	\$ 408,400	\$ 245,848	\$ 16,767	\$ 262,615	\$ -	\$ 145,785
State contributions to State Employees' Retirement System	172,900	104,251	7,113	111,364	-	61,536
State contributions to Social Security	31,300	18,010	1,230	19,240	-	12,060
Group insurance	138,000	70,446	4,696	75,142	-	62,858
Contractual services	10,000	-	-	-	-	10,000
Telecommunications	10,000	-	-	-	-	10,000
Grants for allocation to local law enforcement agencies	1,100,000	812,645	-	812,645	-	287,355
Total Illinois Gaming Law Enforcement Fund	<u>\$ 1,870,600</u>	<u>\$ 1,251,200</u>	<u>\$ 29,806</u>	<u>\$ 1,281,006</u>	<u>\$ -</u>	<u>\$ 589,594</u>
Foreclosure Prevention Program Graduated Fund (0119)						
Grants for allocation to housing counseling agencies and community based organizations	5,000,000	-	-	-	-	5,000,000
Home Rule Municipal Retailers' Occupation Tax Fund (0138)						
Personal services	251,300	41,052	-	41,052	-	210,248
State contributions to State Employees' Retirement System	106,400	17,480	-	17,480	-	88,920
State contributions to Social Security	19,300	2,998	-	2,998	-	16,302
Group insurance	46,000	6,700	-	6,700	-	39,300
Travel	50,800	9,898	-	9,898	-	40,902
Electronic data processing	-	-	-	-	-	-
Telecommunications	44,600	-	-	-	-	44,600
Total Home Rule Municipal Retailers' Occupation Tax Fund	<u>\$ 518,400</u>	<u>\$ 78,128</u>	<u>\$ -</u>	<u>\$ 78,128</u>	<u>\$ -</u>	<u>\$ 440,272</u>
Illinois Department of Revenue Federal Trust Fund (0140)						
Administrative costs	250,000	136,494	5,228	141,722	-	108,278
Rental Housing Support Program Fund (0150)						
Administration of the Rental Housing Support program	1,100,000	357,009	90,365	447,374	-	652,626
Grants to provide rental assistance to the Rental Housing Support Program Fund	35,000,000	-	-	-	-	35,000,000
Total Rental Housing Support Program Fund	<u>\$ 36,100,000</u>	<u>\$ 357,009</u>	<u>\$ 90,365</u>	<u>\$ 447,374</u>	<u>\$ -</u>	<u>\$ 35,652,626</u>
State and Local Sales Tax Reform Fund (0186)						
Grants to allocate to Chicago for additional 1.25% use tax pursuant to P.A. 86-0928	73,800,000	59,511,682	12,358,309	71,869,991	-	1,930,009
Grants to Madison County	2,613,500	1,785,350	370,749	2,156,099	-	457,401
Total State and Local Sales Tax Reform Fund	<u>\$ 76,413,500</u>	<u>\$ 61,297,032</u>	<u>\$ 12,729,058</u>	<u>\$ 74,026,090</u>	<u>\$ -</u>	<u>\$ 2,387,410</u>
Regional Transportation Authority (RTA) Occupation and Use Tax Replacement Fund (0187)						
Grants to allocate to RTA for 10% of the 1.25% use tax pursuant to P.A. 86-0928	36,900,000	29,937,119	6,179,154	36,116,273	-	783,727

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
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Appropriations for Fiscal Year 2015

Schedule 2

Fourteen Months Ended August 31, 2015

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2015	Lapse Period Expenditures July 1 to August 31, 2015	Total Expenditures	Balances Reappropriated July 1, 2015	Balances Lapsed
Public Act 98-0679, Public Act 99-0001						
County Option Motor Fuel Tax Fund (0190)						
Personal services	\$ 324,300	\$ -	\$ -	\$ -	\$ -	\$ 324,300
State contributions to State Employees' Retirement System	137,300	-	-	-	-	137,300
State contributions to Social Security	24,800	-	-	-	-	24,800
Group insurance	115,000	-	-	-	-	115,000
Electronic data processing	40,000	-	-	-	-	40,000
Telecommunications	25,000	-	-	-	-	25,000
Total County Option Motor Fuel Tax Fund	<u>\$ 666,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 666,400</u>
Illinois Affordable Housing Trust Fund (0286)						
Administration of the Illinois Affordable Housing Act	4,000,000	2,249,980	830,971	3,080,951	-	919,049
Grants to other State agencies	3,000,000	-	-	-	-	3,000,000
Grants, mortgages, loans, or for the purpose of securing bonds	75,000,000	41,881,269	1,250,000	43,131,269	-	31,868,731
Total Illinois Affordable Housing Trust Fund	<u>\$ 82,000,000</u>	<u>\$ 44,131,249</u>	<u>\$ 2,080,971</u>	<u>\$ 46,212,220</u>	<u>\$ -</u>	<u>\$ 35,787,780</u>
Federal HOME Investment Trust Fund (0338)						
Illinois HOME Investment Partnerships Program	35,000,000	21,894,824	-	21,894,824	13,105,176	-
Tax Compliance and Administration Fund (0384)						
Personal services	5,904,500	5,638,834	253,014	5,891,848	-	12,652
State contributions to State Employees' Retirement System	2,499,900	2,389,175	107,227	2,496,402	-	3,498
State contributions to Social Security	451,700	402,131	18,046	420,177	-	31,523
Group insurance	2,323,000	1,648,182	72,361	1,720,543	-	602,457
Contractual services	-	-	-	-	-	-
Travel	300,000	119,769	129,327	249,096	-	50,904
Commodities	2,400	-	-	-	-	2,400
Electronic data processing	2,563,900	2,019,890	55,615	2,075,505	-	488,395
Telecommunications	62,400	62,200	-	62,200	-	200
Operational expenses	1,200,800	238,087	47,602	285,689	-	915,111
Administration of the Dry Cleaners Environmental Response Trust Fund Act	138,000	115,650	5,058	120,708	-	17,292
Administration of the Illinois Petroleum Education and Marketing Act	9,000	1,216	-	1,216	-	7,784
Administration of Simplified Telecommunications Act	2,621,100	2,410,378	164,355	2,574,733	-	46,367
Administration costs associated with the Municipality Sales Tax Act	177,400	154,194	6,700	160,894	-	16,506
Shared Services Center	388,800	307,130	9,876	317,006	-	71,794
Total Tax Compliance and Administration Fund	<u>\$ 18,642,900</u>	<u>\$ 15,506,836</u>	<u>\$ 869,181</u>	<u>\$ 16,376,017</u>	<u>\$ -</u>	<u>\$ 2,266,883</u>
Predatory Lending Database Program Fund (0478)						
Grants for the Predatory Lending Database Program	120,000	118,211	-	118,211	-	1,789
Local Government Distributive Fund (0515)						
Grants to allocate to local governments for additional 1.25% use tax pursuant to P.A. 86-0928	216,920,000	175,006,984	36,584,053	211,591,037	-	5,328,963
Municipal Telecommunications Fund (0719)						
Tax refunds	12,000	-	-	-	-	12,000

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

Schedule 2

Fourteen Months Ended August 31, 2015

Public Act 98-0679, Public Act 99-0001	Appropriations (Net after Transfers)	Expenditures Through June 30, 2015	Lapse Period Expenditures July 1 to August 31, 2015	Total Expenditures	Balances Reappropriated July 1, 2015	Balances Lapsed
Personal Property Tax Replacement Fund (0802)						
Personal services	\$ 11,586,600	\$ 11,073,447	\$ 489,224	\$ 11,562,671	\$ -	\$ 23,929
State contributions to State Employees' Retirement System	4,905,600	4,695,571	207,526	4,903,097	-	2,503
State contributions to Social Security	886,400	806,836	35,743	842,579	-	43,821
Group insurance	3,703,000	3,268,021	142,527	3,410,548	-	292,452
Contractual services	944,100	929,049	3,935	932,984	-	11,116
Travel	243,900	238,074	1,756	239,830	-	4,070
Commodities	52,500	33,019	2,575	35,594	-	16,906
Printing	27,100	26,924	-	26,924	-	176
Electronic data processing	5,483,900	5,256,429	226,621	5,483,050	-	850
Telecommunications	561,100	560,632	-	560,632	-	468
Operation of automotive equipment	17,800	5,616	11,238	16,854	-	946
Grants for the State's share of State's Attorneys' and Assistant State's Attorneys' salaries	13,680,000	13,475,224	-	13,475,224	-	204,776
Grants for the State's share of County Public Defenders' salaries	7,100,000	5,328,750	1,066,911	6,395,661	-	704,339
Grants for the State's share of County Supervisors of Assessments or County Assessors' salaries	3,200,000	2,945,408	-	2,945,408	-	254,592
Grants for additional compensation for local assessors as provided by Section 2.3 and 2.6 of the Revenue Act of 1939	350,000	186,250	500	186,750	-	163,250
Grants for additional compensation for local assessors as provided by Section 2.7 of the Revenue Act of 1939	660,000	177,000	156,000	333,000	-	327,000
Grants for additional compensation for county treasurers	663,000	662,188	-	662,188	-	812
Grants for annual stipend for sheriffs	663,000	663,000	-	663,000	-	-
Grants for stipend to county coroner	663,000	656,500	-	656,500	-	6,500
Grants for additional compensation for county auditors	110,500	110,500	(784)	109,716	-	784
Total Personal Property Tax Replacement Fund	<u>\$ 55,501,500</u>	<u>\$ 51,098,438</u>	<u>\$ 2,343,772</u>	<u>\$ 53,442,210</u>	<u>\$ -</u>	<u>\$ 2,059,290</u>
Dram Shop Fund (0821)						
Personal services	3,240,700	1,865,183	-	1,865,183	-	1,375,517
State contributions to State Employees' Retirement System	1,372,100	791,173	-	791,173	-	580,927
State contributions to Social Security	247,900	137,080	-	137,080	-	110,820
Group insurance	1,035,000	510,675	1,833	512,508	-	522,492
Contractual services	311,900	283,871	13,424	297,295	-	14,605
Travel	90,000	46,867	8,725	55,592	-	34,408
Commodities	7,000	117	37	154	-	6,846
Printing	5,000	-	-	-	-	5,000
Equipment	2,900	-	-	-	-	2,900
Electronic data processing	247,500	135,090	81,666	216,756	-	30,744
Telecommunications	80,000	48,253	8,729	56,982	-	23,018
Operation of automotive equipment	75,400	26,327	2,475	28,802	-	46,598
Parental responsibility grant	200,000	1,592	124,775	126,367	-	73,633
Tobacco study	1,396,100	760,656	80,854	841,510	-	554,590
Operation of the Beverage Alcohol Sellers and Servers Education and Training (BASSET) program	284,400	210,564	594	211,158	-	73,242
Retailer education program	256,400	183,371	64	183,435	-	72,965
Grants to local government units to establish enforcement programs	1,000,000	961,800	-	961,800	-	38,200
Refunds	5,000	1,000	-	1,000	-	4,000
Shared Services Center	127,900	101,424	4,413	105,837	-	22,063
Total Dram Shop Fund	<u>\$ 9,985,200</u>	<u>\$ 6,065,043</u>	<u>\$ 327,589</u>	<u>\$ 6,392,632</u>	<u>\$ -</u>	<u>\$ 3,592,568</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

Fourteen Months Ended August 31, 2015

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2015	Lapse Period Expenditures July 1 to August 31, 2015	Total Expenditures	Balances Reappropriated July 1, 2015	Balances Lapsed
Public Act 98-0679, Public Act 99-0001						
Local Government Video Gaming Distributive Fund (0842) Allocation to local governments of net terminal income tax pursuant to Video Gaming Act	\$ 40,000,000	\$ 37,977,479	\$ -	\$ 37,977,479	\$ -	\$ 2,022,521
Foreclosure Prevention Program Fund (0891) Awards and grants, lump sums and other purposes	5,000,000	892,567	44,242	936,809	-	4,063,191
Abandoned Residential Property Municipality Relief Fund (0892) Awards and grants, lump sums and other purposes	15,000,000	70,520	21,039	91,559	-	14,908,441
Senior Citizens Real Estate Deferred Tax Revolving Fund (0930) Payments to counties	8,000,000	4,908,579	-	4,908,579	-	3,091,421
Build Illinois Bond Fund (0971) Affordable housing grants, loans, and investments for low-income families, senior citizens, persons with disabilities, and at risk displaced veterans	15,813,020	15,813,020	-	15,813,020	-	-
SUBTOTAL - Appropriated Funds	<u>\$ 831,251,820</u>	<u>\$ 617,693,559</u>	<u>\$ 72,822,520</u>	<u>\$ 690,516,079</u>	<u>\$ 13,105,176</u>	<u>\$ 127,630,565</u>
CONTINUING APPROPRIATIONS						
Income Tax Refund Fund (0278)						
Individual and unitary income tax refunds	1,919,766,890	1,919,766,890	-	1,919,766,890	-	-
Non-unitary income tax refunds	515,803,477	515,803,476	-	515,803,476	-	1
Total Income Tax Refund Fund	<u>\$ 2,435,570,367</u>	<u>\$ 2,435,570,366</u>	<u>\$ -</u>	<u>\$ 2,435,570,366</u>	<u>\$ -</u>	<u>\$ 1</u>
Local Government Distributive Fund (0515) Grants to local governments	1,316,281,852	1,316,281,851	-	1,316,281,851	-	1
Personal Property Tax Replacement Fund (0802) Shared revenue payments	1,434,423,366	1,434,423,365	-	1,434,423,365	-	1
SUBTOTAL - Continuing Appropriated Funds	<u>\$ 5,186,275,585</u>	<u>\$ 5,186,275,582</u>	<u>\$ -</u>	<u>\$ 5,186,275,582</u>	<u>\$ -</u>	<u>\$ 3</u>
SUBTOTAL - All Appropriated Funds	<u>\$ 6,017,527,405</u>	<u>\$ 5,803,969,141</u>	<u>\$ 72,822,520</u>	<u>\$ 5,876,791,661</u>	<u>\$ 13,105,176</u>	<u>\$ 127,630,568</u>
NON-APPROPRIATED EXPENDITURES						
County Water Commission Tax Fund (0084) Shared revenue payments		36,554,210	-	36,554,210		
Non-Home Rule Municipal Retailers' Occupation Tax Fund (0088) Shared revenue payments		120,143,281	-	120,143,281		

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

Fourteen Months Ended August 31, 2015

	<u>Appropriations (Net after Transfers)</u>	<u>Expenditures Through June 30, 2015</u>	<u>Lapse Period Expenditures July 1 to August 31, 2015</u>	<u>Total Expenditures</u>	<u>Balances Reappropriated July 1, 2015</u>	<u>Balances Lapsed</u>
Public Act 98-0679, Public Act 99-0001						
Home Rule Municipal Soft Drink Retailers' Occupation Tax Fund (0097)						
Shared revenue payments		\$ 9,113,901	\$ -	\$ 9,113,901		
Refunds		935	-	935		
Total Home Rule Municipal Soft Drink Retailers' Occupation Tax Fund		<u>\$ 9,114,836</u>	<u>\$ -</u>	<u>\$ 9,114,836</u>		
Municipal Wireless Service Emergency Fund (0125)						
Shared revenue payments		<u>8,277,320</u>	<u>-</u>	<u>8,277,320</u>		
Home Rule Municipal Retail Occupation Tax Fund (0138)						
Shared revenue payments		<u>949,701,449</u>	<u>-</u>	<u>949,701,449</u>		
Home Rule County Retailers' Occupation Tax Fund (0139)						
Shared revenue payments		<u>342,210,749</u>	<u>-</u>	<u>342,210,749</u>		
Business District Retailers' Occupation Tax Fund (0160)						
Shared revenue payments		<u>16,259,589</u>	<u>-</u>	<u>16,259,589</u>		
County and Mass Transit District Fund (0188)						
Shared revenue payments		<u>225,890,941</u>	<u>-</u>	<u>225,890,941</u>		
Local Government Tax Fund (0189)						
Shared revenue payments		<u>1,773,505,322</u>	<u>31</u>	<u>1,773,505,353</u>		
County Option Motor Fuel Tax Fund (0190)						
Shared revenue payments		<u>31,786,100</u>	<u>-</u>	<u>31,786,100</u>		
County Public Safety Retailers' Occupation Tax Fund (0219)						
Shared revenue payments		<u>89,881,336</u>	<u>-</u>	<u>89,881,336</u>		
Sports Facilities Tax Trust Fund (0229)						
Interfund tax and fee transfers		1,791,367	-	1,791,367		
Interfund advance transfers		42,992,817	-	42,992,817		
Total Sports Facilities Tax Trust Fund		<u>\$ 44,784,184</u>	<u>\$ -</u>	<u>\$ 44,784,184</u>		
Illinois Tourism Tax Fund (0452)						
Shared revenue payments		<u>21,715,788</u>	<u>-</u>	<u>21,715,788</u>		
School Facility Occupation Tax Fund (0498)						
Shared revenue payments		<u>70,033,370</u>	<u>-</u>	<u>70,033,370</u>		
Flood Prevention Occupation Tax Fund (0558)						
Shared revenue payments		<u>11,384,692</u>	<u>-</u>	<u>11,384,692</u>		
Tax Suspense Trust Fund (0583)						
Disburse misdirected payments		<u>10,837</u>	<u>53,266</u>	<u>64,103</u>		

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

Schedule 2

Fourteen Months Ended August 31, 2015

	<u>Appropriations (Net after Transfers)</u>	<u>Expenditures Through June 30, 2015</u>	<u>Lapse Period Expenditures July 1 to August 31, 2015</u>	<u>Total Expenditures</u>	<u>Balances Reappropriated July 1, 2015</u>	<u>Balances Lapsed</u>
Public Act 98-0679, Public Act 99-0001						
Metro East Park and Recreation Fund (0717) Shared revenue payments		\$ 4,411,381	\$ -	\$ 4,411,381		
Municipal Telecommunications Fund (0719) Grants to local governments		227,434,168	93	227,434,261		
Personal Property Tax Replacement Fund (0802) Grants for stipend liability to county treasurers		371,230	11,991	383,221		
Grants for stipend liability for sheriffs		372,179	6,639	378,818		
Total Personal Property Tax Replacement Fund		<u>\$ 743,409</u>	<u>\$ 18,630</u>	<u>\$ 762,039</u>		
RTA Sales Tax Fund (0812) Shared revenue payments		1,235,029,810	-	1,235,029,810		
Metro East Mass Transit District Tax Fund (0841) Shared revenue payments		30,060,944	-	30,060,944		
Tennessee Valley Authority Local Trust Fund (0861) Shared revenue payments		322,054	-	322,054		
Municipal Automobile Renting Tax Fund (0868) Shared revenue payments		6,680,152	-	6,680,152		
County Automobile Renting Tax Fund (0869) Shared revenue payments		243,724	-	243,724		
SUBTOTAL - Nonappropriated Expenditures		<u>\$ 5,256,179,646</u>	<u>\$ 72,020</u>	<u>\$ 5,256,251,666</u>		
DEPARTMENT TOTAL - ALL FUNDS		<u>\$ 11,060,148,787</u>	<u>\$ 72,894,540</u>	<u>\$ 11,133,043,327</u>		

Notes:

- (a) Appropriations, expenditures and lapsed balances were obtained from the State Comptroller's records which have been reconciled to Department records.
- (b) Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.
- (c) On March 26, 2015, Public Act 99-0001 was signed into law, which increased the Illinois Department of Revenue's General Revenues Fund appropriation from \$95,409,900 to \$98,170,900.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

Schedule 3

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	Public Acts 99-0491 99-0524, and Court-Ordered Expenditures	Public Acts 98-0679 99-0001	Public Acts 98-0050, 98-0064
General Revenue Fund (0001)			
Appropriations (Net of Transfers)	\$ 84,425,100	\$ 98,170,900	\$ 111,188,100
<u>Expenditures:</u>			
Operational expenses	74,233,272	93,351,349	103,749,044
Governor's discretionary expenses	-	566,394	-
Shared Services initiative and other operational expenses	1,820,258	1,831,296	1,605,743
Tax refunds	-	-	3,999,497
Total General Revenue Fund	<u>\$ 76,053,530</u>	<u>\$ 95,749,039</u>	<u>\$ 109,354,284</u>
Lapsed Balances	<u>8,371,570</u>	<u>2,421,861</u>	<u>1,833,816</u>
Motor Fuel Tax Fund (0012)			
Appropriations (Net of Transfers)	<u>77,534,877</u>	<u>71,488,500</u>	<u>70,518,900</u>
<u>Expenditures:</u>			
Personal services	17,897,151	18,035,629	17,742,267
State contributions to State Employees' Retirement System	8,183,866	7,652,411	7,150,758
State contributions to Social Security	1,280,027	1,300,233	1,278,940
Group insurance	4,257,178	3,764,646	3,826,945
Contractual services	3,347,483	1,920,332	1,623,698
Travel	799,886	756,046	757,667
Commodities	37,539	6,611	13,759
Printing	80,025	165,055	115,353
Equipment	2,933	2,446	-
Electronic data processing	7,212,495	6,782,314	6,947,277
Telecommunications	766,981	751,133	763,983
Operation of automotive equipment	43,200	43,069	42,865
Administration of Motor Fuel Tax Enforcement Grant from U.S.D.O.T.	148,912	56,977	62,508
Reimbursement to International Fuel Tax Agreement Member States	10,716,576	5,980,789	673,737
Motor Fuel Tax refunds	19,204,748	17,019,746	17,546,706
Shared Services Center	1,083,191	894,701	951,244
Total Motor Fuel Tax Fund	<u>\$ 75,062,191</u>	<u>\$ 65,132,138</u>	<u>\$ 59,497,707</u>
Lapsed Balances	<u>2,472,686</u>	<u>6,356,362</u>	<u>11,021,193</u>
Underground Storage Tank Fund (0072)			
Appropriations (Net of Transfers)	<u>1,928,700</u>	<u>1,878,900</u>	<u>1,843,800</u>
<u>Expenditures:</u>			
Personal services	860,604	831,498	828,647
State contributions to State Employees' Retirement System	392,980	352,494	334,577
State contributions to Social Security	62,983	60,682	60,625
Group insurance	232,988	203,621	209,673
Travel	31,534	30,133	30,191
Commodities	435	239	323
Printing	-	14	-
Electronic data processing	244,800	250,026	232,961
Telecommunications	58,378	61,005	61,399
Motor Fuel Tax refunds	6,928	-	-
Total Underground Storage Tank Fund	<u>\$ 1,891,630</u>	<u>\$ 1,789,712</u>	<u>\$ 1,758,396</u>
Lapsed Balances	<u>37,070</u>	<u>89,188</u>	<u>85,404</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

Schedule 3

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	Public Acts 99-0491 99-0524, and Court-Ordered Expenditures	Public Acts 98-0679 99-0001	Public Acts 98-0050, 98-0064
Illinois Gaming Law Enforcement Fund (0085)			
Appropriations (Net of Transfers)	\$ 1,877,700	\$ 1,870,600	\$ 1,812,700
<u>Expenditures:</u>			
Personal services	142,147	262,615	371,329
State contributions to State Employees' Retirement System	64,879	111,364	149,801
State contributions to Social Security	10,377	19,240	27,153
Group insurance	45,914	75,142	118,874
Telecommunications	9,969	-	-
Grants for allocation to local law enforcement agencies	684,117	812,645	978,677
Total Illinois Gaming Law Enforcement Fund	<u>\$ 957,403</u>	<u>\$ 1,281,006</u>	<u>\$ 1,645,834</u>
Lapsed Balances	<u>920,297</u>	<u>589,594</u>	<u>166,866</u>
Foreclosure Prevention Program Graduated Fund (0119)			
Appropriations (Net of Transfers)	11,000,000	5,000,000	-
Lapsed Balances	<u>11,000,000</u>	<u>5,000,000</u>	<u>-</u>
Home Rule Municipal Retailers' Occupation Tax Fund (0138)			
Appropriations (Net of Transfers)	-	518,400	2,490,800
<u>Expenditures:</u>			
Personal services	-	41,052	241,536
State contributions to State Employees' Retirement System	-	17,480	98,255
State contributions to Social Security	-	2,998	17,577
Group insurance	-	6,700	47,888
Travel	-	9,898	50,796
Electronic data processing	-	-	105,100
Telecommunications	-	-	44,441
Total Home Rule Municipal Retailers' Occupation Tax Fund	<u>\$ -</u>	<u>\$ 78,128</u>	<u>\$ 605,593</u>
Lapsed Balances	<u>-</u>	<u>440,272</u>	<u>1,885,207</u>
Illinois Department of Revenue Federal Trust Fund (0140)			
Appropriations (Net of Transfers)	250,000	250,000	250,000
<u>Expenditures:</u>			
Administrative costs	33,544	141,722	145,565
Lapsed Balances	<u>216,456</u>	<u>108,278</u>	<u>104,435</u>
Rental Housing Support Program Fund (0150)			
Appropriations (Net of Transfers)	36,600,000	36,100,000	26,100,000
<u>Expenditures:</u>			
Administration of the Rental Housing Support program	210,771	447,374	668,906
Grants to provide rental assistance to the Rental Housing Support Program Fund	8,761,156	-	18,194,111
Total Rental Housing Support Program Fund	<u>\$ 8,971,927</u>	<u>\$ 447,374</u>	<u>\$ 18,863,017</u>
Lapsed Balances	<u>27,628,073</u>	<u>35,652,626</u>	<u>7,236,983</u>
State and Local Sales Tax Reform Fund (0186)			
Appropriations (Net of Transfers)	87,013,500	76,413,500	66,613,500
<u>Expenditures:</u>			
Grants to allocate to Chicago for additional 1.25% use tax pursuant to P.A. 86-0928	79,154,933	71,869,991	62,976,216
Grants to Madison County	2,374,648	2,156,099	2,173,600
Total State and Local Sales Tax Reform Fund	<u>\$ 81,529,581</u>	<u>\$ 74,026,090</u>	<u>\$ 65,149,816</u>
Lapsed Balances	<u>5,483,919</u>	<u>2,387,410</u>	<u>1,463,684</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

Schedule 3

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	Public Acts 99-0491 99-0524, and Court-Ordered Expenditures	Public Acts 98-0679 99-0001	Public Acts 98-0050, 98-0064
Regional Transportation Authority (RTA) Occupation and Use Tax Replacement Fund (0187)			
Appropriations (Net of Transfers)	\$ 8,920,819	\$ 36,900,000	\$ 32,000,000
<u>Expenditures:</u>			
Grants to allocate to RTA for 10% of the 1.25% use tax pursuant to P.A. 86-0928	-	36,116,273	31,536,416
Lapsed Balances	<u>8,920,819</u>	<u>783,727</u>	<u>463,584</u>
County Option Motor Fuel Tax Fund (0190)			
Appropriations (Net of Transfers)	-	666,400	\$ 739,100
<u>Expenditures:</u>			
Personal services	-	-	358,328
State contributions to State Employees' Retirement System	-	-	144,567
State contributions to Social Security	-	-	26,389
Group insurance	-	-	117,868
Total County Option Motor Fuel Tax Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 647,152</u>
Lapsed Balances	<u>-</u>	<u>666,400</u>	<u>91,948</u>
Debt Collection Fund (0279)			
Appropriations (Net of Transfers)	-	-	20,000
<u>Expenditures:</u>			
Administration of Statewide debt collection	-	-	15,210
Lapsed Balances	<u>-</u>	<u>-</u>	<u>4,790</u>
Illinois Tax Increment Fund (0281)			
Appropriations (Net of Transfers)	-	-	722,700
Lapsed Balances	<u>-</u>	<u>-</u>	<u>722,700</u>
Illinois Affordable Housing Trust Fund (0286)			
Appropriations (Net of Transfers)	60,100,000	82,000,000	57,000,000
<u>Expenditures:</u>			
Administration of the Illinois Affordable Housing Act	2,194,276	3,080,951	3,514,796
Grants to other State agencies	3,000,000	-	-
Grants, mortgages, loans, or for the purpose of securing bonds	21,425,000	43,131,269	49,985,376
Total Illinois Affordable Housing Trust Fund	<u>\$ 26,619,276</u>	<u>\$ 46,212,220</u>	<u>\$ 53,500,172</u>
Lapsed Balances	<u>33,480,724</u>	<u>35,787,780</u>	<u>3,499,828</u>
Federal HOME Investment Trust Fund (0338)			
Appropriations (Net of Transfers)	38,105,176	35,000,000	44,864,600
<u>Expenditures:</u>			
Illinois HOME Investment Partnerships Program	-	21,894,824	17,130,313
Reappropriated Balances	<u>10,000,000</u>	<u>13,105,176</u>	<u>15,000,000</u>
Lapsed Balances	<u>28,105,176</u>	<u>-</u>	<u>12,734,287</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

Schedule 3

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	Public Acts 99-0491 99-0524, and Court-Ordered Expenditures	Public Acts 98-0679 99-0001	Public Acts 98-0050, 98-0064
Tax Compliance and Administration Fund (0384)			
Appropriations (Net of Transfers)	\$ 18,982,400	\$ 18,642,900	\$ 14,119,100
<u>Expenditures:</u>			
Personal services	4,678,531	5,891,848	2,798,138
State contributions to State Employees' Retirement System	2,132,477	2,496,402	1,144,756
State contributions to Social Security	339,843	420,177	195,135
Group insurance	1,831,530	1,720,543	724,102
Contractual services	-	-	239,100
Travel	431,055	249,096	291,707
Commodities	1,177	-	-
Electronic data processing	2,578,080	2,075,505	1,467,819
Telecommunications	110,999	62,200	26,072
Operational expenses	-	285,689	-
Administration of the Dry Cleaners Environmental Response Trust Fund Act	142,199	120,708	115,195
Administration of the Illinois Petroleum Education and Marketing Act	8,261	1,216	1,311
Administration of Simplified Telecommunications Act	2,686,536	2,574,733	2,412,896
Administration costs associated with the Municipality Sales Tax Act	175,696	160,894	156,008
Administration of Cigarette Retailer Enforcement Act	902,121	-	-
Shared Services Center	13,005	317,006	61,068
Total Tax Compliance and Administration Fund	<u>\$ 16,031,510</u>	<u>\$ 16,376,017</u>	<u>\$ 9,633,307</u>
Lapsed Balances	<u>2,950,890</u>	<u>2,266,883</u>	<u>4,485,793</u>
Predatory Lending Database Program Fund (0478)			
Appropriations (Net of Transfers)	-	120,000	845,000
<u>Expenditures:</u>			
Grants for the Predatory Lending Database Program	-	118,211	845,000
Lapsed Balances	<u>-</u>	<u>1,789</u>	<u>-</u>
Local Government Distributive Fund (0515)			
Appropriations (Net of Transfers)	255,100,000	216,920,000	184,280,000
<u>Expenditures:</u>			
Grants to allocate to local governments for additional 1.25% use tax pursuant to P.A. 86-0928	236,866,491	211,591,037	180,727,470
Lapsed Balances	<u>18,233,509</u>	<u>5,328,963</u>	<u>3,552,530</u>
Municipal Telecommunications Fund (0719)			
Appropriations (Net of Transfers)	12,000	12,000	12,000
Lapsed Balances	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>
Personal Property Tax Replacement Fund (0802)			
Appropriations (Net of Transfers)	57,535,600	55,501,500	54,069,900
<u>Expenditures:</u>			
Personal services	12,037,001	11,562,671	11,092,194
State contributions to State Employees' Retirement System	5,497,480	4,903,097	4,477,283
State contributions to Social Security	880,907	842,579	807,275
Group insurance	3,645,037	3,410,548	3,549,989
Contractual services	398,619	932,984	1,001,044
Travel	245,528	239,830	243,632
Commodities	29,923	35,594	51,240
Printing	13,112	26,924	26,055
Electronic data processing	5,113,100	5,483,050	4,924,036
Telecommunications	561,063	560,632	560,192
Operation of automotive equipment	17,618	16,854	17,800
Ordinary and contingent expenses	997,901	-	-
Grants for the State's share of State's Attorneys' and Assistant State's Attorneys' salaries	12,352,289	13,475,224	13,475,224
Grants for the State's share of County Public Defenders' salaries	5,966,876	6,395,661	6,351,400
Grants for the State's share of County Supervisors of Assessments or County Assessors' salaries	3,018,092	2,945,408	2,873,566

STATE OF ILLINOIS
DEPARTMENT OF REVENUE

Schedule 3

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	Public Acts 99-0491 99-0524, and Court-Ordered Expenditures	Public Acts 98-0679 99-0001	Public Acts 98-0050, 98-0064
Personal Property Tax Replacement Fund (0802) - Continued			
Grants for additional compensation for local assessors as provided by Section 2.3 and 2.6 of the Revenue Act of 1939	\$ 171,000	\$ 186,750	\$ 323,771
Grants for additional compensation for local assessors as provided by Section 2.7 of the Revenue Act of 1939	378,000	333,000	166,500
Grants for additional compensation for county treasurers	663,000	662,188	663,000
Grants for annual stipend for sheriffs	662,718	663,000	663,000
Grants for stipend to county coroner	655,742	656,500	663,000
Grants for additional compensation for county auditors	110,500	109,716	110,500
Total Personal Property Tax Replacement Fund	<u>\$ 53,415,506</u>	<u>\$ 53,442,210</u>	<u>\$ 52,040,701</u>
Lapsed Balances	<u>4,120,094</u>	<u>2,059,290</u>	<u>2,029,199</u>
Dram Shop Fund (0821)			
Appropriations (Net of Transfers)	<u>9,914,000</u>	<u>9,985,200</u>	<u>10,289,100</u>
<u>Expenditures:</u>			
Personal services	2,174,083	1,865,183	2,624,569
State contributions to State Employees' Retirement System	993,364	791,173	1,059,930
State contributions to Social Security	159,652	137,080	192,222
Group insurance	652,551	512,508	758,319
Contractual services	310,057	297,295	274,357
Travel	31,505	55,592	85,718
Commodities	318	154	1,297
Printing	-	-	302
Electronic data processing	239,121	216,756	271,551
Telecommunications	61,024	56,982	36,144
Operation of automotive equipment	39,925	28,802	45,441
Parental responsibility grant	31,250	126,367	186,248
Tobacco study	933,884	841,510	937,018
Operation of the Beverage Alcohol Sellers and Servers Education and Training (BASSET) program	157,236	211,158	247,283
Retailer education program	188,100	183,435	213,082
Grants to local government units to establish enforcement programs	878,530	961,800	993,730
Refunds	525	1,000	4,450
Shared Services Center	113,919	105,837	38,794
Total Dram Shop Fund	<u>\$ 6,965,044</u>	<u>\$ 6,392,632</u>	<u>\$ 7,970,455</u>
Lapsed Balances	<u>2,948,956</u>	<u>3,592,568</u>	<u>2,318,645</u>
Local Government Video Gaming Distributive Fund (0842)			
Appropriations (Net of Transfers)	<u>50,000,000</u>	<u>40,000,000</u>	<u>45,000,000</u>
<u>Expenditures:</u>			
Allocation to local governments of net terminal income tax pursuant to Video Gaming Act	<u>49,577,230</u>	<u>37,977,479</u>	<u>21,316,783</u>
Lapsed Balances	<u>422,770</u>	<u>2,022,521</u>	<u>23,683,217</u>
Foreclosure Prevention Program Fund (0891)			
Appropriations (Net of Transfers)	<u>8,500,000</u>	<u>5,000,000</u>	<u>20,000,000</u>
<u>Expenditures:</u>			
Awards and grants, lump sums and other purposes	<u>102,511</u>	<u>936,809</u>	<u>3,432,581</u>
Lapsed Balances	<u>8,397,489</u>	<u>4,063,191</u>	<u>16,567,419</u>
Abandoned Residential Property Municipality Relief Fund (0892)			
Appropriations (Net of Transfers)	<u>15,000,000</u>	<u>15,000,000</u>	<u>30,000,000</u>
<u>Expenditures:</u>			
Awards and grants, lump sums and other purposes	<u>80,822</u>	<u>91,559</u>	<u>7,372,294</u>
Lapsed Balances	<u>14,919,178</u>	<u>14,908,441</u>	<u>22,627,706</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

Schedule 3

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	Public Acts 99-0491 99-0524, and Court-Ordered Expenditures	Public Acts 98-0679 99-0001	Public Acts 98-0050, 98-0064
Senior Citizens Real Estate Deferred Tax Revolving Fund (0930)			
Appropriations (Net of Transfers)	\$ 8,000,000	\$ 8,000,000	\$ 9,200,000
<u>Expenditures</u>			
Payments to counties	4,389,206	4,908,579	5,571,278
Lapsed Balances	<u>3,610,794</u>	<u>3,091,421</u>	<u>3,628,722</u>
Build Illinois Bond Fund (0971)			
Appropriations (Net of Transfers)	-	15,813,020	71,332,867
<u>Expenditures</u>			
Affordable housing grants, loans, and investments for low-income families, senior citizens, persons with disabilities, and at risk displaced veterans	-	15,813,020	54,516,847
Affordable housing grants, loans, and investments for low-income persons with disabilities and at risk displaced veterans	-	-	1,003,000
Total Build Illinois Bond Fund	<u>\$ -</u>	<u>\$ 15,813,020</u>	<u>\$ 55,519,847</u>
Reappropriated Balances	-	-	15,813,020
Lapsed Balances	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL - APPROPRIATED FUNDS			
Total Appropriations (Net of Transfers)	<u>\$ 830,799,872</u>	<u>\$ 831,251,820</u>	<u>\$ 855,312,167</u>
Total Appropriated Expenditures	<u>\$ 638,547,402</u>	<u>\$ 690,516,079</u>	<u>\$ 704,279,191</u>
Balances Reappropriated July 1	<u>\$ 10,000,000</u>	<u>\$ 13,105,176</u>	<u>\$ 30,813,020</u>
Lapsed Balances	<u>\$ 182,252,470</u>	<u>\$ 127,630,565</u>	<u>\$ 120,219,956</u>
CONTINUING APPROPRIATED FUNDS			
Income Tax Refund Fund (0278)			
Appropriations (Net of Transfers)	2,133,086,363	2,435,570,367	2,455,872,332
<u>Expenditures</u>			
Income tax refunds	2,133,086,362	2,435,570,366	2,455,872,332
Lapsed Balances	<u>1</u>	<u>1</u>	<u>-</u>
Regional Transportation Authority (RTA) Occupation and Use Tax Replacement Fund (0187)			
Appropriations (Net of Transfers)	33,279,181	-	-
<u>Expenditures</u>			
Grants to allocate to RTA for 10% of the 1.25% use tax pursuant to P.A. 86-0928	33,279,181	-	-
Lapsed Balances	<u>-</u>	<u>-</u>	<u>-</u>
Local Government Distributive Fund (0515)			
Appropriations (Net of Transfers)	1,301,122,536	1,316,281,852	1,223,196,227
<u>Expenditures</u>			
Grants to local governments	1,301,122,535	1,316,281,851	1,223,196,226
Lapsed Balances	<u>1</u>	<u>1</u>	<u>1</u>
Personal Property Tax Replacement Fund (0802)			
Appropriations (Net of Transfers)	1,320,489,566	1,434,423,366	1,370,966,178
<u>Expenditures</u>			
Shared revenue payments	1,320,489,566	1,434,423,365	1,370,966,178
Lapsed Balances	<u>-</u>	<u>1</u>	<u>-</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

Schedule 3

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	Public Acts 99-0491 99-0524, and Court-Ordered Expenditures	Public Acts 98-0679 99-0001	Public Acts 98-0050, 98-0064
TOTAL - CONTINUING APPROPRIATED FUNDS			
Total Continuing Appropriations (Net of Transfers)	\$ 4,787,977,646	\$ 5,186,275,585	\$ 5,050,034,737
Total Expenditures	\$ 4,787,977,644	\$ 5,186,275,582	\$ 5,050,034,736
Lapsed Balances	\$ 2	\$ 3	\$ 1
NONAPPROPRIATED FUNDS			
General Revenue Fund (0001)			
Tax refunds	60,334	-	-
County Water Commission Tax Fund (0084)			
Shared revenue payments	37,625,718	36,554,210	34,742,042
Non-Home Rule Municipal Retailers' Occupation Tax Fund (0088)			
Shared revenue payments	127,518,464	120,143,281	113,409,810
Home Rule Municipal Soft Drink Retailers' Occupation Tax Fund (0097)			
Shared revenue payments	9,129,829	9,113,901	8,983,681
Refunds	-	935	17
Total Home Rule Municipal Soft Drink ROT Fund	\$ 9,129,829	\$ 9,114,836	\$ 8,983,698
Municipal Wireless Service Emergency Fund (0125)			
Shared revenue payments	9,053,800	8,277,320	6,595,797
Home Rule Municipal Retail Occupation Tax Fund (0138)			
Shared revenue payments	991,280,992	949,701,449	899,095,307
Home Rule County Retailers' Occupation Tax Fund (0139)			
Shared revenue payments	448,574,303	342,210,749	329,432,102
Rental Housing Support Program Fund (0150)			
Grants to provide rental assistance to the Rental Housing Support Program Fund	14,560,210	-	-
Business District Retailers' Occupation Tax Fund (0160)			
Shared revenue payments	17,417,799	16,259,589	15,135,832
County and Mass Transit District Fund (0188)			
Shared revenue payments	225,250,490	225,890,941	222,529,259
Local Government Tax Fund (0189)			
Shared revenue payments	1,803,684,765	1,773,505,353	1,714,849,368
County Option Motor Fuel Tax Fund (0190)			
Shared revenue payments	32,718,877	31,786,100	32,165,938
County Public Safety Retailers' Occupation Tax Fund (0219)			
Shared revenue payments	91,472,800	89,881,336	87,713,253
Sports Facilities Tax Trust Fund (0229)			
Interfund tax and fee transfers	1,925,545	1,791,367	1,631,689
Interfund advance transfers	50,002,416	42,992,817	39,160,532
Total Sports Facilities Tax Trust Fund	\$ 51,927,961	\$ 44,784,184	\$ 40,792,221
Private Vehicle Use Home Rule Fund (0263)			
Shared revenue payments	16,188,778	-	-
Illinois Tourism Tax Fund (0452)			
Shared revenue payments	23,342,341	21,715,788	19,780,076
School Facility Occupation Tax Fund (0498)			
Shared revenue payments	79,860,620	70,033,370	51,362,215
Flood Prevention Occupation Tax Fund (0558)			
Shared revenue payments	11,548,959	11,384,692	11,048,547

STATE OF ILLINOIS
DEPARTMENT OF REVENUE

Schedule 3

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	Public Acts 99-0491 99-0524, and Court-Ordered Expenditures	Public Acts 98-0679 99-0001	Public Acts 98-0050, 98-0064
Tax Suspense Trust Fund (0583) Disburse misdirected payments	\$ 27,685	\$ 64,103	\$ 50,957
Metro East Park and Recreation District Fund (0717) Shared revenue payments	4,488,888	4,411,381	4,288,817
Municipal Telecommunications Fund (0719) Grants to local governments	232,916,362	227,434,261	259,163,457
Personal Property Tax Replacement Fund (0802) Grants for stipend liability to county treasurers	-	383,221	-
Grants for stipend liability for sheriffs	-	378,818	-
Total Personal Property Tax Replacement Fund	\$ -	\$ 762,039	\$ -
RTA Sales Tax Fund (0812) Shared revenue payments	1,275,171,982	1,235,029,810	1,169,251,340
Metro East Mass Transit District Tax Fund (0841) Shared revenue payments	30,967,259	30,060,944	29,157,010
Tennessee Valley Authority Local Trust Fund (0861) Shared revenue payments	247,964	322,054	250,168
Municipal Automobile Renting Tax Fund (0868) Shared revenue payments	6,906,818	6,680,152	6,355,343
County Automobile Renting Tax Fund (0869) Shared revenue payments	237,588	243,724	236,817
TOTAL EXPENDITURES - NONAPPROPRIATED FUNDS	<u>\$ 5,542,181,586</u>	<u>\$ 5,256,251,666</u>	<u>\$ 5,056,389,374</u>
GRAND TOTAL EXPENDITURES - ALL FUNDS	<u>\$ 10,968,706,632</u>	<u>\$ 11,133,043,327</u>	<u>\$ 10,810,703,301</u>
STATE OFFICERS' SALARIES Appropriations (Net of Transfers)	599,500	599,500	599,400
<u>Expenditures</u>			
Department of Revenue			
Director	142,339	142,566	142,339
Assistant Director	121,010	51,747	-
Liquor Control Commission:			
Chairman	-	27,997	35,282
Members (Six Total)	202,374	204,318	204,318
Secretary	37,571	37,571	14,068
Chairman and one member per diem for work on License Appeal Commission	3,800	4,800	8,000
Total General Revenue Fund	\$ 507,094	\$ 468,999	\$ 404,007
Lapsed Balances	<u>\$ 92,406</u>	<u>\$ 130,501</u>	<u>\$ 195,393</u>

Notes:

- (a) Expenditure authority, appropriations, expenditures and lapsed balances were obtained from the State Comptroller's records, which have been reconciled to Department records.
- (b) Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.
- (c) During fiscal year 2016, the Department operated without enacted appropriations until Public Act 99-0491 was signed into law on December 7, 2015, and Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Department's court-ordered payroll payments were merged into the enacted appropriations within Funds 0001, 0012, 0072, 0085, 0384, 0802, and 0821. Further, the Department incurred non-payroll obligations within Funds 0001, 0012, 0072, 0085, 0150, 0186, 0187, 0286, 0384, 0515, 0802, 0821, 0842, 0891, 0892, and 0930, which the Department was unable to pay until the passage of Public Acts 99-0491 and 99-0524.
- (d) Public Act 99-0524 authorized the Department to pay fiscal year 2016 costs using its fiscal year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 152 includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department to be submitted against its fiscal year 2017 appropriations.
- (e) Fiscal year 2014 expenditures do not match the amounts reported in the Compliance Examination report for the two years ended June 30, 2014, due to reclassifications made to conform to the fiscal year 2016 presentation.
- (f) On March 26, 2015, Public Act 99-0001 was signed into law, which increased the Illinois Department of Revenue's General Revenue Fund appropriation from \$95,409,900 to \$98,170,900.

DEPARTMENT OF REVENUE

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

For the Fiscal Years Ended June 30, 2016 and 2015

Fund Name/Fund Number	2016	2015
Surety Bond (1151)		
Beginning cash balances	\$ 743,136	\$ 842,242
Receipts:		
Bond operations	75,000	4,000
Disbursements:		
Refunds	298,888	103,106
Ending cash balance	<u>\$ 519,248</u>	<u>\$ 743,136</u>
Evidence Fund (1369)		
Beginning cash balances	\$ 3,554	\$ 3,127
Receipts:		
Private organizations or individuals	322	3,077
Disbursements:		
Purchase of evidence	580	2,650
Ending cash balance	<u>\$ 3,296</u>	<u>\$ 3,554</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Fiscal Years Ended June 30, 2016 and 2015

	<u>Total</u>	<u>Financed Equipment</u>	<u>Buildings and Building Improvements</u>	<u>Capital Lease Equipment</u>	<u>Equipment</u>
Balance at July 1, 2014	\$ 11,891,011	\$ -	\$ 6,322	\$ 18,876	\$ 11,865,813
Additions	85,614	-	-	-	85,614
Deletions	(641,509)	-	-	(18,876)	(622,633)
Net Transfers	(262,374)	-	-	-	(262,374)
Balance at June 30, 2015	<u>\$ 11,072,742</u>	<u>\$ -</u>	<u>\$ 6,322</u>	<u>\$ -</u>	<u>\$ 11,066,420</u>
	<u>Total</u>	<u>Financed Equipment</u>	<u>Buildings and Building Improvements</u>	<u>Capital Lease Equipment</u>	<u>Equipment</u>
Balance at July 1, 2015	\$ 11,072,742	\$ -	\$ 6,322	\$ -	\$ 11,066,420
Additions	953,514	-	-	161,365	792,149
Deletions	(254,413)	-	-	(22,452)	(231,961)
Net Transfers	255,766	-	-	-	255,766
Balance at June 30, 2016	<u>\$ 12,027,609</u>	<u>\$ -</u>	<u>\$ 6,322</u>	<u>\$ 138,913</u>	<u>\$ 11,882,374</u>

- (1) The summary schedule was prepared using State property records required by the Illinois Administrative Code (Code). The capitalization policy in the Code is different than the capitalization policy established by the Office of the Comptroller for financial reporting in accordance with generally accepted accounting principles.
- (2) The schedule has been derived from Department records which have been reconciled to property reports (C-15 Agency Report of State Property) submitted to the Office of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF CASH RECEIPTS

Schedule 6

For Fiscal Years Ended June 30, 2016, 2015, and 2014

FUND/REVENUE SOURCE	FUND	2016	2015	2014
General Funds:				
General Revenue Fund	0001			
Automobile renting tax		\$ 40,437,766	\$ 39,316,373	\$ 37,886,358
Bingo license fees		137,046	127,750	266,175
Cigarette tax		253,866,644	256,941,190	255,529,857
Coin operators' amusement tax		1,181,641	1,281,112	1,165,750
Federal government		106,270	127,724	117,514
Fines, penalties or violations		1,074,341	1,274,563	1,316,794
Fund transfers		1,925,545	38,416,367	35,631,689
Hotel operators' occupation tax		46,162,731	46,133,110	37,482,492
Income tax		13,711,599,264	16,760,450,024	18,360,540,937
Licenses, fees or registrations		6,517,113	6,457,295	6,092,477
Liquor tax		169,494,776	166,806,335	164,548,472
Miscellaneous		31,158	3,009,031	268,048
Private sales/used car use tax		30,307,827	31,877,120	28,865,174
Public utility tax		841,706,927	918,703,364	927,229,495
Repayment to State pursuant to law		-	1,074,332	202,794
Sales tax		6,016,604,947	5,993,196,865	5,728,170,366
Unidentified tax source		593,843	37,239	268,202
Total General Revenue Fund		<u>\$ 21,121,747,839</u>	<u>\$ 24,265,229,794</u>	<u>\$ 25,585,582,594</u>
Common School Special Account Fund	0005			
Sales tax		<u>2,005,532,364</u>	<u>1,997,732,284</u>	<u>1,909,390,047</u>
Education Assistance Fund	0007			
Income tax		<u>1,150,842,780</u>	<u>1,358,316,432</u>	<u>1,445,867,837</u>
Illinois Sports Facilities Fund	0225			
Fund transfers		5,000,000	4,375,000	5,000,000
Hotel operators' occupation tax		52,664,021	50,130,000	47,730,000
Total Illinois Sports Facilities Fund		<u>\$ 57,664,021</u>	<u>\$ 54,505,000</u>	<u>\$ 52,730,000</u>
Income Tax Refund Fund	0278			
Income tax		<u>2,063,469,754</u>	<u>2,428,198,721</u>	<u>2,417,899,895</u>
Common School Fund	0412			
Bingo tax		796,641	826,524	807,860
Cigarette tax		99,525,368	96,485,434	97,931,935
Public utility tax		81,095,884	84,397,260	82,390,855
Pull tabs and jar games licenses		206,744	216,843	197,262
Pull tabs and jar games tax		1,456,936	1,529,953	1,880,059
Total Common School Fund		<u>\$ 183,081,573</u>	<u>\$ 183,456,014</u>	<u>\$ 183,207,971</u>
Municipal Economic Development Fund	0650			
Public utility tax		-	-	16,124
Highway Funds:				
Motor Fuel Tax-State Fund	0012			
Federal government		27,159	63,879	24,419
Licenses, fees or registrations		879,866	938,516	928,363
Motor fuel tax		1,277,133,843	1,222,556,206	1,223,455,586
Total Motor Fuel Tax - State Fund		<u>\$ 1,278,040,868</u>	<u>\$ 1,223,558,601</u>	<u>\$ 1,224,408,368</u>
Special State Funds:				
Mental Health Fund	0050			
Bingo tax		<u>796,641</u>	<u>826,523</u>	<u>807,859</u>
Public Utility Fund	0059			
Licenses, fees or registrations		-	5,500,000	5,500,000
Public utility tax		6,302,472	6,797,261	7,064,683
Total Public Utility Fund		<u>\$ 6,302,472</u>	<u>\$ 12,297,261</u>	<u>\$ 12,564,683</u>
Underground Storage Tank Fund	0072			
Motor fuel tax		<u>76,905,808</u>	<u>70,716,264</u>	<u>70,512,184</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF CASH RECEIPTS

Schedule 6

For Fiscal Years Ended June 30, 2016, 2015, and 2014

FUND/REVENUE SOURCE	FUND	2016	2015	2014
Compassionate Use of Medical Cannabis Fund	0075			
Sales tax		\$ 463,322	\$ -	\$ -
Illinois Gaming Law Enforcement Fund	0085			
Charitable games license fees		91,585	78,028	90,050
Charitable games tax		329,072	286,971	274,689
Pull tabs and jar games licenses		206,744	202,243	211,862
Pull tabs and jar games tax		1,456,936	1,529,953	1,880,060
Total Illinois Gaming Law Enforcement Fund		\$ 2,084,337	\$ 2,097,195	\$ 2,456,661
Clean Air Act (CAA) Permit Fund	0091			
Sales tax		606,600	1,175,708	1,245,907
Rental Housing Support Program Fund	0150			
Real estate transfer tax		14,210,767	18,071,983	18,630,831
State Crime Laboratory Fund	0152			
Sales tax		6,000,000	-	-
Sexual Assault Services and Prevention Fund	0158			
Surcharge		521,740	491,309	399,977
State and Local Sales Tax Reform Fund	0186			
Sales tax		409,310,685	354,756,448	315,508,273
Emergency Public Health Fund	0240			
Licenses, fees or registrations		3,596,569	3,609,352	3,627,246
Illinois Tax Increment Fund	0281			
Sales tax		-	-	5,602,308
Illinois Affordable Housing Trust Fund	0286			
Real estate transfer tax		38,487,437	32,879,876	28,052,681
Licenses, fees or registrations		1,500	13,250	76,250
Loan repayments		9,603,288	9,404,538	9,470,022
Repayment to State pursuant to law		46,956	-	-
Private organizations or individuals		-	3,900	500,000
Total Illinois Affordable Housing Trust Fund		\$ 48,139,181	\$ 42,301,564	\$ 38,098,953
Used Tire Management Fund	0294			
Licenses, fees or registrations		13,666,962	13,715,538	13,783,533
Natural Areas Acquisition Fund	0298			
Real estate transfer tax		11,546,231	10,176,389	8,860,143
Open Space Lands Acquisition and Development Fund	0299			
Real estate transfer tax		26,941,206	23,025,913	19,636,877
Long-Term Care Provider Fund	0345			
Cigarette tax		18,811,455	18,392,578	18,074,084
McCormick Place Expansion Project Fund	0377			
Sales tax		56,532,123	31,852,506	36,700,000
Tax Compliance and Administration Fund	0384			
Cigarette tax		768,225	-	-
Fines, penalties or violations		137,998	218,395	175,557
Income tax		5,245,941	3,941,398	-
Licenses, fees or registrations		196,102	83,592	81,705
Metro East mass transit tax district		9,872	9,575	9,412
Public utility tax		1,311,072	3,202,931	1,099,411
Sales tax		5,382,928	4,633,362	1,581,259
Surcharge		10,531	10,027	6,020
Total Tax Compliance and Administration Fund		\$ 13,062,669	\$ 12,099,280	\$ 2,953,364

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF CASH RECEIPTS

Schedule 6

For Fiscal Years Ended June 30, 2016, 2015, and 2014

FUND/REVENUE SOURCE	FUND	2016	2015	2014
Drycleaner Environmental Response Trust Fund	0548			
Drycleaner tax		\$ 360,925	\$ 377,926	\$ 405,111
Licenses, fees or registrations		1,417,609	1,513,022	1,555,800
Total Drycleaner Environmental Response Trust Fund		<u>\$ 1,778,534</u>	<u>\$ 1,890,948</u>	<u>\$ 1,960,911</u>
Supplemental Low-Income Energy Assistance Fund	0550			
Public utility tax		<u>98,871,765</u>	<u>101,176,164</u>	<u>90,170,632</u>
Renewable Energy Resources Trust Fund	0564			
Licenses, fees or registrations		<u>5,804,412</u>	<u>5,936,017</u>	<u>5,195,944</u>
School Infrastructure Fund	0568			
Cigarette tax		45,811,906	54,995,400	54,338,425
Public utility tax		69,095,883	72,397,296	70,390,853
Total School Infrastructure Fund		<u>\$ 114,907,789</u>	<u>\$ 127,392,696</u>	<u>\$ 124,729,278</u>
Energy Efficiency Trust Fund	0571			
Licenses, fees or registrations		<u>1,555,266</u>	<u>4,147,700</u>	<u>2,039,219</u>
Wireless Service Emergency Fund	0612			
Public utility tax		<u>9,531,324</u>	<u>6,817,323</u>	<u>6,663,990</u>
International Tourism Fund	0621			
Hotel operators' occupation tax		<u>5,336,645</u>	<u>5,198,208</u>	<u>4,601,475</u>
Chicago Travel Industry Promotion Fund	0624			
Hotel operators' occupation tax		<u>10,317,513</u>	<u>10,049,869</u>	<u>8,896,184</u>
Illinois Racing Quarter Horse Breeders Fund	0631			
Privilege tax		<u>11,203</u>	<u>23,617</u>	<u>8,154</u>
Horse Racing Fund	0632			
Privilege tax		<u>5,463,574</u>	<u>5,463,970</u>	<u>6,143,315</u>
Fund for Advancement of Education	0640			
Income tax		<u>458,506,719</u>	<u>242,681,696</u>	<u>-</u>
Commitment to Human Services Fund	0644			
Income tax		<u>458,506,720</u>	<u>242,681,696</u>	<u>-</u>
Healthcare Provider Relief Fund	0793			
Cigarette tax		<u>426,145,252</u>	<u>435,139,129</u>	<u>433,991,630</u>
Personal Property Tax Replacement Fund	0802			
Income tax		1,213,356,455	1,360,011,745	1,271,024,923
Public utility tax		206,933,199	203,338,746	188,965,667
Total Personal Property Tax Replacement Fund		<u>\$ 1,420,289,654</u>	<u>\$ 1,563,350,491</u>	<u>\$ 1,459,990,590</u>
Dram Shop Fund	0821			
Federal government		1,128,356	1,059,247	547,641
Fines, penalties or violations		10,000	5,075	1,793
Fund transfers		135,668	204,921	35,542
Licenses, fees or registrations		7,189,779	7,216,193	6,863,389
Repay State/Jury duty & personal phone calls		25	393	17,561
Repayment to State pursuant to law		23,675	35,340	2,863
Total Dram Shop Fund		<u>\$ 8,487,503</u>	<u>\$ 8,521,169</u>	<u>\$ 7,468,789</u>
Coal Technology Development Assistance Fund	0925			
Licenses, fees or registrations		<u>5,804,412</u>	<u>5,936,017</u>	<u>5,195,944</u>
Senior Citizens Real Estate Deferred Tax Revolving Fund	0930			
Deferred real estate tax reimbursements		<u>7,483,270</u>	<u>6,278,808</u>	<u>5,871,571</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF CASH RECEIPTS

Schedule 6

For Fiscal Years Ended June 30, 2016, 2015, and 2014

FUND/REVENUE SOURCE	FUND	2016	2015	2014
Build Illinois Fund	0960			
Hotel operators' occupation tax		\$ 89,222,765	\$ 85,528,446	\$ 76,072,762
Hotel operators' occupation tax/Additional		42,547,196	42,822,350	37,543,896
Private sales/used car use tax		5,000,000	5,000,001	5,000,000
Sales tax		474,895,901	471,583,800	451,278,317
Total Build Illinois Fund		<u>\$ 611,665,862</u>	<u>\$ 604,934,597</u>	<u>\$ 569,894,975</u>
Local Tourism Fund	0969			
Hotel operators' occupation tax		17,287,136	16,839,646	14,906,505
State Trust Funds				
County Water Commission Tax Fund	0084			
County water commission		37,139,737	36,809,437	34,736,343
Non-Home Rule Municipal Retailers' Occupation Tax Fund	0088			
Sales tax		126,850,020	121,120,418	114,071,516
Home Rule Municipal Soft Drink Retailers' Occupation Tax Fund	0097			
Sales tax		9,762,054	9,461,787	9,190,117
Municipal Wireless Service Emergency Fund	0125			
Licenses, fees or registration		10,685,710	8,446,245	6,730,405
Home Rule Municipal Retailers' Occupation Tax Fund	0138			
Sales tax		988,660,158	958,360,996	908,468,316
Home Rule County Retailers' Occupation Tax Fund	0139			
Sales tax		525,167,516	333,549,231	341,041,543
Business District Retailers' Occupation Tax Fund	0160			
Sales tax		17,405,546	16,454,168	15,800,635
County and Mass Transit District Fund	0188			
Sales tax		374,966,000	362,440,305	353,192,459
Local Government Tax Fund	0189			
Sales tax		1,824,612,524	1,782,205,611	1,728,666,468
County Option Motor Fuel Tax Fund	0190			
County option motor fuel tax		33,512,436	32,610,778	32,219,762
Standardbred Purse Fund	0217			
Privilege tax		391,467	345,147	332,426
County Public Safety Retailers' Occupation Tax Fund	0219			
Sales tax		93,320,490	87,496,227	88,904,365
Sports Facilities Tax Trust Fund	0229			
Sports facility hotel operators' tax		50,691,574	46,340,979	41,021,221
Private Vehicle Use Home Rule Fund	0263			
Private sales/used car use tax		19,586,479	-	-
Metropolitan Pier and Exposition Authority Trust Fund	0337			
Automobile renting tax		33,163,382	32,582,650	31,656,069
Hotel operators' occupation tax		54,684,947	54,026,428	47,824,411
Sales tax		49,183,482	47,231,848	42,581,415
Total Metropolitan Pier and Exposition Authority Trust Fund		<u>\$ 137,031,811</u>	<u>\$ 133,840,926</u>	<u>\$ 122,061,895</u>
Federal HOME Investment Trust Fund	0338			
Federal government		3,485,242	21,723,655	15,718,956

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
COMPARATIVE SCHEDULE OF CASH RECEIPTS

Schedule 6

For Fiscal Years Ended June 30, 2016, 2015, and 2014

FUND/REVENUE SOURCE	FUND	2016	2015	2014
Protest Fund	0401			
Income tax		\$ 84,139,188	\$ 31,980,998	\$ 13,904,786
Public utility tax		578,859	-	-
Sales tax		-	364,697	2,033,285
Total Protest Fund		<u>\$ 84,718,047</u>	<u>\$ 32,345,695</u>	<u>\$ 15,938,071</u>
Illinois Tourism Tax Fund	0452			
Hotel operators' tax		<u>23,697,827</u>	<u>23,398,770</u>	<u>20,712,685</u>
School Facility Occupation Tax Fund	0498			
Sales tax		<u>80,344,754</u>	<u>74,127,130</u>	<u>55,407,374</u>
Flood Prevention Occupation Tax Fund	0558			
Sales tax		<u>11,002,411</u>	<u>11,409,251</u>	<u>11,402,372</u>
Tax Suspense Trust Fund	0583			
Unidentified remittances		<u>34,018</u>	<u>11,212</u>	<u>111,552</u>
Metro East Park and Recreation District Fund	0717			
Sales tax		<u>4,439,124</u>	<u>4,418,245</u>	<u>4,432,251</u>
Municipal Telecommunications Fund	0719			
Public utility tax		<u>216,977,777</u>	<u>240,231,069</u>	<u>236,379,111</u>
RTA Sales Tax Fund	0812			
Regional Transportation Authority		<u>1,131,187,876</u>	<u>1,104,076,514</u>	<u>1,037,930,761</u>
Metro East Mass Transit District Tax Fund	0841			
Metro East mass transit tax district		<u>30,572,616</u>	<u>29,963,640</u>	<u>27,446,476</u>
Municipal Automobile Renting Tax Fund	0868			
Automobile renting tax		<u>7,032,359</u>	<u>6,751,182</u>	<u>6,159,827</u>
County Automobile Renting Tax Fund	0869			
Automobile renting tax		<u>239,272</u>	<u>258,923</u>	<u>214,064</u>
Debt Service Funds				
Capital Projects Fund	0694			
Liquor tax		118,370,329	116,370,845	115,038,707
Sales tax		56,925,000	55,881,000	55,015,000
Total Capital Projects Fund		<u>\$ 175,295,329</u>	<u>\$ 172,251,845</u>	<u>\$ 170,053,707</u>
Federal Trust Funds				
Illinois Department of Revenue Federal Trust Fund	0140			
Federal government		<u>9,423</u>	-	<u>20,143</u>
Tennessee Valley Authority Local Trust Fund	0861			
Federal government		<u>247,964</u>	<u>298,022</u>	<u>274,200</u>
Receipts remitted to the Comptroller		<u>\$ 38,256,700,081</u>	<u>\$ 41,171,809,826</u>	<u>\$ 41,534,933,846</u>
Nonoperating		-	-	9,981,800
Prior Year Refunds		622,633	2,387,956	2,214,939
Prior Year Warrant Voids		12,673,713	19,521,876	7,211,740
Deposits recorded by the Comptroller		<u>13,296,346</u>	<u>21,909,832</u>	<u>19,408,479</u>
Total deposits into the State Treasury		<u>\$ 38,269,996,427</u>	<u>\$ 41,193,719,658</u>	<u>\$ 41,554,342,325</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

Schedule 7

Receipts	2016	2015	2014
Tax and fee collections, including assessments, penalties, and interest:			
Income: individual, corporate, and personal property replacement tax	\$ 19,253,705,124	\$ 22,398,692,196	\$ 23,473,570,973
Sales:			
State, municipal, county, county water commission, RTA, MED retailers' and service occupation tax	14,407,351,988	13,931,378,225	13,402,872,832
Public utilities:			
Message, gas, electric	1,536,464,050	1,650,174,990	1,642,262,559
Motor fuel tax	1,277,867,113	1,222,550,354	1,225,728,873
Other:			
Underground storage tank	76,501,910	71,108,510	70,810,482
Cigarette, cigarette use, and other tobacco products	825,051,811	871,229,131	878,774,759
Racing privilege	5,977,825	5,699,683	6,529,997
Hotel operator and occupation	394,446,060	374,030,260	343,097,412
Liquor	287,818,143	283,135,249	279,764,944
Vehicle use	55,429,659	36,383,448	33,875,940
Real estate transfer	93,482,494	83,235,828	76,307,001
Bingo	1,748,641	1,773,254	1,878,804
Coin operated amusement device	1,133,254	1,308,764	1,162,755
Automobile renting	80,643,378	78,909,768	75,920,784
Charitable games	440,014	360,559	389,014
Pull tabs and jar games	3,342,904	3,457,667	4,159,931
Solid waste	-	-	16,124
Liquor control commission	15,640,795	15,238,322	15,311,162
Senior citizens real estate tax deferral	7,603,147	6,139,224	5,991,861
Live adult entertainment	536,004	497,603	405,997
Miscellaneous collections	1,703,432	5,000,038	1,220,095
Total receipts	38,326,887,746	41,040,303,073	41,540,052,299
Items not considered collections by the Department	28,568,556	104,611,368	85,445,573
Unallocated collections:			
Beginning of the year	53,158,045	90,750,507	47,936,254
End of year	-	(53,158,045)	(90,750,507)
Collections reported, but not yet deposited into clearing:			
Beginning of the year	160,457,710	167,223,446	113,513,568
End of year	(193,157,028)	(160,457,710)	(167,223,446)
Balances in State Treasurer's clearing account:			
Beginning of the year	93,345,137	97,792,156	123,160,740
End of year	(199,263,739)	(93,345,137)	(97,792,156)
Deposits into the State Treasury	\$ 38,269,996,427	\$ 41,193,719,658	\$ 41,554,342,325

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

Schedule 8

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2014 and 2015

General Revenue Fund – 0001

Governor’s discretionary expenses – The increase was due to a one-time appropriated amount in fiscal year 2015.

Tax refunds – The decrease was due to the Department not receiving an appropriation to pay out refunds in fiscal year 2015 from the General Revenue Fund.

Motor Fuel Tax Fund – 0012

Reimbursement to International Fuel Tax Agreement Member States – The increase was due to various economic factors, including Illinois motor fuel tax rates and fuel prices becoming more similar to neighboring states. When more fuel is purchased in the state, International Fuel Tax Agreement reimbursements to other jurisdictions increase.

Municipal Wireless Service Emergency Fund – 0125

Shared Revenue Payments – The increase was due to additional local governments now imposing this tax. The Department collects the money on behalf of those local governments, deposits the proceeds into this fund, and then distributes the money using this expenditure authority account.

Rental Housing Support Program Fund – 0150

Grants to provide rental assistance to the Rental Housing Support Program Fund – The decrease was due to a lack of spending in fiscal year 2015 as there was a lawsuit challenging the program fee.

County Option Motor Fuel Tax Fund – 0190

Personal services – Expenditures were eliminated from this fund in fiscal year 2015 due to Public Act 98-1049, which required all deposits and operating costs of the Department to be transferred to the Tax Compliance and Administration Fund.

Federal HOME Investment Trust Fund – 0338

Illinois HOME Investment Partnership Program – The increase in fiscal year 2015 was due to a carryover from fiscal year 2014 and also that the expenditures depend on timing of construction on these projects.

Tax Compliance and Administration Fund – 0384

Personal services, State contributions to State Employees' Retirement System, State contributions to Social Security, Group insurance, Electronic data processing, and Operational expenses – The increase was due to Public Act 98-1049, which required deposits and related operating costs of the Department from the Home Rule Municipal Retailers' Occupation Tax Fund and County Option Motor Fuel Tax Fund to be transferred to the Tax Compliance and Administration Fund.

Shared Services Center – Expenditures increased due to the increase in full-time equivalents. In fiscal year 2014, 0.6 full-time equivalents were paid from this appropriation and in fiscal year 2015, 2.2 full-time equivalents were paid from this appropriation.

Predatory Lending Database Program Fund – 0478

Grants for the Predatory Lending Database Program – The decrease was due to the program ending in fiscal year 2015. A small amount of grant expenditures were paid out in fiscal year 2015.

School Facility Occupation Tax Fund – 0498

Shared revenue payments – The increase was due to additional local governments imposing school facility occupation taxes. The Department collects the money on behalf of those local governments, deposits the proceeds into this fund, and then distributes the money using this expenditure authority account.

Personal Property Tax Replacement Fund – 0802

Grants for stipend liability to county treasurers and grants for stipend liability for sheriffs – The increase was due to fiscal year 2015 expenditures relating to stipend liabilities from earlier years that were held pending the conclusion of a court case. The expenditures were made pursuant to a court order.

Dram Shop Fund – 0821

Personal services, State contributions to State Employees' Retirement System, State contributions to Social Security, and Group insurance – The decrease was due the decrease in full-time equivalents. In fiscal year 2014, 47 full-time equivalents were paid from this line and in fiscal year 2015, only 27 full-time equivalents were paid from this line due to fund balance issues related to fund sweeps made by the Governor.

Local Government Video Gaming Distributive Fund – 0842

Allocation to local governments of net terminal income tax pursuant to Video Gaming Act – The increase was due to the expansion of video gaming in fiscal year 2015. More licenses were awarded during fiscal year 2015, which increased the number of gaming terminals.

Foreclosure Prevention Program Fund – 0891

Awards and grants, lump sums and other purposes – The decrease was due a reduction in foreclosure filings. The reduction in filings led to a decrease in foreclosure prevention counseling and outreach programs.

Abandoned Residential Property Municipality Relief Fund – 0892

Awards and grants, lump sums and other purposes – The decrease was due to a decrease in revenues to the fund for the fiscal year 2015. The reduction in filings led to a decrease in foreclosure prevention counseling and outreach programs

Build Illinois Bond Fund – 0971

Affordable housing grants, loans, and investments for low-income families, senior citizens, persons with disabilities, and at risk displaced veterans and Affordable housing grants, loans and investments for low-income persons with disabilities and at risk displaced veterans – The decrease was due to the limited activity in fiscal year 2015 based upon the remaining available funds. In fiscal year 2012, the Department received two Build Illinois Bond Fund appropriations: a low-income line for \$100 million and a Veteran's/Disabled line for \$30 million. Each year the unspent portion of the appropriation for the two lines was re-appropriated for the next fiscal year. The final portion of the available funds was spent in fiscal year 2015.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2015 and 2016

General Revenue Fund – 0001

Governor's discretionary expenses – The decrease was due to a one-time appropriated amount for fiscal year 2015.

Motor Fuel Tax Fund – 0012

Contractual services – Expenditures increased due to a lack of a General Revenue Fund appropriation for operating expenses in fiscal year 2016. The Department transferred funds from Motor Fuel Tax refunds to cover contractual costs incurred by the Department.

Reimbursement to International Fuel Tax Agreement Member States – Expenditures increased due to various economic factors, including Illinois motor fuel tax rates and fuel prices becoming more similar to neighboring states. When more fuel is purchased in the state, International Fuel Tax Agreement reimbursements to other jurisdictions increase.

Home Rule County Retailers' Occupation Tax Fund – 0139

Shared revenue payments – The increase was due to additional local governments are now imposing this tax. In addition, certain local governments increased the rates they impose. The Department collects the money on behalf of those local governments, deposits the proceeds into this fund, and then distributes the money using this expenditure authority account.

Rental Housing Support Program Fund – 0150

Grants to provide rental assistance to the Rental Housing Support Program Fund – As stated earlier, this fund did not have any activity in fiscal year 2015 due to a lawsuit challenging the program fee. Public Act 99-0524 provided budget authority for this appropriation at the end of fiscal year 2016. As a result, in fiscal year 2016, spending was limited since budget authority was not received until the end of the fiscal year. Certain fiscal year 2016 expenditures were paid from this expenditure authority account, as opposed to the account used in previous years, pursuant to a court order.

Private Vehicle Use Home Rule Fund – 0263

Shared revenue payments – This fund did not have any activity in fiscal year 2015. The increase was due to certain local governments imposing a local private vehicle use tax beginning in fiscal year 2016. The Department deposits the proceeds into this fund and then distributes the money using this expenditure authority account.

Illinois Affordable Housing Trust Fund – 0286

Administration of the Illinois Affordable Housing Act – Fewer grants were issued in fiscal year 2016. As a result, the administrative resources required to monitor the financial and regulatory compliance for all grants decreased.

Grants to other State agencies – The increase was due to Executive Order 15-08, which disallowed spending for the fiscal year 2015.

Grants, mortgages, loans or for the purpose of securing bonds – The decrease was due to fewer grant expenditures occurred due to not having budget authority until the end of fiscal year 2016 based upon Public Act 99-0524.

Federal HOME Investment Trust Fund – 0338

Illinois HOME Investment Partnership Program – The decrease was because the Illinois Housing Development Authority (IHDA) was designated as a participating jurisdiction in May 2016. The designation allows federal HOME funds to flow directly to IHDA.

Tax Compliance and Administration Fund – 0384

Electronic data processing and Operational expenses – The decrease was due to the transfer of funds to the Home Rule Municipal Retailers' Occupation Tax Fund and County Option Motor Fuel Tax Fund pursuant to Public Act 98-1049 for deposits and related operational costs only for fiscal year 2015.

Administration of Cigarette Retailer Enforcement Act – The increase in fiscal year 2016 was due to the addition of the new program based on Public Act 98-1055.

Shared Services Center – The decrease in fiscal year 2016 was due to a decrease in full-time equivalents. In fiscal year 2015, 2.2 full-time equivalents were paid from this appropriation and for fiscal year 2016, only 0.1 full-time equivalents was paid from this appropriation.

Personal Property Tax Replacement Fund – 0802

Contractual services – The decrease was due to payments being made from ordinary and contingent expenses instead of the contractual services line pursuant to Public Act 99-0491 for fiscal year 2016.

Ordinary and contingent expenses – The increase was due to Public Act 99-0491, which created an appropriation for costs incurred in fiscal year 2016.

Grants for stipend liability to county treasurers and grants for stipend liability for sheriffs – The decrease was due to a court order in fiscal year 2015 allowing expenditures relating to stipend liabilities from earlier years that were held pending the conclusion of a court case to only be expended in fiscal year 2015.

Local Government Video Gaming Distributive Fund – 0842

Allocation to local governments of net terminal income tax pursuant to Video Gaming Act – The increase was due to the expansion of video gaming in fiscal year 2016. More licenses were awarded during fiscal year 2016, which increased the number of gaming terminals.

Foreclosure Prevention Program Fund – 0891

Awards and grants, lump sums and other purposes – The decrease in fiscal year 2014 and fiscal year 2015 was due to a reduction in foreclosure filings. The reduction in filings led to a decrease in foreclosure prevention counseling and outreach programs.

Build Illinois Bond Fund – 0971

Affordable housing grants, loans, and investments for low-income families, senior citizens, persons with disabilities, and at risk displaced veterans – The decrease in expenditures was due to no remaining available funds. In fiscal year 2012, the Department received two Build Illinois appropriations: a Low-Income line for \$100 million and a Veteran's/Disabled line for \$30 million. Each year the unspent portion of the appropriation for the two lines was re-appropriated for the next fiscal year. The final portion of the available funds was spent in fiscal year 2015.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

Schedule 9

ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN FISCAL YEAR 2014 AND 2015

State and Local Sales Tax Reform Fund – 0186

The increase in fiscal year 2015 was due to the sales tax base continuing to expand and State collections continuing to rise. In fiscal year 2014, the average monthly collections were \$26.3 million. In fiscal year 2015, this amount increased to \$29.6 million. In fiscal year 2016, the amount increased to \$34.1 million. The purpose of this fund is to record proceeds from the 1% use tax on food and drugs, as well as 20% of the proceeds from the 6.25% use tax on all other items. The proceeds are distributed to local governments in the form of shared revenue payments.

Tax Compliance and Administration Fund – 0384

The increase in fiscal year 2015 was due to a statutory change on August 26, 2014, allowing the Illinois Department of Revenue (Department) to retain a fee on additional tax types for administrative costs related to the activities performed by the Audit Bureau. The Telecommunications Infrastructure Maintenance Fee Act (35 ILCS 635/25) allows for an administrative fee on 5% of the telecommunications tax collections made by the Audit Bureau in the previous year. The Retailers' Occupation Tax Act (35 ILCS 120/3(g)), the State Finance Act (30 ILCS 105/6z-17(b)), and the Service Use Tax Act (35 ILCS 110/9) allow for a similar fee on retailers occupation, service occupation, use, and service use taxes. The Illinois Income Tax Act (35 ILCS 5/901(h)) allows for a similar fee on individual income, corporate income, and State replacement taxes.

Protest Fund – 0401

The increase was due to eight protests filed in fiscal year 2015 compared to four in fiscal year 2014.

School Facility Occupation Tax Fund – 0498

The increase in fiscal year 2015 was due to an increase in the collection base, the number of local governments imposing the tax, and the tax rate.

Supplemental Low-Income Energy Assistance Fund – 0550

The increase in fiscal year 2015 was due to the timing of payments received from taxpayers in relation to the number of business days available for processing at fiscal year end. This timing difference can cause monies collected in one fiscal year to be receipted in the next fiscal year.

Fund for the Advancement of Education – 0640 and Commitment to Human Services – 0644

The increases in these two funds were because these funds were created in February 2015.

ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN FISCAL YEAR 2015 AND 2016

General Revenue Fund – 0001; Education Assistance Fund – 0007; and Income Tax Refund Fund – 0278

The decrease in fiscal year 2016 was due to tax rates for individuals, trusts, estates, and corporations decreasing by 25% on January 1, 2015.

Home Rule County Retailers' Occupation Tax Fund – 0139

The increase in fiscal year 2016 was due to the increase in Home Rule Tax rate from 0.75% to 1.75% for multiple large counties.

State and Local Sales Tax Reform Fund – 0186

The increase was due to the Department implementing a new receipts system in fiscal year 2016. The system allows payments to be matched up to returns and fund allocations more quickly once the returns have been received and processed.

Private Vehicle Use Home Rule Fund – 0263

The increase in this fund was because the fund was created in fiscal year 2016.

Federal HOME Investment Trust Fund – 0338

The decrease was due to budget complexities in fiscal year 2016. The Illinois Housing Developmental Authority did not request grant monies from the federal government. No expenses for the housing and urban development were paid from the fund as a result, therefore, no reimbursement from the Federal government was received by the Department.

McCormick Place Expansion Project Fund – 0377

The increase in fiscal year 2016 was due to the Treasurer's office instructing the Illinois Department of Revenue to deposit additional monies into the fund pursuant to the Metropolitan Pier and Exposition Authority (MPEA) Act (70 ILCS 210). MPEA generates its own revenue and the Treasurer's Office deposits those revenues into this fund.

Protest Fund – 0401

The increase in fiscal year 2016 was due to several large corporate taxpayers paying business income tax, corporate income tax and personal property replacement tax assessments under protest in December 2015.

Fund for the Advancement of Education – 0640 and Commitment to Human Services – 0644

The increase was due to the creation of these two funds in fiscal year 2015. Fiscal year 2015 included 5 months of receipts in both funds compared to 12 months of receipts in them during fiscal year 2016.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Fiscal Years Ended June 30, 2016 and 2015

Schedule 10

FISCAL YEAR 2015

Motor Fuel Tax Fund – 0012

Reimbursement to International Fuel Agreement Member States – Two Illinois Fuel Tax Agreement transmittals were paid during the lapse period.

State and Local Sales Tax Reform Fund – 0186

Grants to allocate to Chicago for additional 1.25% use tax pursuant to P.A. 86-0928 – The July and August distributions were paid during the lapse period.

Regional Transportation Authority (RTA) Occupation and Use Tax Replacement Fund – 0187

Grants to allocate to RTA for 10% of the 1.25% use tax pursuant to P.A. 86-0928 – The July and August distributions were paid during the lapse period.

Illinois Affordable Housing Trust Fund – 0286

Administration of the Illinois Affordable Housing Act – The administrative costs for the fourth quarter of fiscal year 2015 were paid during the lapse period.

Local Government Distributive Fund – 0515

Grants to allocate to local governments for additional 1.25% use tax pursuant to P.A. 86-0928 – The July and August distributions were paid during the lapse period.

Personal Property Tax Replacement Fund – 0802

Grants for the State's share of County Public Defenders' salaries – The lapse amount equates to two months (May and June) of public defender salary reimbursements. The May salary reimbursements were issued by the Illinois Office of the Comptroller in July. The June salary reimbursements were also issued by the Illinois Office of the Comptroller in July.

FISCAL YEAR 2016

Public Act 99-0524, effective June 30, 2016, provided budget authority for the many of the lines on Schedule 1 for fiscal year 2016. The Department stated the timing of the passage of this Public Act was the reason for the significant lapse period spending of the following lines within these funds during fiscal year 2016.

Motor Fuel Tax Fund – 0012

- Contractual services
- Travel
- Electronic data processing
- Telecommunications
- Motor fuel tax refunds

Illinois Gaming Law Enforcement Fund – 0085

- Grants for allocation to local law enforcement agencies

Rental Housing Support Program Fund – 0150

- Grants to provide rental assistance to the Rental Housing Support Program Fund

State and Local Sales Tax Reform Fund – 0186

- Grants to allocate to Chicago for additional 1.25% use tax pursuant to P.A. 86-0928
- Grant to Madison County

Illinois Affordable Housing Trust Fund – 0286

- Administration of the Illinois Affordable Housing Act
- Grants to other State Agencies
- Grants, mortgages, loans, or for the purpose of securing bonds

Tax Compliance and Administration Fund – 0384

- Electronic data processing
- Administration of Cigarette Retailer Enforcement Act

Local Government Distributive Fund – 0515

- Grants to allocate to local governments for additional 1.25% use tax pursuant to P.A. 86-0928

Personal Property Tax Replacement Fund – 0802

- Electronic data processing
- Telecommunications

Dram Shop Fund – 0821

- Grants to local government units to establish enforcement programs

Senior Citizens Real Estate Deferred Tax Revolving Fund – 0930

- Payments to counties

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF ACCOUNTS RECEIVABLE
(expressed in thousands)
For the Fiscal Year Ended June 30, 2016

Schedule 11

Accounts Receivable Relating to Taxes Receivable

	Retailer Occupation Tax (ROT)	Business Income Tax (BIT)	Withholding Income Tax (WIT)	Individual Income Tax (IIT)	Excise Tax	Totals
Non-Protest						
Current:	\$ -	\$ -	\$ -	\$ -	\$ 55,377	\$ 55,377
Past Due:						
1-90 days	19,627	13,823	8,317	65,333	2,651	109,751
91-180 days	16,408	5,600	7,544	19,834	822	50,208
181 days - 1 year	22,012	13,870	6,873	43,013	4,169	89,937
1 year <= 2 years	41,899	21,388	9,286	75,738	3,677	151,988
2 years <= 3 years	29,330	23,178	7,508	69,487	7,298	136,801
3 years <= 4 years	48,907	10,809	6,354	47,033	2,849	115,952
4 years <= 5 years	36,971	8,123	6,668	14,557	2,270	68,589
5 years <= 10 years	104,252	14,189	11,852	48,179	7,462	185,934
10 years <= 20 years	15,011	3,536	3,810	12,569	2,299	37,225
> 20 years	5,303	157	484	2,950	-	8,894
Total Past Due	\$ 339,720	\$ 114,673	\$ 68,696	\$ 398,693	\$ 33,497	\$ 955,279
Gross Receivables	\$ 339,720	\$ 114,673	\$ 68,696	\$ 398,693	\$ 88,874	\$ 1,010,656
Estimated Uncollectible	(307,190)	(87,601)	(57,412)	(308,288)	(29,663)	(790,154)
Total Net Receivables	\$ 32,530	\$ 27,072	\$ 11,284	\$ 90,405	\$ 59,211	\$ 220,502
	Retailer Occupation Tax (ROT)	Business Income Tax (BIT)	Withholding Income Tax (WIT)	Individual Income Tax (IIT)	Excise Tax	Totals
Protest						
Current:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Past Due:						
1-90 days	18,927	4,658	779	5,274	1,297	30,935
91-180 days	4,447	63,161	-	1,059	235	68,902
181 days - 1 year	7,336	4,923	-	704	5,589	18,552
1 year <= 2 years	81,508	49,070	239	1,500	2,622	134,939
2 years <= 3 years	6,966	11,212	-	471	352	19,001
3 years <= 4 years	7,032	142	5	154	159	7,492
4 years <= 5 years	2,209	99	-	-	119	2,427
5 years <= 10 years	6,006	1,373	-	29	218	7,626
10 years <= 20 years	6	-	-	85	-	91
> 20 years	-	-	-	-	-	-
Sub-total: Over 180 days	\$ 134,437	\$ 134,638	\$ 1,023	\$ 9,276	\$ 10,591	\$ 289,965
Gross Receivables	\$ 134,437	\$ 134,638	\$ 1,023	\$ 9,276	\$ 10,591	\$ 289,965
Estimated Uncollectible	(107,495)	(73,172)	(242)	(3,507)	(8,451)	(192,867)
Total Net Receivables	\$ 26,942	\$ 61,466	\$ 781	\$ 5,769	\$ 2,140	\$ 97,098

Note: See the Reconciliation of the Analysis of Accounts Receivable to the Taxes Receivable Footnote in the Financial Statements in Schedule 12.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
ANALYSIS OF ACCOUNTS RECEIVABLE
(expressed in thousands)
For the Fiscal Year Ended June 30, 2015

Schedule 11

Accounts Receivable Relating to Taxes Receivable

	Retailer Occupation Tax (ROT)	Business Income Tax (BIT)	Withholding Income Tax (WIT)	Individual Income Tax (IIT)	Excise Tax	Totals
Non-Protest						
Current:	\$ -	\$ -	\$ -	\$ -	\$ 56,206	\$ 56,206
Past Due:						
1-90 days	17,919	14,830	13,089	100,317	2,033	148,188
91-180 days	16,902	11,910	10,406	20,254	2,253	61,725
181 days - 1 year	28,557	26,849	6,711	33,798	1,434	97,349
1 year <= 2 years	40,858	37,099	16,742	91,514	8,400	194,613
2 years <= 3 years	62,656	24,088	7,889	63,148	2,862	160,643
3 years <= 4 years	43,484	7,199	8,382	22,010	1,659	82,734
4 years <= 5 years	40,951	4,507	3,530	28,509	3,295	80,792
5 years <= 10 years	82,482	6,753	10,568	47,348	5,000	152,151
10 years <= 20 years	13,594	4,559	4,096	12,357	2,380	36,986
> 20 years	7,549	155	459	2,549	13	10,725
Total Past Due	\$ 354,952	\$ 137,949	\$ 81,872	\$ 421,804	\$ 29,329	\$ 1,025,906
Gross Receivables	\$ 354,952	\$ 137,949	\$ 81,872	\$ 421,804	\$ 85,535	\$ 1,082,112
Estimated Uncollectible	(321,942)	(99,001)	(64,863)	(298,995)	(25,928)	(810,729)
Total Net Receivables	\$ 33,010	\$ 38,948	\$ 17,009	\$ 122,809	\$ 59,607	\$ 271,383
	Retailer Occupation Tax (ROT)	Business Income Tax (BIT)	Withholding Income Tax (WIT)	Individual Income Tax (IIT)	Excise Tax	Totals
Protest						
Current:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Past Due:						
1-90 days	23,247	18,251	1,350	24,634	752	68,234
91-180 days	2,054	5,124	-	517	230	7,925
181 days - 1 year	42,353	34,681	28	189	2,326	79,577
1 year <= 2 years	12,294	13,128	46	479	1,976	27,923
2 years <= 3 years	12,492	1,661	5	289	428	14,875
3 years <= 4 years	3,918	5,911	-	120	5,002	14,951
4 years <= 5 years	3,736	-	-	32	109	3,877
5 years <= 10 years	6,543	9,374	-	1	113	16,031
10 years <= 20 years	93	-	-	81	2	176
> 20 years	-	-	-	-	-	-
Sub-total: Over 180 days	\$ 106,730	\$ 88,130	\$ 1,429	\$ 26,342	\$ 10,938	\$ 233,569
Gross Receivables	\$ 106,730	\$ 88,130	\$ 1,429	\$ 26,342	\$ 10,938	\$ 233,569
Estimated Uncollectible	(77,631)	(53,119)	(81)	(2,557)	(9,721)	(143,109)
Total Net Receivables	\$ 29,099	\$ 35,011	\$ 1,348	\$ 23,785	\$ 1,217	\$ 90,460

Note: See the Reconciliation of the Analysis of Accounts Receivable to the Taxes Receivable Footnote in the Financial Statements in Schedule 12.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE

Schedule 12

**RECONCILIATION OF THE ANALYSIS OF ACCOUNTS RECEIVABLE
TO THE TAXES RECEIVABLE FOOTNOTE IN THE FINANCIAL STATEMENTS**

(expressed in thousands)

For the Fiscal Year Ended June 30, 2016

Analysis of Accounts Receivable

Non-protest gross receivable	\$ 1,010,656	
In protest gross receivable	289,965	
Total Gross Taxes Receivable	<u>289,965</u>	\$ 1,300,621

Miscellaneous Departmental Adjustments

Lapse period collections	1,234,603	
Fund 0930 not reported in financial statements	(55,377)	
Funds reported by other agencies	(11,091)	
GAAP reporting adjustment	114,348	
Other receivables	(2,197)	
Total Departmental Adjustments	<u>(2,197)</u>	<u>1,280,286</u>

Total Gross Taxes Receivable

2,580,907

Less: Allowance for uncollectible taxes

Non-protest uncollectible	(790,154)	
In protest uncollectible	(192,867)	
Other Receivables	1,629	
Total Allowance for Uncollectible	<u>1,629</u>	<u>(981,392)</u>

Total, Net Taxes Receivable

\$ 1,599,515

Taxes Receivable per Financial Statement Footnote 4

General Fund		\$ 986,783
Nonmajor Governmental Funds		384,871
Fiduciary Funds		227,861
		<u>\$ 1,599,515</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE

Schedule 12

**RECONCILIATION OF THE ANALYSIS OF ACCOUNTS RECEIVABLE
TO THE TAXES RECEIVABLE FOOTNOTE IN THE FINANCIAL STATEMENTS**

(expressed in thousands)

For the Fiscal Year Ended June 30, 2015

Analysis of Accounts Receivable

Non-protest gross receivable	\$ 1,082,112	
In protest gross receivable	233,569	
Total Gross Taxes Receivable	<u>233,569</u>	\$ 1,315,681

Miscellaneous Departmental Adjustments

Lapse period collections	1,390,448	
Fund 0930 not reported in financial statements	(56,206)	
Funds reported by other agencies	(124,619)	
GAAP reporting adjustment	123,404	
Other receivables	(2,206)	
Total Departmental Adjustments	<u>(2,206)</u>	<u>1,330,821</u>

Total Gross Taxes Receivable

2,646,502

Less: Allowance for uncollectible taxes

Non-protest uncollectible	(810,729)	
In protest uncollectible	(143,109)	
Other Receivables	1,614	
Total Allowance for Uncollectible	<u>1,614</u>	<u>(952,224)</u>

Total, Net Taxes Receivable

\$ 1,694,278

Taxes Receivable per Financial Statement Footnote 4*

General Fund		\$ 1,085,768
Nonmajor Governmental Funds		378,685
Fiduciary Funds		229,825
		<u>\$ 1,694,278</u>

* The Department's Financial Statement Report for the fiscal year ending June 30, 2015 was released under a separate cover.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
AGENCY FUNCTIONS AND PLANNING PROGRAM (UNAUDITED)
For the Fiscal Years Ended June 30, 2016 and 2015

General Operations

The Department of Revenue (Department) was established by the Civil Administrative Code of 1917 and is empowered to administer, collect, enforce and determine the distribution of the taxes imposed by the State's major tax acts. The Department collected approximately 81 percent of the receipts deposited into the General Revenue Fund for fiscal year ended June 30, 2016 and 77 percent in the fiscal year ended June 30, 2015.

A significant portion of the Department's total effort relates to the collection of the Retailers' Occupation and Related Taxes (ROT), income taxes, and personal property replacement taxes. The revenue collected from these sources approximated 88 percent of taxes collected by the Department for the years ended June 30, 2016 and 2015. The remaining 12 percent of the Department's revenue for the years ended June 30, 2016 and 2015 is derived from the following taxes which the Department is empowered to collect:

Excise

- Assistance Charges for Electricity Distributors
- Assistance Charges for Natural Gas Distributors
- Cigarette Importation
- Cigarette Revenue
- Cigarette Revenue Invoice
- Cigarette Secondary Distributor
- Cigarette Secondary Distributor
- Cigarette Use Tax
- Coin Operated Amusement Device
- Distributors Report
- Electricity Distribution and Invested Capital Tax
- Electricity Excise Tax
- Gas Revenue Tax
- Gas Use Tax
- Hotel Motel
- Liquor Direct Wine Shipper
- Liquor Revenue
- Liquor Revenue Airline
- Liquor Warehouse
- Out-of-State Cigarette Revenue
- Out-of-State Sellers' Shipment Report
- Real Estate Return
- Rental Housing Support
- Sales of Cigarettes into Illinois
- Single Trip Permit
- Telecommunications Excise Tax
- Telecommunications Infrastructure Maintenance Fee
- Tobacco Products Tax

Sales and Use

Automobile Renting Tax
Replacement Vehicle Tax
Retailers Occupation Tax
Tire User Fee
Use Tax
Vehicle Use Tax

Motor Fuel

Environmental Impact Fee
Motor Fuel
Motor Fuel Use
Underground Storage Tank

Gaming

Bingo Tax
Bingo License Fees
Charitable Games Tax
Charitable Games License Fees
Pull Tabs and Jar Games Tax
Pull Tabs and Jar Games License Fees
Racing Pari-mutuel Tax

Local Governments

Chicago Soft Drink
County Automobile Renting
County Motor Fuel
County School Facility Occupation Tax
County Water Commission
Flood Prevention Occupation
Illinois Sports Facilities
Local Government Private Vehicle Use Tax
Mass Transit District Sales Tax
Mass Transit District Use Tax
Metro-East Park and Recreation District
MPEA Automobile Renting
MPEA Food and Beverage
MPEA Hotel Tax
Municipal Automobile Renting
Municipal Business District
Municipal Hotel (Chicago)
Municipal Simplified Telecommunications
Tennessee Valley Authority

Others

Qualified Solid Waste Energy Facility
Real Estate Transfer Tax
Senior Citizens Real Estate Tax Deferral
Estate Tax
Adult Entertainment
Medical Cannabis
Hydraulic Fracturing

In 1973, the Department was given the responsibility for administering and enforcing the "Senior Citizens' and Disabled Persons' Property Tax Relief Act" and the "Additional Tax Relief Act." These acts grant relief payments to senior citizens and disabled persons for real estate and other taxes. Contrary to the Department's primary mission of collecting taxes, its responsibility in this regard is to disburse funds.

Operating Expense Analysis

Administrative fees collected by the Department to administer state and local tax laws are as follows:

Year Ended June 30,	Fees Deposited in General Revenue Fund (in thousands)	Fees Deposited in Tax Compliance and Administrative Fund (in thousands)
2016	\$ 4,114	\$ 16,729
2015	3,457	15,301
2014	3,263	4,244

Operating expenses to administer state and local tax laws for the 14 months ending August 31, 2016, 2015, and 2014 per \$1,000 of tax collected is summarized below.

Year Ended June 30,	Tax Collections (in thousands)	Operating Expenses (in thousands)	\$1,000 of Tax Collection
2016	\$38,233,076	\$179,767	\$4.70
2015	\$41,130,526	\$184,183	\$4.48
2014	\$41,525,023	\$186,855	\$4.50

AGENCY FUNCTIONS

The mission statement of the Department of Revenue (Department) is to maximize collection of revenues for the State of Illinois and effectively regulate the manufacture, distribution and sale of alcoholic beverages; all in a manner that promotes fair and consistent enforcement of State laws.

The primary responsibility of the Department is to serve as the tax collection agency for State government and for local governments. The Department also regulates the manufacture, distribution and sale of alcoholic beverages. In addition, the Department oversees local property tax assessments and functions as the funding agent for the Illinois Housing Development Authority. (Note: This function ceased at the end of fiscal year 2016.)

The current Director of the Department is Constance Beard. The Department's headquarters is located at 101 West Jefferson Street; Springfield, Illinois.

Divisions of the Department

The Department's operations are divided into the following primary areas:

Account Processing

The Account Processing Administration deposits tax payments; receives processes, controls, and stores State tax returns and associated documents.

Audit Bureau/Criminal Investigations/Collections

Through field and in-house audit activities, these areas promote voluntary compliance with State tax laws by examining taxpayer records to ensure the establishment and payment of all taxes due. Promotes voluntary compliance through determination of non-compliance with criminal and civil tax laws and refers recommendations for prosecution of criminal violations of State tax law. The collections function pursues the collection of delinquent tax liabilities.

Taxpayer Services

This area answers taxpayer telephone calls, correspondence and registers taxpayer accounts.

Information Technology

This area provides application development, oversees automation support, and maintains daily computer operations.

Administrative Services

This area includes support function for the Department including: Procurement, Operations/Special Services, and Property Management.

In addition, there are support areas including Legal Services, Labor Relations, Equal Employment Opportunity, Research, Information Security, Budget and Planning, and Communications.

Other Divisions of the Department

Liquor Control Commission

The Liquor Control Commission regulates the manufacture, distribution, and sale of alcoholic beverages.

The Department has various taxpayer appeal divisions: the Informal Conference Board, the Board of Appeals Office, and the Administrative Hearings Office.

PLANNING PROGRAM

The Department's mission is "to maximize collections of revenues for the State of Illinois and effectively regulate the manufacture, distribution and sale of alcoholic beverages; all in a manner that promotes fair and consistent enforcement of State laws."

The Department held a strategic planning session in fiscal year 2016 to develop a strategic plan. The Department adopted the following four goals under the new plan:

1. Make the Department a competitive "employer of choice" in Illinois.
2. Improve speed and efficiency of tax processing by mandating electronic filing for withholding income tax returns.
3. Provide customer-focused service while lowering costs and complexity with one-stop modernized Information Technology system.

4. Improve the efficiency of the liquor regulation process by establishing partnerships with units of local government to conduct

Various projects have been initiated to help achieve these goals. Some of the projects associated with the strategic plan have been successfully completed, and others are on-going.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
BUDGET IMPASSE DISCLOSURES (UNAUDITED)
For the Two Years Ended June 30, 2016

Payment of Fiscal Year 2016 Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Illinois Department of Revenue to pay fiscal year 2016 costs using the Department's fiscal year 2017 appropriations for non-payroll expenditures. The following chart shows the Department plan to expend its fiscal year 2017 appropriations to cover its fiscal year 2016 costs:

OUTSTANDING FISCAL YEAR 2016 INVOICES			
Fund No.	Fund Name	Number	Dollar Value
0001	General Revenue Fund	95	\$ 2,733,311
0012	Motor Fuel Tax Fund	35	20,224
0140	Illinois Department of Revenue Federal Trust Fund	1	400
0384	Tax Compliance and Administration Fund	1	65
0696	Budget Stabilization Fund	31	2,886,755
0802	Personal Property Tax Replacement Fund	2	182
0821	Dram Shop Fund	8	2,624
	Total	173	\$ 5,643,561

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS (UNAUDITED)**
For the Two Years Ended June 30, 2016

Transactions Involving the Illinois Finance Authority

The Illinois Department of Revenue (Department) and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during fiscal year 2016.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

Vendor Payment Program (VPP)

None of the Department’s vendors participated in the Vendor Payment Program (VPP) during fiscal year 2015 and fiscal year 2016.

Vendor Support Initiative Program (VSI)

During fiscal year 2016, the State created the voluntary VSI as an alternative to the VPP for cases where the Department lacked an enacted appropriation or other legal expenditure authority to present invoices to the State Comptroller for payment. The VSI operated similarly to the VPP, although the Department was required to determine a participating vendor’s invoice (1) would have met the requirements of the VPP and (2) provided the proper bill date of invoice prior to the qualified purchaser and participating vendor entering into an agreement where the participating vendor received payment for 90% of the receivable balance. The participating vendor, in turn, assigned its rights to the interest due under the Act to the qualified purchaser. After the State Comptroller ultimately paid/pays the invoice after the Department receives/received appropriations or other legal expenditure authority to pay the invoice, the participating vendor receives/received the remaining 10% due (less any offsets).

During fiscal year 2016, the Department had 7 vendors participate in VSI for 1,047 invoices, totaling \$783,578. A summary of the amount of transactions by qualified purchaser follows:

TRANSACTIONS BY QUALIFIED PURCHASER	
Qualified Purchaser	Total
A	\$ 426,628
B	171,727
C	59,052
D	55,596
E	32,616
F	31,021
G	6,936
Total	<u>\$ 783,576</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
INTEREST COSTS ON FISCAL YEAR 2016 INVOICES (UNAUDITED)
For the Two Years Ended June 30, 2016

Prompt Payment Interest Costs

The Illinois Department of Revenue has calculated prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issued a warrant to the vendor, regardless of when and if an enacted appropriation existed during fiscal year 2016. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90th day after a vendor submits an eligible proper bill to the Department. The following chart shows the Department prompt payment interest incurred related to fiscal year 2016 invoices, calculated on the accrual basis of accounting, through June 30, 2016, by fund:

PROMPT PAYMENT INTEREST INCURRED

Fund No.	Fund Name	Invoices	Vendors	Dollar Value
0012	Motor Fuel Tax Fund	2,334	539	\$ 93,731
0072	Underground Storage Tank Fund	89	68	1,150
0140	Illinois Department of Revenue Federal Trust Fund	12	6	56
0384	Tax Compliance and Administration Fund	1,688	433	26,557
0802	Personal Property Tax Replacement Fund	1,506	389	68,464
0821	Dram Shop Fund	308	47	9,895
	Total	<u>5,937</u>	<u>1,482</u>	<u>\$ 199,853</u>

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
AVERAGE NUMBER OF EMPLOYEES (UNAUDITED)
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

The following information was prepared from Department records and represents the average full-time equivalent number of employees by division for the fiscal years ended June 30, 2016, 2015, and 2014.

	Fiscal Year		
	2016	2015	2014
Tax Administration			
Account Processing	348	387	405
Administrative Law Judge	8	8	7
Administrative Services	48	76	80
Audit Bureau	425	464	499
Board of Appeals	13	13	13
Budget and Planning Office	26	7	6
Collections Bureau	176	186	193
Director's Office	8	7	6
EEO Office	1	1	1
Informal Conference Board	5	5	5
Information Security	11	13	14
Information Technology	107	114	114
Internal Affairs	17	18	19
Internal Audits	6	4	5
Labor Relations	4	5	4
Legal Services	43	48	47
Legislative Office	4	4	6
Policy and Communications	11	11	14
Research Office	6	5	7
Tax Enforcement	29	30	30
Taxpayer Services	160	166	152
Training	1	1	1
Total Tax Administration	<u>1,457</u>	<u>1,573</u>	<u>1,628</u>
Shared Services			
Revenue	29	31	26
Liquor Control	1	1	1
Total Shared Services	<u>30</u>	<u>32</u>	<u>27</u>
Liquor Control Commission			
BASSET	1	1	1
Budget Office	-	-	1
Director's Office	-	-	1
General Office	11	11	11
Investigations	16	20	23
Legal Services	2	2	3
Parental Responsibility	1	1	1
Retailer Education	1	1	1
Tobacco Study	-	-	1
Total Liquor Control Commission	<u>32</u>	<u>36</u>	<u>43</u>
TOTAL DEPARTMENT	<u><u>1,519</u></u>	<u><u>1,641</u></u>	<u><u>1,698</u></u>

Note 1: Employee groupings are based on organizational structure as of June 30, 2016.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
MEMORANDUMS OF UNDERSTANDING (UNAUDITED)
For the Fiscal Years Ended June 30, 2016 and 2015

The Illinois Department of Revenue (Department) enters into many memorandums of understanding (MOU) on an ongoing basis. The MOU assigns responsibilities in the early planning stages of a project and as the project develops.

During the engagement period, the Department engaged with several organizations to administer the tax laws of the State of Illinois and execute tax enforcement procedures. The dates and durations of the MOUs varied, depending on the services involved. The dates and services were documented in agreements maintained by the Department. The Department's MOUs included, but were not limited to, agreements with the following entities during the engagement period:

- Administrative and Regulatory Shared Service Center (ARSSC) – Disbanded July 1, 2016
- Paul Caselton
- CompuPay, Inc.
- Alcohol and Tobacco Tax and Trade Bureau/U. S. Treasury
- IRS Criminal Investigation
- Illinois Department of Employment Security
- Advantage Payroll Services
- Paychex, Inc.
- McKinsey & Company
- Computing Resources, Inc.
- U.S. Immigration and Customs Enforcement Task Force
- PayCycle, Inc.

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
AUDIT COLLECTIONS STATISTICS (UNAUDITED)
For the Fiscal Years Ended June 30, 2016 and 2015

The following tables provide an analysis of the revenue collected by audit staff of the Department compared to the costs associated with the audit:

Audit Collections per Audit Staff

	Revenue Collections (Audits)	Audit Staff (Average)	Revenue / Audit Staff
FY05	\$205,616,197	437	\$470,518
FY06	\$214,020,180	464	\$461,250
FY07	\$290,791,333	476	\$610,906
FY08	\$284,833,027	495	\$575,420
FY09	\$183,863,341	492	\$373,706
FY10	\$235,650,635	493	\$477,993
FY11	\$198,627,593	510	\$389,466
FY12	\$145,056,769	483	\$300,325
FY13	\$226,984,072	473	\$479,882
FY14	\$202,217,445	499	\$405,245
FY15	\$160,657,462	467	\$344,020
FY16	\$165,615,816	427	\$387,859

Audit Collections per Audit Related Expenditures

	Revenue Collections	Audit Related Expenditures	Revenue / \$ Spent
FY05	\$205,616,197	\$37,131,256	\$5.5
FY06	\$214,020,180	\$38,033,371	\$5.6
FY07	\$290,791,333	\$41,707,747	\$7.0
FY08	\$284,833,027	\$47,275,341	\$6.0
FY09	\$183,863,341	\$50,165,301	\$3.7
FY10	\$235,650,635	\$38,916,363	\$6.1
FY11	\$198,627,593	\$53,569,512	\$3.7
FY12	\$145,056,769	\$56,779,930	\$2.6
FY13	\$226,984,072	\$58,590,635	\$3.9
FY14	\$202,217,445	\$63,268,097	\$3.2
FY15	\$160,657,462	\$62,948,031	\$2.6
FY16	\$165,615,816	\$59,430,074	\$2.8

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
SERVICE EFFORTS AND ACCOMPLISHMENTS (UNAUDITED)
For the Fiscal Years Ended June 30, 2016 and 2015

Administer State and Local Tax Laws

Mission Statement: To maximize collection of revenues for the state of Illinois.

Program Goals:

Objectives:

- 1 Enhance tax enforcement.
 - ^a Re-deploy resources to focus on enforcement.
- 2 Improve efficiency and effectiveness.
 - ^a Expand electronic filing and payment offerings.
- 3 Advocate sound tax policies.
 - ^a Close tax loopholes and eliminate unjustified tax avoidance schemes.
 - ^b Develop accurate revenue forecasts.
- 4 Improve the quality and accessibility of taxpayer education and information.
 - ^a Increase self-help and interactive tax assistance options.

Funds: General Revenue Fund, Motor Fuel Tax - State Fund, Transportation Regulatory Fund, Underground Storage Tank Fund, Home Rule Municipal Retailers' Occupation Tax Fund, Illinois Department of Revenue Federal Trust Fund, State and Local Sales Tax Reform Fund, Regional Transportation Authority Occupation and Use Tax Replacement Fund, County Option Motor Fuel Tax Fund, Income Tax Refund Fund, Debt Collection Fund, Illinois Tax Increment Fund, Tax Compliance and Administration Fund, Local Government Distributive Fund, Municipal Telecommunications Fund, Personal Property Tax Replacement Fund

Statutory Authority: 35 ILCS

	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Actual</u>	<u>Fiscal Year 2016 Target /Projected</u>	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 5,574,834.5	\$ 5,770,390.3	\$ 5,418,686.0	\$ 5,370,890.2	\$ 6,232,291.4
● Total expenditures - state appropriated funds (in thousands)	\$ 524,799.8	\$ 584,114.7	\$ 668,686.0	\$ 582,912.6	\$ 732,291.4
● Average monthly full-time equivalents	1,617.0	1,608.0	1,640.0	1,459.0	1,646.0
● Total expenditures-operations (state appropriated funds) (in thousands)	\$ 182,586.3	\$ 180,103.2	\$ 190,887.0	\$ 165,263.0	\$ 195,692.9
● Total expenditures - grants & refunds (state appropriated funds) (in thousands)	\$ 342,213.5	\$ 404,011.5	\$ 477,799.0	\$ 417,649.6	\$ 536,598.5
<u>Output Indicators</u>					
● Number of State and Local taxes administered	74.0	76.0	76.0	76.0	76.0
● State and local tax and fee collections (in millions)	\$ 41,493.0	\$ 41,194.0	\$ 41,500.0	\$ 38,251.0	\$ 38,500.0
● Number of Individual Income Tax returns processed	6,143,408	6,185,708	6,185,000	6,143,475	6,150,000
● Number of Individual Income Tax refunds issued	3,738,865	3,317,503	3,350,000	3,135,800	3,150,000
● Number of direct deposits	3,010,458	2,895,954	2,900,000	3,056,178	3,125,000
● Number of new registration applications processed	99,439	102,291	105,000	111,148	115,000
● Number of active registration accounts	1,080,763	1,108,070	1,125,000	1,146,305	1,165,000
● Delinquent tax debt cases closed	615,645	625,640	625,000	661,210	640,000

● Delinquent tax debt collections (in thousands)	\$ 643,346.0	\$ 633,136.0	\$ 650,000.0	\$ 624,950.0	\$ 650,000.0
● Number of phone calls answered on toll-free taxpayer assistance lines	1,066,474	1,035,384	1,025,000	950,371	925,000
<u>Outcome Indicators</u>					
● Number of Individual Income Tax returns filed electronically	4,867,534	4,990,745	5,070,000	5,180,333	5,300,000
● Percent of Individual Income Tax returns filed electronically	79.2%	80.7%	82%	82.3%	86.2%
● Percent of tax and fee collections received via Electronic Funds Transfer (EFT)	83.7%	84.7%	85%	88.7%	90%
● Total tax and fee collections received via Electronic Funds Transfer (EFT) (in millions)	\$ 34,736.1	\$ 34,816.0	\$ 35,275.0	\$ 33,941.8	\$ 34,250.0
● Average number of days from receipt of registration application to mailing of certificate	2.9	3.1	3.0	2.4	2.8
● Average number of days from receipt of payment until deposit	1.0	1.0	1.0	1.0	1.0
● Percent of dollars deposited on same day as receipt	95.7%	96.9%	97%	97.4%	97.5%
● Percent of accurately and timely filed Individual Income Tax returns	83%	85.4%	85.5%	85.3%	85.5%
● Average number of days to issue an Individual Income Tax refund	21.9	23.0	23.0	33.1	32.0
<u>Efficiency/Cost-Effectiveness</u>					
● Cost to collect \$1,000 of tax and fees (in dollars)	\$ 4.40	\$ 4.40	\$ 4.60	\$ 4.30	\$ 5.10
● Tax and fee collections per staff (in millions)	\$ 25.7	\$ 25.6	\$ 25.3	\$ 26.2	\$ 23.4
● Delinquent tax debt collections per dollar spent on delinquent debt collection process (in dollars)	\$ 34.80	\$ 33.10	\$ 34.60	\$ 33.40	\$ 35.50

Liquor Control Commission

Mission Statement: To effectively regulate the manufacture, distribution, and sale of alcoholic beverages, and reduce youth access to tobacco products.

Program Goals:

Objectives:

- 1 Ensure statewide compliance with the provisions, rules and regulations of the Illinois Liquor Control Act.
- 2 Reduce youth access to tobacco products in Illinois.
- 3 Review and determine eligibility of business entities to hold a liquor license in the State of Illinois.
- 4 Develop a public awareness campaign related to minimum age liquor laws and to educate retail liquor establishments on how to guard against illegal sales and services to minors.

Funds: Dram Shop Fund

Statutory Authority: 235 ILCS 5/1-1 et seq.

	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Actual</u>	<u>Fiscal Year 2016 Target /Projected</u>	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 7,970.4	\$ 6,959.0	\$ 9,914.0	\$ 6,964.9	\$ 9,775.5
● Total expenditures - state appropriated funds (in thousands)	\$ 7,970.4	\$ 6,959.0	\$ 9,914.0	\$ 6,964.9	\$ 9,775.5
● Average monthly full-time equivalents	42.0	38.0	50.0	34.0	50.0
<u>Output Indicators</u>					
● Inspections - Total	16,676	17,245	17,500	16,035	16,500
● Licenses issued	34,973	36,600	37,000	37,618	38,000
<u>Outcome Indicators</u>					
● Liquor inspections compliance rate	64%	72.4%	72.5%	73.2%	73.5%
● Tobacco retailers compliance rate on State Annual Survey	84%	82.9%	83%	84.1%	84.5%