

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE**

Compliance Examination

For the Two Years Ended June 30, 2018
Performed as Special Assistant Auditors for
the Auditor General, State of Illinois



**State of Illinois
Department of Revenue**

**Compliance Examination
For the Two Years Ended June 30, 2018**

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Agency Officials

Director	David Harris, Acting (1/22/19 – present) Edward Buckles, Acting (1/1/19 – 1/21/19) Constance Beard (through 12/31/18)
Assistant Director	Vacant (1/1/19 – present) Edward Buckles (through 12/31/18)
Associate Director	Vacant (10/11/18 – present) Chimaobi Enyia (through 10/10/18)
Chief of Staff	Jim Nichelson (3/8/19 – present) Vacant (1/1/19 – 3/7/19) Kevin Conner (through 12/31/18)
Policy Advisor	Vacant (8/1/18 – present) Vince Cacioppo (1/25/18 – 7/31/18) Vacant (7/1/16 – 1/24/18)
Chief of Enforcement	Vince Cacioppo (8/1/18 – present) Vacant (7/1/16 – 7/31/18)
Chief Financial Officer	Cory Staley
Chief Internal Auditor	Nikki Lanier (7/1/18 – present) Vacant (6/27/18 – 6/30/18) Barbara Ringler, Acting (75 day 1/11/18 – 6/26/18) Vacant (1/1/18 – 1/10/18) Barbara Ringler (through 12/31/17)
Liquor Control Commission	Chimaobi Enyia, Acting (4/11/18 – present) Donovan Borvan (2/21/17 – 4/10/18) U-Jung Choe (through 2/20/17)
Program Administrators:	
Administrative Services	Joe Romang
Account Processing	Kevin Richards
Administrative Hearings	Terry Charlton
Audit	Daniel Hall
Board of Appeals	Brian Wolfberg

**State of Illinois
Department of Revenue**

**Compliance Examination
For the Two Years Ended June 30, 2018**

Agency Officials (Continued)

Chief Information Security Officer	Paul Havey, Acting (7/31/17 – present) Vacant (3/1/17 – 7/3/17) Tom Pantier (8/1/16 – 2/28/17) Vacant (through 7/31/16)
Collections	Steven Hayes, Acting (1/26/18 – present) Vacant for 1/25/18 Vince Cacioppo (through 1/24/18)
Communications Officer	Terrence Horstman (5/1/18 – present) Darlene Logdson (through 4/30/18)
Criminal Investigations	Vacant (5/2/18 – Present) Brian Cooper, Acting (through 5/1/18)
Equal Employment Opportunity	John Nelson
General Counsel	Brian Fliflet, Acting (3/8/19 – present) Jim Nichelson, Acting (1/7/19 – 3/7/19) Vacant (1/1/19 – 1/16/19) Mark Dyckman (through 12/31/18)
Informal Conference Board	Vacant
Information Technology	Debbie Price (8/1/16 – present) Tom Pantier (through 7/31/16)
Internal Affairs	Patrick Ross (2/1/19 – present) Kasey Cook, Acting (8/6/18 – 1/31/19) Vacant (8/4/18 – 8/5/18) Stephen Peters (7/1/16 – 8/3/18)
Labor Relations	Dave Mack, Acting (10/23/18 – present) Vacant (7/16/18 – 10/22/18) Kari Rothermich (3/16/18 – 7/15/18) Vacant (3/4/18 – 3/15/18) Jeffrey McNeal, Acting (11/16/17 – 3/3/18) Catherine Lacey (through 11/15/17)
Human Resources	Julie Moscardelli

**State of Illinois
Department of Revenue**

**Compliance Examination
For the Two Years Ended June 30, 2018**

Agency Officials (Continued)

Legislative Office

Richard Sgro (3/16/17 – present)
Vacant (1/16/17 – 3/15/17)
Jane McEnaney (through 1/15/17)

Research Office

Marty Johnson, Acting (3/5/19 – present)
Marty Johnson, Acting (8/30/17 – 2/28/19)
Hans Zigmund (through 8/27/17)

Taxpayer Services

Brenda Towers

Liquor Control Board Members

Donald G. O'Connell, Acting Chair
Thomas Gibbons
Patricia Pulido Sanchez
Melody Spann Cooper

Department Offices are located at:

Springfield, Illinois

Willard Ice Building
101 West Jefferson Street
Springfield, Illinois 62702

Chicago, Illinois

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

Des Plaines, Illinois

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

Fairview Heights, Illinois

15 Executive Drives, Suite 2
Fairview Heights, Illinois 62208

Marion, Illinois

2309 West Main Street, Suite 114
Marion, Illinois 62959

Rockford, Illinois

200 South Wyman Street
Rockford, Illinois 61101

Paramus, New Jersey

45 Eisenhower Drive, Suite 2
Paramus, New Jersey 07652

101 West Jefferson Street
Springfield, IL 62702
217.785.7570

100 West Randolph Street
Chicago, IL 60601
312.814.3190



JB Pritzker
Governor

David Harris
Director

STATE OF ILLINOIS
DEPARTMENT OF REVENUE

July 26, 2019

RSM US LLP
20 N. Martingale Rd, Suite 500
Schaumburg, Illinois 60173

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. 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 Illinois Department of Revenue's compliance with the following assertions during the two-year period ended June 30, 2018. Based on this evaluation, we assert that during the years ended June 30, 2018 and June 30, 2017, the Illinois Department of Revenue has materially complied with the assertions below.

- A. The Illinois Department of Revenue 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 Illinois Department of Revenue 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. Other than what is reported in the Schedule of Findings, the Illinois Department of Revenue 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 Illinois Department of Revenue 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 Illinois Department of Revenue on behalf of the State or held in trust by the Illinois Department of Revenue have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Illinois Department of Revenue

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~~Davis Harris~~, Acting Director

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Cory Staley, Chief Financial Officer

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Brian Fliflet, Acting General Counsel

**State of Illinois
Department of Revenue**

**Compliance Examination
For the Two Years Ended June 30, 2018**

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, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain a qualified opinion on compliance and material weaknesses over internal control.

SUMMARY OF FINDINGS

	<u>Current</u>	<u>2017</u>	<u>2016</u>
GAS Findings	3	2	1
State Compliance Findings	8	N/A	9
Total Findings	11	2	10
GAS New Findings	1	2	-
GAS Repeated Findings	2	-	1
GAS Not Repeated Findings	-	1	-
State Compliance New Findings	6	N/A	4
State Compliance Repeated Findings	2	N/A	5
State Compliance Not Repeated Findings	7	N/A	10

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2018-001	15	Inadequate Controls over Changes to GenTax	Material Weakness and Material Noncompliance
2018-002	17	Inadequate Internal Control over Access to GenTax	Material Weakness and Material Noncompliance
2018-003	19	Inadequate Controls over Tax Abatements	Significant Deficiency and Noncompliance

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COMPLIANCE REPORT

SUMMARY (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2018-004	21	Inadequate Controls over the Disclosure and Safeguarding of Taxpayer Information	Material Weakness and Material Noncompliance
2018-005	24	Complete Populations not Provided	Material Weakness and Material Noncompliance
2018-006	27	Inadequate Controls over Processing, Approval and Payment of Vouchers	Significant Deficiency and Noncompliance
2018-007	29	Exceptions in Testing Personnel	Significant Deficiency and Noncompliance
2018-008	30	Inadequate Controls over Contract Obligation Documents	Significant Deficiency and Noncompliance
2018-009	31	Lack of Notification to Taxpayers of Available Withholding Tax Credits	Significant Deficiency and Noncompliance
2018-010	32	Inadequate Controls over Processing and Recording of State Property and Equipment	Significant Deficiency and Noncompliance
2018-011	34	Lack of Agreement to Ensure Compliance with IT Security Requirements	Significant Deficiency and Noncompliance

In addition, the following findings which are reported as current findings relating to *Government Auditing Standards* also meet the reporting requirements for State Compliance.

FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2018-001	15	Inadequate Controls over Changes to GenTax	Material Weakness and Material Noncompliance
2018-002	17	Inadequate Internal Control over Access to GenTax	Material Weakness and Material Noncompliance
2018-003	19	Inadequate Controls over Tax Abatements	Significant Deficiency and Noncompliance

**State of Illinois
Department of Revenue**

**Compliance Examination
For the Two Years Ended June 30, 2018**

COMPLIANCE REPORT

SUMMARY (Continued)

PRIOR FINDINGS NOT REPEATED

A	35	Weaknesses in Project Management of GenTax
B	35	Controls and Safeguards over the Processing of Taxpayer Information
C	35	Weaknesses in GenTax Receipt Allocations
D	35	Weaknesses in GenTax Receipt Reconciliations
E	36	Misallocation of Telecommunication Tax
F	36	Noncompliance with the State Employment Records Act
G	36	Policies and Procedures Regarding Operation of State Vehicles not Followed
H	36	Noncompliance with Statutory Mandates

Exit Conference

Department officials waived an exit conference in correspondence from Nikki Lanier, Chief Internal Auditor, dated June 20, 2019. Responses to the recommendations were provided by Nikki Lanier, in correspondence dated July 3, 2019.



**Independent Accountants' Report on State Compliance,
on Internal Control Over Compliance, and on
Supplementary Information for State Compliance Purposes**

RSM US LLP

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, 2018. 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 State of Illinois Department of Revenue 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 State of Illinois Department of Revenue 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 State of Illinois Department of Revenue 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 State of Illinois Department of Revenue 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 State of Illinois Department of Revenue 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 (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the Department complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements listed above. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Department's compliance with specified requirements.

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Our examination disclosed the following material noncompliance with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2018. As described in items 2018-001, 2018-002, 2018-004, and 2018-005 in the accompanying schedule of findings, the Department did not comply with requirements regarding all applicable laws and regulations, including the State uniform accounting system in its financial and fiscal operations (Requirement C). 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 material 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, 2018. 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 2018-003 and 2018-006 through 2018-011.

The Department's responses to the findings identified in our examination are described in the accompanying schedule of findings. The Department's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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 preceding paragraph 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 have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses 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 deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2018-001, 2018-002, 2018-004 and 2018-005 to be material weaknesses.

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 2018-003 and 2018-006 through 2018-011 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 internal control findings identified in our examination are described in the accompanying schedule of findings. The Department's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

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 entity's internal control or on compliance. This report is an integral part of an examination performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Department as of and for the year ended June 30, 2018, and have issued our report thereon dated May 1, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to May 1, 2019. The accompanying supplementary information for the year ended June 30, 2018 in Schedules 1 through 7 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the Department. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2018 in Schedules 1 through 7 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, 2018 in Schedules 1 through 7 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

The Department's basic financial statements for the year ended June 30, 2017 (not presented herein) were audited by other auditors whose report thereon February 21, 2018 expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The financial audit report of the other auditors dated February 21, 2018, did not contain Compliance Report accompanying supplementary information for the year ended June 30, 2017. As a result, we cannot opine the accompanying supplementary information for the year ended June 30, 2017 contained within Schedules 1 through 7 of this report is fairly stated in relation to the Department's basic financial statements as a whole for the year ended June 30, 2017. We have, however, applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2017 accompanying supplementary information in Schedules 1 through 7. However, we do not express an opinion on the accompanying supplementary information in relation to the Department's basic financial statements for the year ended June 30, 2017.

The Department's basic financial statements for the year ended June 30, 2016 (not presented herein) were audited by other auditors whose report thereon dated March 23, 2017 expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The report of the other auditors dated March 23, 2017, stated that the accompanying supplementary information for the years ended June 30, 2016 in 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 June 30, 2016 financial statements. The report of the other auditors dated March 23, 2017, stated that the accompanying supplementary information for the year ended June 30, 2016 in Schedules 1 through 12 has been subjected to the auditing procedures applied in the audits of the June 30, 2016 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, and in their opinion, was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2016.

The accompanying supplementary information in the Analysis of Operations Section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information 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.

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Schaumburg, Illinois

July 26, 2019, except for our report on the Supplementary Information for State Compliance Purposes, as to which the date is May 1, 2019

**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, 2018, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements and have issued our report thereon dated May 1, 2019.

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 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.

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. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings as items 2018-001 and 2018-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings as item 2018-003 to be a significant deficiency.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2018-001, 2018-002 and 2018-003.

State of Illinois, Department of Revenue's Responses to Findings

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

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.

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Schaumburg, Illinois
May 1, 2019

Schedule of Findings
For the Two Years Ended June 30, 2018

Current Findings – Government Auditing Standards

Finding 2018-001 Inadequate Controls over Changes to GenTax

The Department of Revenue and the Department of Employment Security (Departments) did not maintain adequate controls over changes to the enterprise-wide tax system (GenTax).

The Department of Revenue (IDOR) utilizes GenTax to process tax returns of State residents and business employers. On September 11, 2017, the Department of Employment Security (IDES) went live with the Unemployment Insurance Tax module of GenTax in order to process employer unemployment returns and payments. During fiscal year 2018, the IDOR processed over 13.4 million transactions and \$45.1 billion in payments and the IDES processed over 1.9 million transactions and \$1.6 billion in payments from taxpayers and employers, respectively.

As part of the audit process, we requested the Departments provide the population of changes to GenTax. In response, the Departments provided a listing of changes; however, during our testing we noted changes which were not applicable to GenTax.

Due to these conditions, we were unable to conclude the Departments' population of changes to GenTax were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 330, AU-C §530, AT-C §205).

Even given the population limitations noted above, we performed testing and noted:

During the audit period, the Departments had four different change control procedures. In order to test the procedures for compliance, we selected a sample of 137 proposed changes to GenTax made by the Departments' personnel during the audit period. Out of the 137 proposed changes, only 100 of them were deemed a required and necessary change to GenTax by the Departments' management and were subsequently made. Out of the 100 required changes to GenTax, we noted the following:

- 58 (58%) changes did not contain evidence that testing had been conducted or lacked testing documentation.
- 12 (12%) changes were not approved, or approval was by an unauthorized individual during the development stages or migration to the production environment.
- 2 (2%) changes did not follow the required change control process.

The Departments' varying iterations of change control procedures required that all changes be tested, with testing documented and approved by authorized individuals throughout the development process and migration.

The Departments indicated that prior to the integration of the IDES into the change control system utilized by the IDOR, the procedures were specific to the needs of the IDOR. During the audit period, a comprehensive review of the procedures was conducted which resulted in significant changes. Changes were implemented in stages as the need arose requiring multiple versions of procedures.

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 implementation of suitable change management procedures to control changes to computer systems.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – *Government Auditing Standards*

Finding 2018-001 Inadequate Controls over Changes to GenTax (Continued)

Failure to implement and maintain adequate controls over changes may lead to improper changes or access, resulting in inaccurate data and security concerns. (Finding Code No. 2018-001, 2017-001)

Recommendation

We recommend that the IDOR work with the IDES to utilize adequate internal controls over changes to GenTax and maintain documentation to support the processes and procedures utilized to mitigate the applicable risks related to system changes.

Department Response

The Departments accept the Auditor's recommendation. Change control procedures have been revised, and an improved tracking solution has been implemented.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – Government Auditing Standards

Finding 2018-002 Inadequate Internal Control over Access to GenTax

The Department of Revenue (Department) did not have adequate internal control over access to the enterprise tax system (GenTax). During fiscal year 2018, GenTax processed over 13.4 million tax transactions and \$45.1 billion in payments from taxpayers.

In order to obtain access to GenTax, the Department's Access Control Procedure states approvals have to be obtained from:

- Internal Affairs stating a background check has to be cleared,
- "Request for Access to Illinois Department of Revenue Systems" form is to be completed and signed by the user, supervisor, Internal Affairs, and Information Services Program Administrator, and
- An email from the business process owner documenting and approving the applicable access right to GenTax.

During our testing of a sample of 60 new users, it was noted:

- 59 (98%) new users did not have a completed Request for Access to Illinois Department of Revenue Systems form.
- 37 (62%) new users did not have an email from the business process owner documenting and approving the user's access rights to GenTax.

Department management indicated changes had occurred to the requirements for obtaining access; however, the Access Control Procedure had not been fully updated due to competing priorities.

In addition, we noted the Department's Access Control Procedure states access to GenTax is to be disabled upon a user's departure. During our testing of a sample of 43 users who departed during the fiscal year, it was noted that 39 (91%) user's access was disabled from 2 to 186 days after departure.

Department management indicated the untimely disabling of access was due to oversight and a lack of adequate communication between the program area and information security upon the separation of the employee.

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.

Failure to properly approve and disable user's access in a timely manner puts the Department at risk of unauthorized access to the GenTax System. (Finding Code No. 2018-002)

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – *Government Auditing Standards*

Finding 2018-002 Inadequate Internal Controls over Access to GenTax (Continued)

Recommendation

We recommend the Department obtain the required documentation approving user's access or update the Access Control Procedure. In addition, the Department should ensure all Department user's access is disabled timely.

Department Response

The Department accepts the Auditor's recommendation. Management will review the Access Control Procedures for potential modifications and a review of separations will be conducted semi-monthly to assist in ensuring access is terminated timely.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – Government Auditing Standards

Finding 2018-003 Inadequate Controls over Tax Abatements

The Department of Revenue (Department) did not have adequate controls over income tax abatements resulting from tax credits issued under the Economic Development for a Growing Economy (EDGE) and the Angel Investment Credit (AIC) programs administered by the Department of Commerce and Economic Opportunity. Both programs meet the definition of a tax abatement for financial reporting purposes under Paragraph 4 of Statement No. 77 of the Governmental Accounting Standards Board, Tax Abatement Disclosures (GASB 77).

During our testing of tax credits, we noted the following:

- The Department and the Department of Commerce and Economic Opportunity was unable to provide the EDGE and AIC tax credit agreements or certificates for 1 out of 23 (4%) tax credits tested. Without the copy of the tax credit agreement or certificates, we could not determine if the tax credits taken by the taxpayer, totaling an EDGE Credit amount of \$45,171 and an AIC Credit amount of \$257,928, were valid and proper.
- The Department was unable to provide a copy of the EDGE Tax Credit Certificate of Verification for 5 out of 23 (22%) tax credits tested. The EDGE Credit amounts for the taxpayers ranged from \$49,275 to \$4,752,478. As a result of the Department not requiring the taxpayer to provide a copy of the certificate at the time of filing their returns, the Department will be abating taxes, totaling \$8,742,857, in the future without determining that the related credits were valid and proper.

Under GASB Statement No, 77, Paragraph 5, the Department is required to disclose specific information for tax abatements within the notes to the financial statements. The disclosure requirements commence in the period that the tax abatement agreement is entered into and continues until the tax abatement agreement expires.

The State Records Act (5 ILCS 160/8) requires the head of each State agency to preserve records containing adequate and proper documentation of the decisions and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

The Economic Development for a Growing Economy Tax Credit Act (Act) (35 ILCS 10/5-55) requires taxpayers claiming the EDGE credit to submit a Certificate of Verification to the Department. The taxpayer receives its Certificate of Verification from the Director of the Department of Commerce and Economic Opportunity only after the taxpayer has provided proof to the Department of Commerce and Economic Opportunity the project has substantially achieved the level of (1) new full-time jobs, (2) level of annual payroll, and (3) level of capital investment as specified in the agreement between the State and the taxpayer under the Act (35 ILCS 10/5-50).

The IL-1120 Instructions published by the Department requires taxpayers to attach a copy of the credit certificate issued by the Department of Commerce and Economic Opportunity to their return to claim the credit.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – Government Auditing Standards

Finding 2018-003 Inadequate Controls over Tax Abatements (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal administrative and fiscal 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 reports and to maintain accountability over the State's resources.

Department management indicated the Department updated its procedures following the prior year's audit, however the changes were applied prospectively beginning with tax year 2018 and the items described herein pertain to earlier tax years.

Failure to implement and maintain adequate controls over the EDGE and AIC programs may result in the improper abatement of taxes owed, reducing the amount of taxes collected by the State, and represents noncompliance with State law. Further, failure to maintain complete records supporting tax abatements could misstate the Department's financial statement disclosures and the State's Comprehensive Annual Financial Report. (Finding Code No. 2018-003, 2017-002)

Recommendation

We recommend the Department obtain each taxpayer's Certificate of Verification prior to allowing the taxpayer's credit, and retain this and other documentation including certificates and agreements, within the files supporting the taxpayer's returns. Further, the Department should work with the Department of Commerce and Economic Opportunity to ensure all necessary source documentation, including the original agreements, are retained for the EDGE and AIC programs.

Department Response

The Department accepts the Auditor's recommendation. We have updated our procedures and are working with the Department of Commerce and Economic Opportunity to design an automated solution to enable an appropriate exchange of information between the agencies. If deemed appropriate, the Department will work with the Department of Commerce and Economic Opportunity to propose legislation that allows the invalidation of a credit when a certificate is not submitted with the Taxpayer's tax return.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-004 Inadequate Controls over the Disclosure and Safeguarding of Taxpayer Information

The Department of Revenue (Department) did not have adequate internal controls over the disclosure and safeguarding of taxpayer information. Specifically, we noted the Department provided unauthorized taxpayer information to another State agency, the Department was unable to provide a sufficient listing of other parties (not the public as a whole) it may have provided taxpayer information to during the examination period, and the Department failed to adequately secure working areas which contained taxpayer information.

The Internal Revenue Code (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 (26 U.S. Code §6103(b)) 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, overassessments, or tax payments ..."

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 commingling, 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.

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*.

Additionally, the State has disclosure statutes outlined within the Retailers' Occupation Tax Act (35 ILCS 120/11) and the Illinois Income Tax Act (35 ILCS 5/917).

During statutory mandate testing over the Illinois Income Tax Act (35 ILCS 5/917), auditors noted the following:

- As part of testing the Illinois Income Tax Act, the auditors requested the Department provide a population of instances wherein information received from returns was made available to other parties (but not the whole public) during the examination period. Although the Department provided a population to the auditors, documentation demonstrating the completeness and accuracy of the population could not be provided. Due to these conditions, we were unable to conclude that the population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35). See also Finding 2018-005.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-004 Inadequate Controls over the Disclosure and Safeguarding of Taxpayer Information (Continued)

Even given the population limitations noted above, the auditors tested a sample of instances wherein information received from returns was made available to other parties (but not the whole public). Our testing revealed the following error:

- The Department provided FTI to the Department of Healthcare and Family Services (DHFS). Per the Income Tax Act (35 ILCS 5/917), the Department is allowed to send DHFS tax information for child support enforcement purposes in order to verify sources and amounts of income. However, we noted that from the fall of 2017 until it was discovered by the auditors in May 2018, the Department provided DHFS taxpayer information for all individuals who filed tax returns on a monthly basis. Specifically, this file included individuals who did not receive child support credit or services from DHFS. The Department's data warehouse from which the data file was pulled is considered commingled with information received from the IRS, thus the information provided included accounts which contained FTI.

During walkthroughs performed in our examination, we noted the following weaknesses:

- While performing a walkthrough of controlled areas on December 14, 2018, we found physical access to the Fed/State Room was secured by a badge reader; however, the physical door was unlocked making the badge reader ineffective.
- While testing controlled areas, we obtained populations of individuals who have badge access to the controlled areas. Nine out of 25 (36%) of the individuals selected for testing did not have adequate documentation to determine if their badge access to the controlled areas was appropriate.
- During a walkthrough of the Willard Ice Building, we noted 4 instances of confidential information in open areas.

According to the Income Tax Act (35 ILCS 5/917(a) thru (c)), "All information received by the Department from returns filed under this Act, or from any investigation conducted under the provisions of this Act, shall be confidential, except for official purposes within the Department or pursuant to official procedures for collection of any State tax or pursuant to an investigation or audit by the Illinois State Scholarship Commission of a delinquent student loan or monetary award or enforcement of any civil or criminal penalty or sanction imposed by this Act or by another statute imposing a State tax...However, the provisions of this paragraph are not applicable to information furnished to (i) the Department of Healthcare and Family Services (formerly Department of Public Aid), State's Attorneys, and the Attorney General for child support enforcement purposes...(c) The Director may exchange information with the Department of Healthcare and Family Services and the Department of Human Services (acting as successor to the Department of Public Aid under the Department of Human Services Act) for the purpose of verifying sources and amounts of income and for other purposes directly connected with the administration of this Act, the Illinois Public Aid Code, and any other health benefit program administered by the State."

In addition, the Department's Administrative Directive over Badges, Credentials, Shields, and Authority indicates, "in accordance with the IRS Publication 1075, badged employees may serve as a second barrier in the protection of federal tax information (FTI). Because of the need for security of FTI and any other confidential taxpayer information in many of the Department's work areas, picture identification badges are issued to all employees". Further, the Department utilizes Authorization to Access Controlled Areas, form ID-85, to document the controlled areas an individual's badge allows them access to, the justification for their access, and signatures from management authorizing each area as appropriate.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-004 Inadequate Controls over the Disclosure and Safeguarding of Taxpayer Information (Continued)

Department management indicated the exceptions noted above were mostly due to employee oversight. For physical access to the controlled areas, Department management indicated that someone with a physical key may have accidentally unlocked the door the day of our observation of the Fed/State Room. The Department was not aware of any unauthorized access to the area. Department management indicated for the badge access, the use of Form ID-85 was implemented during September 2017 for new employees. For employees hired prior to September 2017 there was not a formal procedure used to document access to controlled areas. The Internal Affairs office would issue badges and various access rights based on notification from management regarding the individual's need for secure access in order to fulfil their job duties. Lastly, Department management stated that the walkthrough conducted at the Willard Ice Building by auditors occurred on a State holiday. In some cases, documents were placed in an inbox after the employee had left for the day.

The Department has the responsibility to ensure only authorized individuals have access to taxpayer information including taxpayer payments. Failure to implement sufficient controls and safeguards could result in taxpayer identity theft or unintended use and the misappropriation of taxpayer payments. Further, failure to adequately protect taxpayer information represents noncompliance with Federal and State law. (Finding Code No. 2018-004, 2016-003, 2014-002, 2013-004, 12-05, 11-06, 10-09)

Recommendation

We recommend the Department ensure FTI received and provided is adequately protected from potential unauthorized access. We also recommend the Department continue to evaluate physical security over its controlled areas and confidential information to determine if policies and procedures for safeguarding the Department's controlled areas and confidential information are adequate during business and non-business hours.

Department Response

The Department accepts the recommendation. During fiscal year 2019, additional barriers were installed restricting public access to operational areas which greatly reduces the risk of improper disclosure of taxpayer information. The Department will continue to evaluate physical security over controlled areas and confidential information to identify areas for improvement. In addition, we will review our policies and procedures over the release of taxpayer information to other State agencies to aid in ensuring only authorized information is released and tracked properly.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-005 Complete Populations Not Provided

The Department of Revenue (Department) was unable to provide adequate records substantiating the completeness of populations for one or more laws, regulations, or other requirements.

During our examination, we noted the following:

- As part of auditing the Department's change management process over changes made to the State's enterprise-wide tax system (GenTax), we requested the Department provide the population of changes made to GenTax by the Department during the audit period. In response, the Department provided a listing of changes; however, during our testing we noted changes which were not applicable to GenTax. As a result, we are unable to determine which changes should or should not have been included in the listing, as well as if other items were not included in the GenTax changes population.

Department management indicated the exceptions noted above were due to employee oversight.

- As part of testing the Illinois Income Tax Act (35 ILCS 5/917), we requested the Department provide a population of instances wherein information received from returns was made available to other parties (but not the whole public) during the examination period. In determining the completeness of the listing, we identified three instances of disclosure that should have not been included on the listing and one instance of disclosure that was left off the listing. As a result, we are unable to determine if there were other potential instances of unauthorized disclosure of which we may be unaware.

Department management indicated the exceptions noted above were due to employee oversight.

- While testing compliance with commodities, we requested the Department's commodities year-end balances (quantity) for Fiscal Years 2017 and 2018. To determine completeness of the listings, we recalculated ending balances based on supporting documentation. The recalculation for Fiscal Year 2017 resulted in 260,191 more commodity items than the ending balance provided by the Department. As a result, we are unable to determine if there are other items which should have been included in the year-end balance of which we may be unaware..

Department management stated conversion errors and data entry mistakes were noted in the documentation provided to the auditors.

- While testing compliance with contractual agreements, we requested and the Department provided its contractual agreement populations for Fiscal Years 2017 and 2018. However, we could not reconcile the supporting documentation to the Illinois Office of the Comptroller's Agency Contract Report (SC14). In addition, the Department could not provide support that SC14 monthly reconciliations were completed during Fiscal Year 2018. As a result, we are unable to determine if there were additional contractual agreements which should have been subjected to our testing.

Department management stated the responsibility of completing the reconciliation was reassigned during the engagement period. Due to employee oversight, the reconciliations were not performed during fiscal year 2018.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-005 Complete Populations Not Provided (Continued)

- While testing compliance with personal services, we requested the Department’s employee populations for employees who were hired, employees who had separated employment from the Department, and active employees as of the last payroll period for Fiscal Years 2017 and 2018. When comparing the details of the listings to each other the following exceptions were noted:
 - One employee on the Fiscal Year 2017 New Hire listing was not included in the Active listing as of June 30, 2017, nor were they included on the Fiscal Year 2017 Separations listing.
 - Five employees on the Fiscal Year 2018 New Hire listing were not included in the Active listing as of June 30, 2018, nor were they included on the Fiscal Year 2018 Separations listing.

Department management indicated the errors were due to lack of oversight.

In addition, the listings provided did not capture all contractual employee activity as follows:

- Two contractors on the Fiscal Year 2017 New Hire listing were not included on the Active listing as of June 30, 2017, nor were they included on the Fiscal Year 2017 Separations listing.
- Four contractors on the Fiscal Year 2018 New Hire listing were not included on the Active listing as of June 30, 2018, nor were they shown on the Fiscal Year 2018 Separations listing.
- Four contractors on the Fiscal Year 2018 Separations listing were also included on the Active listing as of June 30, 2018.

Department management stated the listings provided to the auditors were generated from HRIS which is not currently used to track contractual (personal services contract) activity. Employees who separated from the Department and immediately returned as temporary employees were not coded as new hires in HRIS. As a result, they were not included in the listings.

Further, during site visit testing, we noted two employees assigned to the Des Plaines Criminal Investigative Division were not included on the Des Plaines employee listing provided by the Department’s Human Resources Office.

As a result, we are unable to determine if there were additional employees or contractual employees who were not properly captured in the Fiscal Year 2017 and Fiscal Year 2018 reporting.

Department management stated errors in the employee listings provided were due to oversight.

- While testing compliance with telecommunications, we requested the Department provide a population of electronic devices assigned to employees who had separated from the Department during the examination period in order to determine if the electronic device was terminated appropriately. However, the Department was unable to provide the population requested. As a result, we are unable to determine if there were other electronic devices that should have been included of which we were unaware.

Department management stated the Department is tracking this information in the legacy system and a system owned by DoIT. Revenue DoIT is currently in the process of developing a system to track all information related to telecommunication devices in one location.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-005 Complete Populations Not Provided (Continued)

In addition, from the population of cancelled telecommunication requests, we selected three samples. For 3 out of 3 samples (100%) tested, the Department was not able to provide supporting documentation to determine the timeliness of the cancellation.

Department management indicated the three devices that lacked documentation of cancellation were retained for future use by the Department and were not cancelled.

Despite the population limitations above which hindered our ability to conclude whether the selected sample was representative of the population as a whole, we obtained the populations provided by the Department for each of the areas above, selected a sample, and tested for compliance. For the samples tested, we reported noncompliance for the following areas: Finding 2018-001 for Gentax change control; Finding 2018-004 for the Illinois Income Tax Act (35 ILCS 5/917); Finding 2018-007 for Employee Testing; and Finding 2018-008 for the Contractual Agreements.

According to the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35), when using information produced by the entity, the practitioner should evaluate whether the information is sufficiently reliable for the practitioner's purposes, including, as necessary, obtaining evidence about the accuracy and completeness of the information, and evaluating whether the information is sufficiently precise and detailed for the practitioner's purposes.

The State Records Act (5 ILCS 106/8) requires the Director to make and preserve records containing adequate and proper documentation of the essential transactions of the Department to protect both the legal and financial rights of the State and of persons directly affected by the Department's activities.

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 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.

Failure to provide complete and adequate documentation impedes us in completing our procedures and providing useful and relevant feedback to the General Assembly regarding the Departments compliance for the above areas. Further, the Department is unable to demonstrate it has met each compliance requirement it is subject to when sufficient records are not maintained. (Finding Code No. 2018-005)

Recommendation

We recommend the Department strengthen controls over the records maintained for each area in which a compliance requirement is present.

Department Response

The Department accepts the recommendation. A system is in the development stage to track activity related to the assignment of telecommunications devices and any changes to GenTax. We are in the process of reviewing the methods to capture and track any other populations in which a compliance requirement is present.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-006 Inadequate Controls over Processing, Approval, and Payment of Vouchers

The Department of Revenue (Department) did not have adequate internal control over the processing, approval, and payment of vouchers.

During our examination, we tested various types of vouchers processed by the Department and noted the Department did not review each vendor’s invoice and either deny the bill in whole or in part, ask for more information to review the bill, or approve the voucher in whole or in part, within 30 days after receipt of the bill, as follows:

	No. of	Sample	Range	Voucher
Compliance Area:	Exceptions	Size	of Days	Exception
			Late	Total
Contractual services	7	60	1 to 120	\$90,034
Travel	3	60	6 to 55	848
Commodities	7	60	2 to 229	132,672
Printing	4	18	1 to 30	36,769
Equipment	2	13	7 to 11	775
Telecommunications	10	60	3 to 62	5,455
Operations of automotive	22	43	4 to 90	26,019
Lapse period	2	60	4 to 24	596
EDP	-	60	-	-
Lump sum	-	17	-	-
	57	451		293,168
Total rate of occurrence	12.6%			

Also, our voucher testing noted the following:

- One out of 18 (6%) printing vouchers did not use the proper object code. The voucher amounted to \$15.
- One out of 60 (2%) telecommunications vouchers had an unapproved Telecommunications Invoice Approval form. The voucher amounted to \$1,321.
- Four out of 451 (1%) vouchers tested were paid late, 90 days after the proper bill date, and were not accruing interest as required. The interest amounted to \$4,118.

Department management indicated the conditions noted were attributed to staff oversight and competing priorities.

The Illinois Administrative Code (74 Ill. Adm. Code 900.70) requires the Department to review each vendor’s invoice and either deny the bill in whole or in part, ask for more information necessary to review the bill; or approve the voucher in whole or in part, within 30 days after the receipt of the bill.

The State Prompt Payment Act (30 ILCS 540/3-2(1.05)) requires bills to be paid or the payment be issued to the payee within 90 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 90-day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month, or a fractional rate of 0.033% per day after the end of this 90-day period, until final payment is made.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

**Finding 2018-006 Inadequate Controls over Processing, Approval and Payment of Vouchers
(Continued)**

Finally, we tested 60 employee travel vouchers, and performed additional procedures for potential duplicate billings on 21 employee travel vouchers, for a total of 81 travel vouchers tested. Based on our testing, we noted that 8 out of 81 (10%) employee travel vouchers tested were submitted to the employee's supervisor for approval after the fifteenth (15th) working day following the end of the month in which the travel occurred. The vouchers totaled \$2,562 and were submitted between 3 and 58 days late.

Department management indicated the condition occurred due to the failure of staff to follow prescribed rules and expectations communicated to them by management.

The Department's *Travel Guide*, Section 4 – Travel Vouchers, requires employees who travel to submit travel vouchers to their supervisor for approval by the fifteenth (15th) working day following the end of the month in which the travel occurred.

Finally the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal 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 indicated the conditions noted were attributed to staff oversight and competing priorities.

Failure to timely process and review vouchers results in late payment to vendors and interest penalties being levied against the Department. (Finding Code No. 2018-006)

Recommendation

We recommend Department management and staff comply with current processes and procedures regarding processing, approval, and payment of vouchers.

Department Response

The Department accepts the recommendation. Supervisors will be reminded to ensure vouchers are approved and processed timely. Employees will be reminded of the policy regarding the timely submission of travel vouchers.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-007 Exceptions in Testing Personnel

The Department of Revenue (Department) did not have adequate internal control over the administration of its personnel functions.

During our testing of personnel, we noted the Department did not perform employee evaluations as required. Specifically, we tested the employee evaluations for a sample of 40 employees which were required to have had 62 total evaluations performed during the examination period. Of the 62 evaluations required, we noted the following:

- Twenty-six (42%) performance evaluations were completed between 9 and 476 days late.
- Two (3%) performance evaluations were not on file and available to review.
- One (1%) performance evaluation for Fiscal Year 2018 was completed 44 days before the evaluation period ended on May 31, 2018.

The Illinois Administrative Code (80 Ill. Adm. Code 302.270) requires an evaluation to be completed on employees on an annual basis at a 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 to be evaluated at the midpoint and during the final month of the probationary period.

In response to this finding from the previous two engagements, the Department stated it would work to further communicate the timeframes for submitting employee performance evaluations.

Also, in the previous engagements, we identified errors with the Department's timekeeping process. During the current engagement, we noted no instances of noncompliance regarding the timekeeping.

Department management indicated the exceptions were due to competing priorities of supervisors.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Late or the lack of performance evaluations could hinder the basis for the Department's salary adjustments, promotion, demotion, discharges, layoffs, recalls, and reinstatement decisions. (Finding Code No. 2018-007, 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.

Department Response

The Department accepts the recommendation. The due dates for employee evaluations are currently being tracked with monthly reminders sent to supervisors. In addition, the performance objectives of each program manager have been revised to include the requirement that employee evaluations are completed timely.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-008 Inadequate Controls over Contract Obligation Documents

The Department of Revenue (Department) did not have adequate internal controls over the completion of Contract Obligation Documents (CODs) during its contracting processes.

During contractual agreement testing, we reviewed 16 CODs and noted the following exceptions:

- One (6%) COD tested indicated a legal status code that was different than the detail shown on the taxpayer identification number (TIN) certification.
- One (6%) COD tested did not have an obligation amount indicated.
- One (6%) COD tested did not have sufficient detail, as only the vendor name and contract number was indicated.
- One (6%) COD tested indicated no subcontractor utilization, but on the Basic Ordering Agreement (BOA) indicated yes to subcontractor utilization.
- One (6%) COD tested did not have a name indicated within the document authorization section.

The Statewide Accounting Management System Manual (SAMS Manual) (Procedure 15.20.10) requires the Department to enter certain data elements on the COD prior to submitting it to the Illinois Office of the Comptroller. Specifically, the SAMS Manual requires the Legal status to correspond to the status indicated on the TIN certification, the obligation amount should include the amount to be paid from each appropriation code cited, the description should be reasonably detailed and include items such as the type of service to be rendered, the procurement information should indicate whether or not subcontractors may be utilized under the contract and whether or not subcontractor information has been disclosed, and it should include the name of the individual who authorized the obligation.

Department management indicated the errors were due to lack of oversight by procurement staff.

Failure to properly complete and approve the COD increases the likelihood that inaccurate contract obligations could occur and not be detected in a timely manner. (Finding Code No. 2018-008)

Recommendation

We recommend Department management and staff comply with current policies and procedures regarding proper completion and review of the Contract Obligation Documents and should follow internal control system in place.

Department Response

The Department accepts the recommendation. Staff will be reminded of the importance of proper completion and review of the Control Obligation Documents, and they will be instructed to review the related SAMS manual requirements.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-009 Lack of Notification to Taxpayers of Available Withholding Tax Credits

The Department of Revenue (Department) did not have adequate internal controls over sending withholding income tax (WIT) credit notification letters to taxpayers.

During testing of tax credit balances, we noted 3 out of 5 (60%) WIT credit selections tested, totaling \$78, did not have support demonstrating that a letter was sent to the taxpayer to notify them of an available tax credit, as required.

Per Department procedures, a notice is to be sent to the taxpayer explaining that there is an unverified overpayment on their account and requesting the taxpayer to respond with supporting documentation in order to have the credit verified for future use.

Department management indicated that in one instance, the taxpayer did not receive a notice regarding the existence of an unverified WIT credit because the overpayment was created after the processing of the return and thereby failed to meet the systemic and procedural criteria which was in place at the time for generating a notice. In the other instances, the taxpayers did not receive a notice regarding the existence of an unverified WIT credit due to a system issue.

Failure to produce letters notifying taxpayers of credits available results in violation of Department policy and could result in taxpayers not using credits available in a timely manner. (Finding Code No. 2018-009)

Recommendation

We recommend the Department review and strengthen controls to ensure the letters are sent in a timely manner in accordance with the Department's procedures.

Department Response

The Department accepts the recommendation. Controls over withholding tax credits will be reviewed to identify areas that can be strengthened.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-010 Inadequate Controls over Processing and Recording of State Property and Equipment

The Department of Revenue (Department) did not have adequate internal control over the processing and recording of state property and equipment.

During testing of property and equipment the following exceptions were noted:

- Six out of 40 (15%) equipment additions had recorded asset values that did not match the documentation provided. The additions totaled \$60.
- One out of 40 (3%) equipment additions was not timely added to Department's records. The addition amounted to \$10 and was recorded 377 days after the purchase.
- Two out of 40 (5%) equipment deletions used different deletion codes than suggested deletion codes indicated in the Request for Deletion (RFD) form. The deletions totaled \$426,325.
- Two out of 40 (5%) equipment deletions had different amounts on the RFD compared to the Department's records. The amount on the RFD for these two items was \$196 while the amount in the Department's records totaled \$277.
- For 1 out of 2 (50%) selections tested for missing equipment, the Department failed to complete a CSD-14 Security Breach Notification Form for the missing laptop per Department policy.

The State Property Act (30 ILCS 605/4) requires that every responsible officer of the State government shall be accountable to the administrator for the supervision, control and inventory of all property under his jurisdiction, provided that each responsible officer may, with the consent of the administrator, deputize one or more subordinates to carry out some or all of said responsible officer's duties under the State Property Act. Administrator is defined in the State Property Act (30 ILCS 605/1.03) as Director of the Department of Central Management Services (DCMS).

In accordance with IRS Publication 1075, section 9.3.8 Incident Response, the Department developed an incident response policy. The Department's incident response policy requires Department personnel to immediately contact Internal Affairs and the Disclosure Officer, who will then contact the IRS Office of Safeguards and Treasury Inspector General for Tax Administration (TIGTA) immediately but no later than 24 hours after identification of a possible issue involving FTI. Incidents include, but are not limited to, a data breach, the compromising of any taxpayer data, a virus detected on a user's machine, a lost PC or an undelivered piece of mail that contains taxpayer data. Form CSD-14 – Security Breach Policy Form is available on the Department's Intranet and must be used when any form of information compromise is detected. Appropriate action will be taken to protect the taxpayer as deemed necessary following the evaluation of the severity of the breach.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance that (1) funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation, and (2) 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.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-010 Inadequate Controls over Processing and Recording of State Property and Equipment (Continued)

Department management indicated the equipment reporting discrepancies were due to not obtaining accurate paperwork from DoIT regarding iPhone purchases, and various staff clerical errors and oversight due to the conversion to a new inventory system. For the failure to complete a Form CSD-14, Department management stated the exception was due to employee oversight.

Failure to maintain adequate records for state property additions and/or deletions weakens internal control and increases the likelihood that a loss of equipment could occur and not be detected in a timely manner. (Finding Code No. 2018-010)

Recommendation

We recommend Department management and staff comply with current policies and procedures regarding property and equipment, and follow the control system in place. Further, we recommend management train staff on the new inventory system to ensure proper processing and recording of State property and equipment.

Department Response

The Department accepts the recommendation. Staff will be reminded of the importance of following policies and procedures regarding property and equipment. Currently, formal training has not been offered on the new inventory system; however, institutional knowledge will be documented as staff learn the system.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Current Findings – State Compliance

Finding 2018-011 Lack of Agreement to Ensure Compliance with IT Security Requirements

The Department of Revenue (Department) had not entered into a detailed agreement with the Department of Innovation and Technology (DoIT) to ensure prescribed requirements and available security mechanisms were in place in order to protect the security, processing integrity, availability, and confidentiality of its systems and data.

On January 25, 2016, the Governor signed Executive Order 2016-01, which created the Department of Innovation and Technology. Under the Executive Order, DoIT assumed responsibilities for the State's IT decisions and spending, including the Department's Information Technology infrastructure and functions. Commencing on July 1, 2016, DoIT and the Department were to work together in order to "transfer all relevant functions, employees, property, and funds" to DoIT.

The Department and DoIT entered into an Intergovernmental Agreement (Agreement), with a term of July 1, 2016 through June 30, 2017. The Agreement outlined the transfer of assets and staff; however, it did not address the security, processing integrity, availability and confidentiality of the Department's systems and data.

The Department has the ultimate responsibility to ensure its critical and confidential systems and data are adequately secured. This responsibility is not limited because the information technology functions were transferred to DoIT.

Department management indicated they believe the Executive Order addressed the requirements.

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 funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

Without a formal agreement, the Department does not have assurance of the adequacy of controls to ensure the security, processing integrity, availability, and confidentiality of its systems and data. (Finding Code No. 2018-011)

Recommendation

We recommend the Department enter into a detailed agreement with the Department of Innovation and Technology to ensure prescribed requirements and available security mechanisms are in place to protect the security, processing integrity, availability, and confidentiality of its systems and data.

Department Response

The Department accepts the recommendation. We have been consolidated with the Data Center operations since 2005 so this is not a new situation due to the formation of DoIT. We have diligently worked to address these concerns over the years. The DoIT staff at the Department have a level of control over server patching and data backups. Discussions regarding the need for a detailed agreement have been previously held. The Department will continue to explore the need for a detailed agreement.

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Prior Findings Not Repeated

A. Weaknesses in project management of GenTax

During the previous engagement, it was noted the Department had weaknesses with the controls over the project management of the enterprise-wide tax system (GenTax).

During the current engagement, we noted the Department had improved their project management during our review of their transition to the State's Enterprise Resource Planning system. As a result, this finding is not repeated. (Finding Code No. 2016-002)

B. Controls and safeguards over the processing of taxpayer information

During the previous engagement, it was noted the Department had weaknesses over the internal controls to protect taxpayer information.

During the current engagement, we noted weaknesses remained over the Department's internal controls to protect taxpayer information. We also noted weaknesses in the Department's disclosure of taxpayer information. As a result, these issues have been combined and are reported as Finding 2018-004. (Finding Code No. 2016-003, 2014-002, 2013-004, 12-05, 11-06, 10-09)

C. Weaknesses in GenTax Receipt Allocations

During the previous engagement, it was noted the 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. We tested the General Ledger system and noted weaknesses concerning the allocation of income and sales (ROT) tax receipts.

During the current engagement, the Department implemented corrective action. We obtained the reconciliations of the allocations of ROT tax receipts and tested the process, noting no issues. As a result, this finding is not repeated. (Finding Code No. 2016-004)

D. Weaknesses in GenTax Receipt Reconciliations

During the previous engagement, it was noted the 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. We 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 the current engagement, the Department implemented corrective action. We obtained the reconciliations of the allocations and tested the process, noting no issues. As a result, this finding is not repeated. (Finding Code No. 2016-005)

**State of Illinois
Department of Revenue**

**Schedule of Findings (Continued)
For the Two Years Ended June 30, 2018**

Prior Findings Not Repeated (Continued)

E. Misallocation of Telecommunication Tax

During the previous engagement, it was noted the 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). Specifically, we tested telecommunication tax returns (RT-2s) and noted a misallocation that resulted in an overpayment to local municipalities and an underpayment to State funds.

During the current engagement, the Department implemented corrective action. Our sample testing indicated there were no instances of misallocations. As a result, this finding is not repeated. (Finding Code No. 2016-006)

F. Noncompliance with the State Employment Records Act

During the previous engagement, it was noted the Department included inaccurate information in its Agency Workforce Reports filed for Fiscal Years 2014 and 2015.

During the current engagement, the Department filed accurate information in its Fiscal Years 2016 and 2017 reports. In addition, the Department resubmitted its corrected 2014 and 2015 Agency Workforce Reports as required. As a result, this finding is not repeated. (Finding Code No. 2016-008, 2014-011)

G. Policies and procedures regarding operation of State vehicles not followed

During the previous engagement, the Department did not have proper controls over reporting of accidents, maintenance of its motor pool vehicles, and personally assigned vehicles.

During the current engagement, the Department improved controls over the reporting of accidents, maintenance of its motor pool vehicles, and personally assigned vehicles. As a result, this finding is not repeated. (Finding Code No. 2016-009, 2014-009, 12-15)

H. Noncompliance with statutory mandates

During the previous engagement, it was noted the Department did not have adequate internal control over compliance with various statutory mandates and failed to comply with several mandates.

During the current engagement, the Department improved controls over complying with the statutorily mandated requirements noted in the prior year finding. As a result, this finding is not repeated. (Finding Code No. 2016-010, 2014-012)

**State of Illinois
Department of Revenue**

**Compliance Examination
For the Two Years Ended June 30, 2018**

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 2018
Fiscal Year 2017
 - 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 Operations (Unaudited)**
 - Department Functions and Planning Program (Unaudited)
 - Analysis of Significant Variations in Expenditures (Unaudited)
 - Analysis of Significant Variations in Receipts (Unaudited)
 - Analysis of Significant Lapse Period Spending (Unaudited)
 - Analysis of Billed Accounts Receivable (Unaudited)
 - Reconciliation of the Analysis of Accounts Receivable to the Taxes Receivable Footnote in the
Financial Statements (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 2017 Invoices (Unaudited)
 - Average Number of Employees (Unaudited)
 - Memorandums of Understanding (Unaudited)
 - Audit Collections Statistics (Unaudited)
 - Service Efforts and Accomplishments (Unaudited)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report states that it has been subjected to the auditing procedures applied in the audit of the Department's basic financial statements for the years ended June 30, 2018 and June 30, 2016, and, in the auditors' opinions, 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 accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report states that it has not been subjected to the auditing procedures applied in the audit of the Department's basic financial statements for the years ended June 30, 2017, and accordingly, the accountants do not express an opinion or provide any assurance on it.

Finally, the accountant's report states the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the Department's basic financial statements and accordingly, the accountants do not express an opinion or provide any assurance on it.

Schedule of Appropriations, Expenditures and Lapsed Balances
Expenditure Authority for Fiscal Year 2018
For the Fifteen Months Ended September 30, 2018

Public Act 100-0021, Public Act 100-0023, and Public Act 100-0586	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures	Balances Lapsed
General Revenue Fund (0001)					
Back wage payments	\$ 10,060	\$ -	\$ -	\$ -	\$ 10,060
Operational expenses	59,650,300	44,602,307	2,057,881	46,660,188	12,990,112
Tax refunds	4,750,000	4,749,993	(1,741)	4,748,252	1,748
Total General Revenue Fund	64,410,360	49,352,300	2,056,140	51,408,440	13,001,920
Motor Fuel Tax Fund (0012)					
Personal services	18,487,100	17,668,111	752,778	18,420,889	66,211
State contributions to State Employees' Retirement System	9,985,400	9,065,510	357,086	9,422,596	562,804
State contributions to Social Security	1,414,300	1,260,652	53,634	1,314,286	100,014
Group insurance	4,752,000	3,733,821	141,033	3,874,854	877,146
Contractual services	2,277,400	1,436,980	202,544	1,639,524	637,876
Travel	786,200	640,978	55,338	696,316	89,884
Commodities	58,400	19,024	2,063	21,087	37,313
Printing	169,800	129,717	5	129,722	40,078
Equipment	45,000	3,048	829	3,877	41,123
Electronic data processing	8,111,700	5,761,269	1,595,630	7,356,899	754,801
Telecommunications	787,000	505,972	205,808	711,780	75,220
Operation of automotive equipment	43,200	39,650	1,004	40,654	2,546
Administration of Motor Fuel Tax Enforcement Grant from U.S.D.O.T.	150,000	28,427	16,852	45,279	104,721
Reimbursement to International Fuel Tax Agreement Member States	27,000,000	14,987,593	7,371,922	22,359,515	4,640,485
Motor Fuel Tax refunds	22,000,000	21,585,646	413,591	21,999,237	763
Total Motor Fuel Tax Fund	96,067,500	76,866,398	11,170,117	88,036,515	8,030,985
Underground Storage Tank Fund (0072)					
Personal services	869,600	828,335	36,073	864,408	5,192
State contributions to State Employees' Retirement System	469,700	424,182	17,107	441,289	28,411
State contributions to Social Security	66,500	60,748	2,645	63,393	3,107
Group insurance	264,000	185,203	8,052	193,255	70,745
Travel	30,200	29,517	-	29,517	683
Commodities	2,100	-	-	-	2,100
Printing	1,500	758	-	758	742
Electronic data processing	252,000	233,853	4,858	238,711	13,289
Telecommunications	61,400	61,398	-	61,398	2
Motor Fuel Tax refunds	12,000	6,963	-	6,963	5,037
Total Underground Storage Tank Fund	2,029,000	1,830,957	68,735	1,899,692	129,308

Schedule of Appropriations, Expenditures and Lapsed Balances
Expenditure Authority for Fiscal Year 2018
For the Fifteen Months Ended September 30, 2018

Public Act 100-0021, Public Act 100-0023, and Public Act 100-0586	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures	Balances Lapsed
Illinois Gaming Law Enforcement Fund (0085)					
Personal services	\$ 180,900	\$ -	\$ -	\$ -	\$ 180,900
State contributions to State Employees' Retirement System	97,700	-	-	-	97,700
State contributions to Social Security	13,800	-	-	-	13,800
Group insurance	96,000	-	-	-	96,000
Telecommunications	2,000	-	-	-	2,000
Grants for allocation to local law enforcement agencies	900,000	619,911	-	619,911	280,089
Total Illinois Gaming Law Enforcement Fund	1,290,400	619,911	-	619,911	670,489
Foreclosure Prevention Program Graduated Fund (0119)					
Grants for allocation to housing counseling agencies and community based organizations	6,000,000	24,200	5,353,178	5,377,378	622,622
Illinois Department of Revenue Federal Trust Fund (0140)					
Administrative costs	250,000	-	-	-	250,000
Rental Housing Support Program Fund (0150)					
Administration of the Rental Housing Support program	1,960,000	152,900	199,385	352,285	1,607,715
Grants to provide rental assistance to the Rental Housing Support Program Fund	28,000,000	12,177,525	10,338,959	22,516,484	5,483,516
Total Rental Housing Support Program Fund	29,960,000	12,330,425	10,538,344	22,868,769	7,091,231
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	99,000,000	74,847,591	14,470,597	89,318,188	9,681,812
Grant to Madison County	3,000,000	2,245,428	434,118	2,679,546	320,454
Total State and Local Sales Tax Reform Fund	102,000,000	77,093,019	14,904,715	91,997,734	10,002,266
Illinois Affordable Housing Trust Fund (0286)					
Administration of the Illinois Affordable Housing Act	4,100,000	1,307,855	1,389,090	2,696,945	1,403,055
Grants to other State agencies	3,000,000	-	-	-	3,000,000
Grants, mortgages, loans, or for the purpose of securing bonds	55,000,000	13,856,160	6,799,336	20,655,496	34,344,504
Total Illinois Affordable Housing Trust Fund	62,100,000	15,164,015	8,188,426	23,352,441	38,747,559

Schedule of Appropriations, Expenditures and Lapsed Balances
Expenditure Authority for Fiscal Year 2018
For the Fifteen Months Ended September 30, 2018

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures	Balances Lapsed
Public Act 100-0021, Public Act 100-0023, and Public Act 100-0586					
Tax Compliance and Administration Fund (0384)					
Operational expenses	\$ 82,000,000	\$ 58,714,961	\$ 5,621,668	\$ 64,336,629	\$ 17,663,371
Administration of the Dry Cleaners Environmental Response Trust Fund Act	144,100	129,073	5,470	134,543	9,557
Administration of Simplified Telecommunications Act	2,830,600	2,399,766	104,531	2,504,297	326,303
Administration costs associated with the Municipality Sales Tax Act	189,700	168,292	6,895	175,187	14,513
Administration of Cigarette Retailer Enforcement Act	881,000	596,122	27,121	623,243	257,757
Refunds	250,000	-	-	-	250,000
Total Tax Compliance and Administration Fund	86,295,400	62,008,214	5,765,685	67,773,899	18,521,501
Local Government Distributive Fund (0515)					
Grants to allocate to local governments for additional 1.25% use tax pursuant to P.A. 86-0928	305,100,000	228,219,963	43,912,972	272,132,935	32,967,065
Municipal Telecommunications Fund (0719)					
Tax refunds	12,000	-	-	-	12,000
Personal Property Tax Replacement Fund (0802)					
Personal services	12,628,000	11,947,360	523,137	12,470,497	157,503
State contributions to State Employees' Retirement System	6,820,800	6,126,779	248,030	6,374,809	445,991
State contributions to Social Security	966,100	877,005	38,470	915,475	50,625
Group insurance	3,864,000	3,069,837	138,861	3,208,698	655,302
Contractual services	1,049,900	976,617	31,487	1,008,104	41,796
Travel	243,900	239,782	35	239,817	4,083
Commodities	52,500	33,955	8,176	42,131	10,369
Printing	27,100	11,721	-	11,721	15,379
Equipment	30,000	-	29,916	29,916	84
Electronic data processing	6,564,500	5,074,125	1,435,177	6,509,302	55,198
Telecommunications	561,100	560,759	339	561,098	2
Operation of automotive equipment	27,800	22,096	5,704	27,800	-
Grants for the State's share of State's Attorneys' and Assistant State's Attorneys' salaries	13,875,000	13,475,224	-	13,475,224	399,776
Grants for the State's share of County Public Defenders' salaries	7,200,000	6,692,631	-	6,692,631	507,369
Grants for the State's share of County Supervisors of Assessments or County Assessors' salaries	3,300,000	3,091,395	-	3,091,395	208,605

Schedule of Appropriations, Expenditures and Lapsed Balances
Expenditure Authority for Fiscal Year 2018
For the Fifteen Months Ended September 30, 2018

Public Act 100-0021, Public Act 100-0023, and Public Act 100-0586	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures	Balances Lapsed
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	\$ 350,000	\$ 196,000	\$ 2,000	\$ 198,000	\$ 152,000
Grants for additional compensation for local assessors as provided by Section 2.7 of the Revenue Act of 1939	510,000	336,000	54,000	390,000	120,000
Grants for additional compensation for county treasurers	663,000	662,318	-	662,318	682
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	123,500	107,337	-	107,337	16,163
Total Personal Property Tax Replacement Fund	60,183,200	54,820,441	2,515,332	57,335,773	2,847,427
Dram Shop Fund (0821)					
Tobacco study	1,101,600	716,843	46,526	763,369	338,231
Operation of the Beverage Alcohol Sellers and Servers Education and Training (BASSET) program	294,800	147,783	6,912	154,695	140,105
Retailer education program	263,500	41,329	-	41,329	222,171
Operational expenses	6,908,600	4,940,088	239,054	5,179,142	1,729,458
Grants to local government units to establish enforcement programs	1,000,000	3,850	-	3,850	996,150
Refunds	5,000	1,500	-	1,500	3,500
Total Dram Shop Fund	9,573,500	5,851,393	292,492	6,143,885	3,429,615
Local Government Video Gaming Distributive Fund (0842)					
Allocation to local governments of net terminal income tax pursuant to Video Gaming Act	72,000,000	68,737,593	-	68,737,593	3,262,407
Foreclosure Prevention Program Fund (0891)					
Awards and grants, lump sums and other purposes	4,500,000	3,815,252	174,092	3,989,344	510,656
Abandoned Residential Property Municipality Relief Fund (0892)					
Awards and grants, lump sums and other purposes	15,000,000	8,583,464	139,248	8,722,712	6,277,288
Senior Citizens Real Estate Deferred Tax Revolving Fund (0930)					
Payments to counties	6,500,000	3,769,341	-	3,769,341	2,730,659
SUBTOTAL - Appropriated Funds	923,271,360	669,086,886	105,079,476	774,166,362	149,104,998

Schedule of Appropriations, Expenditures and Lapsed Balances
Expenditure Authority for Fiscal Year 2018
For the Fifteen Months Ended September 30, 2018

Public Act 100-0021, Public Act 100-0023, and Public Act 100-0586	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures	Balances Lapsed
CONTINUING APPROPRIATIONS					
Income Tax Refund Fund (0278)					
Individual and unitary income tax refunds	\$ 1,916,202,732	\$ 1,916,202,732	\$ -	\$ 1,916,202,732	\$ -
Non-unitary income tax refunds	589,884,878	589,884,877	-	589,884,877	1
Non-unitary income tax refunds (Return DD)	139,003	139,003	-	139,003	-
Total Income Tax Refund Fund	2,506,226,613	2,506,226,612	-	2,506,226,612	1
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	40,872,269	40,872,268	-	40,872,268	1
Local Government Distributive Fund (0515)					
Grants to local governments	1,162,894,182	1,162,894,182	-	1,162,894,182	-
Personal Property Tax Replacement Fund (0802)					
Shared revenue payments	1,227,361,479	1,227,361,479	-	1,227,361,479	-
SUBTOTAL - Continuing Appropriated Funds	4,937,354,543	4,937,354,541	-	4,937,354,541	2
SUBTOTAL - All Appropriated Funds	\$ 5,860,625,903	5,606,441,427	105,079,476	5,711,520,903	\$ 149,105,000
NON-APPROPRIATED EXPENDITURES					
County Water Commission Tax Fund (0084)					
Shared revenue payments		231,129	-	231,129	
Non-Home Rule Municipal Retailers' Occupation Tax Fund (0088)					
Shared revenue payments		135,908,872	-	135,908,872	
Home Rule Municipal Soft Drink Retailers' Occupation Tax Fund (0097)					
Shared revenue payments		9,453,322	-	9,453,322	
Refunds		262,194	-	262,194	
Total Home Rule Municipal Soft Drink Retailers' Occupation Tax Fund		9,715,516	-	9,715,516	
Municipal Wireless Service Emergency Fund (0125)					
Shared revenue payments		7,375,037	-	7,375,037	

Schedule of Appropriations, Expenditures and Lapsed Balances
Expenditure Authority for Fiscal Year 2018
For the Fifteen Months Ended September 30, 2018

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures	Balances Lapsed
Public Act 100-0021, Public Act 100-0023, and Public Act 100-0586					
Home Rule Municipal Retail Occupation Tax Fund (0138)					
Shared revenue payments		\$ 1,027,970,288	\$ -	\$ 1,027,970,288	
Home Rule County Retailers' Occupation Tax Fund (0139)					
Shared revenue payments		827,355,324	-	827,355,324	
Business District Retailers' Occupation Tax Fund (0160)					
Shared revenue payments		23,605,847	-	23,605,847	
County and Mass Transit District Fund (0188)					
Shared revenue payments		231,194,379	-	231,194,379	
Local Government Tax Fund (0189)					
Shared revenue payments		1,848,597,642	-	1,848,597,642	
County Option Motor Fuel Tax Fund (0190)					
Shared revenue payments		34,496,213	-	34,496,213	
Refunds		2,270	-	2,270	
Total County Option Motor Fuel Tax Fund		34,498,483	-	34,498,483	
County Public Safety Retailers' Occupation Tax Fund (0219)					
Shared revenue payments		96,933,346	-	96,933,346	
Sports Facilities Tax Trust Fund (0229)					
Interfund tax and fee transfers		2,078,958	-	2,078,958	
Interfund advance transfers		49,894,993	-	49,894,993	
Total Sports Facilities Tax Trust Fund		51,973,951	-	51,973,951	
Private Vehicle Use Home Rule Fund (0263)					
Shared revenue payments		17,179,308	-	17,179,308	
MPEA Trust Fund (0337)					
Refunds		1,757	(158)	1,599	

Schedule of Appropriations, Expenditures and Lapsed Balances
Expenditure Authority for Fiscal Year 2018
For the Fifteen Months Ended September 30, 2018

Public Act 100-0021, Public Act 100-0023, and Public Act 100-0586	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures	Balances Lapsed
Illinois Tourism Tax Fund (0452)					
Shared revenue payments		\$ 25,202,074	\$ -	\$ 25,202,074	
Refunds		366,162	115,989	482,151	
Total Illinois Tourism Tax Fund		25,568,236	115,989	25,684,225	
School Facility Occupation Tax Fund (0498)					
Shared revenue payments		120,543,569	-	120,543,569	
Flood Prevention Occupation Tax Fund (0558)					
Shared revenue payments		12,136,609	-	12,136,609	
Tax Suspense Trust Fund (0583)					
Disburse misdirected payments		57,021	-	57,021	
Metro East Park and Recreation Fund (0717)					
Shared revenue payments		4,636,532	-	4,636,532	
Municipal Telecommunications Fund (0719)					
Grants to local governments		193,911,996	-	193,911,996	
Refunds		6,442,031	(237,433)	6,204,598	
Total Municipal Telecommunications Fund		200,354,027	(237,433)	200,116,594	
RTA Sales Tax Fund (0812)					
Shared revenue payments		1,286,500,620	-	1,286,500,620	
Refunds		4,093,946	(30,527)	4,063,419	
Total RTA Sales Tax Fund		1,290,594,566	(30,527)	1,290,564,039	
Metro East Mass Transit District Tax Fund (0841)					
Shared revenue payments		31,439,182	-	31,439,182	
Tennessee Valley Authority Local Trust Fund (0861)					
Shared revenue payments		221,032	-	221,032	

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Expenditure Authority for Fiscal Year 2018
For the Fifteen Months Ended September 30, 2018

Public Act 100-0021, Public Act 100-0023, and Public Act 100-0586	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures	Balances Lapsed
Municipal Automobile Renting Tax Fund (0868)					
Shared revenue payments		\$ 6,890,478	\$ -	\$ 6,890,478	
Refunds		3,282	(2,110)	1,172	
Total Municipal Automobile Renting Tax Fund		6,893,760	(2,110)	6,891,650	
County Automobile Renting Tax Fund (0869)					
Shared revenue payments		236,747	-	236,747	
SUBTOTAL - Nonappropriated Expenditures					
		6,005,222,160	(154,239)	6,005,067,921	
DEPARTMENT TOTAL - ALL FUNDS					
		\$ 11,611,663,587	\$ 104,925,237	\$ 11,716,588,824	

Notes:

Appropriations, expenditures and lapsed balances were obtained from the State Comptroller's records which have been reconciled to the Department's records. Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

State of Illinois
 Department of Revenue
 Schedule of Appropriations, Expenditures and Lapsed Balances

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Expenditure Authority for Fiscal Year 2017
 For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
Public Acts 99-0524 and 100-0021					
General Revenue Fund (0001)					
Ordinary and contingent expenses	\$ 8,000,000	\$ 7,907,687	\$ 56,508	\$ 7,964,195	\$ 35,805
Operational expenses	82,313,900	67,871,159	2,818,696	70,689,855	11,624,045
Shared Services initiative and other operational expenses	1,877,400	1,529,582	66,744	1,596,326	281,074
Total General Revenue Fund	92,191,300	77,308,428	2,941,948	80,250,376	11,940,924
Motor Fuel Tax Fund (0012)					
Personal services	17,757,100	16,875,003	729,444	17,604,447	152,653
State contributions to State Employees' Retirement System	7,913,900	7,525,942	325,823	7,851,765	62,135
State contributions to Social Security	1,358,200	1,204,027	52,252	1,256,279	101,921
Group insurance	4,608,000	3,834,898	166,634	4,001,532	606,468
Contractual services	2,160,500	1,837,285	107,462	1,944,747	215,753
Travel	779,700	690,811	37,681	728,492	51,208
Commodities	58,400	12,006	1,271	13,277	45,123
Printing	169,800	161,528	-	161,528	8,272
Equipment	45,000	14,786	29,981	44,767	233
Electronic data processing	7,734,000	5,420,576	2,306,885	7,727,461	6,539
Telecommunications	767,000	634,984	3,464	638,448	128,552
Operation of automotive equipment	43,200	42,275	-	42,275	925
Administration of Motor Fuel Tax Enforcement Grant from U.S.D.O.T.	150,000	45,441	25,111	70,552	79,448
Reimbursement to International Fuel Tax Agreement Member States	18,000,000	10,000,000	5,707,698	15,707,698	2,292,302
Motor Fuel Tax refunds	22,000,000	15,610,267	4,054,814	19,665,081	2,334,919
Shared Services Center	1,109,600	608,368	495,371	1,103,739	5,861
Total Motor Fuel Tax Fund	84,654,400	64,518,197	14,043,891	78,562,088	6,092,312
Underground Storage Tank Fund (0072)					
Personal services	851,200	810,552	35,845	846,397	4,803
State contributions to State Employees' Retirement System	379,300	361,700	15,996	377,696	1,604
State contributions to Social Security	65,100	59,183	2,650	61,833	3,267
Group insurance	264,000	213,703	9,456	223,159	40,841
Travel	30,200	27,455	2,739	30,194	6
Commodities	2,100	2,095	-	2,095	5
Printing	1,500	239	-	239	1,261
Electronic data processing	239,000	112,316	126,383	238,699	301
Telecommunications	61,400	-	-	-	61,400
Motor Fuel Tax refunds	12,000	429	515	944	11,056
Total Underground Storage Tank Fund	1,905,800	1,587,672	193,584	1,781,256	124,544

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 For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
Public Acts 99-0524 and 100-0021					
Illinois Gaming Law Enforcement Fund (0085)					
Personal services	\$ 269,300	\$ -	\$ -	\$ -	\$ 269,300
State contributions to State Employees' Retirement System	120,000	-	-	-	120,000
State contributions to Social Security	20,600	-	-	-	20,600
Group insurance	96,000	-	-	-	96,000
Telecommunications	2,000	-	-	-	2,000
Grants for allocation to local law enforcement agencies	900,000	697,298	-	697,298	202,702
Total Illinois Gaming Law Enforcement Fund	1,407,900	697,298	-	697,298	710,602
Foreclosure Prevention Program Graduated Fund (0119)					
Grants for allocation to housing counseling agencies and community based organizations	6,000,000	-	5,760,000	5,760,000	240,000
Total Foreclosure Prevention Program Graduated Fund	6,000,000	-	5,760,000	5,760,000	240,000
Illinois Department of Revenue Federal Trust Fund (0140)					
Administrative costs	250,000	9,245	21,245	30,490	219,510
Total Illinois Department of Revenue Federal Trust Fund	250,000	9,245	21,245	30,490	219,510
Rental Housing Support Program Fund (0150)					
Administration of the Rental Housing Support program	2,600,000	97,694	140,850	238,544	2,361,456
Grants to provide rental assistance to the Rental Housing Support Program Fund	42,000,000	16,167,981	14,544,863	30,712,844	11,287,156
Total Rental Housing Support Program Fund	44,600,000	16,265,675	14,685,713	30,951,388	13,648,612
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	92,000,000	69,840,948	13,123,333	82,964,281	9,035,719
Grants to Madison County	2,800,000	2,095,228	393,700	2,488,928	311,072
Total State and Local Sales Tax Reform Fund	94,800,000	71,936,176	13,517,033	85,453,209	9,346,791
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	46,000,000	41,913,315	3,269,886	45,183,201	816,799
Illinois Affordable Housing Trust Fund (0286)					
Administration of the Illinois Affordable Housing Act	4,100,000	940,137	1,190,800	2,130,937	1,969,063
Grants to other State agencies	3,000,000	-	-	-	3,000,000
Grants, mortgages, loans, or for the purpose of securing bonds	53,000,000	2,987,886	23,188,339	26,176,225	26,823,775
Total Illinois Affordable Housing Trust Fund	60,100,000	3,928,023	24,379,139	28,307,162	31,792,838
Federal HOME Investment Trust Fund (0338)					
Illinois HOME Investment Partnerships Program	35,000,000	3,980,366	-	3,980,366	31,019,634

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Expenditure Authority for Fiscal Year 2017
 For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
Public Acts 99-0524 and 100-0021					
Tax Compliance and Administration Fund (0384)					
Personal services	\$ 5,561,700	\$ 1,315,730	\$ 199,335	\$ 1,515,065	\$ 4,046,635
State contributions to State Employees' Retirement System	2,478,700	586,552	88,870	675,422	1,803,278
State contributions to Social Security	425,300	95,540	14,611	110,151	315,149
Group insurance	2,472,000	510,992	70,249	581,241	1,890,759
Contractual services	300,000	228,985	35,507	264,492	35,508
Travel	437,000	305,231	64,981	370,212	66,788
Commodities	9,900	9,484	-	9,484	416
Electronic data processing	2,273,100	2,201,848	60,122	2,261,970	11,130
Telecommunications	33,000	-	-	-	33,000
Operational expenses	48,000,000	7,449,258	2,642,141	10,091,399	37,908,601
Administration of the Dry Cleaners Environmental Response Trust Fund Act	137,100	127,794	5,493	133,287	3,813
Administration of Simplified Telecommunications Act	2,604,900	2,385,126	105,833	2,490,959	113,941
Administration costs associated with the Municipality Sales Tax Act	177,600	158,865	7,232	166,097	11,503
Administration of Cigarette Retailer Enforcement Act	866,600	478,133	21,133	499,266	367,334
Shared Services Center	381,400	-	-	-	381,400
Refunds	250,000	-	-	-	250,000
Total Tax Compliance and Administration Fund	66,408,300	15,853,538	3,315,507	19,169,045	47,239,255
Local Government Distributive Fund (0515)					
Grants to allocate to local governments for additional 1.25% use tax pursuant to P.A. 86-0928	281,000,000	210,848,088	39,237,967	250,086,055	30,913,945
Budget Stabilization Fund (0686)					
Ordinary and contingent expenses	5,000,000	4,992,964	7,036	5,000,000	-
Municipal Telecommunications Fund (0719)					
Tax refunds	12,000	-	-	-	12,000
Personal Property Tax Replacement Fund (0802)					
Personal services	12,760,600	12,062,513	622,239	12,684,752	75,848
State contributions to State Employees' Retirement System	5,687,200	5,379,676	277,797	5,657,473	29,727
State contributions to Social Security	976,200	885,396	46,196	931,592	44,608
Group insurance	3,864,000	3,440,834	206,392	3,647,226	216,774
Contractual services	989,300	978,998	775	979,773	9,527
Travel	243,900	229,744	7,255	236,999	6,901
Commodities	52,500	36,893	5,472	42,365	10,135
Printing	27,100	17,991	4,978	22,969	4,131
Electronic data processing	5,804,500	5,547,511	256,989	5,804,500	-
Telecommunications	561,100	188,723	310,627	499,350	61,750
Operation of automotive equipment	17,800	10,765	7,035	17,800	-

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Expenditure Authority for Fiscal Year 2017
 For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
Public Acts 99-0524 and 100-0021					
Personal Property Tax Replacement Fund (0802) (Continued)					
Grants for the State's share of State's Attorneys' and Assistant State's Attorneys' salaries	\$ 13,875,000	\$ 13,475,224	\$ -	\$ 13,475,224	\$ 399,776
Grants for the State's share of County Public Defenders' salaries	7,200,000	6,571,258	-	6,571,258	628,742
Grants for the State's share of County Supervisors of Assessments or County Assessors' salaries	3,300,000	3,071,854	-	3,071,854	228,146
Grants for additional compensation for local assessors as provided by Section 2.3 and 2.6 of the Revenue Act of 1939	350,000	251,750	2,000	253,750	96,250
Grants for additional compensation for local assessors as provided by Section 2.7 of the Revenue Act of 1939	660,000	326,636	30,365	357,001	302,999
Grants for additional compensation for county treasurers	663,000	659,219	-	659,219	3,781
Grants for annual stipend for sheriffs	663,000	662,913	-	662,913	87
Grants for stipend to county coroner	663,000	656,159	-	656,159	6,841
Grants for additional compensation for county auditors	123,500	109,476	-	109,476	14,024
Total Personal Property Tax Replacement Fund	58,481,700	54,563,533	1,778,120	56,341,653	2,140,047
Dram Shop Fund (0821)					
Parental responsibility grant	200,000	-	-	-	200,000
Tobacco study	1,363,200	792,260	119,970	912,230	450,970
Operation of the Beverage Alcohol Sellers and Servers Education and Training (BASSET) program	287,600	132,552	5,894	138,446	149,154
Retailer education program	253,200	82,476	8,916	91,392	161,808
Operational expenses	6,552,300	4,299,549	236,369	4,535,918	2,016,382
Grants to local government units to establish enforcement programs	1,000,000	879,770	(11,158)	868,612	131,388
Refunds	5,000	-	-	-	5,000
Shared Services Center	114,200	105,919	7,653	113,572	628
Total Dram Shop Fund	9,775,500	6,292,526	367,644	6,660,170	3,115,330
Local Government Video Gaming Distributive Fund (0842)					
Allocation to local governments of net terminal income tax pursuant to Video Gaming Act	62,000,000	58,409,850	-	58,409,850	3,590,150
Foreclosure Prevention Program Fund (0891)					
Awards and grants, lump sums and other purposes	4,500,000	4,191,198	82,649	4,273,847	226,153
Abandoned Residential Property Municipality Relief Fund (0892)					
Awards and grants, lump sums and other purposes	15,000,000	9,637,373	107,560	9,744,933	5,255,067
Senior Citizens Real Estate Deferred Tax Revolving Fund (0930)					
Payments to counties	6,500,000	4,213,992	-	4,213,992	2,286,008
SUBTOTAL - Appropriated Funds	975,586,900	651,147,457	123,708,922	774,856,379	200,730,521

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Expenditure Authority for Fiscal Year 2017
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	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
Public Acts 99-0524 and 100-0021					
CONTINUING APPROPRIATIONS					
Income Tax Refund Fund (0278)					
Individual and unitary income tax refunds	\$ 1,923,820,316	\$ 1,923,820,316	\$ -	\$ 1,923,820,316	\$ -
Non-unitary income tax refunds	358,135,956	358,135,956	-	358,135,956	-
Total Income Tax Refund Fund	2,281,956,272	2,281,956,272	-	2,281,956,272	-
Local Government Distributive Fund (0515)					
Grants to local governments	1,216,293,765	1,216,293,765	-	1,216,293,765	-
Personal Property Tax Replacement Fund (0802)					
Shared revenue payments	1,469,413,588	1,469,413,588	-	1,469,413,588	-
SUBTOTAL - Continuing Appropriated Funds	4,967,663,625	4,967,663,625	-	4,967,663,625	-
SUBTOTAL - All Appropriated Funds	\$ 5,943,250,525	5,618,811,082	123,708,922	5,742,520,004	\$ 200,730,521
NON-APPROPRIATED EXPENDITURES					
Motor Fuel Tax Fund (0012)					
Reimbursement to International Fuel Tax Agreement Member States		9,378,525	-	9,378,525	
County Water Commission Tax Fund (0084)					
Shared revenue payments		6,879,531	-	6,879,531	
Non-Home Rule Municipal Retailers' Occupation Tax Fund (0088)					
Shared revenue payments		129,560,814	-	129,560,814	
Home Rule Municipal Soft Drink Retailers' Occupation Tax Fund (0097)					
Shared revenue payments		9,747,253	-	9,747,253	
Refunds		99	-	99	
Total Home Rule Municipal Soft Drink Retailers' Occupation Tax Fund		9,747,352	-	9,747,352	
Municipal Wireless Service Emergency Fund (0125)					
Shared revenue payments		7,524,233	-	7,524,233	
Home Rule Municipal Retail Occupation Tax Fund (0138)					
Shared revenue payments		1,021,162,550	-	1,021,162,550	

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Expenditure Authority for Fiscal Year 2017
 For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
Public Acts 99-0524 and 100-0021					
Home Rule County Retailers' Occupation Tax Fund (0139)					
Shared revenue payments		\$ 811,018,462	\$ -	\$ 811,018,462	
Business District Retailers' Occupation Tax Fund (0160)					
Shared revenue payments		19,775,358	-	19,775,358	
County and Mass Transit District Fund (0188)					
Shared revenue payments		226,489,842	-	226,489,842	
Local Government Tax Fund (0189)					
Shared revenue payments		1,807,935,192	-	1,807,935,192	
County Option Motor Fuel Tax Fund (0190)					
Shared revenue payments		33,570,049	-	33,570,049	
County Public Safety Retailers' Occupation Tax Fund (0219)					
Shared revenue payments		92,257,785	-	92,257,785	
Sports Facilities Tax Trust Fund (0229)					
Interfund tax and fee transfers		2,043,513	-	2,043,513	
Interfund advance transfers		49,044,318	-	49,044,318	
Total Sports Facilities Tax Trust Fund		51,087,831	-	51,087,831	
Private Vehicle Use Home Rule Fund (0263)					
Shared revenue payments		17,871,085	-	17,871,085	
Illinois Tourism Tax Fund (0452)					
Shared revenue payments		24,772,398	-	24,772,398	
School Facility Occupation Tax Fund (0498)					
Shared revenue payments		87,192,184	-	87,192,184	
Flood Prevention Occupation Tax Fund (0558)					
Shared revenue payments		11,620,776	-	11,620,776	
Tax Suspense Trust Fund (0583)					
Disburse misdirected payments		9,418	18,851	28,269	
Metro East Park and Recreation Fund (0717)					
Shared revenue payments		4,519,609	-	4,519,609	

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Expenditure Authority for Fiscal Year 2017
 For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
Public Acts 99-0524 and 100-0021					
Municipal Telecommunications Fund (0719)					
Grants to local governments		\$ 212,787,925	\$ -	\$ 212,787,925	
RTA Sales Tax Fund (0812)					
Shared revenue payments		1,280,802,523	-	1,280,802,523	
Metro East Mass Transit District Tax Fund (0841)					
Shared revenue payments		31,113,712	-	31,113,712	
Tennessee Valley Authority Local Trust Fund (0861)					
Shared revenue payments		233,950	-	233,950	
Municipal Automobile Renting Tax Fund (0868)					
Shared revenue payments		6,963,897	-	6,963,897	
County Automobile Renting Tax Fund (0869)					
Shared revenue payments		228,321	-	228,321	
SUBTOTAL - Nonappropriated Expenditures		5,904,503,322	18,851	5,904,522,173	
DEPARTMENT TOTAL - ALL FUNDS		\$ 11,523,314,404	\$ 123,727,773	\$ 11,647,042,177	

Notes:

Appropriations, expenditures and lapsed balances were obtained from the State Comptroller's records which have been reconciled to the Department's records. Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	2018	2017	2016
	Public Acts 100-0021, 100-0023, and 100-0586	Public Acts 99-0524, and 100-0021	Public Acts 99-0491, 99-0523 99-0524, and Court-Ordered Expenditures
General Revenue Fund (0001)			
Appropriations (Net of Transfers)	\$ 64,410,360	\$ 92,191,300	\$ 84,425,100
<u>Expenditures:</u>			
Ordinary and contingent expenses	-	7,964,195	74,233,272
Operational expenses	46,660,188	70,689,855	-
Shared Services initiative and other operational expenses	-	1,596,326	1,820,258
Tax refunds	4,748,252	-	-
Total General Revenue Fund	51,408,440	80,250,376	76,053,530
Lapsed Balances	13,001,920	11,940,924	8,371,570
Motor Fuel Tax Fund (0012)			
Appropriations (Net of Transfers)	96,067,500	84,654,400	77,534,877
<u>Expenditures:</u>			
Personal services	18,420,889	17,604,447	17,897,151
State contributions to State Employees' Retirement System	9,422,596	7,851,765	8,183,866
State contributions to Social Security	1,314,286	1,256,279	1,280,027
Group insurance	3,874,854	4,001,532	4,257,178
Contractual services	1,639,524	1,944,747	3,347,483
Travel	696,316	728,492	799,886
Commodities	21,087	13,277	37,539
Printing	129,722	161,528	80,025
Equipment	3,877	44,767	2,933
Electronic data processing	7,356,899	7,727,461	7,212,495
Telecommunications	711,780	638,448	766,981
Operation of automotive equipment	40,654	42,275	43,200
Administration of Motor Fuel Tax Enforcement Grant from U.S.D.O.T.	45,279	70,552	148,912
Reimbursement to International Fuel Tax Agreement Member States	22,359,515	15,707,698	10,716,576
Motor Fuel Tax refunds	21,999,237	19,665,081	19,204,748
Shared Services Center	-	1,103,739	1,083,191
Total Motor Fuel Tax Fund	88,036,515	78,562,088	75,062,191
Lapsed Balances	8,030,985	6,092,312	2,472,686
Underground Storage Tank Fund (0072)			
Appropriations (Net of Transfers)	2,029,000	1,905,800	1,928,700
<u>Expenditures:</u>			
Personal services	864,408	846,397	860,604
State contributions to State Employees' Retirement System	441,289	377,696	392,980
State contributions to Social Security	63,393	61,833	62,983
Group insurance	193,255	223,159	232,988
Travel	29,517	30,194	31,534
Commodities	-	2,095	435
Printing	758	239	-
Electronic data processing	238,711	238,699	244,800
Telecommunications	61,398	-	58,378
Motor Fuel Tax refunds	6,963	944	6,928
Total Underground Storage Tank Fund	1,899,692	1,781,256	1,891,630
Lapsed Balances	129,308	124,544	37,070

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	2018	2017	2016
	Public Acts 100-0021, 100-0023, and 100-0586	Public Acts 99-0524, and 100-0021	Public Acts 99-0491, 99-0523 99-0524, and Court-Ordered Expenditures
Illinois Gaming Law Enforcement Fund (0085)			
Appropriations (Net of Transfers)	\$ 1,290,400	\$ 1,407,900	\$ 1,877,700
<u>Expenditures:</u>			
Personal services	-	-	142,147
State contributions to State Employees' Retirement System	-	-	64,879
State contributions to Social Security	-	-	10,377
Group insurance	-	-	45,914
Telecommunications	-	-	9,969
Grants for allocation to local law enforcement agencies	619,911	697,298	684,117
Total Illinois Gaming Law Enforcement Fund	619,911	697,298	957,403
Lapsed Balances	670,489	710,602	920,297
Foreclosure Prevention Program Graduated Fund (0119)			
Appropriations (Net of Transfers)	6,000,000	6,000,000	11,000,000
<u>Expenditures:</u>			
Grants for allocation to housing counseling agencies and community based organizations	5,377,378	5,760,000	-
Lapsed Balances	622,622	240,000	11,000,000
Illinois Department of Revenue Federal Trust Fund (0140)			
Appropriations (Net of Transfers)	250,000	250,000	250,000
<u>Expenditures:</u>			
Administrative costs	-	30,490	33,544
Lapsed Balances	250,000	219,510	216,456
Rental Housing Support Program Fund (0150)			
Appropriations (Net of Transfers)	29,960,000	44,600,000	36,600,000
<u>Expenditures:</u>			
Administration of the Rental Housing Support program	352,285	238,544	210,771
Grants to provide rental assistance to the Rental Housing Support Program Fund	22,516,484	30,712,844	8,761,156
Total Rental Housing Support Program Fund	22,868,769	30,951,388	8,971,927
Lapsed Balances	7,091,231	13,648,612	27,628,073
State and Local Sales Tax Reform Fund (0186)			
Appropriations (Net of Transfers)	102,000,000	94,800,000	87,013,500
<u>Expenditures:</u>			
Grants to allocate to Chicago for additional 1.25% use tax pursuant to P.A. 86-0928	89,318,188	82,964,281	79,154,933
Grants to Madison County	2,679,546	2,488,928	2,374,648
Total State and Local Sales Tax Reform Fund	91,997,734	85,453,209	81,529,581
Lapsed Balances	10,002,266	9,346,791	5,483,919
Regional Transportation Authority (RTA) Occupation and Use Tax Replacement Fund (0187)			
Appropriations (Net of Transfers)	-	46,000,000	8,920,819
<u>Expenditures:</u>			
Grants to allocate to RTA for 10% of the 1.25% use tax pursuant to P.A. 86-0928	-	45,183,201	-
Lapsed Balances	-	816,799	8,920,819

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	2018	2017	2016
	Public Acts 100-0021, 100-0023, and 100-0586	Public Acts 99-0524, and 100-0021	Public Acts 99-0491, 99-0523 99-0524, and Court-Ordered Expenditures
Illinois Affordable Housing Trust Fund (0286)			
Appropriations (Net of Transfers)	\$ 62,100,000	\$ 60,100,000	\$ 60,100,000
<u>Expenditures:</u>			
Administration of the Illinois Affordable Housing Act	2,696,945	2,130,937	2,194,276
Grants to other State agencies	-	-	3,000,000
Grants, mortgages, loans, or for the purpose of securing bonds	20,655,496	26,176,225	21,425,000
Total Illinois Affordable Housing Trust Fund	23,352,441	28,307,162	26,619,276
Lapsed Balances	38,747,559	31,792,838	33,480,724
Federal HOME Investment Trust Fund (0338)			
Appropriations (Net of Transfers)	-	35,000,000	38,105,176
<u>Expenditures:</u>			
Illinois HOME Investment Partnerships Program	-	3,980,366	-
Reappropriated Balances	-	-	10,000,000
Lapsed Balances	-	31,019,634	28,105,176
Tax Compliance and Administration Fund (0384)			
Appropriations (Net of Transfers)	86,295,400	66,408,300	18,982,400
<u>Expenditures:</u>			
Personal services	-	1,515,065	4,678,531
State contributions to State Employees' Retirement System	-	675,422	2,132,477
State contributions to Social Security	-	110,151	339,843
Group insurance	-	581,241	1,831,530
Contractual services	-	264,492	-
Travel	-	370,212	431,055
Commodities	-	9,484	1,177
Electronic data processing	-	2,261,970	2,578,080
Telecommunications	-	-	110,999
Operational expenses	64,336,629	10,091,399	-
Administration of the Dry Cleaners Environmental Response Trust Fund Act	134,543	133,287	142,199
Administration of the Illinois Petroleum Education and Marketing Act	-	-	8,261
Administration of Simplified Telecommunications Act	2,504,297	2,490,959	2,686,536
Administration costs associated with the Municipality Sales Tax Act	175,187	166,097	175,696
Administration of Cigarette Retailer Enforcement Act	623,243	499,266	902,121
Shared Services Center	-	-	13,005
Total Tax Compliance and Administration Fund	67,773,899	19,169,045	16,031,510
Lapsed Balances	18,521,501	47,239,255	2,950,890
Local Government Distributive Fund (0515)			
Appropriations (Net of Transfers)	305,100,000	281,000,000	255,100,000
<u>Expenditures:</u>			
Grants to allocate to local governments for additional 1.25% use tax pursuant to P.A. 86-0928	272,132,935	250,086,055	236,866,491
Lapsed Balances	32,967,065	30,913,945	18,233,509
Budget Stabilization Fund (0686)			
Appropriations (Net of Transfers)	-	5,000,000	-
<u>Expenditures:</u>			
Ordinary and contingent expenses	-	5,000,000	-
Lapsed Balances	-	-	-

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	2018	2017	2016
	Public Acts 100-0021, 100-0023, and 100-0586	Public Acts 99-0524, and 100-0021	Public Acts 99-0491, 99-0523 99-0524, and Court-Ordered Expenditures
Municipal Telecommunications Fund (0719)			
Appropriations (Net of Transfers)	\$ 12,000	\$ 12,000	\$ 12,000
Lapsed Balances	12,000	12,000	12,000
Personal Property Tax Replacement Fund (0802)			
Appropriations (Net of Transfers)	60,183,200	58,481,700	57,535,600
<u>Expenditures:</u>			
Personal services	12,470,497	12,684,752	12,037,001
State contributions to State Employees' Retirement System	6,374,809	5,657,473	5,497,480
State contributions to Social Security	915,475	931,592	880,907
Group insurance	3,208,698	3,647,226	3,645,037
Contractual services	1,008,104	979,773	398,619
Travel	239,817	236,999	245,528
Commodities	42,131	42,365	29,923
Printing	11,721	22,969	13,112
Equipment	29,916	-	-
Electronic data processing	6,509,302	5,804,500	5,113,100
Telecommunications	561,098	499,350	561,063
Operation of automotive equipment	27,800	17,800	17,618
Ordinary and contingent expenses	-	-	997,901
Grants for the State's share of State's Attorneys' and Assistant State's Attorneys' salaries	13,475,224	13,475,224	12,352,289
Grants for the State's share of County Public Defenders' salaries	6,692,631	6,571,258	5,966,876
Grants for the State's share of County Supervisors of Assessments or County Assessors' salaries	3,091,395	3,071,854	3,018,092
Grants for additional compensation for local assessors as provided by Section 2.3 and 2.6 of the Revenue Act of 1939	198,000	253,750	171,000
Grants for additional compensation for local assessors as provided by Section 2.7 of the Revenue Act of 1939	390,000	357,001	378,000
Grants for additional compensation for county treasurers	662,318	659,219	663,000
Grants for annual stipend for sheriffs	663,000	662,913	662,718
Grants for stipend to county coroner	656,500	656,159	655,742
Grants for additional compensation for county auditors	107,337	109,476	110,500
Total Personal Property Tax Replacement Fund	57,335,773	56,341,653	53,415,506
Lapsed Balances	2,847,427	2,140,047	4,120,094
Dram Shop Fund (0821)			
Appropriations (Net of Transfers)	9,573,500	9,775,500	9,914,000
<u>Expenditures:</u>			
Personal services	-	-	2,174,083
State contributions to State Employees' Retirement System	-	-	993,364
State contributions to Social Security	-	-	159,652
Group insurance	-	-	652,551
Contractual services	-	-	310,057
Travel	-	-	31,505
Commodities	-	-	318
Electronic data processing	-	-	239,121
Telecommunications	-	-	61,024
Operation of automotive equipment	-	-	39,925
Parental responsibility grant	-	-	31,250
Tobacco study	763,369	912,230	933,884
Operation of the Beverage Alcohol Sellers and Servers Education and Training (BASSET) program	154,695	138,446	157,236
Retailer education program	41,329	91,392	188,100
Operational expenses	5,179,142	4,535,918	-
Grants to local government units to establish enforcement programs	3,850	868,612	878,530
Refunds	1,500	-	525
Shared Services Center	-	113,572	113,919
Total Dram Shop Fund	6,143,885	6,660,170	6,965,044
Lapsed Balances	3,429,615	3,115,330	2,948,956

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	2018	2017	2016
	Public Acts 100-0021, 100-0023, and 100-0586	Public Acts 99-0524, and 100-0021	Public Acts 99-0491, 99-0523 99-0524, and Court-Ordered Expenditures
Local Government Video Gaming Distributive Fund (0842)			
Appropriations (Net of Transfers)	\$ 72,000,000	\$ 62,000,000	\$ 50,000,000
<u>Expenditures:</u>			
Allocation to local governments of net terminal income tax pursuant to Video Gaming Act	68,737,593	58,409,850	49,577,230
Lapsed Balances	3,262,407	3,590,150	422,770
Foreclosure Prevention Program Fund (0891)			
Appropriations (Net of Transfers)	4,500,000	4,500,000	8,500,000
<u>Expenditures:</u>			
Awards and grants, lump sums and other purposes	3,989,344	4,273,847	102,511
Lapsed Balances	510,656	226,153	8,397,489
Abandoned Residential Property Municipality Relief Fund (0892)			
Appropriations (Net of Transfers)	15,000,000	15,000,000	15,000,000
<u>Expenditures:</u>			
Awards and grants, lump sums and other purposes	8,722,712	9,744,933	80,822
Lapsed Balances	6,277,288	5,255,067	14,919,178
Senior Citizens Real Estate Deferred Tax Revolving Fund (0930)			
Appropriations (Net of Transfers)	6,500,000	6,500,000	8,000,000
<u>Expenditures</u>			
Payments to counties	3,769,341	4,213,992	4,389,206
Lapsed Balances	2,730,659	2,286,008	3,610,794
TOTAL - APPROPRIATED FUNDS			
Total Appropriations (Net of Transfers)	\$ 923,271,360	\$ 975,586,900	\$ 830,799,872
Total Appropriated Expenditures	\$ 774,166,362	\$ 774,856,379	\$ 638,547,402
Balances Reappropriated July 1	\$ -	\$ -	\$ 10,000,000
Lapsed Balances	\$ 149,104,998	\$ 200,730,521	\$ 182,252,470
CONTINUING APPROPRIATED FUNDS			
Income Tax Refund Fund (0278)			
Appropriations (Net of Transfers)	\$ 2,506,226,613	\$ 2,281,956,272	\$ 2,133,086,363
<u>Expenditures</u>			
Individual and unitary income tax refund	1,916,341,735	1,923,820,316	1,856,414,695
Non-unitary income tax refunds	589,884,877	358,135,956	276,671,667
Total Income Tax Refund Fund	2,506,226,612	2,281,956,272	2,133,086,362
Lapsed Balances	\$ 1	\$ -	\$ 1
Regional Transportation Authority (RTA) Occupation and Use Tax Replacement Fund (0187)			
Appropriations (Net of Transfers)	\$ 40,872,269	\$ -	\$ 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	40,872,268	-	33,279,181
Lapsed Balances	\$ 1	\$ -	-

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	2018	2017	2016
	Public Acts 100-0021, 100-0023, and 100-0586	Public Acts 99-0524, and 100-0021	Public Acts 99-0491, 99-0523 99-0524, and Court-Ordered Expenditures
Local Government Distributive Fund (0515)			
Appropriations (Net of Transfers)	\$ 1,162,894,182	\$ 1,216,293,765	\$ 1,301,122,536
<u>Expenditures</u>			
Grants to local governments	1,162,894,182	1,216,293,765	1,301,122,535
Lapsed Balances	-	-	1
Personal Property Tax Replacement Fund (0802)			
Appropriations (Net of Transfers)	1,227,361,479	1,469,413,588	1,320,489,566
<u>Expenditures</u>			
Shared revenue payments	1,227,361,479	1,469,413,588	1,320,489,566
Lapsed Balances	-	-	-
TOTAL - CONTINUING APPROPRIATED FUNDS			
Total Continuing Appropriations (Net of Transfers)	\$ 4,937,354,543	\$ 4,967,663,625	\$ 4,787,977,646
Total Expenditures	\$ 4,937,354,541	\$ 4,967,663,625	\$ 4,787,977,644
Lapsed Balances	\$ 2	\$ -	\$ 2
NONAPPROPRIATED FUNDS			
General Revenue Fund (0001)			
Tax refunds	\$ -	\$ -	\$ 60,334
Motor Fuel Tax Fund (0012)			
Reimbursement to International Fuel Tax Agreement Member States	-	9,378,525	-
County Water Commission Tax Fund (0084)			
Shared revenue payments	231,129	6,879,531	37,625,718
Non-Home Rule Municipal Retailers' Occupation Tax Fund (0088)			
Shared revenue payments	135,908,872	129,560,814	127,518,464
Home Rule Municipal Soft Drink Retailers' Occupation Tax Fund (0097)			
Shared revenue payments	9,453,322	9,747,253	9,129,829
Refunds	262,194	99	-
Total Home Rule Municipal Soft Drink ROT Fund	9,715,516	9,747,352	9,129,829
Municipal Wireless Service Emergency Fund (0125)			
Shared revenue payments	7,375,037	7,524,233	9,053,800
Home Rule Municipal Retail Occupation Tax Fund (0138)			
Shared revenue payments	1,027,970,288	1,021,162,550	991,280,992
Home Rule County Retailers' Occupation Tax Fund (0139)			
Shared revenue payments	827,355,324	811,018,462	448,574,303
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	23,605,847	19,775,358	17,417,799
County and Mass Transit District Fund (0188)			
Shared revenue payments	231,194,379	226,489,842	225,250,490

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	2018	2017	2016
	Public Acts 100-0021, 100-0023, and 100-0586	Public Acts 99-0524, and 100-0021	Public Acts 99-0491, 99-0523 99-0524, and Court-Ordered Expenditures
Local Government Tax Fund (0189)			
Shared revenue payments	\$ 1,848,597,642	\$ 1,807,935,192	\$ 1,803,684,765
County Option Motor Fuel Tax Fund (0190)			
Shared revenue payments	34,496,213	33,570,049	32,718,877
Refunds	2,270	-	-
Total County Option Motor Fuel Tax Fund	34,498,483	33,570,049	32,718,877
County Public Safety Retailers' Occupation Tax Fund (0219)			
Shared revenue payments	96,933,346	92,257,785	91,472,800
Sports Facilities Tax Trust Fund (0229)			
Interfund tax and fee transfers	2,078,958	2,043,513	1,925,545
Interfund advance transfers	49,894,993	49,044,318	50,002,416
Total Sports Facilities Tax Trust Fund	51,973,951	51,087,831	51,927,961
Private Vehicle Use Home Rule Fund (0263)			
Shared revenue payments	17,179,308	17,871,085	16,188,778
MPEA Trust Fund (0337)			
Refunds	1,599	-	-
Illinois Tourism Tax Fund (0452)			
Shared revenue payments	25,202,074	24,772,398	23,342,341
Refunds	482,151	-	-
Total Illinois Tourism Tax Fund	25,684,225	24,772,398	23,342,341
School Facility Occupation Tax Fund (0498)			
Shared revenue payments	120,543,569	87,192,184	79,860,620
Flood Prevention Occupation Tax Fund (0558)			
Shared revenue payments	12,136,609	11,620,776	11,548,959
Tax Suspense Trust Fund (0583)			
Disburse misdirected payments	57,021	28,269	27,685
Metro East Park and Recreation District Fund (0717)			
Shared revenue payments	4,636,532	4,519,609	4,488,888
Municipal Telecommunications Fund (0719)			
Grants to local governments	193,911,996	212,787,925	232,916,362
Refunds	6,204,598	-	-
Total Municipal Telecommunications Fund	200,116,594	212,787,925	232,916,362
RTA Sales Tax Fund (0812)			
Shared revenue payments	1,286,500,620	1,280,802,523	1,275,171,982
Refunds	4,063,419	-	-
Total RTA Sales Tax Fund	1,290,564,039	1,280,802,523	1,275,171,982
Metro East Mass Transit District Tax Fund (0841)			
Shared revenue payments	31,439,182	31,113,712	30,967,259
Tennessee Valley Authority Local Trust Fund (0861)			
Shared revenue payments	221,032	233,950	247,964
Municipal Automobile Renting Tax Fund (0868)			
Shared revenue payments	6,890,478	6,963,897	6,906,818
Refunds	1,172	-	-
Total Municipal Automobile Renting Tax Fund	6,891,650	6,963,897	6,906,818
County Automobile Renting Tax Fund (0869)			
Shared revenue payments	236,747	228,321	237,588
TOTAL EXPENDITURES - NONAPPROPRIATED FUNDS	6,005,067,921	5,904,522,173	5,542,181,586
TOTAL EXPENDITURES - ALL FUNDS	\$ 11,716,588,824	\$ 11,647,042,177	\$ 10,968,706,632

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	2018	2017	2016
	Public Acts 100-0021, 100-0023, and 100-0586	Public Acts 99-0524, and 100-0021	Public Acts 99-0491, 99-0523 99-0524, and Court-Ordered Expenditures
STATE OFFICERS' SALARIES			
Appropriations (Net of Transfers)	\$ 599,500	\$ 599,500	\$ 599,500
<u>Expenditures</u>			
Department of Revenue			
Director	142,339	142,339	142,339
Assistant Director	121,010	121,010	121,010
Liquor Control Commission:			
Members (Six Total)	190,743	204,318	202,374
Secretary	-	25,047	37,571
Chairman and one member per diem for work on License Appeal Commission	4,000	2,600	3,800
Total General Revenue Fund	\$ 458,092	\$ 495,314	\$ 507,094
Lapsed Balances	\$ 141,408	\$ 104,186	\$ 92,406

Notes:

- (a) Appropriations, expenditures and lapsed balances were obtained from the State Comptroller's records, which have been reconciled to the Department's 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 Acts 99-0523 and 99-0524 were signed into law on June 30, 2016. During the impasse, the 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, 99-0523, 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.

**Comparative Schedule of Receipts, Disbursements and Fund Balance
 (Cash Basis) - Locally Held Funds
 For the Fiscal Years Ended June 30, 2018 and 2017**

Fund Name/Fund Number	2018	2017
Surety Bond (1151)		
Beginning cash balances	\$ 418,228	\$ 519,248
Receipts:		
Bond operations	9,961	3,500
Disbursements:		
Refunds	138,563	104,520
Ending cash balance	\$ 289,626	\$ 418,228
Evidence Fund (1369)		
Beginning cash balances	\$ 10,525	\$ 3,296
Receipts:		
Private organizations or individuals	-	7,759
Disbursements:		
Purchase of evidence	1,167	530
Ending cash balance	\$ 9,358	\$ 10,525

**Schedule of Changes in State Property
For the Fiscal Years Ended June 30, 2018 and 2017**

	Total	Financed Equipment	Building and Building Improvements	Capital Lease Equipment	Equipment
Balance at July 1, 2016	\$ 12,027,609	\$ -	\$ 6,322	\$ 138,913	\$ 11,882,374
Additions	558,124	-	-	449,247	108,877
Deletions	(4,892,921)	-	-	(588,160)	(4,304,761)
Net transfers	(637,638)	-	-	-	(637,638)
Balance at June 30, 2017	<u>\$ 7,055,174</u>	<u>\$ -</u>	<u>\$ 6,322</u>	<u>\$ -</u>	<u>\$ 7,048,852</u>
Balance at July 1, 2017	7,055,174	-	6,322	-	7,048,852
Additions	588,629	-	-	-	588,629
Deletions	(1,182,296)	-	-	-	(1,182,296)
Net transfers	-	-	(6,322)	-	6,322
Balance at June 30, 2018	<u>\$ 6,461,507</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,461,507</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.

Comparative Schedule of Cash Receipts
For Fiscal Years Ended June 30, 2018, 2017, and 2016

FUND/REVENUE SOURCE	FUND	2018	2017	2016
General Funds				
General Revenue Fund				
	0001			
Automobile renting tax		\$ 39,917,672	\$ 40,608,447	\$ 40,437,766
Bingo license fees		119,253	131,647	137,046
Cigarette tax		271,946,311	278,733,344	253,866,644
Coin operators' amusement tax		1,190,439	880,851	1,181,641
Federal government		94,728	100,264	106,270
Fines, penalties or violations		1,273,566	1,044,232	1,074,341
Fund transfers		45,936,967	46,043,513	1,925,545
Hotel operators' occupation tax		-	46,973,508	46,162,731
Income tax		16,982,499,568	12,970,560,436	13,711,599,264
Licenses, fees or registrations		8,452,564	8,159,623	6,517,113
Liquor tax		172,337,152	171,405,467	169,494,776
Miscellaneous		80,893	105,925	31,158
Private sales/used car use tax		28,168,689	30,317,954	30,307,827
Public utility tax		825,165,851	812,613,981	841,706,927
Rental purchase agreement tax		4,333,634	-	-
Sales tax		5,712,716,370	6,001,610,847	6,016,604,947
Unidentified tax source		59,193	14,433	593,843
Total General Revenue Fund		<u>24,094,292,850</u>	<u>20,409,304,472</u>	<u>21,121,747,839</u>
Common School Special Account Fund				
	0005			
Sales tax		<u>2,052,839,957</u>	<u>2,000,539,567</u>	<u>2,005,532,364</u>
Education Assistance Fund				
	0007			
Income tax		<u>1,525,791,161</u>	<u>1,094,830,833</u>	<u>1,150,842,780</u>
Illinois Sports Facilities Fund				
	0225			
Fund transfers		5,000,000	5,000,000	5,000,000
Hotel operators' occupation tax		58,169,000	55,342,000	52,664,021
Total Illinois Sports Facilities Fund		<u>63,169,000</u>	<u>60,342,000</u>	<u>57,664,021</u>
Income Tax Refund Fund				
	0278			
Income tax		<u>2,769,199,435</u>	<u>2,295,793,316</u>	<u>2,063,469,754</u>
Common School Fund				
	0412			
Bingo tax		716,259	757,606	796,641
Cigarette tax		72,212,602	74,275,891	99,525,368
Public utility tax		68,917,021	69,467,193	81,095,884
Pull tabs and jar games licenses		161,625	175,950	206,744
Pull tabs and jar games tax		1,231,907	1,317,021	1,456,936
Total Common School Fund		<u>143,239,414</u>	<u>145,993,661</u>	<u>183,081,573</u>
Highway Funds				
Motor Fuel Tax-State Fund				
	0012			
Federal government		53,847	34,935	27,159
Licenses, fees or registrations		993,344	939,921	879,866
Motor fuel tax		1,292,407,145	1,274,463,881	1,277,133,843
Total Motor Fuel Tax-State Fund		<u>1,293,454,336</u>	<u>1,275,438,737</u>	<u>1,278,040,868</u>
Special State Funds				
Mental Health Fund				
	0050			
Bingo tax		<u>716,259</u>	<u>757,606</u>	<u>796,641</u>
Public Utility Fund				
	0059			
Public utility tax		<u>6,691,337</u>	<u>6,855,209</u>	<u>6,302,472</u>

Comparative Schedule of Cash Receipts
For Fiscal Years Ended June 30, 2018, 2017, and 2016

FUND/REVENUE SOURCE	FUND	2018	2017	2016
Special State Funds (Continued)				
Underground Storage Tank Fund	0072			
Motor fuel tax		\$ 75,532,302	\$ 73,950,605	\$ 76,905,808
Compassionate Use of Medical Cannabis Fund	0075			
Sales tax		3,970,658	1,956,730	463,322
Illinois Gaming Law Enforcement Fund	0085			
Charitable games license fees		87,025	69,350	91,585
Charitable games tax		282,441	297,110	329,072
Pull tabs and jar games licenses		161,625	175,950	206,744
Pull tabs and jar games tax		1,231,907	1,317,021	1,456,936
Total Illinois Gaming Law Enforcement Fund		1,762,998	1,859,431	2,084,337
Clean Air Act (CAA) Permit Fund	0091			
Sales tax		65,707	365,235	606,600
Rental Housing Support Program Fund	0150			
Real estate transfer tax		13,471,110	15,062,284	14,210,767
State Crime Laboratory Fund	0152			
Sales tax		6,000,000	6,000,000	6,000,000
Sexual Assault Services and Prevention Fund	0158			
Surcharge		441,402	456,956	521,740
State and Local Sales Tax Reform Fund	0186			
Rental purchase agreement tax		1,083,408	-	-
Sales tax		442,844,119	420,451,268	409,310,685
Total State and Local Sales Tax Reform Fund		443,927,527	420,451,268	409,310,685
Emergency Public Health Fund	0240			
Licenses, fees or registrations		3,727,031	3,674,035	3,596,569
Illinois Affordable Housing Trust Fund	0286			
Real estate transfer tax		40,154,010	38,276,588	38,487,437
Licenses, fees or registrations		-	-	1,500
Loan repayments		13,182,004	10,081,071	9,603,288
Repayment to State pursuant to law		4,266,043	10,069,321	46,956
Total Illinois Affordable Housing Trust Fund		57,602,057	58,426,980	48,139,181
Used Tire Management Fund	0294			
Licenses, fees or registrations		14,162,719	13,961,332	13,666,962
Natural Areas Acquisition Fund	0298			
Real estate transfer tax		12,046,203	11,482,976	11,546,231
Open Space Lands Acquisition and Development Fund	0299			
Real estate transfer tax		28,107,807	26,793,611	26,941,206
Long-Term Care Provider Fund	0345			
Cigarette tax		19,248,654	18,931,941	18,811,455
Illinois Telecommunications Access Corporation Fund	0364			
Public utility tax		558,438	324,404	-

Comparative Schedule of Cash Receipts
For Fiscal Years Ended June 30, 2018, 2017, and 2016

FUND/REVENUE SOURCE	FUND	2018	2017	2016
Special State Funds (Continued)				
McCormick Place Expansion Project Fund	0377			
Sales tax		\$ 38,444,323	\$ 45,647,655	\$ 56,532,123
Tax Compliance and Administration Fund	0384			
Cigarette tax		860,725	813,862	768,225
Fines, penalties or violations		162,775	142,349	137,998
Income tax		5,782,200	6,729,790	5,245,941
Licenses, fees or registrations		828,560	68,283	196,102
Metro East mass transit tax district		9,852	9,936	9,872
Public utility tax		1,036,802	1,191,041	1,311,072
Sales tax		5,389,027	5,244,812	5,382,928
Surcharge		9,008	9,326	10,531
Total Tax Compliance and Administration Fund		14,078,949	14,209,399	13,062,669
Drycleaner Environmental Response Trust Fund	0548			
Drycleaner tax		279,183	311,233	360,925
Licenses, fees or registrations		1,264,221	1,327,473	1,417,609
Total Drycleaner Environmental Response Trust Fund		1,543,404	1,638,706	1,778,534
Supplemental Low-Income Energy Assistance Fund	0550			
Public utility tax		98,359,967	97,264,053	98,871,765
Renewable Energy Resources Trust Fund	0564			
Licenses, fees or registrations		5,502,125	5,507,033	5,804,412
School Infrastructure Fund	0568			
Cigarette tax		14,648,170	14,664,762	45,811,906
Public utility tax		56,917,021	57,467,193	69,095,883
Total School Infrastructure Fund		71,565,191	72,131,955	114,907,789
Energy Efficiency Trust Fund	0571			
Licenses, fees or registrations		1,506,420	4,743,576	1,555,266
Wireless Service Emergency Fund	0612			
Public utility tax		11,755,390	14,107,808	9,531,324
International Tourism Fund	0621			
Hotel operators' occupation tax		5,684,067	5,525,037	5,336,645
Chicago Travel Industry Promotion Fund	0624			
Hotel operators' occupation tax		10,989,196	10,681,740	10,317,513
Public Transportation Fund	0627			
Sales tax		250,983,404	-	-
Illinois Racing Quarter Horse Breeders Fund	0631			
Privilege tax		11,126	10,845	11,203
Horse Racing Fund	0632			
Privilege tax		5,422,900	5,215,779	5,463,574
Fund for Advancement of Education	0640			
Income tax		616,907,503	463,820,485	458,506,719
Commitment to Human Services Fund	0644			
Income tax		616,852,503	463,820,485	458,506,720

Comparative Schedule of Cash Receipts
For Fiscal Years Ended June 30, 2018, 2017, and 2016

FUND/REVENUE SOURCE	FUND	2018	2017	2016
Special State Funds (Continued)				
Downstate Public Transportation Fund	0648			
Sales tax		\$ 194,820,098	\$ -	\$ -
Rental Purchase Agreement Tax Refund Fund	0671			
Rental purchase agreement tax		1,000	-	-
Tourism Promotion Fund	0763			
Hotel operators' occupation tax		47,091,497	-	-
Healthcare Provider Relief Fund	0793			
Cigarette tax		385,378,329	394,109,487	426,145,252
Personal Property Tax Replacement Fund	0802			
Income tax		1,297,154,967	1,409,154,294	1,213,356,455
Public utility tax		215,846,089	216,757,378	206,933,199
Total Personal Property Tax Replacement Fund		1,513,001,056	1,625,911,672	1,420,289,654
Dram Shop Fund	0821			
Federal government		556,798	799,743	1,128,356
Fines, penalties or violations		-	-	10,000
Fund transfers		-	29,383	135,668
Licenses, fees or registrations		10,451,688	9,623,962	7,189,779
Repay State/Jury duty & personal phone calls		-	22	25
Repayment to State pursuant to law		-	10,660	23,675
Total Dram Shop Fund		11,008,486	10,463,770	8,487,503
Coal Technology Development Assistance Fund	0925			
Licenses, fees or registrations		5,502,125	5,507,033	5,804,412
Senior Citizens Real Estate Deferred Tax Revolving Fund	0930			
Deferred real estate tax reimbursements		7,067,761	8,061,856	7,483,270
Build Illinois Fund	0960			
Hotel operators' occupation tax		93,471,321	90,856,171	89,222,765
Hotel operators' occupation tax/Additional		46,876,008	45,564,506	42,547,196
Private sales/used car use tax		5,000,000	5,000,000	5,000,000
Sales tax		484,898,045	473,067,259	474,895,901
Total Build Illinois Fund		630,245,374	614,487,936	611,665,862
Local Tourism Fund	0969			
Hotel operators' occupation tax		18,413,570	17,898,393	17,287,136
State Trust Funds				
County Water Commission Tax Fund	0084			
County water commission tax		23,139	1,502,666	37,139,737
Home Rule Municipal Soft Drink Retailers' Occupation Tax Fund	0088			
Sales tax		143,154,896	130,397,854	126,850,020
Home Rule Municipal Soft Drink Retailers' Occupation Tax Fund	0097			
Sales tax		8,863,183	10,052,926	9,762,054
Municipal Wireless Service Emergency Fund	0125			
Licenses, fees or registration		6,961,668	8,193,855	10,685,710
Home Rule Municipal Retailers' Occupation Tax Fund	0138			
Sales tax		1,093,506,945	1,034,226,388	988,660,158

Comparative Schedule of Cash Receipts
For Fiscal Years Ended June 30, 2018, 2017, and 2016

FUND/REVENUE SOURCE	FUND	2018	2017	2016
State Trust Funds (Continued)				
Home Rule County Retailers' Occupation Tax Fund	0139			
Sales tax		\$ 900,795,998	\$ 785,455,712	\$ 525,167,516
Business District Retailers' Occupation Tax Fund	0160			
Sales tax		24,676,681	20,312,232	17,405,546
County and Mass Transit District Fund	0188			
Sales tax		392,333,525	386,909,183	374,966,000
Local Government Tax Fund	0189			
Sales tax		1,953,417,132	1,890,565,661	1,824,612,524
County Option Motor Fuel Tax Fund	0190			
County option motor fuel tax		35,034,657	34,387,615	33,512,436
Standardbred Purse Fund	0217			
Privilege tax		502,464	438,542	391,467
County Public Safety Retailers' Occupation Tax Fund	0219			
Sales tax		102,812,212	92,414,048	93,320,490
Sports Facilities Tax Trust Fund	0229			
Sports facility hotel operators' tax		53,007,463	51,495,007	50,691,574
Private Vehicle Use Home Rule Fund	0263			
Private sales/used car use tax		19,556,867	19,119,367	19,586,479
Metropolitan Pier and Exposition Authority Trust Fund	0337			
Automobile renting tax		34,443,503	33,225,400	33,163,382
Hotel operators' occupation tax		61,999,434	60,033,699	54,684,947
Sales tax		53,024,807	50,857,533	49,183,482
Total Metropolitan Pier and Exposition Authority Trust Fund		149,467,744	144,116,632	137,031,811
Federal HOME Investment Trust Fund	0338			
Federal government		-	-	3,485,242
Protest Fund	0401			
Income tax		4,890,124	2,324,765	84,139,188
Public utility tax		-	-	578,859
Sales tax		7,822	1,507,503	-
Total Protest Fund		4,897,946	3,832,268	84,718,047
Illinois Tourism Tax Fund	0452			
Hotel operators' tax		25,609,346	26,010,228	23,697,827
School Facility Occupation Tax Fund	0498			
Sales tax		128,195,945	87,605,269	80,344,754
Local Government Distributive Fund	0515			
Income tax		1,155,264,084	-	-
Flood Prevention Occupation Tax Fund	0558			
Sales tax		11,880,681	11,693,785	11,002,411
Tax Suspense Trust Fund	0583			
Unidentified remittances		58,165	29,898	34,018

Comparative Schedule of Cash Receipts
For Fiscal Years Ended June 30, 2018, 2017, and 2016

FUND/REVENUE SOURCE	FUND	2018	2017	2016
State Trust Funds (Continued)				
Metro East Park and Recreation District Fund	0717			
Sales tax		\$ 4,460,661	\$ 4,551,677	\$ 4,439,124
Municipal Telecommunications Fund	0719			
Public utility tax		191,952,962	242,240,091	216,977,777
RTA Sales Tax Fund	0812			
Regional Transportation Authority		1,235,358,372	1,192,180,439	1,131,187,876
Metro East Mass Transit District Tax Fund	0841			
Metro East mass transit tax district		33,733,934	31,235,017	30,572,616
Municipal Automobile Renting Tax Fund	0868			
Automobile renting tax		7,109,727	7,044,631	7,032,359
County Automobile Renting Tax Fund	0869			
Automobile renting tax		244,326	220,693	239,272
Debt Service Funds				
Capital Projects Fund	0694			
Liquor tax		123,825,380	122,898,885	118,370,329
Sales tax		59,036,000	57,974,000	56,925,000
Total Capital Projects Fund		182,861,380	180,872,885	175,295,329
Federal Trust Funds				
Illinois Department of Revenue Federal Trust Fund	0140			
Federal government		7,666	12,099	9,423
Tennessee Valley Authority Local Trust Fund	0861			
Federal government		221,032	233,950	247,964
Receipts remitted to the Comptroller		45,058,124,927	38,221,668,510	38,256,700,081
Prior year refunds		587,767	15,777,157	622,633
Prior year warrant voids		4,283,077	459,350	12,673,713
Deposits recorded by the Comptroller		4,870,844	16,236,507	13,296,346
Total deposits into the State Treasury		\$ 45,062,995,771	\$ 38,237,905,017	\$ 38,269,996,427

Notes:

Receipts remitted to the Comptroller - unallocated collections and deposits-in-transit are included within the comparative receipts schedule.

Reconciliation Schedule of Cash Receipts to Deposits
Remitted to the State Comptroller
For the Fiscal Years Ended June 30, 2018, 2017, and 2016

Receipts	2018	2017	2016
Tax and fee collections, including assessments, penalties, and interest:			
Income: individual, corporate, and personal property replacement tax	\$ 25,013,583,981	\$ 18,708,603,140	\$ 19,253,705,124
Sales:			
State, municipal, county, county water commission, RTA, MED retailers' and service occupation tax	15,304,852,295	14,840,871,477	14,407,351,988
Public utilities:			
Message, gas, electric	1,469,551,833	1,511,670,324	1,536,464,050
Motor fuel tax	1,293,903,623	1,275,977,796	1,277,867,113
Other:			
Underground storage tank	74,835,863	73,910,652	76,501,910
Cigarette, cigarette use, and other tobacco products	745,544,314	802,022,843	825,051,811
Racing privilege	5,939,960	5,677,419	5,977,825
Hotel operator and occupation	420,596,313	412,279,180	394,446,060
Liquor	295,938,294	294,532,643	287,818,143
Vehicle use	52,262,777	54,956,308	55,429,659
Real estate transfer	92,529,283	93,049,943	93,482,494
Bingo	1,510,238	1,622,824	1,748,641
Coin operated amusement device	924,953	974,855	1,133,254
Automobile renting	81,716,676	81,084,748	80,643,378
Charitable games	343,185	337,017	440,014
Pull tabs and jar games	2,958,214	3,063,646	3,342,904
Liquor control commission	19,966,686	19,226,539	15,640,795
Senior citizens real estate tax deferral	7,196,825	7,955,430	7,603,147
Live adult entertainment	448,483	468,208	536,004
Miscellaneous collections	2,050,336	1,303,767	1,488,942
Housing development authority loan activity	17,448,047	20,150,393	13,136,987
Sports facilities authority advance repayments and subsidies	50,936,967	51,043,513	6,925,545
Deposits remitted to the Comptroller	44,955,039,146	38,260,782,665	38,346,735,788
Prior year refunds	587,767	15,777,157	622,633
Prior year warrant voids	4,283,077	459,350	12,673,713
Deposits recorded by the Comptroller	4,870,844	16,236,507	13,296,346
Unallocated collections:			
Beginning of the year	(9,068,197)	(3,886,408)	(8,716,374)
End of year	21,504,564	9,068,197	3,886,408
Deposits in-transit:			
Beginning of the year	436,462,577	392,166,633	306,960,892
End of year	(345,813,163)	(436,462,577)	(392,166,633)
Total Deposits into the State Treasury	\$ 45,062,995,771	\$ 38,237,905,017	\$ 38,269,996,427

**State of Illinois
Department of Revenue
Compliance Examination**

**Analysis of Operations (Unaudited)
For the Two Years Ended June 30, 2018**

Department Functions and Planning Program (Unaudited)

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 81.7 percent of the receipts into the State's general funds for the fiscal year that ended June 30, 2017, and 70.6 percent in the fiscal year that ended June 30, 2018.

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 fiscal year ending June 30, 2017, and 90 percent for fiscal year ending June 30, 2018. The remaining revenue collected for these fiscal years 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 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

**State of Illinois
Department of Revenue
Compliance Examination**

**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Department Functions and Planning Program (Unaudited) (Continued)

General Operations (Continued)

- 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
 - Flood Prevention Occupation
 - Illinois Sports Facilities
 - Local Government Private Vehicle Use Tax
 - Mass Transit District Sales Tax
 - Mass Transit District use Tax
 - 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

**State of Illinois
Department of Revenue
Compliance Examination**

**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Department Functions and Planning Program (Unaudited) (Continued)

General Operations (Continued)

- 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)
2018	\$3,865	\$85,185
2017	\$3,913	\$18,958
2016	\$4,114	\$16,729

Operating expenses to administer state and local tax laws for the 15 months ending September 30, 2018, the 15 months ending September 30, 2017 and the 14 months ending August 31, 2016, 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
2018	\$45,062,996	\$189,758	\$4.21
2017	\$38,237,905	\$167,094	\$4.37
2016	\$38,233,076	\$179,767	\$4.70

**State of Illinois
Department of Revenue
Compliance Examination**

**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Department Functions and Planning Program (Unaudited) (Continued)

AGENCY FUNCTIONS

The mission statement of the 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.

The Director of the Department is David Harris. The Department's headquarters are 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.

**State of Illinois
Department of Revenue
Compliance Examination**

**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Department Functions and Planning Program (Unaudited) (Continued)

AGENCY FUNCTIONS (Continued)

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

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.

**State of Illinois
Department of Revenue
Compliance Examination**

**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Analysis of Significant Variations in Expenditures (Unaudited)

A summary of expenditures by major object code for both appropriated funds and non-appropriated funds are presented in Schedule 3, Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances. The Department's explanations for significant fluctuations in expenditures greater than \$1,500,000 and 15% of total expenditures as presented in Schedule 3 are detailed below.

Fiscal Year 2018 Compared to Fiscal Year 2017

General Revenue Fund – 0001

Ordinary and contingent expenses – The decrease was due to a one-time appropriated amount in fiscal year 2017.

Operational expenses and Shared Services initiative and other operational expenses – The decrease was due to the Department receiving a reduced appropriation from the General Revenue Fund with an offsetting increased appropriation from the Tax Compliance and Administration Fund to cover these costs.

Tax refunds – The increase was due to the Department receiving an appropriation to pay refunds in fiscal year 2018 from the General Revenue Fund. The Department did not receive a similar appropriation for fiscal year 2017.

Motor Fuel Tax Fund – 0012

State contributions to State Employees' Retirement System – The decrease is due to fewer full-time equivalents paid from this fund combined with a reduction in the fiscal year 2018 employer contribution rate.

County Water Commission Tax Fund – 0084

Shared revenue payments – Expenditures decreased because the tax expired on May 31, 2016, pursuant to Public Act 96-1389.

Rental Housing Support Program Fund – 0150

Grants to provide rental assistance to the Rental Housing Support Program Fund – The fiscal year 2017 appropriation allowed for the payment of prior year costs to address the 2016 budget impasse. Fiscal year 2017 expenditures were higher as a result.

Business District Retailers' Occupation Tax Fund – 0160

Shared revenue payments – The increase was due to certain local governments increasing their tax rates on general merchandise sales. 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.

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Compliance Examination**

**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Analysis of Significant Variations in Expenditures (Unaudited) (Continued)

Fiscal Year 2018 Compared to Fiscal Year 2017 (Continued)

Income Tax Refund Fund – 0278

Non-unitary income tax refunds – Public Act 100-0022 increased State income tax rates effective July 1, 2017. The additional revenue allowed unpaid refunds to be issued to business income taxpayers during the fiscal year.

Illinois Affordable Housing Trust Fund – 0286

Grants, mortgages, loans, or for the purpose of securing bonds –The fiscal year 2017 appropriation allowed for the payment of prior year costs to address the fiscal year 2016 budget impasse. Fiscal year 2017 expenditures were higher as a result.

Federal HOME Investment Trust Fund – 0338

Illinois HOME Investment Partnerships Program – The decrease occurred 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

Personal services, electronic data processing, operational expenses – The increase in operational expenses was due to the Department receiving a decreased appropriation from the General Revenue Fund with an offsetting increased appropriation from the Tax Compliance and Administration Fund to cover these costs. The decreases in personal services and electronic data processing expenditures was due to the Department receiving an increased operational expenses appropriation in fiscal year 2018 to cover these costs.

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.

Budget Stabilization Fund – 0686

Ordinary and contingent expenses – The decrease is due to the Department receiving a one-time appropriation for fiscal year 2017.

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Analysis of Significant Variations in Expenditures (Unaudited) (Continued)

Fiscal Year 2018 Compared to Fiscal Year 2017 (Continued)

Municipal Telecommunications Fund – 0719

Refunds – The Department collects municipal telecommunications taxes on behalf of local governments, deposits the proceeds into this fund, and then distributes the money using a non-appropriated expenditure authority account. Additional refunds of overpaid municipal telecommunications taxes were made during fiscal year 2018.

Personal Property Tax Replacement Fund – 0802

Shared revenue payments – The decrease in fiscal year 2018 is due to increased spending from the fund for State court reporters and payments to local community colleges as well as decreased receipts based upon information reported by taxpayers to the Department.

RTA Sales Tax Fund – 0812

Refunds – The Department collects certain sales taxes on behalf of local governments, deposits the proceeds into this fund, and then distributes the money using a non-appropriated expenditure authority account. Additional refunds of overpaid local taxes were made during fiscal year 2018.

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 2018. More licenses were awarded which increased the number of gaming terminals.

Fiscal Year 2017 Compared to Fiscal Year 2016

Motor Fuel Tax Fund – 0012

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.

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Analysis of Significant Variations in Expenditures (Unaudited) (Continued)

Fiscal Year 2017 Compared to Fiscal Year 2016 (Continued)

County Water Commission Tax Fund – 0084

Shared revenue payments – Expenditures decreased because the tax expired on May 31, 2016, pursuant to Public Act 96-1389.

Foreclosure Prevention Program Graduated Fund – 0119

Grants for allocation to housing counseling agencies and community-based organizations – The increase was due to the fiscal year 2016 budget impasse. Grant expenditures were limited in fiscal year 2016 because budget authority was not provided until the end of the fiscal year from Public Act 99-0524. The fiscal year 2017 appropriation allowed for the payment of prior year costs. Fiscal year 2017 expenditures were higher as a result.

Municipal Wireless Service Emergency Fund – 0125

Shared revenue payments – The Department collects certain taxes on behalf of local governments, deposits the proceeds into this fund, and then distributes the money using a non-appropriated expenditure authority account. The decrease was due to reduced prepaid wireless retail sales in those local jurisdictions.

Home Rule County Retailers' Occupation Tax Fund – 0139

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.

Rental Housing Support Program Fund – 0150

Grants to provide rental assistance to the Rental Housing Support Program Fund – The increase was due to the fiscal year 2016 budget impasse. Grant expenditures were limited in fiscal year 2016 because budget authority was not provided until the end of the fiscal year from Public Act 99-0524. The fiscal year 2017 appropriation allowed for the payment of prior year costs. Fiscal year 2017 expenditures were higher as a result.

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Analysis of Significant Variations in Expenditures (Unaudited) (Continued)

Fiscal Year 2017 Compared to Fiscal Year 2016 (Continued)

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 increase was due to the fiscal year 2016 budget impasse. July and August distributions normally paid using the fiscal year 2016 lapse appropriation were instead paid from the fiscal year 2017 appropriation pursuant to Public Act 100-0021.

Income Tax Refund Fund – 0278

Non-unitary income tax refunds – Public Act 100-0023 increased the percentage of income taxes deposited into this fund in fiscal year 2017. This allowed unpaid refunds to be issued to business income taxpayers during the fiscal year.

Illinois Affordable Housing Trust Fund – 0286

Grants to other State agencies – The decrease was due to reduced activity related to the Housing Accessibility Program.

Grants, mortgages, loans, or for the purpose of securing bonds – The increase was due to the fiscal year 2016 budget impasse. Grant expenditures were limited in fiscal year 2016 because budget authority was not provided until the end of the fiscal year from Public Act 99-0524. The fiscal year 2017 appropriation allowed for the payment of prior year costs. Fiscal year 2017 expenditures were higher as a result.

Federal HOME Investment Trust Fund – 0338

Illinois HOME Investment Partnerships Program – The increase was due to the fiscal year 2016 budget impasse. Grant expenditures were not made because budget authority was not provided until the end of the fiscal year from Public Act 99-0524. The fiscal year 2017 appropriation allowed for the payment of prior year costs. Fiscal year 2017 expenditures were higher as a result.

Tax Compliance and Administration Fund – 0384

Personal services – The decrease in personal services expenditures was due to the Department receiving a decreased personal services appropriation and instead receiving an increased operational expenses appropriation.

Operational expenses – The increase in operational expenses was due to the Department receiving a lump-sum appropriation rather than individual appropriations at the line-item level.

Budget Stabilization Fund – 0686

Ordinary and contingent expenses – The increase was due to the Department receiving a one-time appropriation for fiscal year 2017.

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Compliance Examination**

**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Analysis of Significant Variations in Expenditures (Unaudited) (Continued)

Fiscal Year 2017 Compared to Fiscal Year 2016 (Continued)

Dram Shop Fund – 0821

Personal services – The decrease in personal services expenditures was due to the Department receiving a decreased personal services appropriation and instead receiving an increased operational expenses appropriation.

Operational expenses – The increase in operational expenses was due to the Department receiving a lump-sum appropriation rather than individual appropriations at the line-item level.

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 2017. More licenses were awarded during the fiscal year which increased the number of gaming terminals.

Foreclosure Prevention Program Fund – 0891

Awards and grants, lump sums and other purposes – The increase was due to the fiscal year 2016 budget impasse. Grant expenditures were limited in fiscal year 2016 because budget authority was not provided until the end of the fiscal year from Public Act 99-0524. The fiscal year 2017 appropriation allowed for the payment of prior year costs. Fiscal year 2017 expenditures were higher as a result.

Abandoned Residential Property Municipality Relief Fund – 0892

Awards and grants, lump sums and other purposes – The increase was due to the fiscal year 2016 budget impasse. Grant expenditures were limited in fiscal year 2016 because budget authority was not provided until the end of the fiscal year from Public Act 99-0524. The fiscal year 2017 appropriation allowed for the payment of prior year costs. Fiscal year 2017 expenditures were higher as a result.

**State of Illinois
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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Analysis of Significant Variations in Receipts (Unaudited)

A summary of cash receipts by fund by source is presented in Schedule 6, Comparative Schedule of Cash Receipts. The Department's explanations for significant fluctuations in cash receipts greater than \$5,000,000 and 15% of total receipts by each fund as presented in Schedule 6 are detailed below.

Fiscal Year 2018 Compared to Fiscal Year 2017

General Revenue Fund – 0001

The increases in hotel and income tax receipts were due to statutory changes. Prior to fiscal year 2018, hotel taxes were deposited into the General Revenue Fund and then transferred to the Tourism Promotion Fund. Public Act 100-0023 now requires the proceeds to be directly deposited into the Tourism Promotion Fund as the tax revenues are realized. Public Act 100-0023 also increased individual income taxes from 3.75% to 4.95% and corporate income taxes from 5.25% to 7.00% effective July 1, 2017.

Education Assistance Fund – 0007

The increase was due to a statutory change. Public Act 100-0023 increased individual income taxes from 3.75% to 4.95% and corporate income taxes from 5.25% to 7.00% effective July 1, 2017.

Income Tax Refund Fund – 0278

The increase was due to a statutory change. Public Act 100-0023 increased individual income taxes from 3.75% to 4.95% and corporate income taxes from 5.25% to 7.00% effective July 1, 2017.

Illinois Affordable Housing Trust Fund – 0286

The decrease in the repayment to State pursuant to law was due to increased repayments made by IHDA to the State in fiscal year 2017 for payout requests for which full funds were ultimately not required.

McCormick Place Expansion Project Fund – 0377

The decrease was due to the Treasurer's Office instructing the Department to deposit less 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.

School Facility Occupation Tax Fund – 0498

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 a non-appropriated expenditure authority account.

**State of Illinois
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Compliance Examination**

**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Analysis of Significant Variations in Receipts (Unaudited) (Continued)

Fiscal Year 2018 Compared to Fiscal Year 2017 (Continued)

Local Government Distributive Fund – 0515

The increase was due to a statutory change. Prior to fiscal year 2018, income taxes were transferred to this fund from the General Revenue Fund. The proceeds were then shared with local governments. Public Act 100-0023 now requires the proceeds to be directly deposited into the fund as the tax revenues are realized.

Public Transportation Fund – 0627

The increase was due to a statutory change. Prior to fiscal year 2018, certain sales taxes were transferred to this fund from the General Revenue Fund. The proceeds were then shared with local governments. Public Act 100-0023 now requires the proceeds to be directly deposited into the fund as the tax revenues are realized.

Fund for Advancement of Education – 0640

The increase was due to a statutory change. Public Act 100-0023 increased individual income taxes from 3.75% to 4.95% effective July 1, 2017.

Commitment to Human Services Fund – 0644

The increase was due to a statutory change. Public Act 100-0023 increased individual income taxes from 3.75% to 4.95% effective July 1, 2017.

Downstate Public Transportation Fund – 0648

The increase was due to a statutory change. Prior to fiscal year 2018, certain sales taxes were transferred to this fund from the General Revenue Fund. The proceeds were then shared with local governments. Public Act 100-0023 now requires the proceeds to be directly deposited into the fund as the tax revenues are realized.

Municipal Telecommunications Fund – 0719

The Department collects municipal telecommunications taxes on behalf of local governments, deposits the proceeds into this fund, and then distributes the money using a non-appropriated expenditure authority account. The decrease was due to reduced collections resulting from a contracting taxpayer base as internet-based phone usage increases.

Tourism Promotion Fund – 0763

The increase was due to a statutory change. Prior to fiscal year 2018, hotel taxes were transferred to this fund from the General Revenue Fund. Public Act 100-0023 now requires the proceeds to be directly deposited into the fund as the tax revenues are realized.

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Compliance Examination**

**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Analysis of Significant Variations in Receipts (Unaudited) (Continued)

Fiscal Year 2017 Compared to Fiscal Year 2016

General Revenue Fund – 0001

The decrease in fund transfers was due to the fiscal year 2016 budget impasse. The Department advances certain hotel tax revenues to the Illinois Sports Facilities Authority (ISFA). ISFA repays the Departments and the receipts are recorded as fund transfers. Due to lack of appropriation authority, advances were not made to and subsequent repayments were not made from the ISFA.

County Water Commission Tax Fund – 0084

Receipts decreased because the tax expired on May 31, 2016, pursuant to Public Act 96-1389.

Home Rule County Retailers' Occupation Tax Fund – 0139

The increase was due to additional county governments imposing home rule sales taxes. The Department collects the money on behalf of those local governments, deposits the proceeds into this fund, and then distributes the money using a non-appropriated expenditure authority account.

Illinois Affordable Housing Trust Fund – 0286

The increase was due to increased repayments made by IHDA to the State for payout requests for which full funds were ultimately not required.

McCormick Place Expansion Project Fund – 0377

The decrease was due to the Treasurer's Office instructing the Department to deposit less 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 decrease represented a return to expected receipts. Fiscal year 2016 receipts were unusually high due to several large corporate taxpayers paying business income tax assessments under protest in December 2015.

Common School Fund – 0412

The decrease was due to a contracting revenue source. Cigarette tax collections continue to diminish year-over-year.

School Infrastructure Fund – 0568

The decrease in cigarette tax receipts was due to diminishing cigarette tax collections year-over-year. The decrease in public utility tax collections was due to reduced telecommunications tax collections resulting from a contracting taxpayer base as internet-based phone usage increases.

**State of Illinois
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Compliance Examination**

**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Analysis of Significant Variations in Receipts (Unaudited) (Continued)

Fiscal Year 2017 Compared to Fiscal Year 2016 (Continued)

Personal Property Tax Replacement Fund – 0802

The increase was due to an increase in the business income tax deposit percentage allocated to this fund. Deposits into this fund are based on information reported by taxpayers on tax returns submitted to the Department.

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Compliance Examination**

**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Analysis of Significant Lapse Period Spending (Unaudited)

A summary of lapse period spending by major object code for both appropriated funds and non-appropriated funds are presented in Schedules 1 and 2, Schedules of Appropriations, Expenditures, and Lapsed Balances. The Department's explanations for lapse period expenditures that exceeded \$1,500,000 and 15% of total expenditures as presented in Schedule 1 and 2 are detailed below.

Fiscal Year 2018

Motor Fuel Tax Fund – 0012

Electronic data processing – Lapse billings received from internal service funds were paid during the lapse period.

Reimbursement to International Fuel Tax Agreement Member States – The June International Fuel Tax Agreement transmittal was paid during the lapse period.

Foreclosure Prevention Program Graduated Fund – 0119

Grants for allocation to housing counseling agencies and community-based organizations – The Department approved grant requests during the lapse period which were not received until late June.

Rental Housing Support Program Fund – 0150

Grants to provide rental assistance to the Rental Housing Support Program Fund – The Department approved grant requests during the lapse period which were not received until late June.

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.

Illinois Affordable Housing Trust Fund – 0286

Grants, mortgages, loans, or for the purpose of securing bonds – The Department approved grant requests during the lapse period which were not received until late June.

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.

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Analysis of Significant Lapse Period Spending (Unaudited) (Continued)

Fiscal Year 2017

Motor Fuel Tax Fund – 0012

Electronic data processing – Lapse billings received from internal service funds were paid during the lapse period.

Reimbursement to International Fuel Tax Agreement Member States – The June International Fuel Tax Agreement transmittal was paid during the lapse period.

Motor fuel tax refunds – Refund claims submitted by taxpayers in late June were processed during the lapse period.

Foreclosure Prevention Program Graduated Fund – 0119

Grants for allocation to housing counseling agencies and community-based organizations – The Department approved grant requests during the lapse period which were not received until late June.

Rental Housing Support Program Fund – 0150

Grants to provide rental assistance to the Rental Housing Support Program Fund – The Department approved grant requests during the lapse period which were not received until late June.

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.

Illinois Affordable Housing Trust Fund – 0286

Grants, mortgages, loans, or for the purpose of securing bonds – The Department approved grant requests during the lapse period which were not received until late June.

Tax Compliance and Administration Fund – 0384

Operational expenses – Lapse billings received from internal service funds 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.

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

**Analysis of Billed Accounts Receivable (Unaudited)
Fiscal Year Ended June 30, 2018 (expressed in thousands)**

Billed 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
<u>Non-Protest</u>						
Current:	\$ -	\$ -	\$ -	\$ -	\$ 52,897	\$ 52,897
<u>Past Due:</u>						
1-90 days	19,136	20,764	18,430	90,777	6,644	155,751
91-180 days	12,305	10,386	8,244	20,367	6,237	57,539
181 days - 1 year	41,090	10,023	6,492	32,616	3,946	94,167
1 year <= 2 years	28,144	16,956	8,931	55,162	8,322	117,515
2 years <= 3 years	28,820	5,206	6,530	46,849	4,432	91,837
3 years <= 4 years	28,856	4,600	5,174	44,552	3,113	86,295
4 years <= 5 years	12,003	8,832	4,099	31,666	4,100	60,700
5 years <= 10 years	91,518	10,529	13,295	49,687	5,454	170,483
10 years <= 20 years	16,837	2,067	4,304	15,213	2,006	40,427
> 20 years	4,134	149	438	4,405	209	9,335
Total Past Due	\$ 282,843	\$ 89,512	\$ 75,937	\$ 391,294	\$ 44,463	\$ 884,049
Gross Receivables	\$ 282,843	\$ 89,512	\$ 75,937	\$ 391,294	\$ 97,360	\$ 936,946
Estimated Uncollectible	(254,263)	(55,371)	(55,464)	(282,235)	(36,706)	(684,039)
Total Billed Net Receivables	\$ 28,580	\$ 34,141	\$ 20,473	\$ 109,059	\$ 60,654	\$ 252,907
<u>Protest</u>						
Current:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Past Due:</u>						
1-90 days	14,976	17,012	631	24,095	734	57,448
91-180 days	2,551	2,495	-	501	141	5,688
181 days - 1 year	12,433	2,698	-	676	762	16,569
1 year <= 2 years	7,429	29,019	632	1,665	187	38,932
2 years <= 3 years	15,052	81,096	277	429	3,364	100,218
3 years <= 4 years	44,066	41,122	48	1,245	319	86,800
4 years <= 5 years	1,370	6,459	-	58	242	8,129
5 years <= 10 years	4,849	1,487	5	178	474	6,993
10 years <= 20 years	10	-	-	3	-	13
> 20 years	-	-	-	-	-	-
Subtotal: Over 180 days	\$ 102,736	\$ 181,388	\$ 1,593	\$ 28,850	\$ 6,223	\$ 320,790
Gross Receivables	\$ 102,736	\$ 181,388	\$ 1,593	\$ 28,850	\$ 6,223	\$ 320,790
Estimated Uncollectible	(86,289)	(141,109)	(989)	(7,832)	(5,351)	(241,570)
Total Billed Net Receivables	\$ 16,447	\$ 40,279	\$ 604	\$ 21,018	\$ 872	\$ 79,220

* Excludes amounts collected during the lapse period, and adjustments

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

**Analysis of Billed Accounts Receivable (Unaudited)
Fiscal Year Ended June 30, 2017 (expressed in thousands)**

Billed 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
<u>Non-Protest</u>						
Current:	\$ -	\$ -	\$ -	\$ -	\$ 53,989	\$ 53,989
<u>Past Due:</u>						
1-90 days	19,045	12,268	11,580	67,721	2,293	112,907
91-180 days	11,652	9,280	6,250	14,404	793	42,379
181 days - 1 year	19,287	9,816	6,919	34,586	7,402	78,010
1 year <= 2 years	38,068	12,613	8,526	62,746	5,170	127,123
2 years <= 3 years	37,285	9,660	6,436	56,821	3,330	113,532
3 years <= 4 years	22,445	11,461	5,070	52,741	6,977	98,694
4 years <= 5 years	31,033	4,974	3,953	26,083	1,264	67,307
5 years <= 10 years	119,027	15,685	13,063	43,870	5,361	197,006
10 years <= 20 years	14,824	2,520	3,593	13,696	1,553	36,186
> 20 years	4,953	156	566	3,470	177	9,322
Total Past Due	\$ 317,619	\$ 88,433	\$ 65,956	\$ 376,138	\$ 34,320	\$ 882,466
Gross Receivables	\$ 317,619	\$ 88,433	\$ 65,956	\$ 376,138	\$ 88,309	\$ 936,455
Estimated Uncollectible	(290,954)	(61,814)	(52,216)	(284,871)	(31,818)	(721,673)
Total Billed Net Receivables	\$ 26,665	\$ 26,619	\$ 13,740	\$ 91,267	\$ 56,491	\$ 214,782
<u>Protest</u>						
Current:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Past Due:</u>						
1-90 days	6,404	480	482	6,289	308	13,963
91-180 days	1,745	6,596	-	909	1,289	10,539
181 days - 1 year	5,299	34,294	-	1,144	326	41,063
1 year <= 2 years	19,703	67,191	6	884	3,382	91,166
2 years <= 3 years	45,952	40,434	41	1,349	454	88,230
3 years <= 4 years	3,576	6,465	-	207	245	10,493
4 years <= 5 years	2,068	70	6	139	140	2,423
5 years <= 10 years	7,893	1,442	-	368	336	10,039
10 years <= 20 years	6	-	-	6	-	12
> 20 years	-	-	-	-	-	-
Subtotal: Over 180 days	\$ 92,646	\$ 156,972	\$ 535	\$ 11,295	\$ 6,480	\$ 267,928
Gross Receivables	\$ 92,646	\$ 156,972	\$ 535	\$ 11,295	\$ 6,480	\$ 267,928
Estimated Uncollectible	(83,000)	(114,304)	(109)	(5,088)	(6,030)	(208,531)
Total Billed Net Receivables	\$ 9,646	\$ 42,668	\$ 426	\$ 6,207	\$ 450	\$ 59,397

* Excludes amounts collected during the lapse period, and adjustments

State of Illinois
 Department of Revenue
 Compliance Examination

Analysis of Operations (Unaudited) (Continued)
 For the Two Years Ended June 30, 2018

Reconciliation of the Analysis of Accounts Receivable
 to the Taxes Receivable Footnote in the Financial Statements (Unaudited)
 Fiscal Year Ended June 30, 2018 (expressed in thousands)

Analysis of Accounts Receivable		
Non-protest gross receivable	\$ 936,946	
In protest gross receivable	320,790	
Total Gross Taxes Receivable	<u> </u>	\$ 1,257,736
Miscellaneous Departmental Adjustments		
Lapse period collections	1,640,530	
Loan and interest receivables	(52,897)	
Funds reported by other agencies	(40,857)	
GAAP reporting adjustments	160,662	
Other receivables	(2,878)	
Total Departmental Adjustments	<u> </u>	1,704,560
Total Gross Taxes Receivable		<u>2,962,296</u>
Less: Allowance for uncollectible taxes		
Non-protest uncollectible	(684,039)	
In protest uncollectible	(241,570)	
Other receivables	2,181	
Total Allowance for Uncollectible	<u> </u>	(923,428)
Total, Net Taxes Receivable		<u><u>\$ 2,038,868</u></u>
Taxes Receivable per Financial Statement Footnote 4*		
General Fund	\$	1,416,592
Nonmajor Governmental Funds		452,841
Fiduciary Funds		169,435
	\$	<u><u>2,038,868</u></u>

*The Department's financial statement reports for the fiscal years ended June 30, 2018 and June 30, 2017 were released under a separate cover.

State of Illinois
 Department of Revenue
 Compliance Examination

Analysis of Operations (Unaudited) (Continued)
 For the Two Years Ended June 30, 2018

Reconciliation of the Analysis of Accounts Receivable
 to the Taxes Receivable Footnote in the Financial Statements (Unaudited)
 Fiscal Year Ended June 30, 2017 (expressed in thousands)

Analysis of Accounts Receivable		
Non-protest gross receivable	\$ 936,455	
In protest gross receivable	267,928	
Total Gross Taxes Receivable	<u> </u>	\$ 1,204,383
Miscellaneous Departmental Adjustments		
Lapse period collections	1,349,052	
Loan and interest receivables	(53,989)	
Funds reported by other agencies	(40,452)	
GAAP reporting adjustments	99,040	
Other receivables	(2,491)	
Total Departmental Adjustments	<u> </u>	1,351,160
Total Gross Taxes Receivable		<u>2,555,543</u>
Less: Allowance for uncollectible taxes		
Non-protest uncollectible	(721,673)	
In protest uncollectible	(208,531)	
Other receivables	1,952	
Total Allowance for Uncollectible	<u> </u>	(928,252)
Total, Net Taxes Receivable		<u><u>\$ 1,627,291</u></u>
Taxes Receivable per Financial Statement Footnote 4*		
General Fund	\$	1,048,694
Nonmajor Governmental Funds		383,164
Fiduciary Funds		195,433
	\$	<u><u>1,627,291</u></u>

*The Department's financial statement reports for the fiscal years ended June 30, 2018 and June 30, 2017 were released under a separate cover.

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Budget Impasse Disclosures (Unaudited)

Article 74 of Public Act 99-0524 authorized the Department to pay fiscal year 2016 costs using the Department's fiscal year 2017 appropriations for non-payroll expenditures. In addition, Article 998 of Public Act 100-0021 authorized the Department to pay its unpaid fiscal year 2016 and fiscal year 2017 costs using either the Department's fiscal year 2017 or fiscal year 2018 appropriations for non-payroll expenditures. The following chart shows the Department's payments of its prior period costs using future appropriations:

Fiscal Year 2016 Invoices Paid from Fiscal Year 2017 Appropriations

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
		<u>173</u>	<u>\$ 5,643,561</u>

The Department did not have any outstanding invoices from Fiscal Year 2017 unpaid after the closure of the Fiscal Year 2017 Lapse Period on September 30, 2017. Therefore, the Department did not use its Fiscal Year 2017 appropriations to pay its Fiscal Year 2016 costs and did not use either its Fiscal Year 2017 or Fiscal Year 2018 appropriations to pay its Fiscal Year 2016 or Fiscal Year 2017 costs.

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Unaudited)

Transactions Involving the Illinois Finance Authority

The Department and its vendors did not participate in alternate financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the Department's vendors participated in the Vendor Payment Program (VPP) of the Vendor Support Initiative Program (VSI) during Fiscal Year 2017.

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**Analysis of Operations (Unaudited) (Continued)
 For the Two Years Ended June 30, 2018**

Interest Costs on Fiscal Year 2017 Invoices (Unaudited)

Prompt Payment Interest Costs

The Department 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 2017. 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 2017 invoices, calculated on the accrual basis of accounting, through June 30, 2017, by fund:

PROMPT PAYMENT INTEREST INCURRED

Year Ended June 30, 2017

Fund #	Fund Name	Invoices	Vendors	Dollar Value
0001	General Revenue Fund	556	291	\$ 38,969
0012	Motor Fuel Tax Fund	6	2	80
0686	Budget Stabilization Fund	14	3	90,445
		<u>576</u>	<u>296</u>	<u>\$ 129,494</u>

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Average Number of Employees (Unaudited)

	Fiscal Year		
	2018	2017	2016
Tax Administration			
Account Processing	363	341	348
Administrative Law Judge	7	8	8
Administrative Services	39	40	48
Audit Bureau	396	398	425
Board of Appeals	12	11	13
Budget and Planning Office	29	28	26
Collections Bureau	167	162	176
Director's Office	10	9	8
EEO Office	1	1	1
Human Resources	20	25	-
Informal Conference Board	5	5	5
Information Security	-	11	11
Information Technology	-	108	107
Internal Affairs	17	17	17
Internal Audits	5	6	6
Labor Relations	6	5	4
Legal Services	36	40	43
Legislative Office	3	4	4
Policy and Communications	10	11	11
Research Office	5	6	6
Tax Enforcement	29	31	29
Taxpayer Services	151	152	160
Training	4	2	1
Total Tax Administration	1,315	1,421	1,457
Shared Services			
Revenue	-	-	29
Liquor Control	-	-	1
Total Shared Services	-	-	30
Liquor Control Commission			
BASSET	1	1	1
Budget Office	1	-	-
General Office	13	12	11
Investigations	17	14	16
Legal Services	1	1	2
Parental Responsibility	-	1	1
Retailer Education	1	1	1
Total Liquor Control Commission	34	30	32
TOTAL DEPARTMENT	1,349	1,451	1,519

Note 1: Employee groupings are based on organizational structure during fiscal year 2016, 2017 and 2018.

Note 2: During Fiscal Year 2016, the Human Resources headcount was included in the number for Shared Services.

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Memorandums of Understanding (Unaudited)

The Department enters into many memorandums of understanding (MOU) on an on-going 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 MOU 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:

1. Paul Caselton & Amendment – ZMOU201703
2. Green Dot Corporation – ZMOU201701
3. IDOT – ZMOU201702
4. Automatic Data Processing & Amendment – ZEROMOU1401
5. CompuPay, Inc. – ZEROMOU1603
6. PayChex, Inc. – ZEROMOU1504
7. IRS Criminal Investigations – ZEROMOU1601
8. Advantage Payroll Services – ZEROMOU1505
9. U.S. Immigration & Custom Enforcement Task Force – ZEROMOU550
10. Pay Cycle – ZEROMOU500
11. Internal Revenue Service – ZEROMOU450
12. IRS – 1120 Fed/State Electronic Filing Program (FY06 MOU10282005)
13. SOS – Verification of data for first time filers (FY08 MOU – IDOR & SOS Verification Data First Time Filers)
14. Comptroller (FY08 MOU-IDOR & Comptroller Office (SUSF))
15. Comptroller (FY99 MOU-IDOR and Comptroller-Input Obs and POs)
16. IRS – Large and mid-sized business reportable transactions (FY09 MOU-IRS LMSB)
17. MTC (FY08 Multistate Tax Commission MOU)
18. District of Columbia – reciprocal offset (FY14 open ended ZEROMOU600 District of Columbia)
19. IRS – EITC erroneous refund reduction program (FY14 Continuous ZEROMOU452 IRS EITC)
20. IRS – State Income Tax Levy Program (FY14 Open Ended ZEROMOU1402 IRS revised)
21. IRS Excise Summary Terminal Activity Reporting System (FY13-17 ZEROMOU400 IRS ExSTARS and ExFIRS)
22. IRS – investigating criminal tax matters involving false/fraudulent refund claims and identity theft (FY15 ZEROMOU1503)

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Analysis of Operations (Unaudited) (Continued)
 For the Two Years Ended June 30, 2018

Audit Collections Statistics (Unaudited)

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
FY17	\$143,678,237	398	\$361,001
FY18	\$233,747,122	396	\$590,271

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Analysis of Operations (Unaudited) (Continued)
 For the Two Years Ended June 30, 2018

Audit Collections Statistics (Unaudited) (Continued)

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
FY17	\$143,678,237	\$54,331,969	\$2.6
FY18	\$233,747,122	\$60,309,010	\$3.9

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Service Efforts and Accomplishments (Unaudited)

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 Retailer’s 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

Input Indicators	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected	Fiscal Year 2018 Actual	Fiscal Year 2019 Target/Projected
Total expenditures - all sources (in thousands)	\$ 5,370,890.2	\$ 5,640,824.8	\$ 7,144,026.2	\$ 5,629,525.4	\$ 8,890,193.3
Total expenditures - state appropriated funds (in thousands)	\$ 582,912.6	\$ 673,161.1	\$ 766,026.2	\$ 692,170.9	\$ 784,693.3
Average monthly full-time equivalents	1,459.0	1,420.0	1,644.0	1,429.0	1,498.0
Total expenditures - operations (state appropriated funds) (in thousands)	\$ 165,263.0	\$ 177,179.9	\$ 224,377.7	\$ 188,608.9	\$ 217,739.5
Total expenditures - grants and refunds (state appropriated funds) (in thousands)	\$ 417,649.6	\$ 495,981.2	\$ 541,648.5	\$ 503,562.0	\$ 566,953.8

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Service Efforts and Accomplishments (Unaudited) (Continued)

Administer State and Local Tax Laws (Continued)

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected	Fiscal Year 2018 Actual	Fiscal Year 2019 Target/Projected
<u>Output Indicators</u>					
1 Number of state and local taxes administered	76.0	76.0	76.0	80.0	80.0
2 State and local tax and fee collections (in millions)	\$ 38,251.0	\$ 38,214.0	\$ 42,964.0	\$ 44,859.0	\$ 45,500.0
3 Number of individual income tax returns processed	6,143,475	6,253,542	6,250,000	6,237,589	6,240,000
4 Number of individual income tax refunds issued	3,135,800	4,092,101	4,000,000	3,796,244	3,800,000
5 Number of individual income tax (IIT) refunds issued via direct deposit	3,056,178	3,077,069	3,125,000	2,916,683	3,000,000
6 Number of new registration applications processed	111,148	120,372	120,000	141,076	140,000
7 Number of active registration accounts	1,146,305	1,570,728	1,575,000	1,640,790	1,650,000
8 Delinquent tax debt cases closed	661,210	488,373	400,000	379,519	385,000
9 Delinquent tax debt collections (in thousands)	\$ 624,950.0	\$ 552,115.0	\$ 600,000.0	\$ 553,852.0	\$ 594,282.0
10 Number of phone calls answered on toll-free taxpayer assistance lines	950,371	901,922	900,000	883,279	900,000
<u>Outcome Indicators</u>					
1 Number of individual income tax returns filed electronically	5,180,333	5,222,610	5,300,000	5,300,584	5,366,400
2 Percent of individual income tax returns filed electronically	82.3%	83.5%	84.8%	85.0%	86.0%
3 Percent of tax and fee collections received in Electronic Funds Transfer (EFT)	88.7%	89.50%	91.0%	89.3%	90.7%
4 Total tax and fee collections received via Electronic Funds Transfer (EFT) (in millions)	\$ 33,941.8	\$ 34,214.8	\$ 39,100.0	\$ 40,065.3	\$ 41,250.0
5 Average number of days from receipt of registration application to mailing of certificate	2.4	2.3	2.3	1.5	2.0
6 Average number of days from receipt of payment until deposit	1.0	1.0	1.0	1.0	1.0
7 Percent of dollars deposited on same day as receipt	97.4%	96.9%	97.0%	96.0%	97.0%
8 Percent of accurately and timely filed individual income tax returns	85.3%	85.3%	85.5%	82.7%	85.0%
9 Average number of days to issue an individual income tax refund	33.1	31.5	31.0	32.0	31.0
<u>Efficiency/Cost-Effectiveness Indicators</u>					
1 Cost to collect \$1,000 of tax and fees (in dollars)	\$ 4.30	\$ 4.60	\$ 5.20	\$ 4.20	\$ 4.80
2 Tax and fee collections per staff (in millions)	\$ 26.20	\$ 26.90	\$ 26.10	\$ 31.40	\$ 30.40
3 Delinquent tax debt collections per dollar spent on delinquent debt collection process (in dollars)	\$ 33.40	\$ 33.00	\$ 29.30	\$ 30.40	\$ 32.00

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**Analysis of Operations (Unaudited) (Continued)
For the Two Years Ended June 30, 2018**

Service Efforts and Accomplishments (Unaudited) (Continued)

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 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.

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected	Fiscal Year 2018 Actual	Fiscal Year 2019 Target/Projected
<u>Input Indicators</u>					
Total expenditures - all sources (in thousands)	\$ 6,964.9	\$ 6,660.2	\$ 9,573.5	\$ 6,146.0	\$ 7,292.5
Total expenditures - state appropriated funds (in thousands)	\$ 6,964.9	\$ 6,660.2	\$ 9,573.5	\$ 6,146.0	\$ 7,292.5
Average monthly full-time equivalents	34.0	30.8	48.0	35.0	48.0
<u>Output Indicators</u>					
1 Inspections - total	16,035	14,430	16,000	19,732	20,000
2 Licenses issued	37,618	38,713	39,000	38,781	39,000
<u>Outcome Indicators</u>					
1 Liquor inspections compliance rate	73.2%	70.1%	72.0%	76.3%	76.5%

Note – The Tobacco Retailers Compliance Rate on the State Annual Survey outcome indicator was not tracked after Fiscal Year 2016 because the program was transferred to the Department of Human Services, first by intergovernmental agreement during Fiscal Year 2016 and part of Fiscal Year 2017, then by statute (Fiscal Year 2017 going forward).