



**STATE OF ILLINOIS  
ILLINOIS RACING BOARD**

**COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020**

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

**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020**

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**BOARD OFFICIALS**

Chair of the Board (04/23/20 – Present)	Mr. Dan Beiser
Chair of the Board (02/28/20 – 04/23/20)	Vacant
Chair of the Board (Through 02/27/20)	Mr. Jeffrey R. Brincat
Executive Director	Mr. Domenic DiCera
Chief Fiscal Officer	Mr. Vitto Ezeji-Okoye
General Counsel (06/24/19 – Present)	Mr. John Gay
General Counsel (11/08/18 – 6/23/19)	Vacant
General Counsel (Through 11/07/18)	Mr. Michael R. Pieczonka
State Director of Mutuels (03/18/19 – Present)	Mr. Michael Belmonte
State Director of Mutuels (Through 03/17/19)	Vacant
Director of Operations^^	Ms. Jackie Clisham
Director of Security and Licensing^	Mr. Ed Mingey
Projects Manager (10/01/20 – Present)	Mr. Robert Denneen
Projects Manager (Through 09/30/20)^	Mr. Mickey Ezzo
Field Operations Manager	Mr. John Eddy

^ Serving as a 75-day retiree

^^ Serving as Personal Services Contractor effective 12/01/18

**BOARD MEMBERS**

Commissioner (05/17/19 – Present)	Mr. Marcus Davis
Commissioner (05/01/19 – 05/16/19)	Vacant
Commissioner (Through 04/30/19)	Mr. Hugh D. Scates
Commissioner (05/17/19 – Present)	Mr. Benjamin Reyes
Commissioner (04/05/19 – 05/16/19)	Vacant
Commissioner (Through 04/04/19)	Mr. Jason Barclay
Commissioner (09/14/20 – Present)	Ms. Leslye Sandberg
Commissioner (09/04/20 – 09/13/20)	Vacant
Commissioner (Through 09/03/20)	Mr. Thomas McCauley

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**BOARD MEMBERS (Continued)**

Commissioner (07/01/20 – Present)	Mr. Leslie H. Breuer Jr.
Commissioner (02/26/20 – 06/30/20)	Vacant
Commissioner (07/01/18 – 02/25/20)	Mr. Edgar Ramirez
Commissioner (08/23/19 – Present)	Mr. Dan Beiser
Commissioner (11/16/18 – 08/22/19)	Vacant
Commissioner (Through 11/15/18)	Mr. Travis Swoope
Commissioner (03/06/20 – Present)	Mr. Charles MacKelvie
Commissioner (02/28/20 – 03/05/20)	Vacant
Commissioner (Through 02/27/20)	Mr. Jeffrey R. Brincat
Commissioner (02/05/21 – Present)	Mr. Alan Henry
Commissioner (07/31/20 – 02/04/21)	Vacant
Commissioner (Through 07/30/20)	Ms. Arlene Mulder
Commissioner (02/05/21 – Present)	Mr. John Stephan
Commissioner (03/05/19 – 02/04/21)	Vacant
Commissioner (Through 03/04/19)	Mr. Robert Muriel
Commissioner (02/26/20 – Present)	Vacant
Commissioner (Through 02/25/20)	Mr. Gregory W. Sronce
Commissioner (08/30/19 – Present)	Vacant
Commissioner (Through 08/29/19)	Mr. Robert Lunt
Commissioner (10/09/19 – Present)	Vacant
Commissioner (Through 10/08/19)	Ms. Shelley Kalita

**BOARD OFFICES**

The Board's offices are located at:

**Chicago, Illinois**

James R. Thompson Center  
100 W. Randolph Street, Suite 5-700  
Chicago, Illinois 60601

**Fairmount Park**

Downstate Thoroughbred  
9301 Collinsville Road  
Collinsville, Illinois 62234

**Arlington International Racecourse**

Upstate Thoroughbred  
2200 W. Euclid Avenue  
Arlington Heights, Illinois 60006

**Hawthorne Racecourse**

Upstate Thoroughbred and Harness  
3501 S. Laramie Avenue  
Cicero, Illinois 60804



## ILLINOIS RACING BOARD

April 6, 2021

Adelfia LLC  
400 E. Randolph Street, Suite 700  
Chicago, Illinois 60601

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 State of Illinois, Illinois Racing Board (Board). 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 Board's compliance with the following assertions during the two-year period ended June 30, 2020. Based on this evaluation, we assert that during the years ended June 30, 2019 and June 30, 2020, the Board has materially complied with the specified requirements listed below.

- A. The Board 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 Board 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 has been previously disclosed and reported in the Schedule of Findings, the Board 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 Board 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 Board on behalf of the State or held in trust by the Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.



**ILLINOIS RACING BOARD**

Yours truly,

State of Illinois, Illinois Racing Board

**SIGNED ORIGINAL ON FILE**

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Domenic DiCera,  
Executive Director

**SIGNED ORIGINAL ON FILE**

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Vitto Ezeji-Okoye,  
Chief Fiscal Officer

**SIGNED ORIGINAL ON FILE**

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John Gay  
General Counsel

**STATE OF ILLINOIS  
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**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and 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 modified opinion on compliance and identifies a material weakness over internal control over compliance.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	Report	Report
Repeated Findings	9	11
Prior Recommendations Implemented or Not Repeated	5	9
	6	12

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Last/First</u> <u>Report</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2020-001	11	2018/2016	Failure to Enforce Withholding of Child Support Due	Material Weakness and Material Noncompliance
2020-002	13	2018/2014	Noncompliance with Racing Laws and Regulations	Significant Deficiency and Noncompliance
2020-003	15	New	Noncompliance with Annual Reporting Requirements	Significant Deficiency and Noncompliance
2020-004	17	New	Inadequate Controls over Employment Application Forms	Significant Deficiency and Noncompliance

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**SCHEDULE OF FINDINGS (Continued)**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Report</u>	<u>Description</u>	<u>Finding Type</u>
2020-005	19	2018/2018	Inadequate Controls over Admission Tax	Significant Deficiency and Noncompliance
2020-006	21	2018/2012	Inadequate Monitoring of Racing Requirements	Significant Deficiency and Noncompliance
2020-007	22	2018/2016	Outdated Record Retention Schedule	Significant Deficiency and Noncompliance
2020-008	24	New	Required Board Composition Not Met	Noncompliance
2020-009	25	New	Lack of Change Control Policy and Inadequate Segregation of Duties	Significant Deficiency and Noncompliance

**PRIOR FINDINGS NOT REPEATED**

A	27	2018/2010	Inadequate Controls over Personal Services
B	27	2018/2016	Failure to Monitor a Racetrack's Cash Receipts
C	27	2018/2016	Failure to Monitor Handle Allocations
D	27	2018/2016	Noncompliance with Non-Live Racing Requirements
E	28	2018/2016	Noncompliance with Reconciliation Requirements
F	28	2018/2018	Inadequate Monitoring of Grant Agreements



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**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Board personnel at an exit conference on March 29, 2021.

Attending were:

**Illinois Racing Board**

Domenic DiCera, Executive Director  
Vitto Ezeji-Okoye, Chief Fiscal Officer  
John Gay, General Counsel  
Michael Belmonte, State Director of Mutuels  
John Eddy, Field Operations Manager  
Robert Deneen, Projects Manager  
Donald Marquez, Private Secretary

**Office of the Auditor General**

Peggy Hartson, Senior Audit Manager  
Reddy Bommareddi, Senior Audit Manager

**Adelfia LLC**

Stella Marie Santos, Managing Partner  
Gilda Priebe, Partner  
Annabelle Abueg, Principal  
Carl Ong, Audit Supervisor  
John Emil Yumol, Audit Senior

The responses to the recommendations were provided by Domenic Dicera, Executive Director, in a correspondence dated April 6, 2021.



**INDEPENDENT ACCOUNTANT'S REPORT  
ON STATE COMPLIANCE, ON INTERNAL CONTROL OVER COMPLIANCE, AND  
ON SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Board of Commissioners  
State of Illinois, Illinois Racing Board

**Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Illinois Racing Board (Board) with the specified 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, 2020. Management of the Board is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Board 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 Board 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 Board 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 Board 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 Board on behalf of the State or held in trust by the Board 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*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Board complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Board complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

Our examination does not provide a legal determination on the Board's compliance with the specified requirements.

Our examination disclosed a material noncompliance with the following specified requirement applicable to the Board during the two years ended June 30, 2020. As described in the accompanying Schedule of Findings as item 2020-001, the Board had not complied in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material deviation from the specified requirement described in the preceding paragraph, the Board complied with the specified requirements during the two years ended June 30, 2020, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2020-002 through 2020-009.

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

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Internal Control Over Compliance**

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Board's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Board's compliance with the specified requirements and to test and report on the Board's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be a material weakness 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, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item 2020-001 to be a material weakness.

A *significant deficiency in internal control* 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 deficiencies described in the accompanying Schedule of Findings as items 2020-002 through 2020-007 and 2020-009 to be significant deficiencies.

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

The Board's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Board's responses were not subjected to the procedures applied in the 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 the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on the Board's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2020 and June 30, 2019 in Schedules 1 through 6 and the Analysis of Operations Section are presented for purposes of additional analysis. Such information is the responsibility of the Board management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2020 and June 30, 2019 in Schedules 1 through 6. We have not applied procedures to the accompanying supplementary information for the year ended June 30, 2018, in Schedules 3 through 5 and in the Analysis of Operations Section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 6 or the Analysis of Operations Section.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
April 6, 2021

**STATE OF ILLINOIS**  
**ILLINOIS RACING BOARD**  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
For the Two Years Ended June 30, 2020

2020-001. **FINDING** (Failure to Enforce Withholding of Child Support Due)

The Illinois Racing Board (Board) did not ensure requirements for advance deposit wagering (ADW) licensees to withhold delinquent child support due from certain winnings were implemented for all ADW licensees.

During our testing of the ADW licensees withholding of delinquent child support due from certain winnings, we noted three of 6 (50%) ADW licensees tested did not implement a child support withholding process or integration with the Department of Healthcare and Family Services (HFS) data in order to withhold delinquent child support from winnings subject to the Internal Revenue Service (IRS) and withholding on Form W-2G during Fiscal Years 2019 and 2020.

According to the Board's annual reports, ADW licensees paid out \$163.8 million and \$171.6 million in winnings to the public during Calendar Year 2018 and Calendar Year 2019, respectively.

This finding was first noted during the examination of the two years ended June 30, 2016. During Fiscal Years 2019 and 2020, the Board made progress in aiding implementation of withholding delinquent child support at three licensees; however, the issue still persists at the remaining licensees.

The Illinois Horse Racing Act of 1975 (Act) (230 ILCS 5/27.2(a)) requires ADW licensees, for winnings subject to reporting to the Internal Revenue Service (IRS) and withholding on a Form W-2G, to withhold up to the full amount of the winnings necessary to pay the winner's past due child support amount as certified by the Department of Healthcare and Family Services. Pursuant to the Act (230 ILCS 5/27.2(f)), this requirement was effective on February 26, 2014, after the HFS adopted administrative rules to implement this requirement (89 Ill. Admin Code 160.70(q)). Further, the Act (230 ILCS 5/9(c)) vests the Board with all powers necessary and proper to fully and effectively execute the provisions of the Act, including entering the facilities and other places of business of any licensee to determine the licensee has complied with applicable laws, rules, and regulations. Finally, the Act (230 ILCS 5/9(d)) states the Board, and any person or persons to whom it delegates this power, is vested with the authority to investigate alleged violations of the provisions of this Act, its reasonable rules and regulations, orders and final decisions; the Board shall take appropriate disciplinary action against any licensee or occupation licensee for violation thereof or institute appropriate legal action for the enforcement thereof.

During the prior and current engagement periods, Board officials stated they have continuously worked with HFS and the ADW licensees on different processes to bring the ADWs to be in compliance; however, the ADWs have had technical difficulties with implementing the systems.

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Failure by the Board to ensure all ADW licensees implement a process to withhold delinquent child support from a winning payout may result in lost opportunities to collect past due child support and represents noncompliance with the Act. (Finding Code No. 2020-001, 2018-002, 2016-010)

**RECOMMENDATION**

We recommend the Board enforce the Act's requirements to withhold delinquent child support from winnings subject to the IRS and withholding on a Form W-2G.

**BOARD RESPONSE**

The Board concurs with the auditor's finding and the ADW licensees are now in full compliance with the requirements of the Act.

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2020-002. **FINDING** (Noncompliance with Racing Laws and Regulations)

The Illinois Racing Board (Board) did not comply with, or enforce compliance with, provisions of the Illinois Horse Racing Act of 1975 (Act) and the Illinois Administrative Code (Code) at the racetracks.

During the current examination, we conducted walkthroughs and observations at one standardbred and one thoroughbred racetrack (organizational licensees).

During testing, we noted the following:

- For two of 22 (9%) employees tested at a standardbred racetrack, one employee was not able to present an identification badge and another employee's Board-issued identification was expired.

The Code (11 Ill. Admin. Code 1302.90) requires all licensees shall carry on their person at all times within the stable area of a racetrack their Board identification badge. Every person so identified is subject to examination by the Board or its agents or employees, and by officials of the racetrack operator or its designated agents or employees, at any time they may deem necessary or proper.

- For one of 6 (17%) observed races at a thoroughbred racetrack, we noted the horse's owner or trainer or his/her representative was not present during urine extraction and blood sample sealing.

The Code (11 Ill. Admin. Code 603.110(c) and 603.110(d)) requires test samples to be taken under the supervision of the State veterinarian by persons appointed by the Board, and the owner or trainer or his/her representative or employee be present at all times. The test samples are required to be sealed by the State veterinarian or those under his/her supervision and the evidence of such sealing shall be witnessed by the signature of the owner or trainer or his/her agent or employee.

This finding was first noted during the examination of the two years ended June 30, 2014. During Fiscal Years 2019 and 2020, Board officials took substantive steps to implement corrective action, but exceptions still persist regarding employee identification and horse owner requirements during required test samples.

During the prior engagement period, Board officials attributed the exceptions to staffing issues, oversight, and a need to update the Board's rules and regulations. During the current engagement period, Board officials stated the exceptions were due to COVID-19 protocols presenting challenges in ensuring seasonal employees obtained their physical IDs prior to the racing season, and the other exception was due to staffing issues.

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Failure to maintain strict adherence to the applicable provisions of the Act and Code by the Board’s employees and licensees may subject the State to unnecessary legal risks, increase the potential for errors, and represents noncompliance with State laws, rules and regulations. (Finding Code No. 2020-002, 2018-001, 2016-008, 2014-009)

**RECOMMENDATION**

We recommend the Board continue to take action to ensure compliance by its employees and licensees with State laws, rules, and regulations governing horse racing, including developing appropriate processes to monitor racetrack operations for instances of noncompliance and appropriately address any identified noncompliance.

**BOARD RESPONSE**

The Board agrees with the finding and has implemented corrective actions to ensure full compliance.



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2020-003. **FINDING** (Noncompliance with Annual Reporting Requirements)

The annual reports prepared by the Illinois Racing Board (Board) and the annual reports submitted by organizational licensees to the Board, did not fully comply with the requirements of the Illinois Racing Act of 1975 (Act).

During our testing of four annual reports submitted by the Board’s organization licensees during Fiscal Years 2019 and 2020, we noted the following:

- Three (75%) organization licensees’ reports tested did not adequately document the efforts by the organization licensees to meet the contracting goals established by the Board for utilization of minority-owned business enterprise (MBE), women-owned business enterprise (WBE), and businesses owned by persons with disabilities (DBE).
- Four (100%) organization licensees reports tested did not contain a breakdown of the goals set for the award of contracts; therefore, the auditors were unable to determine whether the contracts as identified in the Act, were properly excluded.

The Act (230 ILCS 5/12.2(b)) requires the Board to establish goals for the award of contracts by each organization licensee or inter-track wagering licensee to MBE, WBE, and DBE, expressed as percentages of an organization licensee’s or inter-track wagering licensee’s total dollar amount of contracts awarded during each calendar year. Each organization licensee or inter-track wagering licensee must make every effort to meet the goals established by the Board pursuant to the Act. In addition, when setting the goals for the award of contracts, the Board shall not include contracts where: (1) licensees are purchasing goods or services from vendors or suppliers or in markets where there are no or a limited number of MBE, WBE, or DBE that would be sufficient to satisfy the goal; (2) there are no or a limited number of suppliers licensed by the Board; (3) the licensee or its parent company owns a company that provides the goods or services; or (4) the goods or services are provided to the licensee by a publicly traded company. In addition, the Act (230 ILCS 5/12.2(c)) requires each organization licensee or inter-track wagering licensee to file with the Board an annual report of its utilization of MBE, WBE, and DBE during the preceding calendar year which includes a self-evaluation of the efforts of the organization licensee or inter-track wagering licensee to meet its goals under this Act.

In addition, during our testing of the Fiscal Years 2019 and 2020 annual reports prepared by the Board, we noted both reports did not provide the following:

- The number of contracts awarded and the average contract amount by each organization licensee or inter-track wagering licensee.

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- A detailed level of overall goal achievement concerning purchases from MBE, WBE, and businesses owned by persons with disabilities over the 3 most recent fiscal years.
- An analysis of the number of MBE, WBE, and businesses owned by persons with disabilities that are certified under the program as well as the number of those businesses that received State procurement contracts.

The Act (230 ILCS 5/12.2(f)) requires the Board to file, no later than March 1 of each year, an annual report which details the level of achievement toward the goals over the 3 most recent fiscal years to include the following:

- a summary detailing expenditures subject to the goals, the actual goals specified, and the goals attained by each organization licensee or inter-track wagering licensee;
- a summary of the number of contracts awarded and the average contract amount by each organization licensee or inter-track wagering licensee;
- an analysis of the level of overall goal achievement concerning purchases from MBE, WBE, and businesses owned by persons with disabilities; and
- an analysis of the number of MBE, WBE, and businesses owned by persons with disabilities that are certified under the program as well as the number of those businesses that received State procurement contracts.

Board officials stated the issues with the annual reports were due to oversight.

Failure to ensure the requirements of the established goals and contracting requirements for the organization licensees were adequately reported represents noncompliance with the Act. Failure to provide the required details in the annual report prevents the appropriate oversight authorities from receiving relevant information that can have an effect on future decisions and represents noncompliance with the Act. (Finding Code No. 2020-003)

**RECOMMENDATION**

We recommend the Board take action to ensure compliance by its organization licensees to report the data required and ensure it includes all information required by the Act in its annual reports.

**BOARD RESPONSE**

The Board concurs and has instituted corrective actions with the licensees.

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2020-004. **FINDING** (Inadequate Controls over Employment Application Forms)

The Illinois Racing Board (Board) did not have adequate controls over its employment application forms for pari-mutuel clerks, parking attendants, and security guards as required by the Illinois Horse Racing Act (Act).

During our testing, we noted the following:

- Four of 15 (27%) application forms tested did not contain the required declarations.
- For 3 of 15 (20%) applicants tested, the Board was unable to provide a copy of the application form completed within the examination period. Two of the three application forms provided were completed subsequent to June 30, 2020.

The Act (230 ILCS 5/15.3) requires any person who makes application for an employment position as a pari-mutuel clerk, parking attendant or security guard with a licensee, where such position would involve work conducted in whole or in part at a wagering facility within this State shall be required to fill out an employment application form prescribed by the Illinois Racing Board. Such application form shall require the applicant to state the following:

- whether the applicant has ever been convicted of a felony offense under the laws of this State, the laws of any other state, or the laws of the United States;
- whether the applicant has ever been convicted of a misdemeanor offense under the laws of this State, the laws of any other state, or the laws of the United States, which offense involved dishonesty, fraud, deception or moral turpitude;
- whether the applicant has ever been excluded by the Board or any other jurisdiction where wagering is conducted;
- whether the applicant has ever committed an act of touting, bookmaking, theft, or fraud, as those terms are defined in Section 15.2 of this Act; and
- any other information that the Board may deem necessary to carry out the purposes of Public Act 84-1468.

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

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Board officials stated the racetracks failed to notify the Board of the new hires and failed to use the prescribed forms.

Failure to obtain application forms and required declarations may lead to hiring ineligible personnel by the organization licensee and the Board and represents noncompliance with the Racing Act and State Records Act. (Finding Code No. 2020-004)

**RECOMMENDATION**

We recommend the Board enhance their controls over the employment application forms process for pari-mutuel clerk, parking attendant, and security guard applications.

**BOARD RESPONSE**

The Board concurs with the auditor's recommendation and has implemented corrective actions to ensure compliance.

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2020-005. **FINDING** (Inadequate Controls over Admission Tax)

The Illinois Racing Board (Board) did not have adequate controls over admission tax collections.

During our testing, we noted the Board performed a review and audit of admission records of racetracks during the first two quarters of Fiscal Years 2019. However, no review and audit of admission records of racetracks were performed by the Board starting the third quarter of Fiscal Year 2019 through the fourth quarter of Fiscal Year 2020. There were a total 318 total races (190 thoroughbred and 128 standardbred races) from the 3 racetracks for the period January 1, 2019 through June 30, 2020. The auditors were unable to determine the accuracy of the admission taxes remitted during this period as no review and audit was performed by the Board.

The Board's Standard Operating Procedures for Field Staff Duties (SOP) states the pari-mutuel auditor is responsible for the review and audit of admission department records. In addition, the Illinois Administrative Code (Code) (11 Ill. Admin Code 1428.10(b)) requires the State Director of Mutuels to direct and supervise the conduct of the admissions department during each race meeting. The Illinois Horse Racing Act (Act) (230 ILCS 5/25) states accurate records and books shall at all times be kept and maintained by the organization licensees and inter-track wagering licensees showing the admission tickets issued and used on each racing day and the attendance thereat of each horse racing meeting. The Board or its duly authorized representative or representatives shall at all reasonable times have access to the admission records of any organization licensee and inter-track wagering licensee for the purpose of examining and checking the same and ascertaining whether, or not the proper amount has been or is being paid to the State of Illinois as herein provided.

During the prior engagement period, Board officials attributed the lack of the review and audit of admission records to a vacancy in the Pari-Mutuel auditor position. During the current engagement period, Board officials stated they entered into an intergovernmental agreement with the Department of Central Management Services (CMS) to provide part-time internal audit functions to the Board to carry out the program requirements on behalf of the Board and perform audits as requested. Board officials stated CMS was unable to perform audits due to the COVID-19 pandemic and stay at home order.

In addition, during the prior engagement period, the Board had not enacted administrative rules to establish the time period for remitting the \$0.15 admission tax for Standardbred (harness) licensees. During the current engagement period, the Board enacted rules to require licensees to pay admissions taxes due to local municipalities and counties to the Board within 48 hours.

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Failure to perform the verification of the admission tax reported by racetracks could lead to incomplete and inaccurate tax payments by the racetracks, may result in loss of State revenues, and represents noncompliance with laws and regulations. (Finding Code No. 2020-005, 2018-011)

**RECOMMENDATION**

We recommend the Board review the admission records reported by racetracks to ensure the basis used for the admission tax calculation is complete and accurate.

**BOARD RESPONSE**

The Board agrees with the auditor's recommendation and has implemented corrective actions.

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2020-006. **FINDING** (Inadequate Monitoring of Racing Requirements)

The Illinois Racing Board (Board) did not enforce specific statutory racing requirements for thoroughbred organization licensees (racetracks).

During our testing, we noted for four of 38 (11%) race weeks tested, all three racetracks did not offer at least 6 races in a week limited to Illinois-bred horses.

The Illinois Horse Racing Act of 1975 (Act) (230 ILCS 5/30(b)) requires the thoroughbred racetracks to provide a minimum of two races per day and six races per week limited to Illinois conceived foaled horses or Illinois foaled horses or both. Further, the Act (230 ILCS 5/9(c)) vests the Board with all powers necessary and proper to fully and effectively execute the provisions of the Act, including entering the facilities and other places of business of any licensee to determine the licensee has complied with applicable laws, rules, and regulations.

This finding was first noted during the examination of the two years ended June 30, 2012. During the current examination, the Board has improved its controls over the deficiencies noted in the prior engagement. While management has taken substantive steps to implement corrective action, exceptions still persist regarding minimum required races that are limited to Illinois-bred horses that are provided by thoroughbred racetracks.

During the prior and current engagement periods, Board officials stated the issues noted were due to diminishing horse and/or foal populations and the lack of attention by employees.

Failure to enforce the statutory racing requirements for thoroughbred horses among the racetracks represents noncompliance with the Act and may reduce racing opportunities for Illinois-bred horses. (Finding Code No. 2020-006, 2018-008, 2016-017, 2014-012, 12-11)

**RECOMMENDATION**

We recommend the Board implement a formal monitoring process to ensure the racetracks comply with State laws.

**BOARD RESPONSE**

The Board concurs and will strengthen its monitoring process to ensure compliance.

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2020-007. **FINDING** (Outdated Records Retention Schedule)

The Illinois Racing Board (Board) has not updated its records retention schedule.

The State Records Act (5 ILCS 160/18) requires the Board’s Executive Director to submit lists or schedules of records with a proposed time period for retaining each series in accordance with the regulations of the State Records Commission (Commission). In addition, the Commission’s adopted regulations within the Illinois Administrative Code (Code) (44 Ill. Admin. Code 4400.30(b)) require new lists or schedules whenever the information contents of a series have changed.

As also noted in the prior year examination, the Board’s latest records retention schedule was approved by the Commission on August 15, 1990. The Board requested from the Commission to change its retention methodology for certain records series from microfilm to digital on March 3, 2015.

During the current examination, we noted the Board started the process to review and update its records retention schedule, however, the Board still:

- 1) did not follow the Commission’s written process for establishing a records retention schedule as described in the Commission’s *Records Management Reference Manual for Illinois State Government Agencies*;
- 2) did not submit to the Commission a revised “Application for Authority to Dispose of State Records” reflecting this proposed change on forms from the Commission as required by the Code (44 Ill. Admin. Code 4400.30(c));
- 3) did not include an analysis of the costs and benefits of converting to digital from microfilm, as the Commission’s website notes (1) the costs of scanning are frequently higher than maintaining paper records and (2) scanning may not be preferable for long-term retention when compared to the storage, cost, and maintenance of microfilming; and
- 4) did not address whether any changes had occurred to the Board’s records series in the intervening 24.5 years, and thereafter, through June 30, 2020.

During the prior engagement period, Board officials attributed the failure to update the policy to competing priorities. During the current engagement period, Board officials stated the retention schedule continued to not be updated due to employee turnover and losing their point of contact who was assisting them in their effort to update their records retention schedule.

Failure to review the records retention schedule for potential updates on a routine basis could result in records with administrative, legal, fiscal, or archival value not being identified and retained, hinders governmental oversight, and represents noncompliance with State law. (Finding Code No. 2020-007, 2018-009, 2016-018)



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**RECOMMENDATION**

We recommend the Board continue to review its records retention schedule, update it to reflect the Board's current environment, and submit it to the Commission.

**BOARD RESPONSE**

The Board agrees and has initiated a plan of action.

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2020-008. **FINDING** (Required Board Composition Not Met)

The Illinois Racing Board (Board) did not have the required number of Board members as mandated by the Illinois Horse Racing Act of 1975 (Act).

During testing, we noted the Board was not composed of the required number of Board members during the examination period. There were nine Board members as of June 30, 2019 (with 2 vacancies) and six Board members as of June 30, 2020 (with 5 vacancies).

The Act (230 ILCS 5/4) requires the Board to consist of 11 members to be appointed by the Governor with the advice and consent of the Senate, not more than 6 of whom shall be of the same political party, and one of whom shall be designated by the Governor to be chairman.

Board officials stated filling the Board's open positions is under the control of the Governor with the advice and consent of the Senate. In addition, the Board's staff makes the Governor's office aware when vacancies occur.

Failure to have the required number of Board members may affect the full and transparent exercise of the Board's appointed powers and responsibilities and represents noncompliance with the Act. (Finding Code No. 2020-008)

**RECOMMENDATION**

We recommend the Board continue to coordinate with the Office of the Governor regarding Board member vacancies to ensure compliance with the required Board composition of the Act.

**BOARD RESPONSE**

The Board concurs. The Board will continue to coordinate and communicate with the Office of the Governor regarding its vacancies.

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2020-009. **FINDING** (Lack of Change Control Policy and Inadequate Segregation of Duties)

The Illinois Racing Board (Board) did not have an adequate change management policy (Policy) and did not maintain proper segregation of duties over program changes.

During our review, we noted the Board did not have a formal Policy other than a Change Order Request form to ensure all changes were initiated, planned, developed, tested, and implemented in a controlled environment. In addition, we noted the programmer developing and making changes to the Pari-Mutuel Information Tracking System (PITS) had access to the production environment and the capability to implement changes.

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. In addition, generally accepted Information Technology (IT) guidance, including the National Institute of Standards and Technology, endorses the implementation of suitable change management policy and procedures to control changes to computer systems. These procedures include restricting programmers/analysts from making a change and moving it into the production environment to ensure all changes have been independently authorized and implemented.

Board officials indicated they deemed the Change Order Request form to be sufficient to address the documentation of request for changes. In addition, Board officials indicated they had only one IT person who had the skillset to make program changes and move the changes to the production environment.

Lack of a formal change control policy and segregation of duties increases the risk of unauthorized changes being made to computer programs and the confidentiality, integrity, and availability of programs and data could be compromised. (Finding Code No. 2020-009)

**RECOMMENDATION**

We recommend the Board develop a Policy to control changes made (including emergency changes) to computer systems. The Policy should include procedures for:

- The process for requesting a change,
- The approval process of the requested change,
- Monitoring of change requests,
- Testing and documentation requirements,
- User acceptance and documentation, and
- Post implementation reviews requirements.

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In addition, we recommend the Board restrict the programmer access to all production programs and data. If the Board determines the programmer access is necessary in certain situations, the Board should establish and enforce compensating controls to ensure appropriate management oversight and approval of changes.

**BOARD RESPONSE**

The Board concurs and can enhance its policy pursuant to the auditor's recommendation.

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**SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED**  
For the Two Years Ended June 30, 2020

A. **FINDING** (Inadequate Controls over Personal Services)

During the prior engagement period, the Board lacked control over its personal services functions.

During the current engagement period, our sample testing indicated the Board's controls over its personal services functions had significantly improved; however, we continued to note exceptions regarding employee time records. As such, the issues were reported in the Board's *Report of Immaterial Findings*. (Finding Code No. 2018-003, 2016-002, 2014-003, 12-14, 10-6)

B. **FINDING** (Failure to Monitor a Racetrack's Cash Receipts)

During the prior engagement period, the Board did not adequately monitor a racetrack's allocation of moneys derived by the racetrack from simulcast wagering and intertrack wagering.

During the current engagement period, our sample testing indicated the Board performed monitoring of the racetrack's allocation of moneys derived by the racetrack from simulcast wagering and inter-track wagering. (Finding Code No. 2018-004, 2016-005)

C. **FINDING** (Failure to Monitor Handle Allocations)

During the prior engagement period, the Board did not monitor the remittance of taxes due from inter-track wagering location licensees to counties and municipalities throughout the State.

During the current engagement period, the Board implemented a monitoring process and our sample testing showed the Board properly monitored the remittances of taxes due from inter-track wagering location licensees to counties and municipalities during Fiscal Years 2019 and 2020. (Finding Code No. 2018-005, 2016-011)

D. **FINDING** (Noncompliance with Non-Live Racing Requirements)

During the prior engagement period, the Board did not appoint a Director to oversee non-live racing and did not adopt administrative rules specifying the Director's method of appointment, powers, authority, and duties.

During the current engagement period, the Board appointed a Director of Mutuels and adopted administrative rules specifying the Director's method of appointment, powers, authority, and duties. (Finding Code No. 2018-006, 2016-013)

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E. **FINDING** (Noncompliance with Reconciliation Requirements)

During the prior engagement period, the Board did not comply with reconciliation requirements for the Monthly Appropriation Status Report (SB01), the Monthly Revenue Status Report (SB04), and the Monthly Cash Report (SB05) established within the Statewide Accounting Management System.

During the current engagement period, our sample testing indicated the Board implemented timely preparation and review of SB01, SB04, and SB05 reconciliations. (Finding Code No. 2018-007, 2016-016)

F. **FINDING** (Inadequate Monitoring of Grant Agreements)

During the prior engagement period, the Board did not fully comply with the provisions of grant agreements under its purview. The Board did not fully document and perform its required audit activities related to its grant recipients.

During the current engagement period, our sample testing indicated the Board complied with grant agreement provisions regarding audit activities of its grant recipients. (Finding Code No. 2018-010)

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**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
 Expenditure Authority for Fiscal Year 2020

For the Fifteen Months Ended September 30, 2020

Public Act 101-0007	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2020	Lapse Period Expenditures July 1 to September 30, 2020	Total Expenditures 15 Months Ended September 30, 2020	Balances Lapsed September 30, 2020
<u>FISCAL YEAR 2020</u>					
<b><u>APPROPRIATED FUNDS</u></b>					
<b>Horse Racing Fund - 632</b>					
Personal Services	\$ 1,186,400	\$ 956,233	36,774	\$ 993,007	\$ 193,393
Employee Retirement					
Contribution Paid by Employer	644,200	530,715	19,994	550,709	93,491
State Contributions to Social Security	90,900	69,322	2,671	71,993	18,907
Group Insurance	330,000	231,768	10,481	242,249	87,751
Contractual Services	185,000	144,951	15,047	159,998	25,002
Travel	8,500	5,460	885	6,345	2,155
Commodities	1,800	1,483	-	1,483	317
Equipment	2,500	-	-	-	2,500
Electronic Data Processing	75,000	68,038	6,962	75,000	-
Telecommunications	77,500	59,166	12,034	71,200	6,300
Operation of Automotive Equipment	6,500	2,500	235	2,735	3,765
Expenses Related to the Laboratory Program	1,071,300	523,005	70,230	593,235	478,065
Expenses Related to Regulate and Use for Making Purse Awards	2,240,900	1,207,335	116,859	1,324,194	916,706
Distribution to Local Governments	220,000	12,718	-	12,718	207,282
Refunds	1,000	75	-	75	925
Subtotal, Fund 632	<u>\$ 6,141,500</u>	<u>\$ 3,812,769</u>	<u>\$ 292,172</u>	<u>\$ 4,104,941</u>	<u>\$ 2,036,559</u>
<b>Subtotal - Appropriated Funds</b>	<b><u>\$ 6,141,500</u></b>	<b><u>\$ 3,812,769</u></b>	<b><u>\$ 292,172</u></b>	<b><u>\$ 4,104,941</u></b>	<b><u>\$ 2,036,559</u></b>

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SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES  
Expenditure Authority for Fiscal Year 2020**

For the Fifteen Months Ended September 30, 2020

Public Act 101-0007	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2020	Lapse Period Expenditures July 1 to September 30, 2020	Total Expenditures 15 Months Ended September 30, 2020	Balances Lapsed September 30, 2020
<u>FISCAL YEAR 2020</u>					
<b><u>NONAPPROPRIATED FUNDS</u></b>					
<b>Standardbred Purse Fund - 217</b>					
Awards and Grants		\$ 614,830	\$ 230,700	\$ 845,530	
Subtotal, Fund 217		<u>\$ 614,830</u>	<u>\$ 230,700</u>	<u>\$ 845,530</u>	
<b>Illinois Racing Board Charity Fund - 271</b>					
Grant to a Non-Profit Organization		\$ 852,901	\$ -	\$ 852,901	
Subtotal, Fund 271		<u>\$ 852,901</u>	<u>\$ -</u>	<u>\$ 852,901</u>	
<b>Quarter Horse Purse Fund - 785</b>					
Awards and Grants		\$ 100,000	\$ -	\$ 100,000	
Subtotal, Fund 785		<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>	
<b>Subtotal - Nonappropriated Funds</b>		<b><u>\$ 1,567,731</u></b>	<b><u>\$ 230,700</u></b>	<b><u>\$ 1,798,431</u></b>	
<b>GRAND TOTAL ALL FUNDS</b>		<b><u>\$ 5,380,500</u></b>	<b><u>\$ 522,872</u></b>	<b><u>\$ 5,903,372</u></b>	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the Board's records and have been reconciled to the Office of Comptroller's records as of September 30, 2020.

Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the Office of Comptroller for payment to the vendor.



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 Expenditure Authority for Fiscal Year 2019

For the Sixteen Months Ended October 31, 2019

Public Act 100-0586	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1 to October 31, 2019	Total Expenditures 16 Months Ended October 31, 2019	Balances Lapsed October 31, 2019
<b>FISCAL YEAR 2019</b>					
<b><u>APPROPRIATED FUNDS</u></b>					
<b>General Revenue Fund - 001</b>					
Unpaid Wage Increases	\$ 14,700	\$ -	\$ 11,700	\$ 11,700	\$ 3,000
Subtotal, Fund 001	<u>\$ 14,700</u>	<u>\$ -</u>	<u>\$ 11,700</u>	<u>\$ 11,700</u>	<u>\$ 3,000</u>
<b>Horse Racing Fund - 632</b>					
Personal Services	\$ 1,210,700	\$ 866,883	\$ 42,798	\$ 909,681	\$ 301,019
Employee Retirement					
Contribution Paid by Employer	624,900	448,624	22,121	470,745	154,155
State Contributions to Social Security	92,700	62,694	3,116	65,810	26,890
Group Insurance	275,000	226,660	10,241	236,901	38,099
Contractual Services	195,800	128,752	33,874	162,626	33,174
Travel	8,500	5,931	381	6,312	2,188
Commodities	1,800	1,239	4	1,243	557
Equipment	2,500	421	-	421	2,079
Electronic Data Processing	47,700	41,813	4,681	46,494	1,206
Telecommunications	76,000	55,545	11,111	66,656	9,344
Operation of Automotive Equipment	10,000	4,095	261	4,356	5,644
Expenses Related to the Laboratory Program	1,296,400	581,470	245,795	827,265	469,135
Expenses Related to Regulate and Use for Making Purse Awards	2,394,700	1,515,651	232,832	1,748,483	646,217
Distribution to Local Governments	260,000	121,539	33,780	155,319	104,681
Refunds	1,000	110	-	110	890
Subtotal, Fund 632	<u>\$ 6,497,700</u>	<u>\$ 4,061,427</u>	<u>\$ 640,995</u>	<u>\$ 4,702,422</u>	<u>\$ 1,795,278</u>
<b>Subtotal - Appropriated Funds</b>	<b><u>\$ 6,512,400</u></b>	<b><u>\$ 4,061,427</u></b>	<b><u>\$ 652,695</u></b>	<b><u>\$ 4,714,122</u></b>	<b><u>\$ 1,798,278</u></b>

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**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Expenditure Authority for Fiscal Year 2019

For the Sixteen Months Ended October 31, 2019

Public Act 100-0586	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1 to October 31, 2019	Total Expenditures 16 Months Ended October 31, 2019	Balances Lapsed October 31, 2019
<b><u>NONAPPROPRIATED FUNDS</u></b>					
<b>Standardbred Purse Fund - 217</b>					
Awards and Grants		\$ 438,208	\$ -	\$ 438,208	
Subtotal, Fund 217		<u>\$ 438,208</u>	<u>\$ -</u>	<u>\$ 438,208</u>	
<b>Illinois Racing Board Charity Fund - 271</b>					
Grant to a Non-Profit Organization		\$ 750,000	\$ -	\$ 750,000	
Subtotal, Fund 271		<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 750,000</u>	
<b>Quarter Horse Purse Fund - 785</b>					
Awards and Grants		\$ 100,000	\$ -	\$ 100,000	
Subtotal, Fund 785		<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>	
<b>Subtotal - Nonappropriated Funds</b>		<b><u>\$ 1,288,208</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,288,208</u></b>	
<b>GRAND TOTAL - ALL FUNDS</b>		<b><u>\$ 5,349,635</u></b>	<b><u>\$ 652,695</u></b>	<b><u>\$ 6,002,330</u></b>	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the Board's records and have been reconciled to the Office of Comptroller's records as of October 31, 2019.

Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the Office of Comptroller for payment to the vendor.

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

For the Fiscal Year Ended June 30,

<u>APPROPRIATED FUNDS</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>General Revenue Fund - 001</b>			
Expenditure Authority	\$ -	\$ 14,700	\$ 45,000
Expenditures:			
Admission Tax	\$ -	\$ -	\$ 44,927
Unpaid Wage Increases	-	11,700	-
Total Expenditures	<u>\$ -</u>	<u>\$ 11,700</u>	<u>\$ 44,927</u>
Balances Lapsed	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 73</u>
<b>Horse Racing Fund - 632</b>			
Expenditure Authority	\$ 6,141,500	\$ 6,497,700	\$ 6,302,500
Expenditures:			
Personal Services	\$ 993,007	\$ 909,681	\$ 1,084,925
Employee Retirement			
Contribution Paid by Employer	550,709	470,745	552,858
State Contributions to Social Security	71,993	65,810	79,808
Group Insurance	242,249	236,901	216,622
Contractual Services	159,998	162,626	127,011
Travel	6,345	6,312	8,052
Commodities	1,483	1,243	1,423
Equipment	-	421	301
Electronic Data Processing	75,000	46,494	59,427
Telecommunications	71,200	66,656	61,253
Operation of Automotive Equipment	2,735	4,356	5,591
Expenses Related to the Laboratory Program	593,235	827,265	1,021,622
Expenses Related to Regulate and Use for Making Purse Awards	1,324,194	1,748,483	1,869,847
Distribution to Local Governments	12,718	155,319	175,138
Refunds	75	110	649
Total Expenditures	<u>\$ 4,104,941</u>	<u>\$ 4,702,422</u>	<u>\$ 5,264,527</u>
Balances Lapsed	<u>\$ 2,036,559</u>	<u>\$ 1,795,278</u>	<u>\$ 1,037,973</u>
<b><u>TOTAL - APPROPRIATED FUNDS</u></b>			
Expenditure Authority	<u>\$ 6,141,500</u>	<u>\$ 6,512,400</u>	<u>\$ 6,347,500</u>
Expenditures	<u>\$ 4,104,941</u>	<u>\$ 4,714,122</u>	<u>\$ 5,309,454</u>
Balances Lapsed	<u>\$ 2,036,559</u>	<u>\$ 1,798,278</u>	<u>\$ 1,038,046</u>

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COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES**

For the Fiscal Year Ended June 30,

	2020	2019	2018
<b><u>NONAPPROPRIATED FUNDS</u></b>			
<b>Standardbred Purse Fund - 217</b>			
Expenditures:			
Awards and Grants	\$ 845,530	\$ 438,208	\$ 308,736
Total Expenditures	\$ 845,530	\$ 438,208	\$ 308,736
<b>Illinois Racing Board Charity Fund - 271</b>			
Expenditures:			
Grant to a Non-Profit Organization	\$ 852,901	\$ 750,000	\$ 750,000
Total Expenditures	\$ 852,901	\$ 750,000	\$ 750,000
<b>Quarter Horse Purse Fund - 785</b>			
Expenditures:			
Awards and Grants	\$ 100,000	\$ 100,000	\$ 100,500
Total Expenditures	\$ 100,000	\$ 100,000	\$ 100,500
<b><u>TOTAL - NONAPPROPRIATED FUNDS</u></b>			
Expenditures	\$ 1,798,431	\$ 1,288,208	\$ 1,159,236
<b><u>GRAND TOTAL - ALL FUNDS</u></b>			
Expenditures	\$ 5,903,372	\$ 6,002,330	\$ 6,468,690
<b><u>STATE OFFICERS' SALARIES</u></b>			
<b>Horse Racing Fund - 632 (Office of Comptroller)</b>			
Expenditures:			
Member's Per Diem	\$ 25,800	\$ 17,100	\$ 21,300
Social Security Contributions	1,974	1,308	1,629
State Employee Retirement	-	929	2,188
Total Expenditures	\$ 27,774	\$ 19,337	\$ 25,117

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the Board's records and have been reconciled to the Office of Comptroller's records as of September 30, 2020 and October 31, 2019.

Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the Office of Comptroller for payment to the vendor.

Note 3: The Board received appropriations during Fiscal Year 2020 from Public Act 101-0007. In addition, the Board received appropriations during Fiscal Year 2019 from Public Act 100-0586.

**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
COMPARATIVE SCHEDULE OF NET EXPENDITURES  
BY MAJOR ACTIVITY**

For the Fiscal Year Ended June 30,

<b><u>EXPENDITURE STATISTICS</u></b>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>All State Treasury Funds</b>			
Total Operations Expenditures	\$ 4,092,148	\$ 4,558,693	\$ 5,088,740
Percentage of Total Expenditures	69.3%	76.0%	78.7%
Personal Services	1,653,994	1,775,806	2,099,706
Other Payroll Costs	1,433,327	1,574,590	1,689,810
All Other Operating Expenditures	1,004,827	1,208,297	1,299,224
Total Awards and Grants Expenditures	\$ 1,811,149	\$ 1,443,527	\$ 1,379,301
Percentage of Total Expenditures	30.7%	24.0%	21.3%
Total Refund Expenditures	\$ 75	\$ 110	\$ 649
Percentage of Total Expenditures	0.0%	0.0%	0.0%
<b>GRAND TOTAL - ALL EXPENDITURES</b>	<b><u>\$ 5,903,372</u></b>	<b><u>\$ 6,002,330</u></b>	<b><u>\$ 6,468,690</u></b>

Note 1: Expenditures were obtained from the Board's records and have been reconciled to the Office of Comptroller's records as of September 30, 2020 and October 31, 2019.

Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the Office of Comptroller for payment to the vendor.

**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND  
DEPOSITS INTO THE STATE TREASURY**

For the Fiscal Year Ended June 30,

	2020	2019	2018
<b><u>STATE TREASURY FUNDS</u></b>			
<b>Illinois Racing Board Charity Fund - 271</b>			
Receipt Sources:			
Annual Charity Assessment	\$ 736,696	\$ 381,063	\$ 1,500,000
Total Receipts, per the Board's Records	<u>\$ 736,696</u>	<u>\$ 381,063</u>	<u>\$ 1,500,000</u>
Receipts, per the Board's Records	\$ 736,696	\$ 381,063	\$ 1,500,000
Add: Deposits in Transit, Beginning of the Fiscal Year	270,744	234,987	-
Less: Deposits in Transit, End of the Fiscal Year	227,440	270,744	234,987
Deposits, Recorded by the Office of Comptroller	<u>\$ 780,000</u>	<u>\$ 345,306</u>	<u>\$ 1,265,013</u>
<b>Horse Racing Fund - 632</b>			
Receipt Sources:			
Pari-Mutuel Tax - ADW	\$ 2,840,074	\$ -	\$ -
Pari-Mutuel Tax - Racetracks	304,135	-	-
Admission Tax - Racetracks	38,020	58,194	63,957
Admission Tax - OTB	14,587	154,637	174,938
Fines and Penalties	28,750	43,194	36,978
Occupational Licenses	92,375	120,607	127,393
Organizational Licenses	59,920	57,750	61,590
Miscellaneous	200	80,468	653
Fingerprinting Fees	10,255	18,446	17,658
Photo Identification Fee	55	50	55
0.2% Winning Wager Surcharge	737,945	766,000	800,997
Reimbursements, Jury Duty and Recoveries	-	-	17
Total Receipts, per the Board's Records	<u>\$ 4,126,316</u>	<u>\$ 1,299,346</u>	<u>\$ 1,284,236</u>
Receipts, per the Board's Records	\$ 4,126,316	\$ 1,299,346	\$ 1,284,236
Add: Deposits in Transit, Beginning of the Fiscal Year	101,493	33,552	41,115
Less: Deposits in Transit, End of the Fiscal Year	397,130	101,493	33,552
Deposits, Recorded by the Office of Comptroller	<u>\$ 3,830,679</u>	<u>\$ 1,231,405</u>	<u>\$ 1,291,799</u>
<b>Quarter Horse Purse Fund - 785</b>			
Receipt Sources:			
0.2% Winning Wager Surcharge	\$ 100,000	\$ 100,000	\$ 100,000
Total Receipts, per the Board's Records	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Receipts, per the Board's Records	\$ 100,000	\$ 100,000	\$ 100,000
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Less: Deposits in Transit, End of the Fiscal Year	-	-	-
Deposits, Recorded by the Office of Comptroller	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND  
DEPOSITS INTO THE STATE TREASURY**

For the Fiscal Year Ended June 30,

	2020	2019	2018
<b>Standardbred Purse Fund - 217</b>			
Receipt Sources:			
Pari-Mutuel Tax - ADW	\$ 475,905	\$ -	\$ -
Total Receipts, per the Board's Records	\$ 475,905	\$ -	\$ -
Receipts, per the Board's Records	\$ 475,905	\$ -	\$ -
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Less: Deposits in Transit, End of the Fiscal Year	53,903	-	-
Deposits, Recorded by the Office of Comptroller	\$ 422,002	\$ -	\$ -
<b>IL Racing Quarter Horse Breeder Fund - 631</b>			
Receipt Sources:			
Pari-Mutuel Tax - Racetracks	\$ 13,727	\$ -	\$ -
Total Receipts, per the Board's Records	\$ 13,727	\$ -	\$ -
Receipts, per the Board's Records	\$ 13,727	\$ -	\$ -
Add: Deposits in Transit, Beginning of the Fiscal Year	2,420	-	-
Less: Deposits in Transit, End of the Fiscal Year	-	-	-
Deposits, Recorded by the Office of Comptroller	\$ 16,147	\$ -	\$ -
<b><u>GRAND TOTAL - ALL FUNDS</u></b>			
Receipts, per the Board's Records	\$ 5,452,644	\$ 1,780,409	\$ 2,884,236
Add: Deposits in Transit, Beginning of the Fiscal Year	374,657	268,539	41,115
Less: Deposits in Transit, End of the Fiscal Year	678,473	372,237	268,539
Deposits, Recorded by the Office of Comptroller	\$ 5,148,828	\$ 1,676,711	\$ 2,656,812

**STATE OF ILLINOIS**  
**ILLINOIS RACING BOARD**  
**SCHEDULE OF CHANGES IN PROPERTY**  
For the Two Years Ended June 30, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Ending Balance</u>
<b><u>FISCAL YEAR 2020</u></b>					
<b>Property</b>					
Equipment	\$ 195,323	\$ 2,730	\$ (27,367)	\$ (3,954)	\$ 166,732
Total	<u>\$ 195,323</u>	<u>\$ 2,730</u>	<u>\$ (27,367)</u>	<u>\$ (3,954)</u>	<u>\$ 166,732</u>
<b>Capital Leases</b>					
Equipment	\$ 5,106	\$ -	\$ -	\$ -	\$ 5,106
Total	<u>\$ 5,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,106</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Ending Balance</u>
<b><u>FISCAL YEAR 2019</u></b>					
<b>Property</b>					
Equipment	\$ 211,267	\$ 617	\$ -	\$ (16,561)	\$ 195,323
Total	<u>\$ 211,267</u>	<u>\$ 617</u>	<u>\$ -</u>	<u>\$ (16,561)</u>	<u>\$ 195,323</u>
<b>Capital Leases</b>					
Equipment	\$ -	\$ 5,106	\$ -	\$ -	\$ 5,106
Total	<u>\$ -</u>	<u>\$ 5,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,106</u>

Note 1: These balances were obtained from the Board's records and have been reconciled to the Board's quarterly *Report of State Property* reports submitted to the Office of Comptroller for the two years ended June 30, 2020.



**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Functions**

The Illinois Racing Board (Board) is a regulatory agency charged by the General Assembly with ensuring “public confidence and trust in the credibility and integrity of racing operations and the regulatory process.” The jurisdiction, supervision, powers, and duties of the Board are enumerated in the Illinois Horse Racing Act of 1975 (230 ILCS 5).

The primary duties of the Board include:

- enforcing the Illinois Horse Racing Act of 1975 and the Board’s adopted regulations through disciplinary action, imposing civil penalties, and/or initiating legal action;
- promulgating reasonable rules and regulations to govern meetings and wagering in the State;
- issuing occupation, organization, advance deposit wagering, inter-track wagering, and inter-track wagering location licenses to conduct horse race meetings and wagering in the State;
- operating laboratory testing facilities to prevent illegal drug use in horse racing;
- verifying the accuracy of taxes paid by licensees to the Department of Revenue;
- collecting and processing the inter-track wagering location admission fees on behalf of local governments and the \$0.15 State admission tax from a ticket of admission;
- investigating allegations of animal abuse;
- ejecting or excluding from a horse race meeting or licensee’s facilities persons whose conduct or reputation may call into question the integrity of wagers;
- distributing and monitoring grants to licensees and non-profit organizations; and,
- entering the places of business of licensees to determine compliance with the Illinois Horse Racing Act of 1975 and the Board’s Administrative Rules.

Currently, the Board oversees live racing at three racetracks, the Illinois State Fair, the DuQuoin State Fair, and the Brown County Fair. The Board is responsible for regulation of 24 inter-track wagering facilities and five advance deposit wagering licenses.

**Performance Measures**

The Board’s Fiscal Years 2020, 2019 and 2018 performance measures have been included below:

<b>Fund: Horse Racing Fund</b>			
<b>Measures</b>	<b>Fiscal Year 2020</b>	<b>Fiscal Year 2019</b>	<b>Fiscal Year 2018</b>
<b><u>Input Indicators</u></b>			
Total expenditures – State appropriated funds (in thousands)	\$ 4,104.9	\$ 4,714.1	\$ 5,345.5
Average monthly full-time equivalents	11.0	12.0	12.0

**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Measures	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
<b><u>Output Indicators</u></b>			
Total number of steward rulings issued	135	223	241
Total number of race lab samples sent for lab testing	4,594	6,322	8,935
<b><u>Outcome Indicators</u></b>			
Total number of administrative appeals of steward's rulings issued	8	8	8
Average number of live races per steward rulings issued	12.0	10.0	11.0
Racing laboratory proficiency testing score (Association of Official Racing Chemists)*	0%	100%	100%
Live race related rulings as a percent of total steward rulings	13%	25%	32%
Instances of non-performance enhancing substance exceeding allowable levels	3	4	12
Instances of performance enhancing substance found	4	1	2

\* Racing laboratory proficiency test was not conducted in calendar year 2020 due to Covid-19 restrictions.

**Planning**

The Board conducts biannual planning in anticipation of publishing the Board's January and July Regulatory Agendas. The Board reviews changes within the horse racing industry, particularly in the area of performance enhancing drugs, to have the Board's regulations align with current industry practices and best practices. In addition to regulatory planning, the Board and its staff work to develop plans to identify and reduce incidents of noncompliance among licensees.

**Significant Challenges**

As a self-funded agency, the biggest challenges for the Board are attempting to revive the declining horse racing industry, retaining jobs, and the overall economic development. Despite track closures due to Covid-19 early in 2020, the Board did not experience any fiscal shortfalls for its operations.

**STATE OF ILLINOIS**  
**ILLINOIS RACING BOARD**  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Comparative Schedule of Net Appropriations, Expenditures, and Lapsed balances is presented in Schedule 3 of this report. Included are explanations for variances greater than \$100,000 and 20%. Explanations were prepared by Board management and are presented for additional analysis purposes only.

**Fiscal Year 2020 Compared to Fiscal Year 2019**

**Horse Racing Fund – 632**

Expenses Related to the Laboratory Program

The decrease of \$234,030 or 28% was due to the reduction in the number of race days in Fiscal Year 2020 and racetrack closures due to the COVID-19 pandemic. The number of thoroughbred race days in Fiscal Year 2020 was 129 compared to 177 in Fiscal Year 2019.

Expenses Related to Regulate and Use for Making Purse Awards

The decrease of \$424,289 or 24% was due to the reduction in the number of race days in Fiscal Year 2020 and racetrack closures due to the COVID-19 pandemic. The number of thoroughbred race days in Fiscal Year 2020 was 129 compared to 177 in Fiscal Year 2019.

Distribution to Local Governments

The decrease of \$142,601 or 92% was due to the pari-mutuel handle percentage and admissions being paid directly to local governments in Fiscal Year 2020, instead of passing through the Board. Public Act 101-052 was passed by the legislature and signed into law by the Governor on July 12, 2019. This Act provides that inter-track wagering location licensees must pay their pari-mutuel handle percentage and admission fees directly to the municipality and county.

**Standardbred Purse Fund – 217**

Awards and Grants

The increase of \$407,322 or 93% was due to increased funding in Fiscal Year 2020 made available through the grant for payment of purses for standardbred horse races conducted by the grantee. The COVID-19 pandemic racetrack closures and increased wagering via Advance Deposit Wagering (ADW) platforms also contributed to the increase.

**Fiscal Year 2019 Compared to Fiscal Year 2018**

**Standardbred Purse Fund – 217**

Awards and Grants

The increase of \$129,472 or 42% was due to an increase in ADW wagering in Fiscal Year 2019 compared to Fiscal Year 2018. The additional funding was disbursed to the grantee for payment of purses for standardbred horse races conducted by the grantee.

**STATE OF ILLINOIS**  
**ILLINOIS RACING BOARD**  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Comparative Schedule of Cash Receipts and Deposits into the State Treasury is presented in Schedule 5 of this report. Included are explanations for variances greater than \$100,000 and 20%. Explanations were prepared by Board management and are presented for additional analysis purposes only.

**Fiscal Year 2020 Compared to Fiscal Year 2019**

**Illinois Racing Board Charity Fund – 271**

Annual Charity Assessment

The increase of \$355,633 or 93% was primarily due to the timing of the charity assessment received from all the racetracks. The charity assessment was sent out by the Board in May 2020 and paid by the racetracks during Fiscal Year 2020. However, the Fiscal Year 2019 charity assessment was sent by the Board in June 2018 resulting in the early payments of the racetracks in Fiscal Year 2018, thus the lower receipts in Fiscal Year 2019.

**Horse Racing Fund – 632**

Pari-Mutuel Tax (ADW and Racetracks)

The increase of \$3,144,209 or 100% was due to the change in the intergovernmental agreement (IGA) between the Board and the Illinois Department of Revenue (IDOR) in relation to the deposits of pari-mutuel taxes. In previous years, IDOR was responsible for the completion and submission of the receipts deposit transmittal to the Office of Comptroller, so that the pari-mutuel tax receipts could be transferred from the clearing account into the statutorily designated funds, however in Fiscal Year 2020, the Board deposited the pari-mutuel taxes directly to this fund.

Admission Tax (OTB)

The decrease of \$140,050 or 91% was due to the COVID-19 pandemic and the closure of racetracks to the public in March 2020. All racetracks were closed for three months until June 2020. Further, upon the opening of Hawthorne Park and Fairmount Park in June 2020, no audiences were allowed in the racetracks due to the social distancing guidelines. The Board also lost race days in Fiscal Year 2020.

**Standardbred Purse Fund – 217**

Pari-Mutuel Tax (ADW)

The increase of \$475,905 or 100% was due to the change in the IGA between the Board and IDOR in relation to the deposits of pari-mutuel taxes. In previous years, IDOR was responsible for the completion and submission of the receipts deposit transmittal to the Office of Comptroller, so that the pari-mutuel tax receipts could be transferred from the clearing account into the statutorily designated funds, however effective Fiscal Year 2020, the Board deposited the pari-mutuel taxes directly to this fund.

**STATE OF ILLINOIS**  
**ILLINOIS RACING BOARD**  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Fiscal Year 2019 Compared to Fiscal Year 2018**

**Illinois Racing Board Charity Fund – 271**

Annual Charity Assessment

The decrease of \$1,118,937 or 75% was due to the early payment by the racetracks of the Fiscal Year 2019 charity assessment. Funds were received by the Board in June 2018 instead of the July 2018 due date.

**STATE OF ILLINOIS**  
**ILLINOIS RACING BOARD**  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Schedule of Appropriations, Expenditures, and Lapsed Balances for Fiscal Years 2020 and 2019 are presented in Schedules 1 and 2, respectively, of this report. Included are explanations for lapse period spending greater than \$100,000 and 20%. Explanations were prepared by Board management and are presented for additional analysis purposes only.

**Fiscal Year 2020**

**Standardbred Purse Fund – 217**

Awards and Grants

The Lapse Period spending of \$230,700 or 27% of total expenditures was due to the disbursement of grant funds to a racetrack for payment of purses for standardbred races conducted during Fiscal Year 2020.

**Fiscal Year 2019**

**Horse Racing Fund – 632**

Expenses Related to the Laboratory Program

The Lapse Period spending of \$245,795 or 30% of total expenditures was due to late billing of laboratory services rendered for the months of May and June 2019.

**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
NUMBER OF EMPLOYEES**

(NOT EXAMINED)

For the Fiscal Year Ended June 30,

<b><u>AVERAGE NUMBER OF EMPLOYEES</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Full-Time, Central Office	12	11	12
Part-Time, Central Office	3	3	1
Per Diem, Upstate Racetracks	21	25	24
Per Diem, Downstate Racetracks	6	7	11
Personal Service Contracts	<u>4</u>	<u>5</u>	<u>1</u>
Total Board Employees	<u>46</u>	<u>51</u>	<u>49</u>

Note 1: This schedule presents the average number of employees, by location, at the Board.

**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
HORSE RACING STATISTICS**

(NOT EXAMINED)

For the Two Years Ended June 30, 2020

**Calendar Year 2010 – 2019 Purses and State Revenue**

	<b>HARNESS PURSES <u>DISTRIBUTED</u></b>	<b>THOROUGHBRED PURSES <u>DISTRIBUTED</u></b>	<b>TOTAL PURSES <u>DISTRIBUTED</u></b>
2010	\$ 15,598,812	\$ 38,792,651	\$ 54,391,463
2011	\$ 18,990,581	\$ 44,263,896	\$ 63,254,477
2012	\$ 24,325,816	\$ 54,189,232	\$ 78,515,048
2013	\$ 23,677,385	\$ 48,359,376	\$ 72,036,761
2014	\$ 16,578,130	\$ 40,172,846	\$ 56,750,976
2015	\$ 11,334,487	\$ 27,893,274	\$ 39,227,761
2016	\$ 8,681,252	\$ 23,879,701	\$ 32,560,953
2017	\$ 8,768,531	\$ 25,024,819	\$ 33,793,350
2018	\$ 9,084,301	\$ 25,421,817	\$ 34,506,118
2019	\$ 6,554,520	\$ 23,740,113	\$ 30,294,633

	<b><u>% OF HANDLE ON IL. RACES</u></b>	<b><u>ILLINOIS HANDLE</u></b>	<b><u>STATE REVENUE</u></b>
2010	22%	\$ 725,792,958	\$ 7,440,095
2011	23%	\$ 687,899,890	\$ 7,819,520
2012	24%	\$ 672,902,967	\$ 7,459,312
2013	23%	\$ 617,943,710	\$ 6,382,511
2014	19%	\$ 623,983,058	\$ 7,482,717
2015	15%	\$ 593,423,881	\$ 6,848,888
2016	13%	\$ 570,507,635	\$ 6,841,939
2017	11%	\$ 586,691,745	\$ 7,107,303
2018	11%	\$ 573,501,684	\$ 7,028,444
2019	10%	\$ 556,644,954	\$ 6,987,894



**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
HORSE RACING STATISTICS**

(NOT EXAMINED)

For the Two Years Ended June 30, 2020

**Calendar Year 2019 Comparison of Combined Handle**

<b>THOROUGHBRED MEETS</b>	<b>TOTAL HANDLE</b>	<b>ON TRACK</b>	<b>%</b>	<b>INTER TRACK</b>	<b>%</b>	<b>OFF TRACK</b>	<b>%</b>
Arlington International Racecourse TOTAL HANDLE	\$ 166,405,064	\$ 47,141,736	28.3%	\$ 20,745,020	12.5%	\$ 98,518,308	59.2%
Hawthorne Racecourse TOTAL HANDLE	\$ 97,170,411	\$ 13,469,377	13.9%	\$ 15,991,582	16.5%	\$ 67,709,452	69.7%
Fairmount Park TOTAL HANDLE	\$ 4,521,775	\$ 3,990,984	88.3%	\$ 92,240	2.0%	\$ 438,551	9.7%
<b>THOROUGHBRED TOTAL TOTAL HANDLE</b>	<b>\$ 268,097,250</b>	<b>\$ 64,602,097</b>	<b>24.1%</b>	<b>\$ 36,828,842</b>	<b>13.7%</b>	<b>\$ 166,666,311</b>	<b>62.2%</b>

<b>HARNESS MEETS</b>	<b>TOTAL HANDLE</b>	<b>ON TRACK</b>	<b>%</b>	<b>INTER TRACK</b>	<b>%</b>	<b>OFF TRACK</b>	<b>%</b>
Hawthorne Racecourse (Suburban) TOTAL HANDLE	\$ 71,094,244	\$ 8,298,293	11.7%	\$ 9,130,032	12.8%	\$ 53,665,920	75.5%
Springfield State Fair TOTAL HANDLE	\$ 305,827	\$ 241,004	78.8%	\$ 12,731	4.2%	\$ 52,092	17.0%
<b>HARNESS TOTAL TOTAL HANDLE</b>	<b>\$ 71,400,071</b>	<b>\$ 8,539,297</b>	<b>12.0%</b>	<b>\$ 9,142,763</b>	<b>12.8%</b>	<b>\$ 53,718,012</b>	<b>75.2%</b>

<b>TOTAL – ALL MEETS TOTAL HANDLE</b>	<b>\$ 339,497,321</b>	<b>\$ 73,141,394</b>	<b>21.5%</b>	<b>\$ 45,971,605</b>	<b>13.5%</b>	<b>\$ 220,384,323</b>	<b>64.9%</b>
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Total Handle – All Meets (above).....	\$ 339,497,321
Total Handle – Advance Deposit Wagering.....	\$ 217,147,633
<b>TOTAL ILLINOIS HANDLE.....</b>	<b><u>\$ 556,644,954</u></b>

**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
HORSE RACING STATISTICS**

(NOT EXAMINED)

For the Two Years Ended June 30, 2020

**Calendar Year 2019 Advance Deposit Wagering Statistics**

Advance Deposit Wagering (ADW) officially began on October 13, 2009. Six companies were licensed in 2019 as ADW providers. Illinois patrons place funds into an account and then wager on races using a telephone or internet device such as a computer or smartphone. Each ADW provider must have a contact with an Illinois racetrack and their affiliated Illinois horsemen association.

<u>ADW Provider (Track)</u>	<u>Total Handle</u>	<u>Average Daily Handle</u>	<u>State Tax</u>	<u>Daily Tax Average</u>
Twin Spires (Arlington)	\$ 84,044,487	\$ 230,259	\$ 1,470,779	\$ 4,030
TVG (Fairmount)	77,234,573	211,602	1,351,605	3,703
Xpressbet (Hawthorne)	22,323,491	61,160	390,661	1,070
NYRABets (Hawthorne)	23,038,275	63,118	403,170	1,105
Bet America (Arlington)	5,438,118	14,899	95,167	261
Club Hawthorne (Hawthorne)	5,068,690	13,887	88,702	243
TOTAL, ALL RACES:	<u>\$217,147,634</u>	\$ 594,925	<u>\$ 3,800,084</u>	\$ 10,412

<u>Illinois Races vs. Out-of-State Races</u>	<u>Total Handle</u>	<u>Percentage</u>
ADW Handle from Arlington	\$ 7,209,752	
ADW Handle from Hawthorne – Thoroughbred Races	1,387,989	
ADW Handle from Hawthorne – Harness Races	3,007,534	
ADW Handle from Fairmount	357,624	
ADW Handle from Springfield State Fair	48,356	
TOTAL, ILLINOIS RACES:	12,011,255	6%
ADW Handle on Out-of-State Races	205,136,378	94%
TOTAL, ALL RACES:	<u>\$217,147,633</u>	<u>100.00%</u>

**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
HORSE RACING STATISTICS**

(NOT EXAMINED)

For the Two Years Ended June 30, 2020

**Calendar Year 2019 Activity from All Locations**

	<u>THOROUGHbred</u>	<u>HARNESs</u>	<u>ADVANCE DEPOSIT</u>	<u>ALL</u>
	<u>MEETS</u>	<u>MEETS</u>	<u>WAGERING</u>	<u>MEETS</u>
Live Programs Raced.....	162	74		236
Total Live Programs Raced + Dark Days.....	406	365		771
Live Races Run.....	1,317	796		2,113
Attendance.....	540,300	65,120		605,420
Admission Tax.....	\$ 44,014	\$ 3,485		\$ 47,499
License Fee.....	\$ 18,040	\$ 7,810		\$ 25,850
Purses Distributed.....	\$ 23,740,113	\$ 6,554,520		\$ 30,294,633
Uncashed Tickets (2018).....	\$ 1,577,811	\$ 388,136		\$ 1,965,947
Pari-mutuel Tax.....	\$ 3,807,932	\$ 1,025,594	\$ 3,800,083	\$ 8,633,609
Breakage.....	\$ 1,111,886	\$ 252,308	\$ 525,959	\$ 1,890,153
Surcharge.....	\$ 4,814,544	\$ 1,386,634	\$ 703,840	\$ 6,905,018

**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
HORSE RACING STATISTICS**

(NOT EXAMINED)

For the Two Years Ended June 30, 2020

**Calendar Year 2018 Comparison of Combined Handle**

<b>THOROUGHBRED MEETS</b>	<b>TOTAL HANDLE</b>	<b>ON TRACK</b>	<b>%</b>	<b>INTER TRACK</b>	<b>%</b>	<b>OFF TRACK</b>	<b>%</b>
Arlington International Racecourse TOTAL HANDLE	\$ 179,066,439	\$ 47,875,492	26.7%	\$ 22,471,822	12.5%	\$ 108,719,125	60.8%
Hawthorne Racecourse TOTAL HANDLE	\$ 104,856,742	\$ 13,741,822	13.1%	\$ 18,130,495	17.3%	\$ 72,984,425	69.6%
Fairmount Park TOTAL HANDLE	\$ 4,514,890	\$ 3,926,509	87.0%	\$ 105,792	2.3%	\$ 482,589	10.7%
<b>THOROUGHBRED TOTAL TOTAL HANDLE</b>	<b>\$ 288,438,071</b>	<b>\$ 65,543,823</b>	<b>22.7%</b>	<b>\$ 40,708,109</b>	<b>14.1%</b>	<b>\$ 182,186,139</b>	<b>63.2%</b>

<b>HARNESS MEETS</b>	<b>TOTAL HANDLE</b>	<b>ON TRACK</b>	<b>%</b>	<b>INTER TRACK</b>	<b>%</b>	<b>OFF TRACK</b>	<b>%</b>
Hawthorne Racecourse (Suburban) TOTAL HANDLE	\$ 78,706,077	\$ 10,307,408	13.1%	\$ 9,800,484	12.5%	\$ 58,598,185	74.4%
Springfield State Fair TOTAL HANDLE	\$ 251,524	\$ 187,346	74.5%	\$ 14,025	5.6%	\$ 50,153	19.9%
DuQuoin State Fair TOTAL HANDLE	\$ 54,889	\$ 33,511	61.1%	\$ 5,072	9.2%	\$ 16,306	29.7%
Brown County Fair TOTAL HANDLE	\$ 17,117	\$ 17,117	100.0%	\$ -	0.0%	\$ -	0.0%
<b>HARNESS TOTAL TOTAL HANDLE</b>	<b>\$ 79,029,607</b>	<b>\$ 10,545,382</b>	<b>13.4%</b>	<b>\$ 9,819,581</b>	<b>12.4%</b>	<b>\$ 58,664,644</b>	<b>74.2%</b>
<b>TOTAL – ALL MEETS TOTAL HANDLE</b>	<b>\$ 367,467,678</b>	<b>\$ 76,089,205</b>	<b>20.7%</b>	<b>\$ 50,527,690</b>	<b>13.8%</b>	<b>\$ 240,850,783</b>	<b>65.5%</b>

Total Handle – All Meets (above).....	\$ 367,467,678
Total Handle – Advance Deposit Wagering.....	\$ 206,034,006
<b>TOTAL ILLINOIS HANDLE.....</b>	<b>\$ 573,501,684</b>

**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
HORSE RACING STATISTICS**

(NOT EXAMINED)

For the Two Years Ended June 30, 2020

**Calendar Year 2018 Advance Deposit Wagering Statistics**

Advance Deposit Wagering (ADW) officially began on October 13, 2009. Six companies were licensed in 2018 as ADW providers. Illinois patrons place funds into an account and then wager on races using a telephone or internet device such as a computer or smartphone. Each ADW provider must have a contact with an Illinois racetrack and their affiliated Illinois horsemen association.

<u>ADW Provider (Track)</u>	<u>Total Handle</u>	<u>Average Daily Handle</u>	<u>State Tax</u>	<u>Daily Tax Average</u>
Twin Spires (Arlington)	\$ 86,716,038	\$ 237,578	\$ 1,495,713	\$ 4,098
TVG (Fairmount)	69,913,307	191,543	1,207,672	3,309
Xpressbet (Hawthorne)	22,088,919	60,518	380,597	1,043
Club Hawthorne (Hawthorne)	18,905,523	51,796	326,886	896
Bet America (Arlington)	5,259,559	14,410	91,527	251
NYRABets (Hawthorne)	3,150,660	8,632	53,887	148
TOTAL, ALL RACES:	<u>\$206,034,006</u>	\$ 564,477	<u>\$ 3,556,282</u>	\$ 9,745

<u>Illinois Races vs. Out-of-State Races</u>	<u>Total Handle</u>	<u>Percentage</u>
ADW Handle from Arlington	\$ 7,059,561	
ADW Handle from Hawthorne – Thoroughbred Races	1,460,572	
ADW Handle from Hawthorne – Standardbred Races	4,121,542	
ADW Handle from Fairmount	370,953	
ADW Handle from Springfield State Fair	28,138	
ADW Handle from DuQuoin Sate Fair	12,694	
TOTAL, ILLINOIS RACES:	13,053,460	6%
ADW Handle on Out-of-State Races	192,980,546	94%
TOTAL, ALL RACES:	<u>\$206,034,006</u>	<u>100.00%</u>

**STATE OF ILLINOIS  
ILLINOIS RACING BOARD  
HORSE RACING STATISTICS**

(NOT EXAMINED)

For the Two Years Ended June 30, 2020

**Calendar Year 2018 Activity from All Locations**

	<u>THOROUGHbred</u> <u>MEETS</u>	<u>HARNESs</u> <u>MEETS</u>	<u>ADVANCE DEPOSIT</u> <u>WAGERING</u>	<u>ALL</u> <u>MEETS</u>
Live Programs Raced.....	161	113		274
Total Live Programs Raced + Dark Days.....	406	362		768
Live Races Run.....	1,308	1,140		2,448
Attendance.....	756,924	152,026		908,950
Admission Tax.....	\$ 52,826	\$ 8,028		\$ 60,854
License Fee.....	\$ 18,370	\$ 12,320		\$ 30,690
Purses Distributed.....	\$ 25,421,817	\$ 9,084,301		\$ 34,506,118
Uncashed Tickets (2016).....	\$ 1,613,649	\$ 425,243		\$ 2,038,892
Pari-mutuel Tax.....	\$ 4,094,373	\$ 1,134,748	\$ 3,090,510	\$ 8,319,631
Breakage.....	\$ 1,008,296	\$ 293,281	\$ 553,386	\$ 1,854,963
Surcharge.....	\$ 5,273,513	\$ 1,553,424	\$ 727,000	\$ 7,553,937