



STATE OF ILLINOIS  
**OFFICE OF THE  
AUDITOR GENERAL**

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**ILLINOIS GAMING BOARD**

**FINANCIAL AUDIT OF THE STATE GAMING**

**FUND**

**For the Year Ended: June 30, 2011**

**Release Date: March 20, 2012**

**Summary of Findings:**

**Total this audit: 1**

**Total last audit: 1**

**Repeated from last audit: 0**

**SYNOPSIS**

- The Illinois Gaming Board did not perform reconciliations of its cash receipt journal to its State Treasury deposit records.

{Expenditures and Activity Measures are summarized on the reverse page.}

**ILLINOIS GAMING BOARD**  
**FINANCIAL AUDIT - STATE GAMING FUND (129)**  
**For The Year Ended June 30, 2011**

<b>STATE GAMING FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (in thousands)</b>	<b>2011</b>
<b>Revenues</b>	
Riverboat taxes.....	\$ 457,865
Licenses and fees.....	1,263
Other.....	1
Total.....	<u>\$ 459,129</u>
<b>Expenditures</b>	
Public protection and justice.....	\$ 29,930
Intergovernmental.....	80,987
Health and Social Services.....	838
Total.....	<u>\$ 111,755</u>
<b>Other sources (uses) of financial resources</b>	
Transfers-out to Education Assistance Fund.....	\$ (347,374)
Change in fund balance.....	\$ -
<b>STATE GAMING FUND BALANCE SHEET (in thousands)</b>	<b>2011</b>
<b>Assets</b>	
Cash and cash equivalents.....	\$ 36,113
Taxes receivable and Other, net.....	2,809
Total.....	<u>\$ 38,922</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities.....	\$ 720
Intergovernmental payables.....	8,915
Due to other State fiduciary funds.....	141
Due to other State funds.....	29,146
Total.....	<u>\$ 38,922</u>
Committed Fund Balance.....	\$ -
<b>BOARD ADMINISTRATOR</b>	
During the Audit Period and Currently: Mr. Mark Ostrowski	

**FINDING, CONCLUSION,  
AND RECOMMENDATION**

**INADEQUATE INTERNAL CONTROL OVER CASH  
RECEIPTS**

The Illinois Gaming Board (Board) did not perform reconciliations of its cash receipt journal to Board deposit records.

**Physical receipts, totaling \$668,149, received at the Board's two main offices were not reconciled to State Treasury deposit records.**

While reviewing the Board's manual cash receipt process, it was noted that the Board maintains a cash receipt journal to track the physical cash received at the Board's two main offices; however, at no point during FY11 was a reconciliation performed between the cash receipt journal and the Board's State Treasury deposit records. During FY11, the Board received \$668,149 in cash receipts that were deposited into the State Gaming Fund (Fund). The auditors performed the reconciliation for FY11 and no discrepancies were noted.

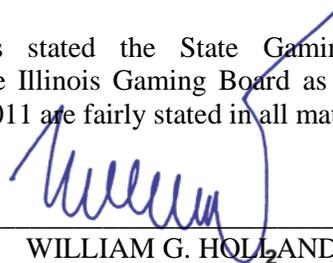
We recommended the Board perform reconciliations of its cash receipt journal to Board deposit records to ensure accurate and timely deposits of its cash into the State Treasury (Finding 1, page 15)

**Board agrees with auditors**

Board officials accepted the recommendation and stated the Board has developed and implemented reconciliation procedures for cash receipts to comply with the Fiscal Control and Internal Auditing Act. These procedures identify the series of events beginning with the Board's receipt of cash items, the immediate recording to a Remittance Ledger, the posting to a Receipts Journal, and subsequent reconciliation procedures between the Ledger and Journal prior to depositing the cash receipts into the State Gaming Fund.

**AUDITORS' OPINION**

Our auditors stated the State Gaming Fund Financial Statements of the Illinois Gaming Board as of and for the year ended June 30, 2011 are fairly stated in all material respects.



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WILLIAM G. HOLLAND  
Auditor General

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**AUDITORS ASSIGNED**

The financial audit was performed by the Office of the Auditor General's staff.