

# McGladrey & Pullen

Certified Public Accountants

## State of Illinois Illinois Gaming Board (A Division of the Illinois Department of Revenue)

Compliance Examination  
For the Year Ended June 30, 2006  
Performed as Special Assistant Auditors  
For the Auditor General, State of Illinois

State of Illinois  
Illinois Gaming Board  
(A Division of the Illinois Department of Revenue)  
Compliance Examination  
For the Year Ended June 30, 2006

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State of Illinois  
Illinois Gaming Board  
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*Board Officials*

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Chairman	Aaron Jaffe
Board Member	Charles Gardner
Board Member	Rev. Eugene Winkler
Board Member	Joseph Moore Jr.
Board Member	James E. Sullivan
Interim Administrator (June 2003 to November 3, 2005)	Jaeannette Tamayo
Administrator (November 4, 2005 to present)	Mark Ostrowski

Agency offices are located at:

101 West Jefferson  
Springfield, Illinois 62794

160 N. LaSalle, Suite 300  
Chicago, Illinois 60601

# ILLINOIS GAMING BOARD



101 W. Jefferson, P.O. Box 19474, Springfield, Illinois 62794 Tel: 217-524-0226 Fax: 217-524-0228

November 15, 2006

McGladrey & Pullen, LLP  
20 North Martingale Rd., Ste 500  
Schaumburg, IL 60173-2420

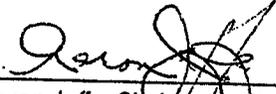
Ladies and Gentlemen:

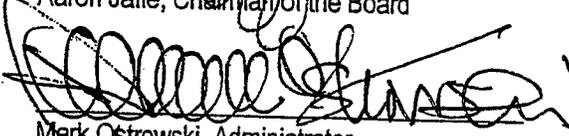
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the State of Illinois, Illinois Gaming Board (a division of the Illinois Department of Revenue). We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Illinois Gaming Board's compliance with the following assertions during the year ended June 30, 2006. Based on this evaluation, we assert that during the year ended June 30, 2006, the Illinois Gaming Board (Board) has materially complied with the assertions 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. 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. The 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. The 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.

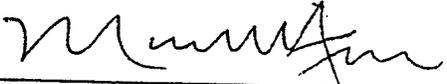
Respectfully,

State of Illinois, Illinois Gaming Board

  
\_\_\_\_\_  
Aaron Jaffe, Chairman of the Board

  
\_\_\_\_\_  
Mark Ostrowski, Administrator

1.15.07

  
\_\_\_\_\_  
Michael Fries, Chief Legal Counsel

State of Illinois  
Illinois Gaming Board  
(A Division of the Illinois Department of Revenue)  
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Compliance Report

Summary

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

Auditors' Report

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

Summary of Findings

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

Summary of Findings

The Illinois Gaming Board did not have any current or prior year findings.

# McGladrey & Pullen

Certified Public Accountants

## Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information For State Compliance Purposes

Honorable William G. Holland  
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), which includes the Illinois Gaming Board (A Division of the 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 year ended June 30, 2006. The management of the Department is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Department's compliance based on our examination.

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

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

In our opinion, the Department complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2006. There were no immaterial findings relating to instances of noncompliance that have been excluded from this report.

### Internal Control

The management of the Department is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the Department's internal control over compliance with the aforementioned requirements in order to determine our examination procedures 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.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. There were no immaterial findings relating to internal control deficiencies that have been excluded from this report.

### Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Department as of and for the year ended June 30, 2006, which collectively comprise the Department's basic financial statements, and have issued our report, under separate cover, thereon dated November 15, 2006. The accompanying supplementary information, as listed in the table of contents as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Department. The 2006 Supplementary Information for State Compliance Purposes, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2006, taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States, the Department's basic financial statements for the year ended June 30, 2005. In our report dated December 19, 2005, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. In our opinion, the 2005 Supplementary Information for State Compliance Purposes, except for the portion marked "unaudited" is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2005, taken as a whole.

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

*McGladrey & Pullen, LLP*

Schaumburg, Illinois  
November 15, 2006

# McGladrey & Pullen

Certified Public Accountants

## Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Department of Revenue (Department), which includes the Illinois Gaming Board (A Division of the Department), as of and for the year ended June 30, 2006, which collectively comprise the Department's basic financial statements and have issued our report thereon dated November 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

*McGladrey & Pullen, LLP*

Schaumburg, Illinois  
November 15, 2006

State of Illinois  
Illinois Gaming Board  
(A Division of the Illinois Department of Revenue)  
Compliance Examination  
For the Year Ended June 30, 2006

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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
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balance
- 2005 Calendar Year Summary (Unaudited)
- 2005 Calendar Year Statistics (Unaudited)
- 2005 Calendar Year Sources of Revenue (Unaudited)
- Distribution of Gaming Taxes (Unaudited)
- Summary of Illinois Riverboat Data (Unaudited)

Analysis of Operations

- Agency Functions and Planning Program
- Average Number of Employees (Unaudited)
- Board Members' Salaries (Unaudited)

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditors' opinion, except for that portion marked "unaudited," on which they express no opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

State of Illinois  
 Illinois Gaming Board  
 (A Division of the Illinois Department of Revenue)  
 Compliance Examination  
 For the Year Ended June 30, 2006

Schedule of Appropriations, Expenditures and Lapsed Balances  
 Appropriations for the Year Ended June 30, 2006

P. A. 94-0798

STATE GAMING FUND - 129

	Appropriation (Net After Transfers)	Expenditures Through 06/30/06	Lapse Period Expenditures 07/01/06 to 08/31/06	Total Expenditures	Balances Lapsed
Personal Services	\$ 5,375,400	\$ 4,513,503	\$ 266,596	\$ 4,780,099	\$ 595,301
Employee Retirement Contributions Paid by Employer	38,600	35,155	-	35,155	3,445
State Contributions to State Employees' Retirement System	418,800	351,901	20,780	372,681	46,119
State Contributions to Social Security	258,800	177,886	9,571	187,457	71,343
Group Insurance	1,191,600	870,887	38,994	909,881	281,719
Contractual Services	630,000	465,382	84,516	549,898	80,102
Travel	55,000	48,046	3,103	51,149	3,851
Commodities	15,700	5,424	4,012	9,436	6,264
Printing	6,500	3,426	-	3,426	3,074
Equipment	175,600	125,141	979	126,120	49,480
Electronic Data Processing	50,000	15,076	399	15,475	34,525
Telecommunications Services	224,400	143,957	76,055	220,012	4,388
Operation of Automotive Equipment	60,000	38,588	19,667	58,255	1,745
Lump Sums	7,100,000	6,194,122	871,313	7,065,435	34,565
Refunds	50,000	25,000	-	25,000	25,000
Awards and Grants					
Distribution to Local Governments for					
Admission and Wagering	104,400,000	97,727,049	6,672,951	104,400,000	-
<b>Total</b>	<b>\$ 120,050,400</b>	<b>\$ 110,740,543</b>	<b>\$ 8,068,936</b>	<b>\$ 118,809,479</b>	<b>\$ 1,240,921</b>

Note: Appropriations, expenditures and lapsed balances were obtained from Department records and have been reconciled to records of the State Comptroller.

State of Illinois  
 Illinois Gaming Board  
 (A Division of the Illinois Department of Revenue)  
 Compliance Examination  
 Years Ended June 30, 2006 and 2005

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances

	Fiscal Year	
	2006 Public Act 94-0798	2005 Public Act 93-0842
<b>STATE GAMING FUND 129</b>		
Appropriations (Net After Transfers)	\$ 120,050,400	\$ 124,737,919
<u>Expenditures</u>		
Personal Services	4,780,099	4,760,524
Employee Retirement Contributions Paid by Employer	35,155	102,895
State Contributions to State Employees' Retirement System	372,681	763,125
State Contributions to Social Security	187,457	186,545
Group Insurance	909,881	879,635
Contractual Services	549,898	6,794,913
Travel	51,149	54,584
Commodities	9,436	20,761
Printing	3,426	3,916
Equipment	126,120	29,802
Electronic Data Processing	15,475	23,162
Telecommunications Services	220,012	619,813
Operation of Automotive Equipment	58,255	43,062
Lump Sums	7,065,435	-
Refunds	25,000	-
Awards and Grants	104,400,000	102,877,358
Total Expenditures	118,809,479	117,160,095
Lapsed Balances	\$ 1,240,921	\$ 7,577,824

Note: The Board did not have any efficiency initiative payments during FY06.

State of Illinois  
 Illinois Gaming Board  
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 Compliance Examination  
 Years Ended June 30, 2006 and 2005

Statement of Revenues, Expenditures, Other Sources  
 and Uses of Financial Resources and Changes in Fund Balance  
 (Expressed in Thousands)

	State Gaming Fund 129	
	2006	2005
Revenues		
Other Taxes	\$ 800,677	\$ 665,893
Licenses and Fees	849	878
Total Revenues	<u>801,526</u>	<u>666,771</u>
Expenditures		
General Government	125,464	118,114
Capital Outlays	119	-
Total Expenditures	<u>125,583</u>	<u>118,114</u>
Excess of Revenues over Expenditures	675,943	548,657
Other Financing Uses		
Transfers out	<u>(677,120)</u>	<u>(548,012)</u>
Net Change in Fund Balance	(1,177)	645
Fund Balance - July 1	<u>3,833</u>	<u>3,188</u>
Fund Balance - June 30	<u>\$ 2,656</u>	<u>\$ 3,833</u>

State of Illinois  
 Illinois Gaming Board  
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 For the Year Ended June 30, 2006

2005 Calendar Year Summary  
 (Unaudited)

Calendar Year Comparison	2001	2002	2003	2004	2005
Number of Licensees	10	10	10	10	10
Adjusted Gross Receipts (AGR)	\$ 1,783,958,166	\$ 1,831,550,836	\$ 1,709,943,480	\$ 1,717,991,115	\$ 1,798,912,344
Table Games	291,014,759	286,980,831	251,895,773	236,157,413	231,446,105
Electronic Gaming Devices (EGD)	1,492,943,407	1,544,570,005	1,458,047,707	1,481,833,702	1,567,466,239
Admissions	18,808,281	18,821,582	16,597,552	15,331,021	15,323,166
AGR Per Admission	95	97	103	112	117
Total Tax	555,204,313	666,101,823	719,858,219	802,161,018	749,745,417
Wagering Tax	517,587,751	619,255,784	659,882,032	736,786,218	692,806,990
Admissions Tax	37,616,562	46,846,039	59,976,187	65,374,800	56,938,427
State Share	447,228,898	555,702,432	617,797,595	700,930,079	644,462,903
Local Share	107,975,415	110,399,391	102,060,624	101,230,939	105,282,514

State of Illinois  
 Illinois Gaming Board  
 (A Division of the Illinois Department of Revenue)  
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 For the Year Ended June 30, 2006

2005 Calendar Year Statistics  
 (Unaudited)

	Totals		% Change
	2004	2005	
Adjusted Gross Receipts (AGR)	\$ 1,717,991,115	\$ 1,798,912,344	4.71 %
Taxable AGR (includes adjustments)	1,717,114,803	1,799,095,572	4.77 %
Number of Table Games	227	233	2.64 %
Table Drop	1,371,808,376	1,341,783,144	(2.19) %
Table AGR	236,157,413	231,446,105	(1.99) %
AGR/Table/Day	2,842	2,721	(4.26) %
Table Game AGR to Drop %	17.20 %	17.20 %	- %
Number of Electronic Gaming Devices (EGD)	9,908	9,823	(0.86) %
EGD Handle	22,529,277,694	23,262,908,557	3.26 %
EGD AGR	1,481,833,702	1,567,466,239	5.78 %
AGR/EGD/Day	409	437	6.85 %
EGD AGR to Handle %	6.60 %	6.70 %	1.52 %
Admissions	15,331,021	15,323,166	(0.05) %
AGR Per Admission	112.06	117.40	4.77 %
Total Tax	802,161,018	749,745,417	(6.53) %
Wagering Tax	736,786,218	692,806,990	(5.97) %
Admission Tax	65,374,800	56,938,427	(12.90) %
Other Revenues	712,624	1,672,987	134.76 %

State of Illinois  
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2005 Calendar Year Sources of Revenue  
 (Unaudited)

Table Games and Electronic Gaming Devices

Docksite	Total AGR	Table Games	% of Total	Electronic Gaming Devices	% of Total
Alton	\$ 112,885,004	\$ 8,364,645	7.4 %	\$ 104,520,359	92.6 %
East Peoria	132,336,534	14,457,676	10.9	117,878,858	89.1
Rock Island	39,707,550	2,788,080	7.0	36,919,470	93.0
Joliet-Empress	238,197,486	23,752,619	10.0	214,444,867	90.0
Metropolis	145,559,724	19,163,988	13.2	126,395,736	86.8
Joliet-Harrah's	313,441,362	28,759,326	9.2	284,682,036	90.8
Aurora	240,996,416	30,674,267	12.7	210,322,149	87.3
East St. Louis	168,724,765	28,623,726	17.0	140,101,039	83.0
Elgin	407,063,503	74,861,778	18.4	332,201,725	81.6
<b>Total</b>	<b>\$ 1,798,912,344</b>	<b>\$ 231,446,105</b>	<b>12.9 %</b>	<b>\$ 1,567,466,239</b>	<b>87.1 %</b>

State of Illinois  
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Distribution of Gaming Taxes (Unaudited)

Distribution to Local Governments

	2001	2002	2003	2004	2005	% Change 2004 to 2005
Alton	\$ 7,812,735	\$ 7,596,181	\$ 6,915,011	\$ 6,774,624	\$ 7,097,896	4.77 %
East Peoria	8,983,055	9,213,774	8,707,604	8,253,947	8,117,498	(1.65)
Rock Island	2,570,901	2,857,850	2,755,559	2,670,644	2,714,536	1.64
Joliet	33,180,133	32,858,253	29,494,538	28,775,387	31,721,572	10.24
Metropolis	7,416,659	8,451,441	8,163,312	8,469,446	8,413,434	(0.66)
Aurora	13,919,461	16,259,193	14,253,797	12,923,396	13,606,013	5.28
East St. Louis	9,780,703	9,895,991	9,926,617	10,483,145	10,545,446	0.59
Elgin	24,311,768	23,266,708	21,844,186	22,880,350	23,066,119	0.81
<b>Total</b>	<b>\$ 107,975,415</b>	<b>\$ 110,399,391</b>	<b>\$ 102,060,624</b>	<b>\$ 101,230,939</b>	<b>\$ 105,282,514</b>	<b>4.00 %</b>

State Share of Gaming Taxes

Distribution	Admission Tax		Wagering Tax		Total		Local Share of Gaming Taxes			
							Distribution	Admission Tax	Wagering Tax	Total
2004	\$ 49,999,601	\$ 650,930,478	\$ 700,930,079	2004	\$ 15,375,199	\$ 85,855,740	2004	\$ 15,375,199	\$ 85,855,740	\$ 101,230,939
2005	41,615,261	602,847,642	644,462,903	2005	15,323,166	89,959,348	2005	15,323,166	89,959,348	105,282,514
% Change	(16.77) %	(7.39) %	(8.06) %	% Change	(0.34) %	4.78 %	% Change	(0.34) %	4.78 %	4.00 %

State of Illinois  
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 (A Division of the Illinois Department of Revenue)  
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 For the Year Ended June 30, 2006

Summary of Illinois Riverboat Data  
 (Unaudited)

Month	Admission Total	AGR Total	Taxes Collected		Net Proceeds Per Admission
			State	Local	
1993 Total	\$ 10,679,490	\$ 605,684,483	\$ 101,532,162	\$ 40,963,714	\$ 56.71
1994 Total	20,367,119	979,551,111	167,299,786	69,344,675	48.09
1995 Total	24,835,833	1,178,311,827	201,582,607	83,751,424	47.44
1996 Total	25,211,329	1,131,491,531	194,935,058	81,785,907	44.88
1997 Total	24,972,139	1,054,573,793	183,158,208	77,700,830	42.23
1998 Total	24,813,818	1,106,751,600	256,782,080	80,117,488	44.60
1999 Total	21,991,689	1,362,931,231	328,665,137	90,132,196	61.97
2000 Total	19,014,939	1,658,004,361	410,328,901	101,884,222	87.19
2001 Total	18,808,281	1,783,958,166	447,228,898	107,975,415	94.85
2002 Total	18,821,582	1,831,550,836	555,702,432	110,399,391	97.31
2003 Total	16,597,552	1,709,943,480	617,797,595	102,060,624	103.02
Jan	1,219,682	135,264,422	18,354,741	7,978,093	110.90
Feb	1,282,169	142,006,082	30,047,497	8,377,893	110.75
Mar	1,337,850	149,069,917	45,781,732	8,780,413	111.42
Apr	1,253,456	140,251,289	51,483,452	8,281,940	111.89
May	1,308,185	148,394,825	60,403,774	8,736,781	113.44
June	1,226,196	136,563,385	58,780,679	8,040,032	111.37
July	1,422,109	153,409,656	68,152,138	9,067,957	107.87
Aug	1,321,087	143,754,415	68,540,443	8,493,235	108.82
Sept	1,250,307	139,670,475	71,557,956	8,234,294	111.71
Oct	1,289,814	145,696,752	75,591,636	8,579,608	112.96
Nov	1,180,334	137,111,795	71,103,399	8,037,884	116.16
Dec	1,239,832	146,798,102	81,132,632	8,622,809	118.40
2004 Total	15,331,021	1,717,991,115	700,930,079	101,230,939	112.06
Jan	1,166,040	139,686,137	18,566,116	8,148,499	119.80
Feb	1,239,665	144,218,457	31,418,075	8,463,690	116.34
Mar	1,297,173	152,317,392	47,043,714	8,903,506	117.42
Apr	1,277,484	152,157,844	56,308,887	8,878,766	119.11
May	1,297,119	153,759,183	63,247,549	8,994,820	118.54
June	1,237,693	144,415,180	62,353,536	8,452,290	116.68
July	1,435,268	161,274,893	58,750,672	9,498,054	112.37
Aug	1,331,916	152,922,183	58,901,346	8,993,115	114.81
Sept	1,257,047	147,814,503	59,144,516	8,643,263	117.59
Oct	1,288,198	149,079,977	60,423,679	8,738,901	115.73
Nov	1,251,381	148,987,831	62,861,188	8,701,194	119.06
Dec	1,244,182	152,278,764	65,443,625	8,866,416	122.39
2005 Total	15,323,166	1,798,912,344	644,462,903	105,282,514	117.40

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**Agency Functions and Planning Program**

The Illinois Gaming Board (Board) administers, enforces and regulates the systems of riverboat gambling authorized by the Riverboat Gambling Act (230 ILCS 10/1).

The Board consists of a Chairperson and four other Board members who are appointed by the Governor with the advice and consent of the Illinois Senate.

The Board meets no less than quarterly, convening special meetings when necessary. In addition, an administrator assists in managing the Board's affairs. Offices are located in Springfield and Chicago, Illinois.

The Agency is organized functionally into the following program areas:

**Audit and Financial Analysis** - Reviews all financial aspects of owner and supplier applications. Performs annual audits on various aspects of owner operations. Creates, reviews and ensures compliance with internal controls and financial reporting requirements. Coordinates activities and reviews reports from independent financial auditors and owner internal auditors.

**Enforcement** - Monitors the integrity of the riverboat gambling operations through staff assigned to be present whenever gambling is conducted.

**Finance and Administration** - Collects, deposits and transfers, as required by law, all riverboat gambling taxes and fees, fines and penalties; develops and distributes reports; and coordinates support services, including annual budget process, accounting, personnel and data processing.

**Investigations** - In order to ensure the integrity of the riverboat industry in Illinois, investigations staff conduct background investigations on all owners and key persons of riverboat operations and suppliers, as well as occupational licensees.

**Legal** - Provides general and specific legal advice to Board members and staff on implementation of the Riverboat Gambling Act; drafts legislation, policies and rules; consults with outside attorneys, the public, and the media on legal issues; and represents the Board in hearings and other legal proceedings.

Other functions reporting to the Administrator include Public Information, Legislative Services and Affirmative Action.

**Auditor's Assessment**

The Board's planning process has been found to be adequate to satisfy statutory responsibilities.

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Average Number of Employees and Board Members' Salaries (Unaudited)

Average Number of Employees:

	<u>FY2006</u>	<u>FY2005</u>
Administrative	7	6
Audit and Financial Analysis	8	11
Enforcement	35	32
Investigations	8	8
Finance and Administration	9	9
Legal	5	5
Total	<u>72*</u>	<u>71*</u>

\* Note: These totals do not include Illinois State Police assigned to the Illinois Gaming Board.

**Board Members' Salaries:**

The Chairman and Board Members are compensated at the rate of \$300 per day of each meeting plus travel expenses. The annual salary for the Administrator during his term is as follows:

Mark Ostrowski	\$133,104
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