

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, 2005
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, 2005

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Board Officials

Chairman (March 21, 2005 to present)	Judge Aaron Jaffe
Chairman (July 1, 2004 to August 27, 2004)	Elzie Higginbottom
Board Member (March 21, 2005 to present)	Charles Gardner
Board Member (March 21, 2005 to present)	Rev. Eugene Winkler
Board Member (July 1, 2004 to June 30, 2005)	Gary L. Peterlin
Board Member (July 1, 2004 to June 30, 2005)	William E. Dugan
Board Member (July 1, 2004 to August 27, 2004)	Violet M. Clark
Interim Administrator	Jeannette P. Tamayo

Agency offices are located at:

101 West Jefferson
Springfield, Illinois 62794

160 N. LaSalle, Suite 300
Chicago, Illinois 60601

ILLINOIS GAMING BOARD



160 North LaSalle Street, Suite 300, Chicago, Illinois 60601 Tel:312/814-4700 Fax:312/814-4602

January 10, 2006

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

Ladies and Gentlemen:

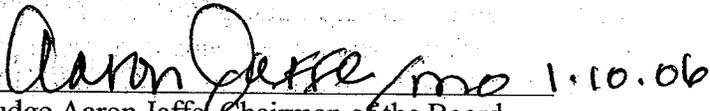
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the State of Illinois, Illinois Gaming Board (a division of the Illinois Department of Revenue). We are responsible for and 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, 2005. Based on this evaluation, we assert that during the year ended June 30, 2005, 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.

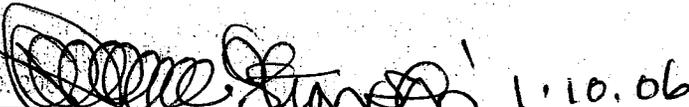
- E. The money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Respectfully,

State of Illinois, Illinois Gaming Board



Judge Aaron Jaffe, Chairman of the Board



Mark Ostrowski, Administrator



Michael Fries, Chief Legal Counsel

State of Illinois
Illinois Gaming Board
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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, 2005. 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, 2005. 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, 2005, which collectively comprise the Department's basic financial statements, and have issued our report, under separate cover, thereon dated December 19, 2005. 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 2005 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, 2005, 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, 2004. In our report dated December 1, 2004, 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 2004 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, 2004, 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
December 19, 2005

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, 2005, which collectively comprise the Department's basic financial statements and have issued our report thereon dated December 19, 2005. 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
December 19, 2005

State of Illinois
Illinois Gaming Board
(A Division of the Illinois Department of Revenue)
Compliance Examination
For the Year Ended June 30, 2005

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
- Schedule of Efficiency Initiative Payments
- Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balance
- 2004 Calendar Year Summary (Unaudited)
- 2004 Calendar Year Statistics (Unaudited)
- 2004 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, 2005

Schedule of Appropriations, Expenditures and Lapsed Balances
 Appropriations for the Year Ended June 30, 2005

P.A. 93-0842	Appropriation (Net After Transfers)	Expenditures Through 06/30/05	Lapse Period Expenditures 07/01/05 to 08/31/05	Total Expenditures	Balances Lapsed
STATE GAMING FUND - 129					
Personal Services	\$ 4,935,000	\$ 4,547,406	\$ 213,118	\$ 4,760,524	\$ 174,476
Employee Retirement Contributions Paid by Employer	148,100	99,336	3,559	102,895	45,205
State Contributions to State Employees' Retirement System	794,800	737,226	25,899	763,125	31,675
State Contributions to Social Security	223,650	178,296	8,249	186,545	37,105
Group Insurance	923,000	843,011	36,624	879,635	43,365
Contractual Services	6,831,469	4,718,192	2,076,721	6,794,913	36,556
Travel	59,900	52,998	1,586	54,584	5,316
Commodities	23,000	19,388	1,373	20,761	2,239
Printing	6,500	3,916	-	3,916	2,584
Equipment	35,000	27,703	2,099	29,802	5,198
Electronic Data Processing	28,900	17,005	6,157	23,162	5,738
Telecommunications Services	624,400	312,833	306,980	619,813	4,587
Operation of Automotive Equipment	54,200	37,546	5,516	43,062	11,138
Refunds	50,000	-	-	-	50,000
Awards and Grants Distribution to Local Governments for Admission and Wagering	110,000,000	91,848,073	11,029,285	102,877,358	7,122,642
Total	\$ 124,737,919	\$ 103,442,929	\$ 13,717,166	\$ 117,160,095	\$ 7,577,824

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, 2005 and 2004

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances

	Fiscal Year	
	2005 Public Act 93-0842	2004 Public Act 93-0091
STATE GAMING FUND 129		
Appropriations (Net After Transfers)	\$ 124,737,919	\$ 124,364,640
<u>Expenditures</u>		
Personal Services	4,760,524	5,016,398
Employee Retirement Contributions Paid by Employer	102,895	126,579
State Contributions to State Employees' Retirement System	763,125	674,443
State Contributions to Social Security	186,545	205,496
Group Insurance	879,635	720,379
Contractual Services	6,794,913	6,386,236
Travel	54,584	45,210
Commodities	20,761	14,427
Printing	3,916	5,235
Equipment	29,802	13,183
Electronic Data Processing	23,162	75,763
Telecommunications Services	619,813	349,400
Operation of Automotive Equipment	43,062	51,915
Refunds	-	-
Awards and Grants	102,877,358	98,558,912
Total Expenditures	117,160,095	112,243,576
Lapsed Balances	\$ 7,577,824	\$ 12,121,064

Note: The Board did not have any efficiency initiative payments during FY04.

State of Illinois
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Schedule of Efficiency Initiative Payments
For the Year Ended June 30, 2005

<u>Procurement Efficiency Initiative</u>	<u>Amount</u>
Telecommunications Services	
ATT 6J Credits	\$ 141
LD Voice	2,075
PVC Rates	133
	<hr/>
Total Procurement Efficiency Initiatives Payments	\$ 2,349
	<hr/>
Total Efficiency Initiative Payments	\$ 2,349
	<hr/> <hr/>

Note: This schedule includes only those payments made pursuant to 30 ILCS 105/6p-5. Amounts were obtained from the Illinois Department of Revenue and reconciled to information from the Office of the Comptroller.

State of Illinois
 Illinois Gaming Board
 (A Division of the Illinois Department of Revenue)
 Compliance Examination
 Years Ended June 30, 2005 and 2004

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

	State Gaming Fund 129	
	2005	2004
Revenues		
Other Taxes	\$ 665,893	\$ 632,019
Licenses and Fees	878	837
Total Revenues	<u>666,771</u>	<u>632,856</u>
Expenditures		
General Government	118,114	113,255
Capital Outlays	-	13
Total Expenditures	<u>118,114</u>	<u>113,268</u>
Excess of Revenues over Expenditures	548,657	519,588
Other Financing Uses		
Transfers out	<u>(548,012)</u>	<u>(520,693)</u>
Net Change in Fund Balance	645	(1,105)
Fund Balance - July 1	<u>3,188</u>	<u>4,293</u>
Fund Balance - June 30	<u>\$ 3,833</u>	<u>\$ 3,188</u>

State of Illinois
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 (A Division of the Illinois Department of Revenue)
 Compliance Examination
 For the Year Ended June 30, 2005

2004 Calendar Year Summary
 (Unaudited)

Calendar Year Comparison	2000	2001	2002	2003	2004
Number of Licensees	9	10	10	10	10
Adjusted Gross Receipts (AGR)	\$ 1,658,004,361	\$ 1,783,958,166	\$ 1,831,550,836	\$ 1,709,943,480	\$ 1,717,991,115
Table Games	308,794,704	291,014,759	286,980,831	251,895,773	236,157,413
Electronic Gaming Devices (EGD)	1,349,209,657	1,492,943,407	1,544,570,005	1,458,047,707	1,481,833,702
Admissions	19,014,939	18,808,281	18,821,582	16,597,552	15,331,021
AGR Per Admission	87	95	97	103	112
Total Tax	512,213,123	555,204,313	666,101,823	719,858,219	802,161,018
Wagering Tax	474,183,245	517,587,751	619,255,784	659,882,032	736,786,218
Admissions Tax	38,029,878	37,616,562	46,846,039	59,976,187	65,374,800
State Share	410,328,901	447,228,898	555,702,432	617,797,595	700,930,079
Local Share	101,884,222	107,975,415	110,399,391	102,060,624	101,230,939

State of Illinois
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2004 Calendar Year Statistics
 (Unaudited)

	Totals		% Change
	2003	2004	
Adjusted Gross Receipts (AGR)	\$ 1,709,943,480	\$ 1,717,991,115	0.47 %
Number of Table Games	258	227	(12.02) %
Table Drop	1,462,777,125	1,371,808,376	(6.22) %
Table AGR	251,895,773	236,157,413	(6.25) %
AGR/Table/Day	2,675	2,842	6.24 %
Table Game AGR to Drop %	17.20 %	17.20 %	- %
Number of Electronic Gaming Devices (EGD)	9,766	9,908	1.45 %
EGD Handle	22,477,279,764	22,529,277,694	0.23 %
EGD AGR	1,548,047,707	1,481,833,702	(4.28) %
AGR/EGD/Day	409	409	- %
EGD AGR to Handle %	6.50 %	6.60 %	1.54 %
Admissions	16,597,552	15,331,021	(7.63) %
AGR Per Admission	103.02	112.06	8.77 %
Total Tax	719,858,219	802,161,018	11.43 %
Wagering Tax	659,882,032	736,786,218	11.65 %
Admission Tax	59,976,187	65,374,800	9.00 %
Other Revenues	4,313,118	712,624	(83.48) %

State of Illinois
 Illinois Gaming Board
 (A Division of the Illinois Department of Revenue)
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2004 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	\$ 107,331,901	\$ 8,274,991	7.7 %	\$ 99,056,910	92.3 %
East Peoria	132,641,251	13,988,308	10.5	118,652,943	89.5
Rock Island	38,352,573	2,484,875	6.5	35,867,698	93.5
Joliet-Empress	228,128,269	25,146,088	11.0	202,982,181	89.0
Metropolis	142,926,025	18,140,243	12.7	124,785,782	87.3
Joliet-Harrah's	272,333,009	27,026,669	9.9	245,306,340	90.1
Aurora	229,541,358	31,454,826	13.7	198,086,532	86.3
East St. Louis	166,262,134	28,247,780	17.0	138,014,354	83.0
Elgin	400,474,595	81,393,633	20.3	319,080,962	79.7
Total	\$ 1,717,991,115	\$ 236,157,413	13.7 %	\$ 1,481,833,702	86.3 %

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Distribution of Gaming Taxes (Unaudited)

Distribution to Local Governments

	2000	2001	2002	2003	2004	% Change 2003 to 2004
Alton	\$ 7,310,265	\$ 7,812,735	\$ 7,596,181	\$ 6,915,011	\$ 6,774,624	(2.03) %
East Peoria	8,315,116	8,983,055	9,213,774	8,707,604	8,253,947	(5.21)
Rock Island	2,310,468	2,570,901	2,857,850	2,755,559	2,670,644	(3.08)
Joliet	30,741,760	33,180,133	32,858,253	29,494,538	28,775,387	(2.44)
Metropolis	6,813,975	7,416,659	8,451,441	8,163,312	8,469,446	3.75
Aurora	13,530,798	13,919,461	16,259,193	14,253,797	12,923,396	(9.33)
East St. Louis	9,954,810	9,780,703	9,895,991	9,926,617	10,483,145	5.61
Elgin	22,907,030	24,311,768	23,266,708	21,844,186	22,880,350	4.74
Total	\$ 101,884,222	\$ 107,975,415	\$ 110,399,391	\$ 102,060,624	\$ 101,230,939	(0.81) %

State Share of Gaming Taxes

Local Share of Gaming Taxes

Distribution	Admission Tax	Wagering Tax	Total	Distribution	Admission Tax	Wagering Tax	Total
2003	\$ 43,378,635	\$ 574,418,960	\$ 617,797,595	2003	\$ 16,597,552	\$ 85,463,072	\$ 102,060,624
2004	49,999,601	650,930,478	700,930,079	2004	15,375,199	85,855,740	101,230,939
% Change	15.26 %	13.32 %	13.46 %	% Change	(7.36) %	0.46 %	(0.81) %

State of Illinois
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Summary of Illinois River Boat 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
Jan	1,428,931	145,531,164	17,866,704	8,695,327	101.85
Feb	1,423,268	142,024,356	24,152,633	8,524,163	99.79
Mar	1,601,309	161,617,512	35,838,199	9,681,986	100.93
Apr	1,478,863	147,400,222	39,025,320	8,843,990	99.67
May	1,604,989	160,109,332	47,885,333	9,623,385	99.76
June	1,513,408	147,291,856	48,170,308	8,850,996	97.32
July	1,436,338	143,587,839	64,255,329	8,617,438	99.97
Aug	1,350,443	140,376,843	64,709,695	8,356,454	103.95
Sept	1,176,528	126,967,853	65,412,957	7,533,703	107.92
Oct	1,208,269	132,403,193	68,847,958	7,816,177	109.58
Nov	1,197,778	132,520,272	69,295,011	7,828,018	110.64
Dec	1,177,428	130,113,038	72,338,148	7,688,987	110.51
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

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.

State of Illinois
 Illinois Gaming Board
 (A Division of the Illinois Department of Revenue)
 Compliance Examination
 For the Year Ended June 30, 2005

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

Average Number of Employees:

	FY2005	FY2004
Administrative	6	8
Audit and Financial Analysis	11	11
Enforcement	32	27
Investigations	8	8
Finance and Administration	9	9
Legal	5	5
Total	<u>71*</u>	<u>68*</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 her term is as follows:

Jeannette P. Tamayo (Interim)	\$107,280
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