

# McGladrey & Pullen

Certified Public Accountants

## State of Illinois Illinois Department of Agriculture DuQuoin State Fair

Compliance Examination  
For the Two Years Ended September 30, 2007

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

State of Illinois  
Illinois Department of Agriculture  
DuQuoin State Fair

Compliance Examination  
For the Two Years Ended September 30, 2007

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AGENCY OFFICIALS

Director	Mr. Charles A. Hartke
Assistant Director	Mr. Tom Jennings
Fiscal Officer	Ms. Laura Lanterman
General Counsel	Ms. Margaret Vandijk
Fair Manager	Mr. John Rednour, Jr.

Agency offices are located at:

P.O. Box 19281  
State Fairgrounds  
Springfield, IL 62794-9281

Rt. 2, Box 306  
DuQuoin, Illinois 62832

Rod R. Blagojevich, Governor  
Thomas E. Jennings, Acting Director  
John Rednour, Jr., Manager



655 Executive Drive, DuQuoin, IL 62832  
Phone: 618/542-1515 Fax: 618/542-1541

May 15, 2008

McGladrey & Pullen, LLP  
Certified Public Accountants  
20 North Martingale Road, Suite 500  
Schaumburg, Illinois 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Illinois Department of Agriculture, DuQuoin State Fair (DSF). 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 Department's compliance with the following assertions during the two-year period ended September 30, 2007. Based on this evaluation, we assert that during the years ended September 30, 2007 and September 30, 2006, the DSF has materially complied with the assertions below.

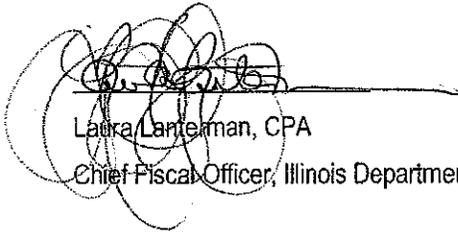
- A. DSF has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. DSF has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. DSF 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 DSF 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 DSF on behalf of the State or held in trust by DSF have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

A handwritten signature in black ink, appearing to read "John Rednour", written over a horizontal line.

John Rednour

Director, DuQuoin State Fair

A handwritten signature in black ink, appearing to read "Laura Lanterman", written over a horizontal line. The signature is heavily scribbled over with circular loops.

Laura Lanterman, CPA

Chief Fiscal Officer, Illinois Department of Agriculture

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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.

Accountants' Reports

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>Compliance Report</u>	<u>Prior Compliance Report</u>
Findings	0	8
Repeated findings	0	2
Prior recommendations implemented or not repeated	8	2

Details of findings are presented in a separately tabbed report section.

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
07-1	9	Inadequate Supervision of Fair Parking
07-2	9	Vendors did not Provide Proof of Insurance
07-3	9	Inadequate Control of Camping Revenues and Permits
07-4	9	Improper Processing of Competitive Event Entries
07-5	10	Incomplete Documentation for Processing Non-Paid Credentials Requests
07-6	10	Pari-Mutuel Wagering Reports Were Not Reviewed
07-7	10	Inadequate Segregation of Duties
07-8	10	Improper Completion, Untimely Processing and Inadequate Monitoring of Contracts

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## COMPLIANCE REPORT

### Exit Conference

DuQuoin State Fair officials waived the exit conference in correspondence dated March 28, 2008.

Responses to the recommendations were provided by Ms. Laura Lanterman, Chief Fiscal Officer, in a letter dated April 15, 2008.

# 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 State of Illinois, Illinois Department of Agriculture, DuQuoin State Fair's (DSF) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended September 30, 2007. The management of DSF is responsible for compliance with these requirements. Our responsibility is to express an opinion on DSF's compliance based on our examination.

- A. DSF 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. DSF 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. DSF 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 DSF 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 DSF on behalf of the State or held in trust by DSF have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

We conducted our examination 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 DSF's compliance with those requirements listed in the first paragraph of this report 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 DSF's compliance with specified requirements.

In our opinion, DSF complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended September 30, 2007.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

### **Internal Control**

The management of DSF is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered DSF's internal control over compliance with the requirements listed in the first paragraph of this report 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, but not for the purpose of expressing an opinion on the effectiveness of DSF's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of DSF's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance with the requirements listed in the first paragraph of this report was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

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

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. 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. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2007, 2006 and 2005 Supplementary Information for State Compliance Purposes, except for Miscellaneous Operating Statistics on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

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

*McGladrey & Pullen, LLP*

Schaumburg, Illinois  
May 15, 2008

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Prior Findings Not Repeated - State

**07-1 Finding: Inadequate Supervision of Fair Parking**

During the prior examination period, the DuQuoin State Fair (DSF) parking supervisors did not adequately supervise parking on the fairgrounds. (Finding Code No. 05-1, 03-2)

During 2006 and 2007, sample testing indicated DSF officials implemented control procedures for authorized parking. No exceptions were noted.

**07-2 Finding - Vendors did not Provide Proof of Insurance**

During the prior examination period, the DuQuoin State Fair (DSF) did not obtain proof of insurance from vendors as required by their contracts. (Finding Code No. 05-2, 03-4)

During the current examination period, our sample testing indicated the DSF kept a copy of vendor insurance on file for the 2007 fair. For the results of our testing for the 2006 fair, see Finding IM07-1 in the Report of Immaterial Findings.

**07-3 Finding - Inadequate Control of Camping Revenues and Permits**

During the prior examination period, the DuQuoin State Fair (DSF) did not maintain adequate controls over camping revenues and permits at the fair. (Finding Code No. 05-3)

During the current examination period, we noted improvements in controls over camping revenues and permits. During our sample testing of the 2007 fair, we noted no exceptions. For the results of our testing for the 2006 fair, see Finding IM07-2 in the Report of Immaterial Findings.

**07-4 Finding – Improper Processing of Competitive Event Entries**

During the prior examination period, the DuQuoin State Fair (DSF) did not properly process competitive event entries. (Finding Code No. 05-4)

During the current examination period, we noted a significant improvement in the processing of competitive event entries. Our sample testing of the 2007 fair indicated the incidences of noncompliance were significantly less than had been reported during the prior examination period. For the results of our testing for the 2006 and 2007 fairs see Finding IM07-3 in the Report of Immaterial Findings.

Prior Findings Not Repeated – State (Continued)

**07-5 Finding - Incomplete Documentation for Processing Non-Paid Credentials Requests**

During the prior examination period, auditors noted that DuQuoin State Fair (DSF) officials did not require proper completion of non-paid credentials requests. During sample testing of request forms, we noted that forms were incomplete or not signed. (Finding Code No. 05-5)

During the current examination period, we noted DSF improved its controls over non-paid credentials. Our sample testing indicated that DSF maintained complete request forms for the 2007 fair. For the results of our testing for the 2006 fair see Finding IM07-4 in the Report of Immaterial Findings.

**07-6 Finding – Pari-Mutuel Wagering Reports Were Not Reviewed**

During the prior examination period, the DuQuoin State Fair (DSF) did not review pari-mutuel wagering reports. (Finding Code No. 05-6).

During the 2006 and 2007 fairs, the Fair Manager and Controller reviewed the pari-mutuel wagering reports for reasonableness in relation to the contract. We discussed with DSF officials the results of their review of the pari-mutuel wagering reports.

**07-7 Finding – Inadequate Segregation of Duties**

During the prior examination period, the DuQuoin State Fair (DSF) did not maintain an adequate segregation of duties over parking ticket revenue. DSF had one employee in charge of maintaining accounting records at the same time as having access to cash. (Finding Code No. 05-7).

During the 2006 and 2007 fairs, we noted that different employees performed the cash reconciliation and cash deposit functions.

**07-8 Finding – Improper Completion, Untimely Processing and Inadequate Monitoring of Contracts**

During the prior examination period, the DuQuoin State Fair (DSF) did not timely process, complete or monitor contracts. During our sample testing in the prior examination period, we noted that for 10 contracts in 2005 and 9 contracts in 2004 DSF did not file the contractual obligation documents (CODs) within 30 days of executing the contracts. The CODs were filed from 10 to 179 days late. (Finding Code No. 05-8)

During the 2006 and 2007 fairs, our sample testing indicated DSF improved its timely filing of CODs.

## 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:
  - Comparative Schedule of Revenues and Expenditures
  - Notes to Comparative Schedule of Revenues and Expenditures
  - Analytical Review of Revenues and Expenditures
  - Reconciliation Schedule of State Fair Revenues to Deposits Remitted to the Comptroller
  - Detail Schedule of Revenues
  - Pari-mutuel Wagering Receipts and Expenditures
  - Grandstand Shows Revenues and Expenditures
  - Competitive Events Revenues and Expenditures
  
- Analysis of Operations:
  - Division Functions and Planning Program
  - Number of Employees
  - Miscellaneous Operating Statistics (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Miscellaneous Operating Statistics on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

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COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES  
 For the Years Ended September 30, 2007, 2006, and 2005

	2007	2006	2005
Revenues:			
Tickets	\$ 552,580	\$ 562,249	\$ 563,774
Space Rental	574,212	564,438	525,240
Entry	26,442	34,767	26,114
Sponsorship	-	12,700	24,700
Miscellaneous	-	-	989
Total Revenues	<u>1,153,234</u>	<u>1,174,154</u>	<u>1,140,817</u>
Expenditures:			
Personal Services	359,778	381,907	232,663
Employee Retirement - State Paid	-	-	331
Contractual Payroll Employees	-	15,755	12,126
Contributions - Employee Retirement System	56,270	39,165	19,694
Contributions - Social Security	27,422	30,478	18,671
Contractual Services	513,139	548,750	449,539
Travel	2,365	2,343	1,000
Commodities	20,953	20,816	12,031
Printing	10,284	6,664	8,575
Equipment	172	540	1,473
Telecommunications	38,349	30,581	15,313
Operation of Automotive Equipment	-	-	800
Fair Entertainment	428,399	442,000	460,399
Permanent Improvements	-	-	6,707
Awards and Premiums	126,679	120,872	144,430
Harness Racing	27,244	27,832	28,910
Financial Assistance	442,687	446,345	459,308
Total Expenditures	<u>2,053,741</u>	<u>2,114,048</u>	<u>1,871,970</u>
Deficiency of Revenues under Expenditures	<u>\$ (900,507)</u>	<u>\$ (939,894)</u>	<u>\$ (731,153)</u>

See notes to comparative schedule of revenues and expenditures.

## NOTES TO COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES

### 1. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES:

The accompanying comparative schedule of revenues and expenditures (Schedule) presents activity directly related to the operations of the DuQuoin State Fair (DSF). It includes activity in the Agricultural Premium Fund – 045 and the General Revenue Fund - 001.

Revenues and expenditures are based on a fair year, October 1 to September 30, and contain activity for more than one State fiscal year. For example, revenues and expenditures for 2006 are for the fair held in August 2006, but consist of activity from the State fiscal years 2006 and 2007.

Revenues consist of fair related receipts deposited with the State Comptroller from October 1 to September 30 plus accrued receivables at September 30 of the current year less accrued receivables after September 30 of the prior year related to the prior year's fair.

Expenditures consist of fair related expenditures from October 1 through September 30 plus accrued expenditures after September 30 of the current year related to the current year's fair less accrued expenditures after September 30 of the prior year related to the prior year's fair.

The Schedule does not include all Department of Agriculture (Department) expenses related to fair activity (i.e., Department Officials' payroll expenses for work pertaining to the fairs, administrative overhead expenses relating to the fairs incurred by divisions other than the Division of Fairs and Horseracing, and capital improvements made to the Fairgrounds from appropriations to the Department of Agriculture and the Capital Development Board) due to management's difficulty of ascertaining estimating and allocating these expenses.

Revenues and expenditures for non-fair activities held at the DuQuoin State Fairgrounds are not included in the comparative schedule. See Note 3.

Receipts and expenditures relating to pari-mutuel wagering are presented separately and are not included in the Schedule.

### 2. FISCAL SCHEDULES AND ANALYSIS OF OTHER SPECIAL REVENUE FUNDS:

The fiscal schedules and analysis of other special revenue funds, including the Illinois Standardbred Breeders Fund - 708 and the Illinois Thoroughbred Breeders Fund - 709, relating to the DuQuoin State Fair are not included in this report. The fiscal schedules and analysis of these funds are included in the compliance examination of the Department of Agriculture.

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NOTES TO COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES (Continued)

3. NON-FAIR REVENUES AND EXPENDITURES:

Non-fair expenditures from the Agricultural Premium Fund for each June 30 fiscal year are limited to non-fair revenues for the preceding fiscal year ended June 30 plus any unspent balances for preceding periods, not exceeding the amount appropriated. Non-fair revenues and expenditures from the Agricultural Premium Fund for fiscal years ended September 30 were as follows:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues	\$ 568,196	\$ 501,714	\$ 388,595
Expenditures	<u>448,520</u>	<u>471,414</u>	<u>385,866</u>
Excess of Revenues over Expenditures	<u>\$ 119,676</u>	<u>\$ 30,300</u>	<u>\$ 2,729</u>

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**ANALYTICAL REVIEW OF REVENUE AND EXPENDITURES**  
For the Years Ended September 30, 2007, 2006, and 2005

The scope of the analytical review explains any increase or decrease of revenue or expenditure items which vary by 20% or more and that are also \$15,000 more or less than the prior year.

Revenues:

There were no significant changes in revenues during the examination period.

Expenditures:

Personal services increased from 2005 to 2006 by \$149,244 due to the addition of personnel and an increase in employee wages.

Contributions to the Employee Retirement System increased by \$19,471 from 2005 to 2006 and increased by \$17,105 from 2006 to 2007 due to an increase in the contribution rate set by the State as follows: 7.792% in 2006, 11.525% in 2007 and 16.561% in 2008.

Contractual payroll costs decreased from 2006 to 2007 by \$15,755 due to no contractual employees paid out of this account.

Contractual services costs increased from 2005 to 2006 by \$99,211 due to payment to grandstand entertainers as a result of a decreased appropriation in the entertainment line.

Telecommunication costs increased from 2005 to 2006 by \$15,268 due to timing issues of reporting on fair year basis that crosses two State fiscal years.

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RECONCILIATION SCHEDULE OF STATE FAIR REVENUES  
TO DEPOSITS REMITTED TO THE COMPTROLLER

Total 2007 DuQuoin State Fair Revenues	\$1,153,234
Add:	
Deposits in transit, beginning of period	1,635
Accounts receivable, beginning of period	16,551
	<u>18,186</u>
Deduct:	
Deposits in transit, end of period	53,521
Accounts receivable, end of period	4,210
	<u>57,731</u>
Cash Receipts per Comptroller	<u>\$1,113,689</u>
Total 2006 DuQuoin State Fair Revenues	\$1,174,154
Add:	
Deposits in transit, beginning of period	22,255
Accounts receivable, beginning of period	6,051
	<u>28,306</u>
Deduct:	
Deposits in transit, end of period	1,635
Accounts receivable, end of period	16,551
	<u>18,186</u>
Cash Receipts per Comptroller	<u>\$1,184,274</u>

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DETAIL SCHEDULE OF REVENUES  
 For the Years Ended September 30, 2007, 2006, and 2005

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Ticket Revenues:			
Parking Admissions	\$ 230,800	\$ 239,807	\$ 212,178
Grandstand Shows	255,145	254,683	296,566
Camping	66,635	67,759	55,030
Totals	<u>\$ 552,580</u>	<u>\$ 562,249</u>	<u>\$ 563,774</u>
Space Rental Revenues:			
Fees and Commissions from Exhibits, Concessions, and Other Contractors	\$ 324,372	\$ 301,346	\$ 295,583
Carnival	219,055	230,601	201,642
Beer Concessions	30,785	32,491	28,015
Totals	<u>\$ 574,212</u>	<u>\$ 564,438</u>	<u>\$ 525,240</u>
Entry Revenues:			
Regular Entry	<u>\$ 26,442</u>	<u>\$ 34,767</u>	<u>\$ 26,114</u>
Sponsorship Revenues:			
Sponsorship	<u>\$ -</u>	<u>\$ 12,700</u>	<u>\$ 24,700</u>
Miscellaneous Revenues:			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 989</u>

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PARI-MUTUEL WAGERING RECEIPTS AND EXPENDITURES  
 For the Years Ended September 30, 2007, 2006, and 2005

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Receipts (Net Commissions)	\$ 124,992	\$ 124,395	\$ 104,954
Expenditures	<u>(201,723)</u>	<u>(196,436)</u>	<u>(187,980)</u>
Deficiency of Receipts under Expenditures	<u>\$ (76,731)</u>	<u>\$ (72,041)</u>	<u>\$ (83,026)</u>

Note: The DuQuoin State Fair contracted with Maywood Park Trotting Association in 2007, 2006, and 2005 to conduct the pari-mutuel wagering operations at the DuQuoin State Fair. Maywood collected receipts and paid expenditures associated with pari-mutuel wagering in 2007, 2006, and 2005. The DuQuoin State Fair paid Maywood \$76,731, \$72,041, and \$83,026 for losses on the 2007, 2006, and 2005 contracts, respectively.

Receipts (net commissions) are a function of the total on-track wagering (handle) less returns to bettors and privilege tax. Expenditures represent costs paid by the contractor associated with pari-mutuel wagering.

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GRANDSTAND SHOWS REVENUES AND EXPENDITURES  
 For the Years Ended September 30, 2007, 2006, and 2005

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues:			
Ticket Sales	\$ 255,145	\$ 254,683	\$ 296,566
Expenditures:			
Entertainment	224,585	286,940	223,000
Sound and Light	51,300	31,750	31,750
Stagehands	47,000	58,700	58,000
Catering	7,892	5,695	5,759
Booking Agent	11,700	12,950	14,750
Total Expenditures	<u>342,477</u>	<u>396,035</u>	<u>333,259</u>
Deficiency of Revenues under Expenditures	<u>\$ (87,332)</u>	<u>\$ (141,352)</u>	<u>\$ (36,693)</u>

The above represents direct revenues and expenditures related to the grandstand shows.

This schedule does not include other indirect revenues and expenditures relating to grandstand shows, including but not limited to the following:

- Concessions
- Parking
- Facility costs and overhead
- Fair personnel costs related to Grandstand Ticket Sales, booking and maintenance, and overhead.

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COMPETITIVE EVENTS REVENUES AND EXPENDITURES  
 For the Years Ended September 30, 2007, 2006, and 2005

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues:			
Entry Fees	\$ 26,442	\$ 34,767	\$ 26,114
Expenditures:			
Tents	22,950	22,950	11,660
Contractual Services	24,914	24,900	24,708
Awards and Premiums	110,730	111,852	118,410
Total Expenditures	<u>158,594</u>	<u>159,702</u>	<u>154,778</u>
Deficiency of Revenues under Expenditures	<u>\$ (132,152)</u>	<u>\$ (124,935)</u>	<u>\$ (128,664)</u>

The above represents direct revenues and expenditures related to competitive events held during the 2007, 2006, and 2005 DuQuoin State Fairs. Entry fees include fees directly related to the Fair and do not include entry fees for special events.

This schedule does not include other indirect revenues and expenditures relating to competitive events including but not limited to the following:

- Concessions
- Parking
- Facility costs and overhead
- Fair personnel costs related to competitive events, maintenance, and overhead

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**DIVISION FUNCTIONS AND PLANNING PROGRAM**

GENERAL

The DuQuoin State Fair is an operating entity of the Department of Agriculture, located at the State Fairgrounds, P.O. Box 19281, Springfield, Illinois 62794-9281. The Director of the Department of Agriculture is Charles Hartke. The fair is held to promote agriculture and the agriculture industry, and to provide for exhibits and activities in the fields of industry, education, arts and crafts, labor, entertainment and other areas of interest to the people of Southern Illinois. The Department of Agriculture is responsible for developing long-range operational and building use programs.

The State Fair Act establishes the legal responsibility of the Department of Agriculture. The Department of Agriculture establishes the rules and policies governing the operations of the DuQuoin State Fair. These rules and policies were adopted by the DuQuoin State Fair.

The DuQuoin State Fair is composed of three functional areas through which the above objectives can be achieved:

- Office of the DuQuoin State Fair Manager
- Space Rental
- Competitive Events

Operation of the fair is financed through appropriations approved by the General Assembly and funded from the General Revenue Fund and the Agricultural Premium Fund. A description of each functional area follows:

Office of the DuQuoin State Fair Manager - The State Fair Manager provides centralized management for the DuQuoin State Fair and is primarily responsible for its adherence to the provisions of the DuQuoin State Fair Act. The manager promotes the utilization of fairground facilities throughout the year and develops a plan for the operation of the fair. The manager also plans and provides general management responsibilities to all horse-related events and is responsible for promoting, soliciting, scheduling and coordinating all programs for the usage of buildings and grounds. Other duties include general responsibility for the initiating, drafting and executing of all fair contracts, enforcing Administrative Rules and Regulations and developing policy and procedures for the issuance of non-paid credentials. The DuQuoin State Fair Manager is John Rednour.

#### **DIVISION FUNCTIONS AND PLANNING PROGRAM (Continued)**

Space Rental - The Space Rental Manager assists in evaluating, developing, revising, and implementing policies and procedures associated with the operation of the DuQuoin State Fair concessions, commercial exhibits, etc. The Space Rental Department is directly charged with the responsibility of collecting and receiving all rental funds and maintaining adequate records of rental activity.

Competitive Events - The Competitive Events Manager directs, develops, and coordinates a program of events for the fair, and maintains the necessary records for competitive events administration. Prior to the fair, the Competitive Events Manager determines event premiums and prizes, procures the appropriate prizes, directs the preparation of event entry books, and collects entry fees from competitors. During the fair, the Competitive Events Manager's responsibilities include obtaining proper authorization for the awarding of premiums and prizes and determining that winners of events receive the proper premium or prize.

#### **STRATEGIC PLANNING**

The mission of the DuQuoin State Fair is to provide an attractive and entertaining annual fair that promotes family fun and agriculture awareness, supports local business, and optimizes fairground facilities. Additionally, it is the mission of the DuQuoin State Fair to promote and contract for non-fair special events to maximize use of the fairgrounds.

The main goal of the DuQuoin State Fair is to provide a safe, entertaining and educational experience at the fair. In order to accomplish this goal the following objectives have been set.

- . Increase the attendance at the fair.
- . Increase the number of concessionaires.
- . Monitor the appearance of the exhibits.
- . Increase the number of private sponsorships.
- . Update, renovate and maintain buildings and structures on the fairgrounds to enhance their appearance, ensure their public safety level and provide additional comfort to the fairgoers.
- . Provide additional entertainment, exhibits, educational events and clinics.
- . Increase the number of non-fair events, which will increase the revenue generated by non-fair events.
- . Establish a close working relationship with the County Fairs and horse racing industry of Illinois.

The Department of Agriculture has developed a strategic plan that reflects the vision and goals of the agency. The DuQuoin State Fair is a part of the Department of Agriculture's strategic planning process. The strategic plan is reviewed on an ongoing basis.

State of Illinois  
 Illinois Department of Agriculture  
 DuQuion State Fair

Compliance Examination  
 For the Two Years Ended September 30, 2007

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NUMBER OF EMPLOYEES  
 For the Years Ended September 30, 2007, 2006, and 2005

	2007	2006	2005
	Sept - May	June	July - August
Average Full-Time Employees:			
Department:			
Administration	3	3	2
Temporary Employees:			
State Fair - Approximate Number of Employees (2007)	4	4	46
State Fair - Approximate Number of Employees (2006)	6	16	44
State Fair - Approximate Number of Employees (2005)	5	2	41
Bureau of Buildings and Grounds Approximate Number of Employees (2007)	21	37	93
Bureau of Buildings and Grounds Approximate Number of Employees (2006)	24	42	107
Bureau of Buildings and Grounds Approximate Number of Employees (2005)	20	15	111

State of Illinois  
 Illinois Department of Agriculture  
 DuQuoin State Fair

Compliance Examination  
 For the Two Years Ended September 30, 2007

MISCELLANEOUS OPERATING STATISTICS (Not Examined)  
 For the Years Ended September 30, 2007, 2006, and 2005

	2007	2006	2005	% Increase (Decrease) 2007/2006	% Increase (Decrease) 2006/2005
Number of Contracts:					
Concessions	162	145	123	11.72	17.89
Exhibits	23	28	68	(17.86)	(58.82)
Contractual Services	18	23	46	(21.74)	(50.00)
Entertainment	24	22	22	9.09	0.00
Sponsorships	31	35	33	(11.43)	6.06
Tickets Sold:					
Parking Fees - Tickets	33,257	32,639	31,573	1.89	3.38
Grandstand Shows - Tickets	22,360	30,949	26,900	(27.75)	15.05
Miscellaneous Statistics:					
Estimated Attendance	315,500	330,002	298,286	(4.39)	10.63
Amount of Beer Sold - Kegs	304	355	345	(14.37)	2.90
Amount of Beer Sold - Cases	1,889	1,774	1,422	6.48	24.75
Number of Camping - Permits	1,539	1,316	1,504	16.95	(12.50)
Number of Parking - Permits	7,610	6,709	6,413	13.43	4.62

The estimated attendance was calculated by DuQuoin State Fair officials and is based on the number of paid and unpaid parking passes and an established fair industry standard of 3.7 people per car. This formula has been consistently used every year to calculate estimated attendance.