

# REPORT DIGEST

## DEPARTMENT OF AGRICULTURE ILLINOIS STATE FAIR

### COMPLIANCE EXAMINATION

For the Two Years Ended:  
September 30, 2009

#### Summary of Findings:

Total this audit: 1

Total last audit: 3

Repeated from last audit: 0

Release Date:  
June 3, 2010



State of Illinois  
Office of the Auditor General  
**WILLIAM G. HOLLAND**  
AUDITOR GENERAL

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## SYNOPSIS

- The Illinois State Fair did not have signed and dated contracts in place with State Fair vendors prior to the vendors performing services at the 2009 and 2008 Illinois State Fair.

{ Revenues, expenditures and supplementary information are summarized on the reverse page. }

**ILLINOIS DEPARTMENT OF AGRICULTURE**  
**ILLINOIS STATE FAIR**  
**COMPLIANCE EXAMINATION**  
**For The Two Years Ended September 30, 2009**

REVENUE AND EXPENDITURE STATISTICS	FY 2009	FY 2008	FY 2007
• <b>Total Revenue</b>	<b>\$4,209,311</b>	<b>\$4,155,167</b>	<b>\$3,933,192</b>
Tickets.....	\$2,368,949	\$2,255,431	\$2,220,095
% of Revenue .....	56.3%	54.3%	56.5%
Space Rental.....	\$1,152,524	\$1,191,961	\$1,070,488
% of Revenue .....	27.4%	28.7%	27.2%
Entry Fees .....	\$340,830	\$357,224	\$299,964
% of Revenue .....	8.1%	8.6%	7.6%
Promotions .....	\$347,008	\$350,551	\$342,645
% of Revenue .....	8.2%	8.4%	8.7%
• <b>Total Expenditures (All Funds) .....</b>	<b>\$7,008,029</b>	<b>\$7,884,084</b>	<b>\$7,368,697</b>
Personal Services.....	\$686,129	\$728,564	\$741,994
% of Expenditures .....	9.8%	9.2%	10.1%
Other Payroll Costs (FICA, Retirement) .....	\$322,612	\$283,680	\$275,896
% of Expenditures .....	4.6%	3.6%	3.8%
Contractual Services .....	\$2,458,953	\$2,881,786	\$2,558,167
% of Expenditures .....	35.1%	36.6%	34.7%
Allocated Costs.....	\$2,371,299	\$2,891,033	\$2,683,351
% of Expenditures .....	33.8%	36.7%	36.4%
Premiums and Awards.....	\$883,507	\$887,478	\$819,770
% of Expenditures .....	12.6%	11.2%	11.1%
All Other Operations Items.....	\$285,529	\$211,543	\$289,519
% of Expenditures .....	4.1%	2.7%	3.9%
• <b>(Deficiency) of Revenues Over Expenditures.....</b>	<b>\$(2,798,718)</b>	<b>\$(3,728,917)</b>	<b>\$(3,435,505)</b>
SUPPLEMENTARY INFORMATION	FY 2009	FY 2008	FY 2007
<b>Employment Statistics (Approximate)</b>			
Full Time Employees.....	7	6	9
September through May (Temporary) .....	6	8	9
June (Temporary) .....	31	40	39
July through August (Temporary).....	119	130	119
<b>Selected Activity Measures</b>			
Gate Admissions – Tickets Sold (Not Examined).....	265,266	253,609	223,919
Estimated Attendance (Not Examined) .....	730,000	813,000	613,110
Grandstand Shows – Tickets Sold (Not Examined) ..	35,586	40,304	48,880
Grandstand Show Revenues.....	\$ 718,804	\$977,385	\$1,043,803
Grandstand Show Expenditures.....	\$1,020,013	\$1,356,923	\$1,208,654
<b>Competitive Events</b>			
Competitive Events Revenues .....	\$ 137,193	\$142,260	\$ 95,371
Competitive Events Expenditures.....	\$747,316	\$927,969	\$889,122
<b>Pari-mutuel Wagering</b>			
Pari-mutuel Wagering Receipts .....	\$113,511	\$179,710	\$150,756
Pari-mutuel Wagering Expenditures .....	\$229,162	\$265,876	\$256,464
<b>AGENCY DIRECTOR</b>			
During Audit Period: Mr. Charles A. Hartke (10/1/07 – 2/29/08); Mr. Tom Jennings (10/8/08 – Current)			
Currently: Mr. Tom Jennings			

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**CONTRACTS NOT SIGNED TIMELY**

The Illinois State Fair (ISF) did not have signed and dated contracts in place with State Fair vendors prior to the vendors performing services at the 2008 and 2008 ISF.

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**20% of contracts tested for the 2009 Fair were not signed and dated before the start of the contract**

The ISF entered into contractual agreements with vendors to provide services at the 2009 and 2008 State Fairs. During the fiscal year ended September 30, 2009, we noted 6 out of 30 (20%) contracts tested were not signed and dated before the start of the contract. During the fiscal year ended September 30, 2008, we noted 2 of 30 (7%) contracts tested were signed but not dated.

ISF officials stated that during the 2009 fair the large volume of contracts entered into and the fact that vendors often don't return contracts until the last minute can make it difficult to have them all executed by the agency in a timely manner. ISF officials said the exceptions to dating the contracts in the 2008 fair were due to oversight. (Finding #1, page 9)

We recommended the ISF implement procedures to ensure contracts are properly signed and dated before services are rendered.

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**ISF agrees with auditors**

ISF officials agreed with the finding and stated they were re-instituting their Contract Tracking Database so staff can keep better track of all contracts.

**FINANCIAL RESULTS OF THE FAIR**

Fair expenditures exceed revenues by \$2,798,718 and \$3,728,917 for the years ended September 30, 2009 and 2008, respectively. (page 12)

## **ACCOUNTANTS' REPORT**

The auditors applied certain limited procedures to the accompanying supplementary information of the Illinois State Fair, except for information marked "not examined".

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WILLIAM G. HOLLAND, Auditor General

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## **SPECIAL ASSISTANT AUDITORS**

McGladrey & Pullen LLP were our special assistant auditors for this examination.