

State of Illinois
Illinois Department of Agriculture
DuQuoin State Fair

Compliance Examination
For the Two Years Ended September 30, 2009

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, 2009

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AGENCY OFFICIALS

Executive Director	Mr. Tom Jennings (10/8/2008 – Current)
Executive Director	Mr. Charles Hartke (10/1/2007 – 2/29/2008)
Fiscal Officer	Ms. Laura Lanterman
General Counsel	Ms. Margaret Vandijk (6/1/2009 – 12/31/2009) (10/1/2007 – 2/29/2008)
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

May 6, 2010

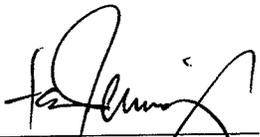
McGladrey & Pullen, LLP
Certified Public Accountants
20 North Martingale Road, Suite 500
Schaumburg, Illinois 60173

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, 2009. Based on this evaluation, we assert that during the years ended September 30, 2009 and September 30, 2008, 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,



Thomas E. Jennings, Executive Director



John Rednour
Director, DuQuoin State Fair



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

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

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
Findings (State Compliance)			
09-1	9	Contracts Not Signed Timely	Noncompliance and Significant Deficiencies
09-2	10	Non-paid Credential Form Missing Information	Noncompliance and Significant Deficiencies

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COMPLIANCE REPORT

Exit Conference

DuQuoin State Fair officials waived the exit conference in correspondence dated April 6, 2010.

Responses to the recommendations were provided by Ms. Laura Lanterman, Chief Fiscal Officer, in a letter dated April 19, 2010.

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, 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, 2009. 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, 2009. However, the results of our procedures disclosed instances of noncompliance, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as findings 09-1 and 09-2.

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 as a basis for designing 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 *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 and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. However, we identified certain deficiencies in internal control over compliance described in findings 09-1 and 09-2 in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over compliance. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

DSF's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine DSF's responses and, accordingly, we express no opinion on them.

As required by the Audit Guide, immaterial findings 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 2009, 2008 and 2007 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 6, 2010

SCHEDULE OF FINDINGS

Current Findings – State Compliance

09-1 Contracts Not Signed Timely

The DuQuoin State Fair (DSF) did not have signed and dated contracts or proof of insurance in place with DSF vendors prior to the vendors performing services at the 2009 and 2008 DSF.

The DSF entered into contractual agreements with vendors to provide services at the DSF. During our sample testing of the fiscal year ended September 2009 DSF contracts we noted the following:

- 5 out of 34 (20%) contracts tested were not signed and dated before the start of the contract.
- 4 out of 34 (12%) contracts did not have a copy of the vendor's insurance.

During our sample testing of contracts for the fiscal year ended September 30, 2008 DSF, we noted the following:

- 1 of 30 contracts tested (3%) were not dated.

Good internal controls would require contracts to be signed and dated and proof of insurance obtained by the vendor and the Department before the date the services are to be rendered.

DSF officials stated that 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 and to ensure the insurance documentation is provided.

Contracts should be negotiated and obtained in a timely manner. The lack of properly signed and dated contracts and lack of proof of insurance could expose the DSF to additional risk and liability and could result in unnecessary expense. (Finding Code No. 09-1)

Recommendation:

We recommend DSF implement procedures to ensure contracts are properly signed and dated and proof of insurance obtained before services are rendered.

Agency Response:

The Agency agrees with the finding and will have contracts properly executed prior to the commencement of services and will obtain proof of insurance for all contracts.

SCHEDULE OF FINDINGS

Current Findings – State Compliance

09-2 Non-paid Credential Form Missing Information

The DuQuoin State Fair (DSF) did not document the purpose for issuing non-paid credentials on the requisition forms.

During our sample testing of non-paid credential requisition forms at the 2009 DSF, we noted the following exceptions:

- 30 out of 30 (100%) of the requisitions did not document the purpose for the non-paid credential status.

Good business practices would require the DSF to document the purpose for issuing non-paid credentials on the non-paid credentials requisition form.

DSF officials stated that they hadn't realized the necessity of having a purpose for the requested non-paid credential on the form.

Failure to document the purpose for issuing non-paid credentials could subject the DSF to public criticism for favoritism and increases the risk of improperly issuing non-paid credentials that result in lost revenue to the DSF. (Finding Code No. 09-2)

Recommendation:

We recommend the DSF document the purpose for issuing non-paid credentials for the DSF on the non-paid credentials requisition form.

Agency Response:

The Agency agrees with the finding and will add a line on the non-paid credentials request form that will require statement of purpose for the non-paid credentials.

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 auditors 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 auditors 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, 2009, 2008, and 2007

	2009	2008	2007
Revenues:			
Tickets	\$ 423,309	\$ 460,731	\$ 552,580
Space Rental	569,772	572,394	574,212
Entry	27,233	27,204	26,442
Total Revenues	<u>1,020,314</u>	<u>1,060,329</u>	<u>1,153,234</u>
Expenditures:			
Personal Services	268,422	339,228	359,778
Contractual Payroll Employees	84,907	-	-
Contributions - Employee Retirement System	8,507	68,687	56,270
Contributions - Social Security	26,942	25,781	27,422
Contractual Services	359,482	352,566	513,139
Travel	980	3,230	2,365
Commodities	5,728	21,066	20,953
Printing	5,740	6,256	10,284
Equipment	-	-	172
Telecommunications	25,748	20,650	38,349
Fair Entertainment	333,618	411,530	428,399
Awards and Premiums	119,295	160,252	126,679
Harness Racing	-	26,966	27,244
Financial Assistance	427,589	447,675	442,687
Total Expenditures	<u>1,666,958</u>	<u>1,883,887</u>	<u>2,053,741</u>
Deficiency of Revenues under Expenditures	<u>\$ (646,644)</u>	<u>\$ (823,558)</u>	<u>\$ (900,507)</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 2008 are for the fair held in August 2008, but consist of activity from the State fiscal years 2008 and 2009.

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. However, the cost of the pari-mutuel contract is included in contractual services expenditures.

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>2009</u>	<u>2008</u>	<u>2007</u>
Revenues	\$ 421,112	\$ 522,775	\$ 568,196
Expenditures	522,447	443,645	448,520
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (101,335)</u>	<u>\$ 79,130</u>	<u>\$ 119,676</u>

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ANALYTICAL REVIEW OF REVENUE AND EXPENDITURES
For the Years Ended September 30, 2009, 2008, and 2007

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 decreased from 2008 to 2009 by \$70,806 due to temporary help being paid from the contractual payroll employee line item.

Contributions-employee retirement decreased from 2008 to 2009 by \$60,180 due to no retirement appropriation was allotted for General Revenue.

Decrease in contractual services expenditures from 2007 to 2008 were due to less advertising, less contractual staff hired, official fair photographer eliminated, quantity and size of tents reduced, and ambulance contract was reduced by bidding.

Decrease in commodities expenditures from 2008 to 2009 is due to a reduction in purchases of signage, banners and apparel for the 2009 DuQuoin State Fair.

Decrease in telecommunications expenditures from 2007 to 2008 is due to reduction in fees negotiated by CMS, in addition to a reduction in time and materials that are required to set up and operate the fair.

Increase in awards and premiums expenditures from 2007 to 2008 is due to replenishing of inventory of ribbons, trophies, and entry cards. Awards and premium expenditures from 2008 to 2009 decreased because not all inventory of ribbons, trophies and entry cards had been used; therefore, less was needed to be purchased for the fair 2009.

Harness racing decreased from 2008 to 2009 by \$26,966 due to a reduction in harness racing purses.

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

Total 2009 DuQuoin State Fair Revenues		\$1,020,314
Add:		
Deposits in transit, beginning of period	09/30/08	415,266
Previous Fair year money		212
Adjustments (between FMS/Dept.)		** 40
		<u>415,518</u>
Deduct:		
Deposits in transit, end of period	09/30/09	5,538
Revenue received after 9/30/09		12,050
Receivables (as of 12/31/09)		200
		<u>17,788</u>
Cash Receipts per Comptroller		<u><u>\$1,418,044</u></u>
Total 2008 DuQuoin State Fair Revenues		\$1,060,329
Add:		
Deposits in transit, beginning of period	09/30/07	60,105
Adjustments (between FMS/Dept.)		* (8,194)
Previous Fair year money		4,310
		<u>56,221</u>
Deduct:		
Deposits in transit, end of period	09/30/08	415,266
Revenue received after 9/30/08		8,406
Receivables (as of 3/24/09)		240
		<u>423,912</u>
Cash Receipts per Comptroller		<u><u>\$692,638</u></u>

* (\$8,194) debit not shown in FMS until 11/08

** \$8,194 debit shown in FMS and \$40 chargeback not in FMS

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DETAIL SCHEDULE OF REVENUES
 For the Years Ended September 30, 2009, 2008, and 2007

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Ticket Revenues:			
Parking Admissions	\$ 214,070	\$ 207,600	\$ 230,800
Grandstand Shows	144,242	184,911	255,145
Camping	64,997	68,220	66,635
Totals	<u>\$ 423,309</u>	<u>\$ 460,731</u>	<u>\$ 552,580</u>
Space Rental Revenues:			
Fees and Commissions from Exhibits, Concessions, and Other Contractors	\$ 305,362	\$ 315,333	\$ 324,372
Carnival	236,698	227,700	219,055
Beer Concessions	27,712	29,361	30,785
Totals	<u>\$ 569,772</u>	<u>\$ 572,394</u>	<u>\$ 574,212</u>
Entry Revenues:			
Regular Entry	<u>\$ 27,233</u>	<u>\$ 27,204</u>	<u>\$ 26,442</u>

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PARI-MUTUEL WAGERING RECEIPTS AND EXPENDITURES
 For the Years Ended September 30, 2009, 2008, and 2007

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Receipts (Net Commissions)	\$ 97,982	\$ 124,941	\$ 124,992
Expenditures	<u>200,732</u>	<u>204,421</u>	<u>201,723</u>
Deficiency of Receipts under Expenditures	<u>\$ (102,750)</u>	<u>\$ (79,480)</u>	<u>\$ (76,731)</u>

Note: The DuQuion State Fair contracted with Maywood Park Trotting Association in 2009, 2008 and 2007 to conduct the pari-mutuel wagering operations at the DuQuion State Fair. Maywood collected receipts and paid expenditures associated with pari-mutuel wagering in 2009, 2008 and 2007. The DuQuion State Fair paid Maywood \$102,750, \$79,480, and \$76,731 for losses on the 2009, 2008, and 2007 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, 2009, 2008, and 2007

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues:			
Ticket Sales	\$ 144,242	\$ 184,911	\$ 255,145
Expenditures:			
Entertainment	171,675	222,720	224,585
Sound and Light	65,900	35,700	51,300
Stagehands	48,374	44,050	47,000
Catering	5,543	7,521	7,892
Booking Agent	-	13,625	11,700
Total Expenditures	<u>291,492</u>	<u>323,616</u>	<u>342,477</u>
Deficiency of Revenues under Expenditures	<u>\$ (147,250)</u>	<u>\$ (138,705)</u>	<u>\$ (87,332)</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.

Lighting from Brent includes free entertainment - no breakdown available for 2007.

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COMPETITIVE EVENTS REVENUES AND EXPENDITURES
 For the Years Ended September 30, 2009, 2008, and 2007

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues:			
Entry Fees	\$ 27,233	\$ 27,204	\$ 26,442
Expenditures:			
Tents	-	22,950	22,950
Contractual Services	6,247	25,225	24,914
Awards and Premiums	113,809	116,937	110,730
Total Expenditures	<u>120,056</u>	<u>165,112</u>	<u>158,594</u>
Deficiency of Revenues under Expenditures	<u>\$ (92,823)</u>	<u>\$ (137,908)</u>	<u>\$ (132,152)</u>

The above represents direct revenues and expenditures related to competitive events held during the 2009, 2008, and 2007 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 Tom Jennings. 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, 2009

NUMBER OF EMPLOYEES
 For the Years Ended September 30, 2009, 2008, and 2007

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Average Full-Time Employees:			
Department:			
Administration	3	3	3
	Sept -		July -
	May	June	August
Temporary Employees:			
State Fair - Approximate			
Number of Employees (2009)	5	0	57
State Fair - Approximate			
Number of Employees (2008)	5	7	57
State Fair - Approximate			
Number of Employees (2007)	4	4	46
Bureau of Buildings and Grounds			
Approximate Number of Employees (2009)	20	41	111
Bureau of Buildings and Grounds			
Approximate Number of Employees (2008)	22	37	91
Bureau of Buildings and Grounds			
Approximate Number of Employees (2007)	21	37	93

State of Illinois
 Illinois Department of Agriculture
 DuQuion State Fair

Compliance Examination
 For the Two Years Ended September 30, 2009

MISCELLANEOUS OPERATING STATISTICS (Not Examined)
 For the Years Ended September 30, 2009, 2008, and 2007

	2009	2008	2007	% Increase (Decrease) 2009/2008	% Increase (Decrease) 2008/2007
Number of Contracts:					
Concessions	139	144	162	(3.47) %	(11.11) %
Exhibits	24	27	23	(11.11)	17.39
Contractual Services	16	26	18	(38.46)	44.44
Entertainment	18	24	24	(25.00)	0.00
Sponsorships	27	30	31	(10.00)	(3.23)
Tickets Sold:					
Parking Fees - Tickets	31,094	30,159	33,257	3.10	(9.32)
Grandstand Shows - Tickets	16,899	20,370	22,360	(17.04)	(8.90)
Miscellaneous Statistics:					
Estimated Attendance	330,000	318,000	315,500	3.77	0.79
Amount of Beer Sold - Kegs	249	263	304	(5.32)	(13.49)
Amount of Beer Sold - Cases	2,072	1,913	1,889	8.31	1.27
Number of Camping - Permits	1,020	885	1,539	15.25	(42.50)
Number of Parking - Permits	8,245	7,036	7,610	17.18	(7.54)

The estimated attendance was calculated by DuQuion 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.