



STATE OF ILLINOIS  
**OFFICE OF THE  
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**DUQUOIN STATE FAIR**

**Compliance Examination  
 For the Two Years Ended September 30, 2021**

**Release Date: June 22, 2022**

| FINDINGS THIS AUDIT: 7         | AGING SCHEDULE OF REPEATED FINDINGS |          |          |                |            |            |            |
|--------------------------------|-------------------------------------|----------|----------|----------------|------------|------------|------------|
|                                | New                                 | Repeat   | Total    | Repeated Since | Category 1 | Category 2 | Category 3 |
| <b>Category 1:</b>             | <b>0</b>                            | <b>1</b> | <b>1</b> | 2017           |            | 3, 4       |            |
| Category 2:                    | 1                                   | 5        | 6        | 2013           | <b>6</b>   | 5, 7       |            |
| Category 3:                    | <u>0</u>                            | <u>0</u> | <u>0</u> | 2011           |            | 1          |            |
| <b>TOTAL</b>                   | <b>1</b>                            | <b>6</b> | <b>7</b> |                |            |            |            |
| <b>FINDINGS LAST AUDIT: 10</b> |                                     |          |          |                |            |            |            |

**SYNOPSIS**

- **(21-6)** The DuQuoin State Fair did not have adequate controls over camping revenue to ensure all revenues for camping were received.
- **(21-1)** Due to ambiguous language within the Illinois Horse Racing Act of 1975, we were unable to conclude whether the DuQuoin State Fair was in compliance with the Act during the examination period.

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| <p><b>Category 1:</b> Findings that are <b>material weaknesses</b> in internal control and/or a <b>qualification</b> on compliance with State laws and regulations (material noncompliance).</p> <p><b>Category 2:</b> Findings that are <b>significant deficiencies</b> in internal control and <b>noncompliance</b> with State laws and regulations.</p> <p><b>Category 3:</b> Findings that have <b>no internal control issues but are in noncompliance</b> with State laws and regulations.</p> |
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**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER CAMPING  
REVENUE**

The DuQuoin State Fair (DSF) did not have adequate controls over camping revenue to ensure all revenues for camping were received.

The DSF rents campsites at the fairgrounds during the time of the DuQuoin State Fair.

**DSF unable to provide population of camping permits**

We requested the DSF provide us a population of camping permits issued during the 2021 Fair. In response to our request, the DSF was unable to provide adequate documentation demonstrating the accuracy of the population of camping permits issued.

Due to these conditions, the accountants were unable to conclude the DSF's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to fully test the DSF's camping permits.

*Despite the population limitations noted above, which hindered our ability to conclude whether the selected samples were representative of the population as a whole*, we selected a sample from the camping permits identified by the DSF, performed testing, and identified the following deficiencies:

**20% of camping permits tested not displayed at time of observation**

- Eight of 41 (20%) camping permits tested were not displayed by campers during the time of observation.
- Two of 41 (5%) of camping permits tested, amounting to \$275, had dates covered that did not agree with the permit receipt, ranging in differences from 4 to 6 days.
- One of 41 (2%) of camping permits tested, amounting to \$100, was missing the payment date on the camping receipt. As a result, we were unable to determine timeliness of deposit. (Finding 6, page 20-21) **This finding has been reported since 2013.**

We recommended the DSF strengthen its internal controls over camping permits and revenue collection procedures.

**DSF officials accepted the recommendation**

DSF officials accepted the finding and stated it will continue to advise campers where to place the permits. DSF will also begin posting flags in front of each campsite to show check in/out dates. DSF will be painting lines throughout the campground to allow for easier mapping and monitoring of campers coming

and going. In addition, DSF has simplified the camping application/receipt allowing for more clarity of amount owed/paid and check in/out dates.

### **AMBIGUOUS STATUTORY LANGUAGE**

#### **We were unable to conclude compliance with the Act**

Due to ambiguous language within the Illinois Horse Racing Act of 1975 (Act) (230 ILCS 5/31(j)(3)), we were unable to conclude whether the DuQuoin State Fair (DSF) was in compliance with the Act during the examination period.

The Illinois Horse Racing Act (230 ILCS 5/31(j)(3)) states, "...at least a 5-day racing program shall be conducted at the State Fair each year...."

Since the release of the DSF's State Compliance Examination for the two years ended September 30, 2011, we have interpreted § 31(j)(3) of the Act to mean a five day racing program should be annually conducted at both the DSF and the Illinois State Fair (ISF). Our consistent recommendation over the past ten years has been the DSF should either hold a five-day racing program or seek legislative remedy. The DSF has consistently agreed with this recommendation over the past ten years.

#### **Unclear interpretation of the definition of "State Fair" in the Act**

However, during the current period's examination, DSF management has reviewed and reassessed its interpretation of the definition of the term "State Fair" within § 31(j)(3) of the Act. According to DSF officials, they conducted an in-depth review of the whole Act, particularly § 31(l) and § 31(g) of the Act, to conclude the Act requires a total five-day racing program between both the DSF and ISF. As the DSF held a two-day racing program and the ISF held a four-day racing program during 2021, DSF management believes it is in compliance with the Act.

When re-reading the Act in its entirety, we noted the Act appears to have made, at least, some distinction between the DSF and ISF. We noted some sections of the Act appear to use ISF and "State Fair" interchangeably, and other sections appear to use "State Fair" as meaning both fairs. However, most sections of the Act refer to ISF as the "Illinois State Fair" and the DSF as the "DuQuoin State Fair." We also were unable to determine if a typographical error existed by omitting an "s" at the end of "State Fair" when the legislation was drafted. Further, we noted "State Fair" is not defined by the Act. As such, we concluded an ambiguity exists within the Act as currently drafted on how to interpret the Act's racing program requirement. (Finding 1, page 11-12) **This finding has been reported since 2011.**

**DSF officials accepted the recommendation**

We recommended the DSF either hold a five-day racing program or work with the General Assembly to seek legislative remedy to clarify the meaning of the term “State Fair” within the Act, as the State has both the DSF and the ISF.

DSF officials accepted the finding and stated it will do its best to hold a five-day racing program, unless an alternate racing program is requested by the Illinois Standardbred Breeders Fund Advisory Board pursuant to Section 31(j)(3) of the Horse Racing Act of 1975.

**OTHER FINDINGS**

The remaining findings pertain to inadequate controls over competitive events, gates and parking admissions, grandstand ticket office receipts, and space rentals, and weaknesses in contract administration. We will review the DSF’s progress towards the implementation of our recommendations in our next compliance examination.

**ACCOUNTANT’S OPINION**

The accountants conducted a compliance examination of the DSF for the two years ended September 30, 2021, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2021-006. Except for the noncompliance described in this finding, the accountants stated the DSF complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by Adelfia LLC.

**SIGNED ORIGINAL ON FILE**

JANE CLARK  
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

FRANK J. MAUTINO  
Auditor General

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