

**State of Illinois  
Illinois Department of Agriculture  
Illinois 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  
Illinois 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	Ms. Amy Bliefnick

Agency offices are located at:

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

May 6, 2010

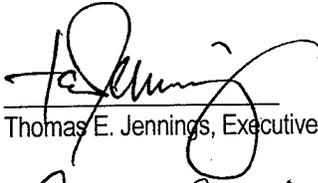
McGladrey & Pullen, LLP  
Certified Public Accountants  
20 North Martingale Road, Suite 500  
Schaumburg, Illinois 60173

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, Illinois State Fair (ISF). 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 ISF'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 ISF has materially complied with the assertions below.

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

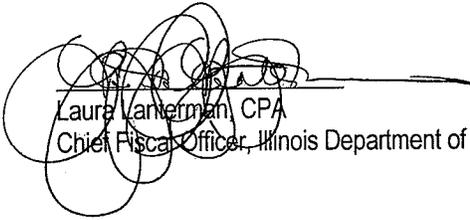
Yours very truly,



Thomas E. Jennings, Executive Director



Amy Bliefnick  
Fair Manager, Illinois State Fair



Laura Vanterman, 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	1	3
Repeated findings	0	2
Prior recommendations implemented or not repeated	3	7

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 Deficiency

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PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A	10	Inadequate Control Over Gate and Parking Admissions
B	10	Improper Processing of Competitive Events Entries
C	10	Controls Over Space Rental Contracts Need Improvement

Exit Conference

The Illinois State Fair officials waived an 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 20, 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, Illinois State Fair's (ISF) 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 ISF is responsible for compliance with these requirements. Our responsibility is to express an opinion on ISF's compliance based on our examination.

- A. ISF 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. ISF 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. ISF 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 ISF 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 ISF on behalf of the State or held in trust by ISF 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 ISF'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 ISF's compliance with specified requirements.

In our opinion, ISF 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 finding 09-1.

### **Internal Control**

The management of ISF 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 ISF'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 ISF's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ISF'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 finding 09-1 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.

ISF's response to the finding identified in our examination is described in the accompanying schedule of findings. We did not examine ISF's response and, accordingly, we express no opinion on it.

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 ISF 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 Finding – State Compliance

#### 09-1 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 2009 and 2008 ISF.

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.

Good internal controls would require contracts to be signed and dated by the vendor and the ISF before the date services are to be rendered.

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

#### Recommendation:

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

#### Agency Response:

The Illinois State Fair agrees with the finding and is reinstating its Contract Tracking Database so staff can keep better track of all contracts.

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**Prior Year Findings Not Repeated**

**A. Inadequate Control Over Gate and Parking Admissions**

The Illinois State Fair (ISF) did not have adequate control over gate and parking admissions at the fair. (Finding Code No. 07-1, 05-4)

No exceptions were noted during our gate observation and sample testing of parking admissions for the 2009 and 2008 fairs.

**B. Improper Processing of Competitive Events Entries**

The Illinois State Fair (ISF) did not properly process competitive event entries during the 2007 fair. (Finding Code No. 07-2, 05-5)

No exceptions were noted during our sample testing of competitive events entries for the 2009 and 2008 fair.

**C. Controls Over Space Rental Contracts Need Improvement**

The Illinois State Fair (ISF) did not perform adequate procedures to ensure that all leases for space were properly enforced and that all space rental permits were properly displayed at the fair.

No exceptions were noted during our observation and sample testing of space rental contracts for the 2009 and 2008 fair.

## 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	\$ 2,368,949	\$ 2,255,431	\$ 2,220,095
Space Rental	1,152,524	1,191,961	1,070,488
Entry	340,830	357,224	299,964
Promotions	347,008	350,551	342,645
Total Revenues	<u>4,209,311</u>	<u>4,155,167</u>	<u>3,933,192</u>
Expenditures:			
Personal Services	508,957	510,983	557,556
Extra Help	177,172	217,581	184,438
Contractual Payroll Employees	28,121	17,498	43,534
Contributions - Employee Retirement System	169,633	133,572	101,629
Contributions - Social Security	53,801	56,363	59,232
Group Insurance	99,178	93,745	115,035
Contractual Services	2,458,953	2,881,786	2,558,167
Travel	3,377	2,745	3,284
Commodities	51,795	55,442	110,804
Printing	42,110	28,857	26,052
Equipment	235	222	30,845
Telecommunications	116,412	67,753	59,072
Interest	-	909	-
Promotions	34,176	32,776	15,088
Awards and Premiums:			
Harness Racing	187,600	179,256	177,207
Livestock Breeding	204,056	195,270	192,327
Other	491,851	512,952	450,236
Refunds	9,303	5,341	840
Allocated Costs	2,371,299	2,891,033	2,683,351
Total Expenditures	<u>7,008,029</u>	<u>7,884,084</u>	<u>7,368,697</u>
Deficiency of Revenues under Expenditures	<u>\$ (2,798,718)</u>	<u>\$ (3,728,917)</u>	<u>\$ (3,435,505)</u>

See notes to comparative schedule of revenues and expenditures.

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**NOTES TO COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**

1. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES:

The accompanying schedule of revenues and expenditures (Schedule) presents activity directly related to the operations of the Illinois State Fair (ISF) and the fairgrounds. It includes activity in the General Revenue Fund - 001, the Illinois State Fair Fund - 438, and the State Fair Promotion Fund - 835.

Revenues and expenditures are based on a fair year, October 1 to September 30, and contain activity from 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 into the State Fair Fund from October 1 to September 30 plus accrued receivables at September 30 of the current year less accrued receivables at September 30 of the prior year related to the prior year's fair.

Expenditures consist of fair related expenditures from appropriated accounts 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 at September 30 of the prior year related to the prior year's fair. The following is a breakdown of expenditures paid from appropriated accounts during the years ended September 30, 2009, 2008, and 2007:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
State Fair Fund:			
Fair	\$ 4,175,949	\$ 4,416,787	\$ 4,116,453
Non-Fair	1,383,542	1,056,758	1,129,076
General Revenue Fund	426,550	543,491	553,805
Promotion Fund	<u>34,176</u>	<u>32,776</u>	<u>15,088</u>
Totals	<u>\$ 6,020,217</u>	<u>\$ 6,049,812</u>	<u>\$ 5,814,422</u>

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NOTES TO COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES

1. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (continued):

Allocable costs consist of both direct expenses, primarily from the General Revenue Fund buildings and grounds appropriations, not included in the expenditures above and indirect costs from administrative services and electronic data processing related to the Illinois State Fair. The allocated costs included in the schedule are based on a cost study performed by an independent contractor hired by the Department to ascertain an estimate of such costs. A summary of these allocated costs follows

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Buildings and Grounds Direct Costs	\$ 2,088,419	\$ 2,581,816	\$ 2,370,006
Other Bureau Direct Costs	61,165	59,748	60,809
Indirect Costs	<u>221,715</u>	<u>249,469</u>	<u>252,536</u>
Total	<u>\$ 2,371,299</u>	<u>\$ 2,891,033</u>	<u>\$ 2,683,351</u>

Revenue and expenditures for non-fair activities held at the State fairgrounds are excluded from the comparative schedule even though both fair and non-fair activities are appropriated and expended within the same fund - Fund 438, Illinois State Fair Fund.

Revenues 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 Illinois 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.

3. ILLINOIS STATE FAIR FUND:

The State Fair Act (20 ILCS 210/10) states that effective July 1, 1994, "All revenues from the operation and use of any facilities of the Illinois State Fair at Springfield and the Springfield State Fairgrounds shall be deposited in the Illinois State Fair Fund." It further states, "All funds in the Illinois State Fair Fund shall be used by the Department of Agriculture in accordance with the appropriation by the General Assembly for the operation of the Illinois State Fair."

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NOTES TO COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES

4. NON-FAIR REVENUES AND EXPENDITURES:

Non-fair expenditures from the State Fair 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 State Fair Fund for fiscal years ended September 30 were as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues	\$ 1,296,341	\$ 1,318,597	\$ 1,181,555
Expenditures	<u>1,383,542</u>	<u>1,056,758</u>	<u>1,129,076</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (87,201)</u>	<u>\$ 261,839</u>	<u>\$ 52,479</u>

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## ANALYTICAL REVIEW OF REVENUE AND EXPENDITURES

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

### Revenue

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

### Expenditures

Contractual payroll employees decreased from 2007 to 2008 by \$26,036 due to a decrease in hires of employees on a contractual basis in 2008.

Change in retirement costs are in relation to the change in retirement rates as follows: 11.525% in 2007, 16.561% in 2008 and 21.049% in 2009.

Decrease in commodities expenditures from 2007 to 2008 is due to ribbons and banners for the 2007 fair being purchased from the commodities line; however, for the 2008 fair, the ribbons and banners were purchased from the awards and premiums line.

Equipment decreased from 2007 to 2008 by \$30,623 due to equipment purchases not being made.

The increase in telecommunications from 2008 to 2009 was due to the change in the process of how CMS was billing for line installation. Instead of a flat fee, CMS billed actual time spent installing each line.

Promotions increased from 2007 to 2008 by \$17,688 due to purchases of souvenirs to be sold at the Illinois State Fair's souvenir booth.

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

Total 2009 Illinois State Fair Revenues		\$	4,209,311
Add:			
Deposits in transit, beginning of period	09/30/08		30,834
Adjustments (Btwn Dept./FMS)			3,400
Accounts receivable, beginning of period			218,184
			<u>252,418</u>
Deduct:			
Deposits in transit, end of period	09/30/09		37,988
Revenues received after 9/30/09			87,341
Receivables			102,095
			<u>227,424</u>
Cash Receipts per Comptroller		\$	<u>4,234,305</u>
Total 2008 Illinois State Fair Revenues		\$	4,155,167
Add:			
Deposits in transit, beginning of period	09/30/07		34,058
Adjustments (Btwn Dept.FMS)			(3,399)
Previous fair year money			159,490
			<u>190,149</u>
Deduct:			
Deposits in transit, end of period	09/30/08		30,834
Revenue received after 9/30/08			218,184
Receivables (as of 3/23/09)			1,580
			<u>250,598</u>
Cash Receipts per Comptroller		\$	<u>4,094,718</u>

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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:			
Gate Admissions	\$ 1,267,895	\$ 952,140	\$ 857,891
Grandstand Shows	718,804	977,385	1,043,803
Mega Pass	274,880	238,051	231,011
Camping	<u>107,370</u>	<u>87,855</u>	<u>87,390</u>
Totals	<u>\$ 2,368,949</u>	<u>\$ 2,255,431</u>	<u>\$ 2,220,095</u>
Space Rental Revenues:			
Fees and Commissions from Exhibits, Concessions, and Other Contractors	\$ 840,368	\$ 776,459	\$ 671,173
Carnival	174,005	283,281	283,837
Beer Concessions	<u>138,151</u>	<u>132,221</u>	<u>115,478</u>
Totals	<u>\$ 1,152,524</u>	<u>\$ 1,191,961</u>	<u>\$ 1,070,488</u>
Entry Revenues:			
Regular Entry	\$ 137,193	\$ 142,260	\$ 95,371
Western Horse Shows	33,015	28,230	34,430
Society Horse Shows	65,909	67,773	73,771
Miscellaneous	<u>104,713</u>	<u>118,961</u>	<u>96,392</u>
Totals	<u>\$ 340,830</u>	<u>\$ 357,224</u>	<u>\$ 299,964</u>
Promotion Revenues			
Sponsorships	\$ 321,871	\$ 328,714	\$ 320,021
Promotions	<u>25,137</u>	<u>21,837</u>	<u>22,624</u>
Totals	<u>\$ 347,008</u>	<u>\$ 350,551</u>	<u>\$ 342,645</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)	\$ 113,511	\$ 179,710	\$ 150,756
Expenditures	<u>229,162</u>	<u>265,876</u>	<u>256,464</u>
Deficiency of Receipts under Expenditures	<u>\$ (115,651)</u>	<u>\$ (86,166)</u>	<u>\$ (105,708)</u>

Note: The Illinois State Fair contracted with Maywood Park Trotting Association in 2009, 2008, and 2007 to conduct the pari-mutuel wagering operations at the Illinois State Fair. Maywood collected receipts and paid expenditures associated with pari-mutuel wagering in 2009, 2008, and 2007. The Fair paid Maywood \$115,651, \$86,166 and \$105,708 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	\$ 718,804	\$ 977,385	\$ 1,043,803
Expenditures:			
Entertainment	780,000	1,092,613	958,705
Sound	23,900	34,499	24,499
Light	20,000	19,500	19,500
Booking Agent	19,500	19,995	19,500
Stagehands	135,264	139,735	138,667
Ushers	2,500	2,500	2,500
Catering	18,045	23,052	23,345
Grandstand Roof and Backdrop	19,500	19,200	18,750
Transportation	1,304	5,829	3,188
Total Expenditures	<u>1,020,013</u>	<u>1,356,923</u>	<u>1,208,654</u>
Deficiency of Revenues under Expenditures	<u>\$ (301,209)</u>	<u>\$ (379,538)</u>	<u>\$ (164,851)</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:

- Admission to the fairgrounds
- Concessions
- Parking
- Facility costs and overhead
- Fair personnel costs related to grandstand ticket sales, booking, maintenance, and overhead

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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	\$ 137,193	\$ 142,260	\$ 95,371
Expenditures:			
Extra Help	31,688	41,655	40,288
Contractual Services	182,976	265,291	268,040
Commodities	25,064	34,929	29,784
Printing	-	36,133	-
Awards and Premiums	507,588	549,961	551,010
Total Expenditures	<u>747,316</u>	<u>927,969</u>	<u>889,122</u>
Deficiency of Revenues under Expenditures	<u>\$ (610,123)</u>	<u>\$ (785,709)</u>	<u>\$ (793,751)</u>

The above represents direct revenues and expenditures related to competitive events held during the 2009, 2008, and 2007 Illinois State Fairs. Entry fees include fees directly related to the Fair and do not include entry fees for special events such as the Western and Society Horse Shows.

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

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

Awards and premiums amount for 2007 and 2008 does not include horse shows \$25,000 but includes other horses.

Contractual services for 2007, 2008 and 2009 does not include judges for horse shows.

4\_h checks not included in awards and premiums amount.

Commodities does not include trophies, ribbons, etc. for horse shows or special events.

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## DIVISION FUNCTIONS AND PLANNING PROGRAM

### GENERAL

The Illinois State Fair is an operating entity of the Department of Agriculture and is located at the State Fairgrounds, P.O. Box 19281, Springfield, Illinois 62794-9281. The Director of the Department of Agriculture is Tom Jennings. The Department is responsible for fulfilling the statutory obligation to hold the annual Illinois State Fair. The fair is held to promote agriculture and the agriculture industry, and to provide for exhibits and activities in the field of industry, education, arts and crafts, labor, entertainment, and other areas of interest to the people of the State. 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 further established a printed set of Administrative Rules which constitutes its rules and policies governing the operations of the Illinois State Fair.

The Illinois State Fair is composed of six functional areas through which the above objectives can be achieved.

- Office of the State Fair Manager
- Space Rental
- Entertainment
- Special Events
- Support Services
- Competitive Events

A description of each functional area follows:

Office of the State Fair Manager - The State Fair Manager provides centralized management for the State Fair and is responsible for its adherence to the provisions of the Illinois State Fair Act. The State Fair Manager develops a plan for the operation of the Illinois State Fair. The State Fair Manager has offices in the Emerson Building on the State Fairgrounds, Springfield, Illinois.

Space Rental - The Space Rental Manager assists in evaluating, developing, revising, and implementing policies and procedures associated with the operation of the Illinois 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.

Entertainment - The Entertainment Manager initiates, plans, and directs activities associated with entertainment for the fair. The Entertainment Manager is responsible for the entertainment activities at the grandstand and other locations throughout the fairgrounds. Grandstand activities include the operation and administration of ticket sales in the grandstand ticket office.

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## DIVISION FUNCTIONS AND PLANNING PROGRAM

Special Events - The Special Events Manager coordinates activities during the fair at the Illinois Building, for the Senior Center, and on Lincoln Stage. The Special Events Manager also coordinates contests during the fair and the Illinois State Fair parade.

Support Services - The Support Services Manager is responsible for initiating, drafting, and editing all contracts for the Illinois State Fair including, but not limited to, contracts for personal services, rental agreements, and awards and premiums. Personnel in this functional area also plan, direct, and execute a comprehensive advertisement program for the fair. Other duties include the enforcement of Administrative Rules and Regulations, the development of policies and procedures for the issuance of non-paid credentials, and the coordination of gate admissions and parking during the fair.

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, 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 Illinois 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 Department of Agriculture to promote and contract for non-fair special events to maximize use of the fairgrounds.

The main goal of the Illinois State Fair is to provide a safe, entertaining and educational experience at the Illinois State 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 Illinois State Fair is a part of the Department of Agriculture's strategic planning process. The strategic plan is reviewed on an ongoing basis.

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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	4	3	5
Competitive Events	1	1	1
Fair Activities	2	2	3
	<u>7</u>	<u>6</u>	<u>9</u>
	<u>Sept - May</u>	<u>June</u>	<u>July - August</u>
Temporary Employees:			
State Fair - Approximate Number of Employees (2009)	6	31	119
State Fair - Approximate Number of Employees (2008)	8	40	130
State Fair - Approximate Number of Employees (2007)	9	39	119
Bureau of Buildings and Grounds Approximate Number of Employees (2009)	8	82	159
Bureau of Buildings and Grounds Approximate Number of Employees (2008)	17	40	241
Bureau of Buildings and Grounds Approximate Number of Employees (2007)	24	60	245

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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	318	287	322	10.80 %	(10.87) %
Exhibits	144	123	142	17.07	(13.38)
Contractual Services	50	54	24	(7.41)	125.00
Entertainment	96	110	30	(12.73)	266.67
Awards and Premiums	4	5	5	(20.00)	-
Sponsorships	39	33	40	18.18	(17.50)
Tickets Sold:					
Gate Admissions - Tickets	265,266	253,609	223,919	4.60	13.26
Grandstand and MPA Shows - Tickets	35,586	40,304	48,880	(11.71)	(17.55)
Miscellaneous Statistics:					
Estimated Attendance	730,000	813,000	613,110	(10.21)	32.60
Amount of Beer Sold - Kegs	752	795	337	(5.41)	135.91
Amount of Beer Sold - Cases	11,276	7,524	6,394	49.87	17.67
Number of Camping - Permits	615	648	858	(5.09)	(24.48)
Number of Parking - Permits	29,842	32,880	30,647	(9.24)	7.29

For 2009, 2008, and 2007 attendance was based on actual numbers for grandstand attendance, concessionaires, exhibitors and governmental employees. Further estimates were based on vehicles parked on the fairgrounds and perimeter; Illinois State Police and State Fire Marshal crowd estimations based on their respective observations and experience; past fairs' experiences for a particular day; and revenue generated.