



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS STATE FAIR

COMPLIANCE EXAMINATION

For the Two Years Ended: September 30, 2013

Release Date: June 26, 2014

Summary of Findings:

Total this audit:	4
Total last audit:	6
Repeated from last audit:	3

INTRODUCTION

The Illinois State Fair is an operating entity of the Department of Agriculture. 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 fields of industry, education, arts and crafts, labor, entertainment and other areas of interest to the people of the State.

SYNOPSIS

- The Illinois State Fair collected nominating, sustaining and starting fees in excess of amounts allowed under the Illinois Horse Racing Act of 1975.
- The Illinois State Fair did not exercise adequate controls over temporary employee timesheets.

{Expenditures and Activity Measures are summarized on the reverse page.}

ILLINOIS DEPARTMENT OF AGRICULTURE
ILLINOIS STATE FAIR
COMPLIANCE EXAMINATION
For the Two Years Ended September 30, 2013

REVENUE AND EXPENDITURE STATISTICS	2013	2012
Total Revenue.....	\$ 6,470,453	\$ 5,741,745
Tickets.....	\$ 4,524,056	\$ 3,911,583
% of Total Revenue.....	69.9%	68.1%
Space Rental: Fair.....	\$ 1,144,334	\$ 1,111,819
% of Total Revenue.....	17.7%	19.4%
Entry Fees.....	\$ 476,415	\$ 407,966
% of Total Revenue.....	7.4%	7.1%
Sponsorship.....	\$ 325,648	\$ 310,377
% of Total Revenue.....	5.0%	5.4%
Total Expenditures (All Funds).....	\$ 9,982,955	\$ 9,049,411
Personal Services.....	\$ 758,514	\$ 797,970
% of Total Expenditures.....	7.6%	8.8%
Other Payroll Costs (FICA, Retirement).....	\$ 298,532	\$ 249,175
% of Total Expenditures.....	3.0%	2.8%
Contractual Services.....	\$ 4,287,662	\$ 3,481,704
% of Total Expenditures.....	42.9%	38.5%
Allocated Costs.....	\$ 3,522,118	\$ 3,409,787
% of Total Expenditures.....	35.3%	37.7%
Premiums and Awards.....	\$ 856,918	\$ 857,974
% of Total Expenditures.....	8.6%	9.4%
All Other Operations Items *.....	\$ 259,211	\$ 252,801
% of Total Expenditures.....	2.6%	2.8%
(Deficiency) of Revenues Over Expenditures.....	\$ (3,512,502)	\$ (3,307,666)
* Contractual payroll is included in All Other Operations Items		

SUPPLEMENTARY INFORMATION	2013	2012
Employment Statistics (Approximate)		
Full Time Employees.....	6	7
September through May (Temporary).....	8	8
June (Temporary).....	27	30
July through August (Temporary).....	141	133
Selected Activity Measures		
Gate Admissions - Tickets Sold (Not Examined).....	293,081	279,285
Estimated Attendance (Not Examined).....	961,000	918,437
Grandstand Shows - Tickets Sold (Not Examined).....	62,085	59,602
Grandstand Show Revenues.....	\$ 2,086,050	\$ 1,579,834
Grandstand Show Expenditures.....	\$ 2,153,169	\$ 1,889,846
Competitive Events		
Competitive Events Revenues.....	\$ 122,279	\$ 129,047
Competitive Events Expenditures.....	\$ 814,071	\$ 796,743
Pari-mutuel Wagering		
Pari-mutuel Wagering Receipts.....	\$ 122,460	\$ 117,836
Pari-mutuel Wagering Expenditures.....	\$ 213,134	\$ 203,662

AGENCY DIRECTOR
During Examination Period: Thomas Jennings (10/8/08-10/18/11); James Larkin, Acting (10/19/11-12/16/11); H.W. Devlin, Acting (12/17/11-2/14/12); Robert F. Flider, Acting (2/15/12-11/27/12); Robert F. Flider (11/28/12-Current) Currently: Robert F. Flider

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**NONCOMPLIANCE WITH THE ILLINOIS
HORSE RACING ACT OF 1975**

The Illinois State Fair (ISF) was not in compliance with the Illinois Horse Racing Act of 1975 concerning the nominating, sustaining and starting fees exceeding 2% of the purse for certain races.

Nominating, sustaining and starting fees exceeded limits in 64% (2012) and 63% (2013) of all races

The nominating, sustaining, and starting fees of \$300 to be paid by an entrant exceeded 2% of the purse for 32 of 50 (64%) of races in 2012 and 30 of 48 (63%) of races in 2013. (Finding 1, page 9)

We recommended the ISF comply with the provisions of the Illinois Horse Racing Act.

Fair officials agree with auditors

ISF officials agreed with the finding and stated it will comply with the provisions of the Illinois Horse Racing Act or seek legislative remedy to assist its compliance.

**NEED TO IMPROVE CONTROLS OVER
TEMPORARY EMPLOYEE TIMESHEETS**

The Illinois State Fair (ISF) did not exercise adequate controls over temporary employee timesheets.

Timesheets were incomplete or completed at the end of a shift

During our examination, we noted 1 of 30 (3%) in 2012 and seven of 30 (23%) in 2013 timesheets were not completed in accordance with ISF procedures at the time of our on-site observations. We noted some timesheets were completed when the auditor attempted to review them. We also noted timesheets were completed at the end of the employee's shift, instead of indicating when the employee arrived for the shift. (Finding 4, page 12)

We recommended the ISF implement additional controls to ensure employee attendance is documented properly on a daily basis.

Fair officials agree with auditors

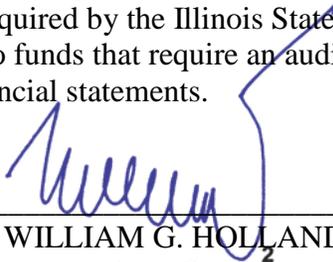
ISF officials agreed with the finding and stated it will take steps to ensure employee attendance is documented properly on a daily basis.

OTHER FINDINGS

The remaining findings are reportedly being given attention by the Illinois State Fair. We will follow up on our findings during the next examination of the ISF.

AUDITORS' OPINION

We conducted a compliance examination of the Illinois State Fair as required by the Illinois State Auditing Act. The Fair has no funds that require an audit leading to an opinion of financial statements.



WILLIAM G. HOLLAND
Auditor General

WGH:SKM

SPECIAL ASSISTANT AUDITORS

Sikich, LLP were our Special Assistant Auditors for this engagement.