



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, 2019

Release Date: April 22, 2020

FINDINGS THIS AUDIT: 10	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2017		9, 10	
Category 2:	1	9	10	2015		3, 8	
Category 3:	0	0	0	2013		4, 5, 6, 7	
TOTAL	1	9	10	2011		1	
FINDINGS LAST AUDIT: 10							

**SYNOPSIS**

- (19-1) The Fair was not in compliance with the Illinois Horse Racing Act of 1975.
- (19-2) The Fair did not comply with the State Comptroller Act concerning timeliness of reimbursement to the Treasurer for funds provided to operate an imprest account for making change for DSF activities.
- (19-3) Fair management did not demonstrate adequate controls over complimentary grandstand tickets at the 2019 and 2018 Fairs.

**Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

**Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

**Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**ILLINOIS DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
COMPLIANCE EXAMINATION  
For the Two Years Ended September 30, 2019**

REVENUE AND EXPENDITURE STATISTICS	2019	2018
<b>Total Revenue.....</b>	<b>\$ 939,841</b>	<b>\$ 1,032,310</b>
Tickets.....	\$ 496,324	\$ 547,859
% of Total Revenue.....	52.8%	53.1%
Space Rental.....	\$ 377,109	\$ 434,084
% of Total Revenue.....	40.1%	42.0%
Entry Fees.....	\$ 24,963	\$ 26,767
% of Total Revenue.....	2.7%	2.6%
Sponsorship.....	\$ 22,800	\$ 10,000
% of Total Revenue.....	2.4%	1.0%
Miscellaneous.....	\$ 18,645	\$ 13,600
% of Total Revenue.....	2.0%	1.3%
<b>Total Expenditures (All Funds).....</b>	<b>\$ 1,713,793</b>	<b>\$ 1,540,719</b>
Personal Services.....	\$ 357,028	\$ 384,069
% of Total Expenditures.....	20.8%	24.9%
Other Payroll Costs (FICA, Retirement).....	\$ 27,971	\$ 29,853
% of Total Expenditures.....	1.6%	1.9%
Contractual Services.....	\$ 525,442	\$ 306,188
% of Total Expenditures.....	30.7%	19.9%
Fair Entertainment.....	\$ 626,410	\$ 606,817
% of Total Expenditures.....	36.6%	39.4%
Awards and Premiums.....	\$ 66,695	\$ 148,396
% of Total Expenditures.....	3.9%	9.6%
All Other Operations Items.....	\$ 110,247	\$ 65,396
% of Total Expenditures	6.4%	4.3%
<b>Deficiency of Revenues Under Expenditures.....</b>	<b>\$ (773,952)</b>	<b>\$ (508,409)</b>
<b>SUPPLEMENTARY INFORMATION</b>		
	<b>2019</b>	<b>2018</b>
<b>Employment Statistics (Approximate) (Not Examined)</b>		
Full Time Employees.....	2	4
October through May (Temporary).....	6	9
June (Temporary).....	43	40
July through September (Temporary).....	96	86
<b>Selected Activity Measures</b>		
Estimated Attendance (Not Examined).....	123,562	100,813
Grandstand Shows - Tickets Sold (Not Examined).....	16,990	13,584
Grandstand Show Revenues.....	\$ 205,433	\$ 196,299
Grandstand Show Expenditures.....	\$ 578,038	\$ 487,963
Competitive Events Revenues.....	\$ 24,963	\$ 26,767
Competitive Events Expenditures.....	\$ 97,083	\$ 97,366
Pari-mutuel Wagering Receipts.....	\$ 9,924	\$ 4,962
Pari-mutuel Wagering Expenditures.....	\$ 79,593	\$ 66,691
<b>AGENCY DIRECTOR</b>		
During Examination Period: Raymond Poe (through 12/30/18); Warren Goetsch, Acting (1/1/19 to 1/20/19); John Sullivan, Acting (1/21/19 to 4/11/19); John Sullivan (effective 4/12/19) Currently: Jerry Costello II (effective 2/28/20)		

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**NONCOMPLIANCE WITH THE ILLINOIS HORSE  
RACING ACT**

The DuQuoin State Fair (DSF) was not in compliance with the Illinois Horse Racing Act of 1975 (Act).

**Not all races required by Statute  
were held by the Fair**

During testing, we noted DSF provided only a 2 day racing program in Fiscal Year 2019 and 2018. DSF is required to provide at least a 5 day racing program to be conducted at the State Fair each year. (Finding 1, page 12) **This finding has been repeated since 2011.**

We recommended the DSF hold a 5 day racing program or seek legislative remedy.

**Fair officials agreed with auditors**

Fair officials accepted the finding and stated legislative remedy was obtained when the Act was amended by P.A. 101-157.

**NONCOMPLIANCE WITH THE STATE  
COMPTROLLER ACT**

The DuQuoin State Fair (DSF) did not comply with the State Comptroller Act concerning timeliness of reimbursement to the Treasurer for funds provided to operate an imprest account for making change for DSF activities.

In Fiscal Year 2019 and 2018, the DSF failed to reimburse the Treasurer within 5 days of the termination of the fair, as outlined by the Act.

**Reimbursement for 2019 was 66  
days late**

The 2019 fair ended September 2, 2019; however, a reimbursement check was not issued to the Illinois State Treasurer until November 13, 2019, resulting in a late reimbursement of 66 days.

The 2018 fair ended September 3, 2018; however, a reimbursement check was not issued to the Illinois State Treasurer until September 12, 2018, resulting in a late reimbursement of 2 days. (Finding 2, page 13)

We recommended the DSF ensure the Treasurer is reimbursed within 5 days of the termination of the fair.

**Fair officials agreed with auditors**

Fair officials accepts the finding and stated they have already coordinated internally regarding changes to the way the reimbursement process is handled to avoid a repeat of this finding.

**INADEQUATE CONTROLS OVER COMPLIMENTARY GRANDSTAND TICKETS**

The DSF did not demonstrate adequate controls over complimentary grandstand tickets during the 2019 and 2018 Fairs.

During our testing of complimentary tickets provided for grandstand events, we noted the following:

- For 2019, the complimentary ticket issuance records for 5 of 7 entertainers were inaccurate. DSF records had a net overstatement of 4 complimentary tickets.
- For 2018, the complimentary ticket issuance records for 6 of 7 entertainers were inaccurate. DSF records had a net understatement of 34 complimentary tickets. (Finding 3, pages 14-15)

**Issuance records for complimentary tickets contained a net understatement of 34 tickets**

We recommended the DSF maintain a record of the distribution of complimentary grandstand tickets as required by the Illinois Administrative Code.

**Fair officials agreed with auditors**

Fair officials accepted the finding and stated the complementary ticket process for 2020 will be different. The tickets will be approved by the Ticket Office Manager, then taken to the Bureau Chief for verification, and signed off to verify the tickets match.

**OTHER FINDINGS**

The remaining findings pertain to inadequate controls over credentials, space rentals, camping revenues, gates and parking admissions and grandstand ticket office receipts, and weaknesses in contract administration and receipt reconciliations. 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, 2019, as required by the Illinois State Auditing Act. 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**

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JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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