



**State of Illinois  
DEPARTMENT OF AGRICULTURE  
ILLINOIS STATE FAIR  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended September 30, 2023**

**Performed as Special Assistant Auditors  
for the Auditor General, State of Illinois**

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
ILLINOIS STATE FAIR  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended September 30, 2023**

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**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
ILLINOIS STATE FAIR  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended September 30, 2023**

**AGENCY OFFICIALS**

Director	Mr. Jerry Costello II
Chief Fiscal Officer (01/01/2024 – Present)	Ms. Judy Vollmar
Chief Fiscal Officer (12/01/2023 – 12/31/2023)	Vacant
Chief Fiscal Officer (01/16/2023 – 11/30/2023)	Mr. Todd Haberer
Chief Fiscal Officer, Acting (06/01/2022 – 01/15/2023)	Mr. Todd Haberer
Chief Fiscal Officer (10/01/2021 – 05/31/2022)	Ms. Johanna Helm
General Counsel (04/16/2023 – Present)	Ms. Tess Feagans
General Counsel, Acting (03/01/2023 – 4/15/2023)	Ms. Tess Feagans
General Counsel (10/01/2021 – 02/28/2023)	Mr. John Teefey
Chief Internal Auditor	Vacant
Fair Manager (01/01/2022 – Present)	Ms. Rebecca Clark
Fair Manager, Acting (10/01/2021 – 12/31/2021)	Mr. Joe Khayyat

**STATE FAIR OFFICE**

Primary administrative office is located at:

State Fairgrounds  
801 Brian Raney Avenue  
Springfield, IL 62702

## MANAGEMENT ASSERTION LETTER

April 11, 2024

Adelfia LLC  
Certified Public Accountants  
400 East Randolph Street, Suite 700  
Chicago, Illinois 60601

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 Illinois State Fair (Fair), a function of the State of Illinois, Department of Agriculture (Department). 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 specified requirements during the two-year period ended September 30, 2023. Based on this evaluation, we assert that during the years ended September 30, 2022, and September 30, 2023, the Department has materially complied with the specified requirements listed below.

- A. The Department has obligated, expended, received, and used public funds of the State associated with the Fair in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received, and used public funds of the State associated with the Fair in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations associated with the Fair.
- D. State revenues and receipts collected by the Department associated with the Fair 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 the Department on behalf of the State or held in trust by the Department associated with the Fair have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

State of Illinois, Department of Agriculture

**SIGNED ORIGINAL ON FILE**

Mr. Jerry Costello II, Director

**SIGNED ORIGINAL ON FILE**

Ms. Judy Vollmar, Chief Fiscal Officer

**SIGNED ORIGINAL ON FILE**

Ms. Tess Reagans, General Counsel

**SIGNED ORIGINAL ON FILE**

Ms. Rebecca Clark, Fair Manager

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended September 30, 2023**

**STATE COMPLIANCE REPORT**

**SUMMARY**

The State compliance testing performed during this examination was conducted 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*.

**ACCOUNTANT’S REPORT**

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<b>Number of</b>	<b><u>Current Report</u></b>	<b><u>Prior Report</u></b>
Findings	2	6
Repeated Findings	2	3
Prior Recommendations Implemented or Not Repeated	4	-

**SCHEDULE OF FINDINGS**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Last/First Reported</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
<b>Current Findings</b>				
2023-001	9	2021/2017	Weaknesses in contract administration associated with the Illinois State Fair	Significant Deficiency and Noncompliance
2023-002	11	2021/2021	Inadequate controls over space rentals	Significant Deficiency and Noncompliance

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Prior Findings Not Repeated</b>				
A	13	2021/2017	Weakness in receipt reconciliations	
B	13	2021/2011	Ambiguous statutory language	
C	13	2021/2021	Inadequate controls over gates and parking admission	
D	13	2021/2021	Inadequate controls over temporary employee timesheets	

**EXIT CONFERENCE**

The Fair waived an exit conference in a correspondence from Judy Vollmar, Chief Fiscal Officer, on April 8, 2024. The responses to the recommendations were provided by Judy Vollmar, Chief Fiscal Officer, in a correspondence dated April 11, 2024.



**INDEPENDENT ACCOUNTANT’S REPORT**  
**ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Report on State Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the Illinois State Fair (Fair), a function of the State of Illinois, Department of Agriculture (Department), with the specified 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, 2023. Management of the Fair is responsible for compliance with the specified requirements for operations and transactions associated with the Fair. Our responsibility is to express an opinion on the Fair’s compliance with the specified requirements for operations and transactions associated with the Fair based on our examination.

The specified requirements are:

- A. The Department has obligated, expended, received, and used public funds of the State associated with the Fair in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received, and used public funds of the State associated with the Fair in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations associated with the Fair.
- D. State revenues and receipts collected by the Department associated with the Fair 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 the Department on behalf of the State or held in trust by the Department associated with the Fair have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted 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*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Fair complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Fair complied with the specified requirements for operations and transactions associated with the Fair. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements for operations and transactions associated with the Fair, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Fair's compliance with the specified requirements.

In our opinion, the Fair complied with the specified requirements for operations and transactions associated with the Fair during the two years ended September 30, 2023, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements for operations and transactions associated with the Fair, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2023-001 through 2023-002.

The Department's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Department's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

## **Report on Internal Control Over Compliance**

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control) for operations and transactions associated with the Fair. In planning and performing our examination, we considered the Fair's internal control for operations and transactions associated with the Fair to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department's compliance with the specified requirements for operations and transactions associated with the Fair and to test and report on the Department's internal control for operations and transactions associated with the Fair in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control for operations and transactions associated with the Fair.

Accordingly, we do not express an opinion on the effectiveness of the Fair’s internal control for operations and transactions associated with the Fair.

A deficiency in internal control 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 specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control is a deficiency, or a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 through 2023-002 that we consider to be significant deficiencies.

There were no immaterial findings that have been excluded from this report.

The Department’s responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Department’s responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
April 11, 2024

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
ILLINOIS STATE FAIR  
SCHEDULE OF FINDINGS – CURRENT FINDINGS  
For the Two Years Ended September 30, 2023**

2023-001      **FINDING** (Weaknesses in contract administration associated with the Illinois State Fair)

The Illinois State Fair (ISF) did not maintain adequate controls over contractual agreements.

During our contractual agreement testing, we noted the following:

*2023 Fair:*

- Five of 60 (8%) contractual agreements, totaling \$12,667, were not properly signed and/or dated on or before the start of the contract.
- Two of 60 (3%) contractual agreements, totaling \$5,670, had payments that did not agree with the contract amount, resulting in a net underpayment of \$450 to the vendor.

*2022 Fair:*

- Three of 60 (5%) contractual agreements, totaling \$12,375, did not have a certificate of insurance filed with the ISF.
- One of 60 (2%) contractual agreements, totaling \$8,200, was not properly signed and dated on or before the start of the contract.
- One of 60 (2%) contractual agreements was missing.

This finding was first reported in the ISF's *State Compliance Examination* for the two years ended September 30, 2017. In subsequent years, the ISF has been unsuccessful in implementing an adequate corrective action plan.

Prudent business practice and effective internal control requires contracts to be reviewed and approved prior to their inception to be binding and enforceable on both parties. Contractual agreements should be signed/executed by all required parties prior to the beginning of the contractual agreement term. Further, proof of insurance should be obtained, when required by the contract.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the ISF to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

The State Records Act (5 ILCS 160/8) requires the ISF to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency

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designed to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

ISF management stated contracts are held up for many reasons and ISF is not wholly in control of how or when vendors complete or don't complete contracts. Retention of agreements and certificates of insurance are occasionally misfiled due to the amount of assistance from temporary staff. Underpayments to vendors are caused by staff error and correctable.

Failure to have the contract agreements signed before the beginning of the contract period does not bind the service provider for compliance with the applicable laws, regulations and rules. A lack of required certificates of insurance may increase legal and financial risk to ISF. In addition, failure to accurately calculate payments from vendors may result in loss of revenue to the State. (Finding Code No. 2023-001, 2021-003, 2019-003, 2017-003)

**RECOMMENDATION**

We recommend the ISF ensure all contracts and related forms are properly completed, approved, and executed prior to the start of the services or lease terms and payments are accurately calculated and collected in full, and underpaid vendors are reimbursed.

**ISF RESPONSE**

The ISF agrees all contracts and related forms should be properly executed. ISF will continue to stress to vendors the importance of the timely return of agreements and providing certificates of insurance. Payment processors will be reminded to verify invoice amounts to contract values when processing vendor payment. ISF agrees the contract review process should be improved and will remind reviewers of the necessity of review and the points of contracts most often containing errors to improve the review process.

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DEPARTMENT OF AGRICULTURE  
ILLINOIS STATE FAIR  
SCHEDULE OF FINDINGS – CURRENT FINDINGS  
For the Two Years Ended September 30, 2023**

2023-002 **FINDING** (Inadequate controls over space rentals)

The Illinois State Fair (ISF) did not have adequate controls in place to ensure that all leases for space were properly enforced.

During our space rental testing, we noted the following:

*2023 Fair:*

- Six of 46 (13%) space rental contracts had actual footage that did not agree with the contract, ranging from 3 to 11 feet over allowable space.
- Five of 46 (11%) space rental contracts, totaling \$18,000, had rates stated in the contract that did not agree with the ISF rate schedule, resulting in net underpayment by vendors of \$1,560.
- Two of 46 (4%) space rental contracts, totaling \$11,130, were not dated when signed by vendors.

*2022 Fair:*

- Six of 45 (13%) space rental contracts had actual footage that did not agree with the contract, ranging from 4 to 14 feet over allowable space.
- Three of 45 (7%) space rental contracts, totaling \$8,160, had rates stated in the contract that did not agree with the ISF rate schedule, resulting in net underpayment by vendors of \$470.
- One of 45 (2%) space rental contracts did not have the contract number clearly displayed while in operation.

The “Measuring Space” rules in the Illinois Administrative Code (Code) (8 Ill. Admin. Code 270.105) specifically dictate how space is to be measured for space rental contracts on the fairgrounds. Good internal control procedures require that vendors be charged consistent rates found in the space rental rate schedules and dictate the ISF monitor contractual compliance of its vendors to verify amounts due to or from the ISF.

The Code (8 Ill. Adm. Code 270.120) requires each lessee display the concession or exhibit number in a conspicuous place near the front of the stand or place of business.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the ISF to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

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ISF management stated vendors set up and claim their initial space and their set up is observed by ISF to be within the boundaries. However, each night at the close of business, they tear down and secure their premises. They reopen in the morning to resume activities. Occasionally, this can result in small alterations of space used. Sometimes the alteration of boundaries is beneficial to traffic flow or a neighboring vendor. ISF does not recheck each day's set up unless a problem arises. Contract number display is initially checked but as tear down and reset occurs daily, they occasionally are misplaced. Contracts executed based on an improper rate and without a date for the vendors' signature were due to employee oversight and ineffective review.

Inadequate controls over space rental contracts results in noncompliance with the Code and the Fiscal Control and Internal Auditing Act and could result in the loss of revenue to the ISF. (Finding Code No. 2023-002, 2021-005)

**RECOMMENDATION**

We recommend ISF to enhance its internal control over monitoring space rental contracts to ensure compliance with the terms of the contracts and established rate schedules, and seek repayment from vendors for underpayment.

**ISF RESPONSE**

ISF agrees to enhance current internal controls over space rental. Contract values will be benefited from additional review and ISF will review and document original vendor layout. ISF will also perform random checks after initial set up for material changes or display failures. ISF agrees vendor footprints may change from day to day and does not agree the small changes, often for the betterment of the overall layout, warrant constant or daily policing when no problem exists.

**STATE OF ILLINOIS  
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SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED  
For the Two Years Ended September 30, 2023**

A. **FINDING** (Weakness in receipt reconciliations)

During the prior examination, the Illinois State Fair (ISF) did not properly reconcile its financial records.

During the current examination, we noted the Department of Agriculture was responsible for performing the reconciliations. Any exceptions noted will be reported in the *State Compliance Examination* for the Department of Agriculture. (Finding Code No. 2021-001, 2019-001, 2017-001)

B. **FINDING** (Ambiguous statutory language)

During the prior examination, 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 ISF was in compliance with the Act during the examination period.

During the current examination, the ISF ensured an alternate racing program was requested and approved by the Illinois Standardbred Breeders Fund Advisory Board pursuant to Section 31(j)(3) of Act. As a result, this finding is not repeated. (Finding Code No. 2021-002, 2019-002, 2017-002, 2015-002, 2013-001, 11-2)

C. **FINDING** (Inadequate controls over gates and parking admission)

During the prior examination, the ISF did not have adequate controls over gates and parking admissions.

During the current examination, our sample testing did not identify significant exceptions regarding gates and parking admissions. As a result, this finding is not repeated. (Finding Code No. 2021-004)

D. **FINDING** (Inadequate controls over temporary employee timesheets)

During the prior examination, the ISF did not exercise adequate controls over temporary employee timesheets.

During the current examination, our sample testing did not identify significant exceptions regarding temporary employee timesheets. As a result, this finding is not repeated. (Finding Code No. 2021-006)