



**State of Illinois  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended September 30, 2021**

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

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended September 30, 2021**

**TABLE OF CONTENTS**

<i>State Compliance Examination Report</i>	<b><u>Page</u></b>
Agency Officials	1
Management Assertion Letter	2
State Compliance Report	
Summary	4
Independent Accountant's Report on State Compliance and on Internal Control over Compliance	7
Schedule of Findings	
Current Findings	11
Prior Findings Not Repeated	24

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended September 30, 2021**

**AGENCY OFFICIALS**

Director (04/20/21 – Present)	Mr. Jerry Costello II
Director (Acting) (02/28/20 – 04/19/21)	Mr. Jerry Costello II
Director (Acting) (01/13/20 – 02/27/20)	Mr. Jeremy Flynn
Director (10/01/19 – 01/12/20)	Mr. John Sullivan
Chief Fiscal Officer (Acting) (06/01/22 – Present)	Mr. Todd Haberer
Chief Fiscal Officer (12/16/19 – 05/31/22)	Ms. Johanna Helm
Chief Fiscal Officer (10/01/19 – 12/15/19)	Mr. Tyler White
General Counsel	Mr. John Teefey
Chief Internal Auditor	Vacant
Fair Manager	Mr. Josh Gross
Assistant Fair Manager	Vacant

**STATE FAIR OFFICE**

Primary administrative office is located at:

DuQuoin State Fair Offices  
655 Executive Drive  
DuQuoin, Illinois 62832

## MANAGEMENT ASSERTION LETTER

June 3, 2022

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 DuQuoin 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 for operations and transactions associated with the Fair. We have performed an evaluation of the Department's compliance with the following specified requirements during the two-year period ended September 30, 2021. Based on this evaluation, we assert that during the years ended September 30, 2020, and September 30, 2021, 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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**

---

Mr. Todd Haberer, Acting Chief Fiscal Officer

**SIGNED ORIGINAL ON FILE**

---

Mr. John Teefey, General Counsel

**SIGNED ORIGINAL ON FILE**

---

Ms. Josh Gross, State Fair Manager

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended September 30, 2021**

**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 or disclaimers, but does contain a modified opinion on compliance and identifies material weakness over internal control over compliance.

**SUMMARY OF FINDINGS**

<b>Number of</b>	<b><u>Current Report</u></b>	<b><u>Prior Report</u></b>
Findings	7	10
Repeated Findings	6	9
Prior Recommendations Implemented or Not Repeated	4	1

**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>				
2021-001	11	2019/2011	Ambiguous Statutory Language	Significant Deficiency
2021-002	13	New	Inadequate controls over competitive events	Significant Deficiency and Noncompliance
2021-003	15	2019/2017	Inadequate controls over gates and parking admission	Significant Deficiency and Noncompliance
2021-004	17	2019/2017	Inadequate controls over grandstand ticket office receipts	Significant Deficiency and Noncompliance

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>Current Findings (continued)</b>				
2021-005	18	2019/2013	Inadequate controls over space rentals	Significant Deficiency and Noncompliance
2021-006	20	2019/2013	Inadequate controls over camping revenue	Material Weakness and Material Noncompliance
2021-007	22	2019/2013	Weaknesses in contract administration associated with the DuQuoin State Fair	Significant Deficiency and Noncompliance
<b>Prior Findings Not Repeated</b>				
A	24	2019/2019	Noncompliance with the State Comptroller Act	
B	24	2019/2015	Inadequate controls over complimentary grandstand tickets	
C	24	2019/2013	Inadequate controls over credentials	
D	24	2019/2015	Weakness in receipt reconciliations	

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with DuQuoin State Fair personnel at an exit conference on May 26, 2022.

Attending were:

DEPARTMENT OF AGRICULTURE, DUQUOIN STATE FAIR  
 John Teefey, General Counsel  
 Tess Feagans, Assistant General Counsel  
 Todd Haberer, Deputy Chief Fiscal Officer  
 Josh Gross, Fair Manager

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
 Jack Raker, Chief Internal Auditor  
 Amy Lange, Internal Auditor  
 Michael Flesch, Internal Auditor

OFFICE OF THE AUDITOR GENERAL  
 Janis Van Durme, Health & Human Services Audit Manager

ADELFA LLC  
Jennifer Roan, Partner  
Maria Divina Valera, Partner  
Andrew Guerrero, Manager

The responses to the recommendations were provided by Amy Lange, Audit Liaison, in a correspondence dated June 3, 2022.





**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 DuQuoin 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, 2021. Management of the Department 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 Department'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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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 Department complied with the specified requirements for operations and transactions associated with the Fair in all material respects. An examination involves performing procedures to obtain evidence about whether the Department 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 modified opinion.

Our examination does not provide a legal determination on the Department's compliance with the specified requirements for operations and transactions associated with the Fair.

Our examination disclosed material noncompliance with the following specified requirements applicable to the Fair during the two years ended September 30, 2021.

***Specified Requirement C***

As described in the accompanying Schedule of Findings as item 2021-006, the Department had not 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.

***Specified Requirement D***

As described in the accompanying Schedule of Findings as item 2021-006, the Department had not ensured the State revenues and receipts collected by the Department associated with the Fair were 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.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the Department complied with the specified requirements for operations and transactions associated with the Fair during the two years ended September 30, 2021, 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 2021-002 through 2021-005, and 2021-007.

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 Department'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 Department's internal control for operations and transactions associated with the Fair.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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 a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as item 2021-006 to be a material weakness.

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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2021-001 through 2021-005, and 2021-007 to be significant deficiencies.

As required by the *Audit Guide*, the immaterial finding excluded from this report has been reported in a separate letter.

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

June 3, 2022

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

2021-001      **FINDING** (Ambiguous Statutory Language)

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.

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 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.

Without DSF working with the Illinois General Assembly to obtain clarity regarding this ambiguous language, we were unable to complete our procedures and provide useful and relevant feedback to the Illinois General Assembly regarding compliance by the DSF with § 31(j)(3) of the Act. (Finding Code No. 2021-001, 2019-001, 2017-001, 2015-001, 2013-006, 11-3)

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

**RECOMMENDATION**

We recommend 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 RESPONSE**

DuQuoin State Fair accepts the finding. DSF 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.

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

2021-002      **FINDING** (Inadequate controls over competitive events)

The DuQuoin State Fair (DSF) did not exercise adequate controls over competitive events.

The DSF pays the winners of competitive events during the Fair. Each disbursement to the winners may comprise of several events one has competed in. During our testing of competitive event disbursements during the 2021 Fair, we noted the following exceptions:

- For 4 of 25 (16%) disbursements tested, totaling \$2,059, we were unable to agree the event number paid for 20 events to the supporting entry form of the respective winner.
- For 1 of 25 (4%) disbursements tested, amounting to \$1,263, the winner's place on the premium check did not match the judges' card for one event competed in.
- For 1 of 25 (4%) disbursements tested, amounting to \$135, the winner's place was missing on the judges' card for one event competed in.

Per DSF's procedures, exhibitors must complete the entry form and enclose the applicable entry fees. Entry forms and fees must be returned to Competitive Events before the stated entry closing dates.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the DSF to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues are properly recorded and accounted for, and that funds, property, and other assets are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls would ensure the winners of events are legitimate and properly approved.

DSF management stated the exceptions were due to staffing shortages and employee oversight.

Failure to maintain adequate internal controls over disbursements may result to a loss of revenue to the State. In addition, failure to maintain adequate internal controls over entry forms may reduce the integrity of the competitive events. (Finding Code No. 2021-002)

**RECOMMENDATION**

We recommend the DSF implement procedures to ensure entry forms are properly completed and ensure disbursements are adequately supported.

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

**DSF RESPONSE**

DuQuoin State Fair accepts the finding. DSF staff will be meeting with Superintendents to discuss a new process to be implemented beginning 2022. DSF will also be hiring an additional worker to assist with additional data entry for 5 nights during the fair. These additional measures will help to ensure entry forms are properly completed and disbursements are adequately supported.



**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

2021-003      **FINDING** (Inadequate controls over gates and parking admission)

The DuQuoin State Fair (DSF) did not have adequate controls over gates and parking admissions.

For the 2021 Fair, there was no charge for admission, and parking was charged at different amounts for each parking pass selling gate.

During the 2021 Fair, we observed the Fair Gate Operation for 8 Gates of the Fairground on three separate days to determine whether DSF established procedures were adhered to. We also observed cars at the fairground parking lots on three separate days to check if patrons displayed a valid parking pass on their cars as required. During our observation of gates and parking admission at the 2021 Fair, we noted the following:

- Two of 3 (67%) daily gate observations contained a period where vehicles were allowed into the fairgrounds without the proper credentials. The exceptions noted were identified at 2 of the 8 Gates.
- Two of 3 (67%) daily parking observations contained vehicles parked in specified lots with missing or incorrect parking passes displayed on the dashboard. The exceptions noted were identified at 2 of the 8 Gates.

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

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the DSF 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.

DSF management indicated the exceptions noted above were due to temporary employee oversight and patrons not complying.

Failure to have adequate controls in place over gates and parking admissions could result in the loss of revenue to the State. (Finding Code No. 2021-003, 2019-009, 2017-009)

**RECOMMENDATION**

We recommend the DSF implement adequate internal controls to ensure required tickets and parking passes be obtained for all individuals entering the gates.

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

**DSF RESPONSE**

DuQuoin State Fair accepts the finding. DSF will continue to stress the importance of proper segregation of duties at all gates. DSF intends to have some returning supervisors for the 2022 fair, which will help provide better and more detailed training to new volunteers. DSF will also assign at least one employee to float to gates with increased traffic flow to assist with the parking and ticket-taking process and ensure the proper credentials are provided. DSF has limited enforcement mechanisms to stop individuals or vehicles from entering the gates without credentials, and staff safety is critical. DSF will not implement any policy that could jeopardize the lives of our staff.

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

2021-004      **FINDING** (Inadequate controls over grandstand ticket office receipts)

The DuQuoin State Fair (DSF) did not have adequate controls over grandstand ticket office receipts.

During our review of the grandstand ticket office receipt reconciliations and observation of grandstand ticket office procedures, we noted the DSF recorded grandstand ticket sales of \$548,665, but our recalculation indicated grandstand ticket sales of \$551,285, resulting in an unaccounted-for difference of \$2,620.

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

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

DSF management indicated the exceptions were due to employee oversight.

Failure to maintain adequate internal controls over grandstand ticket office receipts could lead to a loss of revenue and inaccurate financial reporting. Inadequate controls in this area also increase the risk that errors and irregularities could occur and not be detected. (Finding Code No. 2021-004, 2019-010, 2017-010)

**RECOMMENDATION**

We recommend the DSF implement procedures to review grandstand ticket office receipts reconciliations and investigate differences noted.

**DSF RESPONSE**

DuQuoin State Fair accepts the finding. DSF will continue to train staff on processes and procedures in the hopes of reducing human error and look for ways to implement additional checks and balances in our internal protocols. In addition, DSF is conducting personnel changes and increased training on proper ticket handling that are expected to be fully rolled out by the 2023 Fair.

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

2021-005      **FINDING** (Inadequate controls over space rentals)

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

During our testing of space rentals during the 2021 Fair, we noted the following:

- Eleven of 31 (35%) space rentals tested were utilizing more space than stated in the contract, ranging from the vendors usage of 1 to 18 extra feet.
- For 1 of 31 (3%) space rentals tested, the vendor did not their have prices displayed at the time of observation.
- For 1 of 31 (3%) space rentals tested, the vendor underpaid the DSF \$8 based on the percentage of sales stated on the contract agreement and Fiscal Management Receipts records.

This finding was first reported in the DSF’s *State Compliance Examination* for the two years ended September 30, 2013. In subsequent years, the DSF has been unsuccessful in implementing an adequate corrective action plan.

The Illinois Administrative Code (Code) (8 Ill. Admin. Code 270.175) requires each lessee to post in a conspicuous manner inside the stand and at the outside entrance to the place of business, a sign showing the price to be charged for meals, lunches, drinks or other food or articles to be sold under the contract. All prices shall be posted before a stand opens and during its operating hours.

The “Measuring Space” rules in the Code (8 Ill. Admin. Code 270.105) specifically dictate how space is to be measured for space rental contracts on the fairgrounds.

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

DSF management indicated the exceptions were due to vendors not complying, and a lack of staffing and sufficient training to DSF employees to enforce compliance requirements.

Inadequate controls over space rental contracts resulted in noncompliance with the Code and the Fiscal Control and Internal Auditing Act, and could result in the loss of revenue to the DSF. (Finding Code No. 2021-005, 2019-005, 2017-005, 2015-005, 2013-004)

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

**RECOMMENDATION**

We recommend DSF to enhance its internal control over monitoring space rental contracts to ensure compliance with the terms of the contracts and established rate schedules. We also recommend the DSF seek reimbursement for the amount owed to it from the 2021 Fair.

**DSF RESPONSE**

DuQuoin State Fair accepts the finding. DSF will explore additional ways of making clear to vendors their space usage terms. DSF will continue to gather images of exhibitor setup to compare front footage purchases with actual footage that is occupied. Vendors will be allowed to purchase additional space if the space is measured at over their contract amount, or physically reduce their space used if it is over at the time of measurement with DSF staff. DSF space rental staff will make sure prices are posted properly prior to contacting the DSF electrician to turn on power. DSF will work with the Illinois Department of Agriculture, Budget and Fiscal Services for how to improve reconciliation speed and accuracy to avoid future underpayments.

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

2021-006      **FINDING** (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.

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:

- 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.

This finding was first reported in the DSF's *State Compliance Examination* for the two years ended September 30, 2013. In subsequent years, the DSF has been unsuccessful in implementing an adequate corrective action plan.

Current DSF policy requires all permits indicate the dates the camper is staying, and campers are to be charged the full payment beginning on July 1<sup>st</sup>. In addition, campers are required to properly display the DSF camping permit while on the fairgrounds.

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

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

The State Officers and Employees Money Disposition Act (30 ILCS 230/2(a)) states every officer, unless a different time of payment is expressly provided by law or by rules or regulations promulgated under subsection (b) of this Section, shall pay into the State Treasury the gross amount of money so received on the day of actual physical receipt with respect to any single item of receipt exceeding \$10,000, within 24 hours of actual physical receipt with respect to an accumulation of receipts exceeding \$10,000 or more, or within 48 hours of actual physical receipt with respect to an accumulation of receipts exceeding \$500 but less than \$10,000.

DSF management indicated the exceptions were due to campers not complying and employee oversight.

Inadequate controls of camping records and revenue collection could result in loss of revenue to the State. (Finding Code No. 2021-006, 2019-006, 2017-006, 2015-006, 2013-005)

**RECOMMENDATION**

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

**DSF RESPONSE**

DuQuoin State Fair accepts the finding. DSF will continue to advise campers where to place the permits. We 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.

**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

2021-007      **FINDING** (Weaknesses in contract administration associated with the DuQuoin State Fair)

The DuQuoin State Fair (DSF) did not have adequate controls over contracts.

During our testing of contracts during the 2021 Fair, we noted the following:

- Thirty-five of 60 (58%) contracts tested, totaling \$38,560, did not contain required contractual clauses in accordance with the Illinois Procurement Code.
- Ten of 60 (17%) contracts tested, totaling \$108,985, were missing the certificate of insurance.

This finding was first reported in the DSF's *State Compliance Examination* for the two years ended September 30, 2013. In subsequent years, the DSF has been unsuccessful in implementing an adequate corrective action plan.

Good business practice requires contracts to be fully completed, and proof of insurance provided to the DSF prior to commencing services.

The Code (30 ILCS 500/50-5(d)) requires vendor certification that it has not been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor has the vendor made an admission of guilt of such conduct that is a matter of record.

The Code (30 ILCS 500/50-11(b)) requires vendor certification that it and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and the vendor and its affiliates acknowledge the State may declare the contract void if this certification is false.

The Code (30 ILCS 500/50-14(c)) requires vendor certification that it has not been found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the last five years, and is therefore not barred from being awarded a contract.

The Code (30 ILCS 500/50-10(b)) requires vendor certification that if it has been convicted of a felony, that at least five years have passed from the completion of the sentence for that felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business.



**STATE OF ILLINOIS  
DEPARTMENT OF AGRICULTURE  
DUQUOIN STATE FAIR  
SCHEDULE OF FINDINGS – STATE COMPLIANCE  
For the Two Years Ended September 30, 2021**

The Code (30 ILCS 500/50-10.5 (b)) requires vendor certification that it is not barred from being awarded a contract and acknowledges that the contract shall be declared void if the certification is false.

The Code (30 ILCS 500/50-12(b)) requires vendor certification that it and all its affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act and acknowledges that failure to comply can result in the contract being declared void.

The Code (30 ILCS 500/20-65(b)) states every contract and subcontract shall provide that all books and records required to be maintained shall be available for review and audit by the Auditor General, chief procurement officer, internal auditor, and the purchasing agency. Every contract and subcontract shall require the contractor and subcontractor, as applicable, to cooperate fully with any audit.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the DSF 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.

DSF management indicated the exceptions were due to employee oversight.

Inadequate controls over contracts may expose the State to unnecessary legal risks and could result in unnecessary expenses. In addition, failure to include required clauses and information within the contractual obligations results in noncompliance with the Illinois Procurement Code and increases the risk that a potential conflict may not be detected timely. (Finding Code No. 2021-007, 2019-007, 2017-007, 2015-007, 2013-009)

**RECOMMENDATION**

We recommend the DSF ensure contracts and agreements are retained and include all required elements. We also recommend the DSF implement procedures to ensure all contract requirements are adhered to.

**DSF RESPONSE**

DuQuoin State Fair accepts the finding. DSF will continue to ensure all contracts and related disclosure forms are properly completed, approved, and executed prior to the start of the services or lease terms.

**STATE OF ILLINOIS**  
**DEPARTMENT OF AGRICULTURE**  
**DUQUOIN STATE FAIR**  
**SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED**  
**For the Two Years Ended September 30, 2021**

A. **FINDING** (Noncompliance with the State Comptroller Act)

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

During the current examination, our sample testing indicated the DSF reimbursed the Treasurer within the timeframe required by the Act. As a result, this finding is not repeated. (Finding Code No. 2019-002)

B. **FINDING** (Inadequate controls over complimentary grandstand tickets)

During the prior examination, the DSF did not demonstrate adequate controls over complimentary grandstand tickets during the 2019 and 2018 Fair. Specifically, we noted its complimentary ticket issuance records contained inaccurate information.

During the current examination, our sample testing indicated the DSF recorded accurate issuance information in its complimentary grandstand ticket records during the 2021 Fair. As a result, this finding is not repeated. (Finding Code No. 2019-003, 2017-003, 2015-003)

C. **FINDING** (Inadequate controls over credentials)

During the prior examination, the DSF did not have adequate controls over nonpaid parking and gate admissions (also known as credentials). Specifically, we noted the DSF did not require credential requisition forms be completed with all required information, and nonpaid credentials selected for testing contained instances wherein passes were unaccounted for.

During the current examination, our sample testing indicated the DSF's control over nonpaid parking and gate admissions had significantly improved. As a result, this finding is not repeated. (Finding Code No. 2019-004, 2017-004, 2015-004, 2013-003)

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

During the prior examination, the DSF did not properly reconcile its financial records. Specifically, we noted the DSF was unable to properly reconcile the 2019 and 2018 Fair receipts in the Fair Management System (FMS) to the Illinois Department of Agriculture's (Department) Receipting System.

During the current examination, our sample testing indicated the DSF properly reconciled the 2021 Fair receipts recorded in the FMS to the Department's Receipt System. As a result, this finding is not repeated. (Finding Code No. 2019-008, 2017-008, 2015-009)