



STATE OF WYOMING

DEPARTMENT OF AUDIT

PUBLIC FUNDS DIVISION
(307) 777-7798 Fax (307) 777-5341
Email: probinson@wyaudit.state.wy.us

Dave Freudenthal
Governor

Michael Geesey
Director

Pamela Robinson
Administrator

December 14, 2004

Mr. John Etchepare Director
Wyoming Department of Agriculture
2219 Carey Avenue
Cheyenne, WY 82002-0100

Dear Mr. Etchepare:

We have completed our audit of the financial presentations of the Wyoming State Fairs occurring during the 2003-2004 biennium. The purposes of our audit were:

- to determine how these statements were prepared from the State Accounting System information,
- to determine if all information relating to the operation of the state fair were included in the report, and
- to review the acquisition of the mattresses and the cooling system for the dormitories as authorized by the legislature in the 2002 Session Laws.

Scope and Methodology.

The audit was performed in accordance with Government Audit Standards issued by the Comptroller General of the United States. The profit and loss statements for the August 2002 and August 2003 fairs were reconciled to the State of Wyoming accounting system. The accounting records used to derive the profit and loss statements were analyzed to determine the nature of the information included in the profit and loss statements.

Documents associated with the acquisition of the mattresses and the cooling systems for the dormitories were reviewed to determine the timing and procedures followed in the acquisitions.

State Fair Statutes.

The State Fair is authorized by Wyoming Statutes 11-10-101 through 11-10-115. These statutes cover, generally, the operations of the fair including entry and admission fees. While the statutes discuss establishing fees by the Director and the Board of Agriculture, there are no minimum or maximum amounts set by the statutes.

Funding for the State Fair is established through the budget process. Neither the statutes or the budget laws require the State Fair to be self-supporting. In the 2004 budget law, the fair was expected to derive \$460,000 in fees to contribute to operations while receiving \$2,045,920 from the general fund. The Fair did generate in excess of the \$460,000 for the biennium.

State Fair Financial Statements.

The Department of Agriculture prepares internal financial and management reports on the activities of each of the State Fairs occurring annually in August. These reports are used by

Department management, the Board of Agriculture and the State Fair Advisory Committee in planning and monitoring the activities and operations of the State Fair.

The report is narrow in what is presented and does not include all revenues and costs associated with the annual operation of the state fair grounds. The internal financial reports include data on the entertainment, 4H/FFA events and exhibits; junior/open class events and exhibits; and selected administrative costs. The reports do not include salaries of fair personnel, buildings and grounds maintenance, or non-fair events occurring during the remainder of the year.

The state fair financial statements, which are finalized in March subsequent to the State Fair, report on revenues and costs associated with the corresponding fair. For example, the financial report of March 2004 includes all revenues and expenses associated with the State Fair held in August 2003. Therefore, the report of the August 2003 fair could include revenues and expenses for the period November 2002 (when planning for the August 2003 fair began) through February 2004 (when all outstanding bills for the August 2003 fair are paid).

To enable the preparation of the State Fair reports, each expenditure is assigned a project number that includes the year of the associated fair. Project numbers are tracked through the state's accounting system with inception to date expenditures included on the project summary reports.

Similarly, there are unique revenue codes for recording receipts for the state fair.

A procedures manual has been created to assist in the management of the operations of the State Fair. The manual addresses control issues as well as detailed information on operational procedures. Generally, these procedures and the associated controls were being followed.

Our audit concluded that the information contained in the internal report of the financial operations of the fair were accurate, however, the information presented is limited to the information requested by the Director and the Board.

Recommendation: To reduce the expectation that the internal management is a complete financial statement for the State Fair, we recommend including appropriate disclosures in the State Fair financial and management reports as to what is and is not contained in the reports. The disclosures should include the time frame of the information being reported and the reports are intended for the use of management. Although the reports are prepared for use by Department management, the Board of Agriculture and the State Fair Advisory Committee, the final financial and management reports are released to the public. Disclosing information regarding the contents of the report should reduce any confusion between these reports and information on the State accounting system.

Mattresses and Cooling Systems.

The 2002 Session Laws, Chapter 83, Section 010 required that the Department of Agriculture expend \$47,600 for new mattresses and \$20,000 for a cooling system for the dormitories at the state fair. The section was effective July 1, 2002. Documentation showed that during state fiscal year 2003 the State Fair purchased 1,015 mattresses at a cost of \$50,750.

A cooling system proposal was received from the contracted air conditioning company on January 31, 2003. The first invoice for work on the cooling system was received October 31,

2003. The final invoice for installing cooling systems in all four dormitories was received June 22, 2004. The total cost of the cooling systems was \$60,661.

Imprest Account.

The Department of Agriculture has developed standard operating procedures for the state fair. In reviewing the procedures, it was noted that formal procedures had not been developed for transferring uncashed checks to the State Unclaimed Property Division.

Recommendation: We recommend that a formal procedure for transferring uncashed checks to the State Unclaimed Property Division be written. The procedure should include identifying when a check is determined to be "unclaimed," the procedures to be followed in transferring the funds, and procedures to follow should a check be presented for payment after it has been transferred to unclaimed property.

Facsimile Signature Stamp.

A signature facsimile stamp is used to sign premium checks issued at the State Fair. In reviewing the controls and procedures, it was noted that the signature facsimile had not been filed with the Secretary of State's Office.

Recommendation: Any facsimile signature stamps used by employees of the Department of Agriculture should be filed with the Secretary of State in accordance with the provisions of Wyoming Statutes 16-2-101 and 16-2-102.

This report is intended solely for the use of the Department of Agriculture and the Board of Agriculture. However, this report is a matter of public record and its distribution is not limited.

Public Funds

Public Funds Division
Wyoming Department of Audit



Wyoming Department of Agriculture

2219 Carey Ave., Cheyenne, WY 82002 ■ Phone: 307-777-7321 ■ Fax: 307-777-6593
E-mail: wda@state.wy.us ■ Website: wyagric.state.wy.us

Dave Freudenthal, Governor

John Etchepare, Director

Board Members

District 1

Lee Otto

District 2

Meghan Lally

District 3

Reed Gardner

District 4

Helen Jones

District 5

Spencer Ellis

District 6

Alan Todd

District 7

Arlene Brown

March 18, 2005

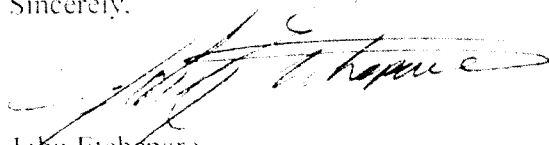
Ms. Pam Robinson
Department of Audit, Public Funds
122 West 25th Street
Cheyenne, WY 82002

Dear Ms. Robinson:

After reviewing your December 14, 2004 draft report on the review of the financial presentation of the Wyoming State Fair during the 2003-2004 biennium, we have no additional comments on the report. The Wyoming Department of Agriculture has implemented the disclosure recommendation in the 2004 report. As we discussed, we are finalizing our work on the two additional recommendations.

Thank you for taking the time to review our information and providing us with valuable feedback on how we can improve our systems. If you have any additional questions on this report, please let us know.

Sincerely,



John Etchepare
Director

c: Barney Cosner, Wyoming State Fair
File

The Wyoming Department of Agriculture

is dedicated to the promotion and enhancement of Wyoming's agriculture, natural resources and quality of life.
