

## EXECUTIVE DIGEST

# MICHIGAN STATE FAIR AND EXPOSITION CENTER

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### INTRODUCTION

This report contains the results of our financial audit\* of the Michigan State Fair and Exposition Center (MSFEC), Department of Consumer and Industry Services (CIS), for the period October 1, 1996 through September 30, 1997.

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### AUDIT PURPOSE

This financial audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Financial audits are conducted at various intervals to permit the Auditor General to express an opinion on the State's financial statements.

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### BACKGROUND

Act 361, P.A. 1978 (Sections 285.161 - 285.176 of the *Michigan Compiled Laws*), created MSFEC within the Department of Natural Resources. Executive Order 1993-25 transferred MSFEC to the Department of Commerce, effective February 1994. The Department of Commerce was combined with the Department of Labor to form CIS, effective May 15, 1996.

CIS is responsible for conducting an annual State Fair and other exhibits or events for the purpose of promoting all phases of the economy of the State. The fairgrounds consist of approximately 200 acres located in Detroit.

MSFEC also leases the fairgrounds and buildings for various events throughout the year.

MSFEC operations are accounted for in the General Fund. For fiscal year 1996-97, MSFEC's revenue and expenditures totaled \$6,078,656 and \$6,880,262, respectively.

The 1997 Fair was held August 19 through September 1, 1997. The Fair's reported paid attendance was 334,581. During the Fair, MSFEC had 19 full-time, 1 intermittent, and 43 temporary employees.

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AUDIT OBJECTIVES  
AND CONCLUSIONS

**Audit Objective:** To assess the adequacy of MSFEC's internal control structure\*.

**Conclusion:** Our assessment of MSFEC's internal control structure disclosed a reportable condition\* related to cash receipts (Finding 1).

**Audit Objective:** To assess MSFEC's compliance with applicable laws and regulations that could have a material effect on MSFEC's financial schedules.

**Conclusion:** Our assessment of compliance with laws and regulations did not disclose any instances of noncompliance that could have a material effect on MSFEC's financial schedules.

**Audit Objective:** To audit MSFEC's financial schedules for the fiscal year ended September 30, 1997.

**Conclusion:** We expressed an unqualified opinion on MSFEC's financial schedules.

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**AUDIT SCOPE**

Our audit scope was to examine the financial and other records of the Michigan State Fair and Exposition Center for the period October 1, 1996 through September 30, 1997. Our audit was conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

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**AGENCY RESPONSES  
AND PRIOR AUDIT  
FOLLOW-UP**

Our report contains one finding and one recommendation. MSFEC indicated that it agreed with the finding and will take steps to comply with the recommendation.

MSFEC complied with our prior audit recommendation.