



Michigan
Office of the Auditor General
REPORT SUMMARY

Financial Audit

Michigan Exposition and Fairgrounds Authority
(A Discretely Presented Component Unit of the State of Michigan)
Fiscal Year Ended September 30, 2008

Report Number:
071-0305-09

Released:
April 2009

A financial audit determines if the financial statements are fairly presented; considers internal control over financial reporting; and determines compliance with requirements material to the financial statements. This financial audit of the Michigan Exposition and Fairgrounds Authority (MEFA) was conducted as part of the constitutional responsibility of the Office of the Auditor General.

Financial Statements:

Auditor's Report Issued

We issued an unqualified opinion on MEFA's financial statements.

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Internal Control Over Financial Reporting

We identified significant deficiencies in internal control over financial reporting (Findings 1 and 2). We do not consider these significant deficiencies to be material weaknesses.

MEFA did not have sufficient controls over its ticket inventory and ticket sales (Finding 1).

MEFA did not always obtain required insurance certifications for vendor space rentals prior to the start of the State Fair (Finding 2).

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Noncompliance and Other Matters Material to the Financial Statements

We did not identify any instances of noncompliance or other matters applicable to the financial statements that are required to be reported under *Government Auditing Standards*.

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Background:

Act 468, P.A. 2004, created MEFA to provide for the control and management of certain State exposition centers and fairgrounds. MEFA shall incur expenses pursuant to appropriation of the Legislature in the following order of priority: (1) providing an annual State Fair; (2) maintaining the State exposition and fairgrounds; and (3) accomplishing any other purpose authorized by the Act.

MEFA is governed by an 11-member board of directors that consists of the director of the Department of Management and Budget, the director of the Michigan Department of Agriculture, and 9 members appointed by the Governor with the advice and consent of the Senate. The MEFA general manager is responsible for administering MEFA's financial operations.

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Agency Response:

Our audit report contains 2 findings and 2 corresponding recommendations. MEFA's preliminary response indicated that it agrees and will comply with both of the recommendations.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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