



Michigan
Office of the Auditor General
REPORT SUMMARY

Financial Audit

Including the Provisions of the Single Audit Act

Michigan Early Childhood Investment Corporation
(A Discretely Presented Component Unit of the State of Michigan)

October 1, 2005 through September 30, 2007

Report Number:
431-1100-08

Released:
December 2009

A Single Audit is designed to meet the needs of all financial report users, including an entity's federal grantor agencies. The audit determines if the financial schedules and/or financial statements are fairly presented; considers internal control over financial reporting and internal control over federal program compliance; determines compliance with requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.

Financial Statements:

Auditor's Report Issued

We issued an unqualified opinion on the Michigan Early Childhood Investment Corporation's (ECIC's) financial statements.

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Internal Control Over Financial Reporting

We identified significant deficiencies in internal control over financial reporting (Finding 1). We consider Finding 1 to be a material weakness.

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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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Federal Awards:

Auditor's Reports Issued on Compliance

We audited one federal program as a major program and issued an unqualified opinion. We identified known questioned costs of \$571,109 and known and likely questioned costs totaling \$576,781. ECIC expended a total of \$23.5 million in federal awards during the two-year period ended September 30, 2007. The federal program audited as a major program is identified on the back of this summary.

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Internal Control Over Major Programs

We identified significant deficiencies in internal control over federal program compliance (Finding 2). We do not consider these significant deficiencies to be material weaknesses.

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Required Reporting of Noncompliance

We identified instances of noncompliance that are required to be reported in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 (Finding 2).

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We audited the following program as a major program:

<u><i>CFDA Number</i></u>	<u><i>Program or Cluster Title</i></u>	<u><i>Compliance Opinion</i></u>
93.575	Child Care and Development Fund (CCDF) Cluster	Unqualified

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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