



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

*Report on the Provisions of the Single Audit Act*

Report Number:  
 271-0405-11

*Michigan Economic Development Corporation*

*(A Discretely Presented Component Unit of the State of Michigan)*

*October 1, 2008 through September 30, 2010*

Released:  
 May 2011

*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:**

We have audited the basic financial statements of the Michigan Economic Development Corporation (MEDC) for the fiscal years ended September 30, 2010 and September 30, 2009 and have issued an unqualified opinion dated January 28, 2011.

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**Auditor's Report Issued**

We issued an unqualified opinion on MEDC's schedule of expenditures of federal awards in relation to the basic financial statements taken as a whole.

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**Internal Control Over Financial Reporting**

We have also issued an independent auditor's report on internal control over financial reporting and on compliance and other matters thereon dated January 28, 2011. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, we did identify a significant deficiency (Finding 1).

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**Noncompliance and Other Matters  
 Material to the Financial Statements**

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

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**Federal Awards:**

**Auditor's Reports Issued on Compliance**

We audited 2 programs as major programs and issued 2 qualified opinions. MEDC expended a total of \$1.1 million in federal awards during the two-year period ended September 30, 2010. The federal programs audited as major programs are identified on the back of this summary.

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**Internal Control Over Major Programs**

We identified material weaknesses in internal control over federal program compliance (Findings 2 and 3). We also identified significant deficiencies in internal control over federal programs (Findings 2 and 3).

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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 (Findings 2 and 3).

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We audited the following programs as major programs:

<u>CFDA Number</u>	<u>Program Title</u>	<u>Compliance Opinion</u>
81.079	Regional Biomass Energy Programs	Qualified
81.087	Renewable Energy Research and Development	Qualified

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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