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 State compliance requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.

Background:
The Department of History, Arts and Libraries (HAL) was created in August 2001 by Act 63, P.A. 2001 (Sections 399.701 - 399.722 of the Michigan Compiled Laws). The Library of Michigan, initially created under the control of the Legislative Council, was created within HAL by Act 62, P.A. 2001, effective October 1, 2001.

Financial Schedules: Auditor’s Report Issued
We issued an unqualified opinion on HAL’s and the Library of Michigan’s financial schedules.

Internal Control Over Financial Reporting
We did not identify any material weaknesses in internal control over financial reporting. However, we did identify a reportable condition (Finding 1).

Noncompliance Material to the Financial Schedules
We did not identify any instances of noncompliance applicable to the financial schedules that are required to be reported under Government Auditing Standards.

Federal Awards:
Auditor's Reports Issued on Compliance
We audited 3 programs as major programs and issued 3 unqualified opinions. The federal programs audited as major programs are identified on the back of this summary.

Internal Control Over Major Programs
We did not report any findings related to internal control over major programs.
 Required Reporting of Noncompliance
We identified an instance of noncompliance that is required to be reported in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 (Finding 2).

Systems of Accounting and Internal Control:
We determined that HAL and the Library of Michigan were in substantial compliance with Sections 18.1483 - 18.1487 of the Michigan Compiled Laws.

We audited the following programs as major programs:

<table>
<thead>
<tr>
<th>CFDA Number</th>
<th>Program Title</th>
<th>Compliance Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.904</td>
<td>Historic Preservation Fund Grants-In-Aid</td>
<td>Unqualified</td>
</tr>
<tr>
<td>45.025</td>
<td>Promotion of the Arts - Partnership Agreements</td>
<td>Unqualified</td>
</tr>
<tr>
<td>45.310</td>
<td>State Library Program</td>
<td>Unqualified</td>
</tr>
</tbody>
</table>