



Michigan
Office of the Auditor General
REPORT SUMMARY

Financial Audit
Including the Provisions of the Single Audit Act

Report Number:
271-0400-09

Michigan Strategic Fund
(A Discretely Presented Component Unit of the State of Michigan)
October 1, 2006 through September 30, 2008

Released:
May 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 Strategic Fund's (MSF's) financial statements.

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Internal Control Over Financial Reporting

We identified significant deficiencies in internal control over financial reporting (Findings 1 through 3). We do not consider these significant deficiencies to be material weaknesses.

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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 program as a major program and issued an unqualified opinion. MSF expended a total of \$88.0 million in federal awards during the two-year period ended September 30, 2008. 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 a significant deficiency in internal control over federal program compliance (Finding 4). We do not consider this significant deficiency to be a material weakness.

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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 4).

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We audited the following program as a major program:

<u><i>CFDA Number</i></u>	<u><i>Program Title</i></u>	<u><i>Compliance Opinion</i></u>
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	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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