MACC PRIVATE EQUITIES INC
Form 40-17F2
October 15, 2007

KPMG LLP
2500 Ruan Center
666 Grand Avenue
Des Moines, IA 50309

Report of Independent Registered Public Accounting Firm

The Board of Directors
MACC Private Equities Inc. and subsidiary:

We have examined management's assertion, included in the accompanying Management Assertion Regarding Compliance with Certain Provisions of the Investment Company Act of 1940, that MACC Private Equities Inc. and subsidiary (the Company) complied with the requirements of Subsections (b) and (c) of rule 17f-2 under the Investment Company Act of 1940 (the Act) as of October 1, 2007. Management is responsible for the Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Included among our procedures were the following tests performed as of October 1, 2007, and with respect to agreement of security purchases and sales, for the period from August 6, 2007 (the date of our last examination) through October 1, 2007:

Count and inspection of all securities located in the vault of Cedar Rapids Bank and Trust in Cedar Rapids, Iowa

Reconciliation of all such securities to the books and records of the Company

Confirmation of security purchases since the date of our last report, which there were none

Vouching of proceeds of two security sales since the date of our last report

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with specified requirements.

In our opinion, management's assertion that MACC Private Equities Inc. and subsidiary complied with the requirements of Subsections (b) and (c) of rule 17f-2 of the Investment Company Act of 1940 as of October 1, 2007 with respect to securities reflected in the investment account of the Company is fairly stated in all material respects.

This report is intended solely for the information and use of management and the

board of directors of MACC Private Equities Inc. and subsidiary and the Securities and Exchange Commission and is not intended to be and should not be used by anyone other than these specified parties.

/s/ KPMG LLP

Des Moines, Iowa
October 12, 2007

MACC PRIVATE EQUITIES INC.

October 1, 2007

KPMG LLP
2500 Ruan Center
Des Moines, IA 50309

Ladies and Gentleman:

RE: Management Assertion Regarding Compliance with
Certain Provisions of the Investment Company Act of 1940

MACC Private Equities Inc. is responsible for complying with the requirements of subsections (b) and (c) of Rule 171-2, "Custody of Investments by Registered Management Investment Companies," of the Investment Company Act of 1940. It is also responsible for establishing and maintaining an effective internal control structure over compliance with Rule 17f-2 requirements.

MACC Private Equities Inc. has performed an evaluation of its compliance with the requirements of subsections (b) and (c) of Rule 17f-2 as of October 1, 2007 for the period August 6, 2007 through October 1, 2007. Based on this evaluation, it has determined that MACC Private Equities Inc. was In compliance with the requirements of subsections (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940 as of October 1,2007, with respect to securities reflected In the Investment accounts of MACC Private Equities Inc.

Very truly yours,

MACC PRIVATE EQUITIES, INC.

By: /s/ David R. Schroder

      David R. Schroder, President

      /s/ Marilyn Benge

      Marilyn Benge, Controller