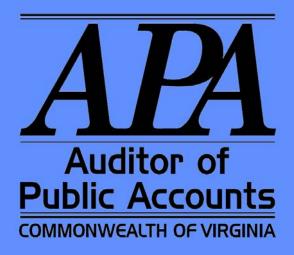
VIRGINIA TOURISM AUTHORITY

REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2008



AUDIT SUMMARY

Our audit of the Virginia Tourism Authority (Authority) for the year ended June 30, 2008, found:

- the financial statements are presented fairly, in all material respects;
- no internal control matters necessary to report to management; and
- no instances of noncompliance or other matters required to be reported.

We have audited the basic financial statements of the Authority as of and for the year ended June 30, 2008, and issued our report thereon, dated April 20, 2009. Our report, included in the Authority's Annual Financial Statements is available at the Auditor of Public Accounts' website at www.apa.virginia.gov.

-TABLE OF CONTENTS-

	<u>Pages</u>
AUDIT SUMMARY	
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS	1-2
AGENCY OFFICIALS AND ROARD MEMBERS	3



Commonwealth of Hirginia

Walter J. Kucharski, Auditor

Auditor of Public Accounts P.O. Box 1295 Richmond, Virginia 23218

April 20, 2009

The Honorable Timothy M. Kaine Governor of Virginia

The Honorable M. Kirkland Cox Chairman, Joint Legislative Audit and Review Commission

Board of Directors Virginia Tourism Authority

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER

FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited the financial statements of the governmental activities and the General Fund, a major fund, of the **Virginia Tourism Authority** as of and for the year ended June 30, 2008, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated April 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Report Distribution and Exit Conference

The "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters" is intended solely for the information and use of the Governor and General Assembly of Virginia, the Board, and management, and is not intended to be and should not be used by anyone, other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

We discussed this report with management on April 23, 2009.

AUDITOR OF PUBLIC ACCOUNTS

VIRGINIA TOURISM AUTHORITY Richmond, Virginia

Alisa Bailey, President and Chief Executive Officer

Roy Knox, Vice President of Administration and Revenue

VIRGINIA TOURISM AUTHORITY BOARD OF DIRECTORS

Cal Simmons, Chair

Richard D. Brown*

L. Preston Bryant, Jr.*

Chris H. Franks

Patrick O. Gottschalk*

W. Shawn Hash

Jon C. King

Donna Mason

Bob McDonnell

Susan K. Payne

Susan S. Platt

Michael C. Quinn

James B. Ricketts

Tareq Salahi

Phyllis Terrell

*Ex-officio