

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

**REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2012**



AUDIT SUMMARY

Our audit of the Virginia Economic Development Partnership (Partnership) for the year ended June 30, 2012, found:

- the financial statements are presented fairly, in all material respects;
- no material weaknesses in internal control over financial reporting; and
- no instances of noncompliance or other matters required to be reported under Government Auditing Standards.

We have audited the basic financial statements of the Partnership as of and for the year ended June 30, 2012 and issued our report thereon, dated October 12, 2012. Our report, included in the Partnership's Annual Report, is available at the Auditor of Public Accounts' website at www.apa.virginia.gov and at the Partnership's website at www.yesvirginia.org.



Commonwealth of Virginia

Auditor of Public Accounts

Walter J. Kucharski
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

October 12, 2012

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable John M. O'Bannon, III
Chairman, Joint Legislative Audit
And Review Commission

Board of Directors
Virginia Economic Development Partnership

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited the basic financial statements of the **Virginia Economic Development Partnership** (Partnership) as of and for the year ended June 30, 2012, and have issued our report thereon dated October 12, 2012. 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 Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Partnership's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, 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 of Directors, 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 October 25, 2012.

AUDITOR OF PUBLIC ACCOUNTS

LJH/clj

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
Richmond, Virginia

Board of Directors

Julien G. Patterson, Chair
John F. Malbon, Vice Chair

Stephen R. Adkins	David Oliver
G. William Beale	Dan M. Pleasant
Edie M. Bowles	A. Carole Pratt
Russell B. Clark	Ruth A. Sandoval
Mark D. Heath	Samuel A. Schreiber
David Hudgins	Donald W. Seale
Hugh D. Keogh	James E. Ukrop
Chris A. Lumsden	Neil D. Wilkin, Jr.
Stuart S. Malawer	

The Honorable William T. Bolling, Ex-Officio
The Honorable Richard D. Brown, Ex-Officio
The Honorable Jim S. Cheng, Ex-Officio
Glenn DuBois, Ex-Officio

President and Chief Executive Officer

Martin J. Briley