



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

March 30, 2009

300 N. WASHINGTON SQ.
LANSING, MI 48913

CUSTOMER
ASSISTANCE CENTER
517 373-9808

WWW.THEMEDC.ORG

Director
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 South Capitol, 6th Floor
Lansing, Michigan 48913

Dear Director Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, the following identify our response and corrective action plan to address recommendations contained within the Office of the Auditor General's (OAG) audit report of the Michigan Economic Development Corporation (MEDC), October 1, 2005 through September 30, 2007:

Finding: MEDC's controls over the financial reporting did not detect a misclassification of revenues in its draft financial statements.

MEDC's Response: MEDC agrees with the finding and the recommendation. The misclassification was in the draft financial statements provided to the OAG staff. It was immediately corrected upon notification by the OAG staff.

Corrective Action: MEDC has made changes to internal control processes and procedures for the review of financial statements to detect such misclassification of revenues.

Questions regarding the summary table or corrective action plans should be directed to me at 517-241-0524; or modij1@michigan.org.

Sincerely,

Juzer Modi, Director
Office of Financial Services

cc: Executive Office
Office of the Auditor General
House Fiscal Agency
Senate Fiscal Agency

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TODD A. WYETT

Versa Development, LLC

Michigan Economic Development Corporation
Summary of Agency Responses to Recommendations
October 1, 2005 – September 30, 2007

1. Audit recommendations the agency complied with:

OAG Finding #1 – Financial Reporting

2. Audit recommendations the agency agrees with and will comply:
3. Audit recommendations the agency disagrees with: