Office of Legislative
Auditor General

WILLIE MAYO, CPA, CIA, CICA
AUDITOR GENERAL

500 GRISWOLD STREET
STE. 848; GUARDIAN BLDG.
DETROIT, MICHIGAN 48226
TELEPHONE: (313) 224-0924

July 2, 2010

FINAL REPORT TRANSMITTAL LETTER

Honorable Wayne County Commission:

Enclosed is our final copy of the Office of Legislative Auditor General's Financial Assessment – Limited Review report for the Greater Wayne County Economic Development Corporation's audited financial statements for the fiscal year ended September 30, 2009. Our report is dated June 1, 2010; DAP No. 2010-57-909. The draft report was accepted by the Audit Committee at its meeting held on Tuesday, June 22, 2010, and formally received by the Wayne County Commission on July 1, 2010.

We are pleased to inform you that officials from the Greater Wayne County Economic Development Corporation and Economic Development Growth Engine provided their full cooperation. If you have any questions, concerns, or desire to discuss the report in greater detail, we would be happy to do so at your convenience. This report is intended for your information and should not be used for any other purpose. Copies of all office of Legislative Auditor General's final reports can be found on our website at: http://www.waynecounty.com/comm_depts_auditor_reports.htm

Willie Mayo, CPA, CIA, CICA
Auditor General

REPORT DISTRIBUTION

Greater Wayne County Economic Development Corporation
Robert J. Buckler, Chairman

Economic Development Growth Engine
Turkia A. Mullin, Chief Development Officer

Department of Management & Budget
Carla E. Sledge, Chief Financial Officer
Terry L. Hasse, Director, Grants and Contract Administration
Melinda Haner, Finance & Compliance Manager, GWEDC
Barbara Cerda, Director, Financial Services

Wayne County Executive

Office of Legislative
Auditor General

WILLIE MAYO, CPA, CIA, CICA
AUDITOR GENERAL

500 GRISWOLD STREET
STE. 848; GUARDIAN BLDG.
DETROIT, MICHIGAN 48226
TELEPHONE: (313) 224-0924

June 1, 2010

DAP No. 2010-57-909

Honorable Gary Woronchak, Chairman
Audit Committee
Wayne County Commission
County of Wayne, Michigan
500 Griswold Ave., Suite 766
Detroit, MI 48226

Subject: Office of Legislative Auditor General's Financial Assessment – Limited Review Report for the Greater Wayne County Economic Development Corporation's Financial Report, including its audited financial statements and related reports for the fiscal year ended September 30, 2009.

Dear Chairman Woronchak:

The Office of Legislative Auditor General (OAG) received the Greater Wayne County Economic Development Corporation's (GWEDC) financial report, including audited financial statements for the fiscal year ended September 30, 2009 (attached) from the GWEDC in accordance with Wayne County Ordinance 98-59. This ordinance requires all county departments, agencies, and units to provide a copy of any audit or consulting report to the Legislative Auditor General.

Because we have performed more extensive financial reviews of the Agency's financial statements in the past few years in accordance with professional attestation standards, and determined they were complete, thorough, and in accordance with Generally Accepted Accounting Principles, we elected to conduct a limited review of their financial reports for the fiscal year ended September 30, 2009.

Our limited review is substantially less in scope than an examination or audit in accordance with Generally Accepted Government Auditing Standards or Generally Accepted Auditing Standards, the objective of which is the expression of an opinion on the audited financial statements. Accordingly, we do not express such an opinion.

Our limited review of the GWEDC's financial report, audited financial statements, and report on internal controls, compliance and other matters for the fiscal year ended September 30, 2009,

included, but was not necessarily limited to: a thorough and complete review of the documents; limited inquiries of GWEDC and County officials; and, analytical review procedures. Below we have summarized some key items from the financial and other reports for consideration by the Committee and Commission members:

Background

- The Greater Wayne County Economic Development Corporation (GWEDC) was established through an inter-local agreement between the Economic Development Corporation (EDC) of the Charter County of Wayne, the EDC of the City of Taylor and the EDC of the City of Detroit for the purpose of administering economic development programs and functions in Michigan. The inter-local agreement has a potential life cycle of twenty years.

- The GWEDC operates one program, One-Stop Center, which provides business development assistance to businesses located in the county and those that desire to locate in the county. The GWEDC is also involved with programs such as the Aerotropolis, Façade Improvements and other economic development initiatives.

- The GWEDC is governed by an Executive Committee and a Board of Directors. The County Executive appoints the members of the Executive Committee and six of the ten board members. One board member each is appointed by the EDC of the City of Detroit, the EDC of the City of Taylor, the EDC of Wayne County, and the final board member is appointed by the Wayne County Commission.

- The GWEDC receives its primary funding from grants and contributions. In FY 2009, Wayne County funded $264,345, or 63 percent, of the GWEDC's annual revenue with Federal grants providing $117,660, or 27 percent, and other income and contributions providing $38,568, or 9 percent, of total funding.

- For financial reporting purposes, The GWEDC is a component unit of the County of Wayne, and though the GWEDC is a separate legal entity, its financial results are included in the County's CAFR as a component unit. As a component unit, the County is financially accountable.

External Auditors Reports and Letters

- The GWEDC received an "unqualified opinion" on the audited financial statements from Alan C. Young & Associates, P.C. An unqualified opinion is issued by an external auditor when the financial statements presented are free of material misstatements and are represented fairly in accordance with Generally Accepted Accounting Principles (GAAP), which in other words means that the entity's financial condition, position, and operations are fairly presented in the financial statements. It is the best type of report an entity may receive from an external auditor.

- A report on Internal Control over Financial Reporting and on Compliance and Other Matters was provided in accordance with Generally Accepted Government Auditing Standards. The report did not identify any deficiencies in internal controls over financial reporting. The report also did not identify any instances of noncompliance or other matters that are required to be reported under the applicable standards.

Financial Results\Operations

Description	FY 2009	FY 2008	Increase (Decrease)	Primary Reasons
Assets	$687,679	$659,458	$28,221	Accounts Receivable
Liabilities	137,633	67,629	70,004	Due to the county
Net Asset - Restricted	550,045	591,829	(41,784)	Grant Agreement & Contributions
Net Operating Surplus (Loss)	($41,784)	($2,485)	$39,299	Contractual Services

Internal Controls\Compliance

- The GWEDC's Report on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements disclosed no instances of material weaknesses in internal controls or noncompliance that are required to be reported under Government Auditing Standards.
- The auditor's letter (SAS #114) to the Board of Trustees and management did not identify any material weaknesses in internal controls or noncompliance matters.

Potential Risk Exposures

- The GWEDC incurred an operating loss of $41,784 for the fiscal year ending September 30, 2009, which is primarily due to decreases in contributions and other income, as well as increases in contractual services. At present, there is a restricted fund balance of more than $550,000 still remaining at year end. However, the failure to timely amend the budget annually going forward could result in greater losses in the future.

- The GWEDC is heavily dependent upon the County's General Fund for its revenue. In FY 2009, grants from the County represented $264,345, or 63 percent, of GWEDC's total revenues. Such reliance on the County's General Fund could hamper GWEDC's ability to fulfill its mission and purpose if the County is unable to sustain its level of support.

- According to the financial statements, GWEDC's cash and cash equivalents are maintained in three separate bank accounts at a single institution. This balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At September 30,

2009, $172,176 was not insured. The GWEDC also has $155,508 maintained in Wayne County's pooled cash bank accounts.

- The County provides administration, financial, and other services to the GWEDC. We were unable to determine whether the County's cost to provide the services are being fully covered by reimbursement from GWEDC.

Status of Prior Year's Recommendation

Recommendation: We recommended management amend their budget to reflect the additional funding appropriated by the commission and other sources. Appropriately amending the budget is a requirement of the State of Michigan Budget Act and also reflects best practices.

Status – Unresolved: GWEDC failed to amend their budget for $117,660 in federal grants received and $111,237 in contractual services for the fiscal year ending September 30, 2009. These amounts represent 28% and 24%, respectively, of the revenues and expenses for this organization.

Conclusion and Recommendation:

Based on our limited review, nothing came to our attention that caused us to believe the financial report, including audited financial statements and the report on internal controls and compliance of the Greater Wayne County Economic Development Corporation, are not presented in conformity with generally accepted accounting principles.

It is our recommendation that the Greater Wayne County Economic Development Corporation's financial report, including audited financial statements, and the OAG's Financial Assessment – Limited Review Report for fiscal year ended September 30, 2009 be forwarded to the Wayne County Commission to receive and file.

Respectfully submitted,

Willie Mayo, CPA, CIA, CIGA
Auditor General

Attachment

CC: Turkia Mullin, Director, Department of Economic & Neighborhood Development
Robert J. Buckler, Chairman, Greater Wayne County Economic Development Corporation
Carla E. Sledge, Chief Financial Officer, Wayne County
Melinda Haner, Finance & Compliance Manager, Economic Development Growth Engine, Department of Management & Budget
Terry L. Hasse, Director, Grants and Contracts Administration Department of Management & Budget
Barbara Cerda, Department of Management & Budget

ATTACHMENT

FINANCIAL REPORT FOR
GREATER WAYNE COUNTY
ECONOMIC DEVELOPMENT CORPORATION
YEAR ENDED SEPTEMBER 30, 2009
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT

GREATER WAYNE COUNTY
DEVELOPMENT ECONOMIC CORPORATION

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Alan C. Young & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

7310 Woodward Ave, Suite 740
Detroit, MI 48202

(313) 873-7500
(313) 873-7502 (Fax)
www.alancyoung.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Greater Wayne County Economic
Development Corporation
Detroit, Michigan

We have audited the accompanying financial statements of the Greater Wayne County Economic Development Corporation (GWEDC), (a component unit of the County of Wayne, Michigan) as of and for the year ended September 30, 2009 as listed in the table of contents. These financial statements are the responsibility of GWEDC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GWEDC as of September 30, 2009 and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedule (identified in the table of contents) are not required parts of the basic financial statements, but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards,* we have also issued a report dated January 28, 2010 on our consideration of GWEDC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Alan C. Young & Assoc.

January 28, 2010

GREATER WAYNE COUNTY
ECONOMIC DEVELOPMENT CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS
SEPTEMBER 30, 2009

As management of the GWEDC, we offer this narrative overview and analysis of the financial activities of GWEDC for the year ended September 30, 2009. Readers are encouraged to read it in conjunction with the accompanying basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two types of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of GWEDC as a whole and present a longer-term view of the Organization's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending.

The financial statements consist of the *General fund Balance Sheet / Statement of Net Assets,* and the *Statement of General Fund Revenues, Expenditures and Changes in Fund balance / Statement of Activities and* the *Statement of Cash Flows.*

The *Statement of Net Assets* presents information on all of the assets and liabilities of GWEDC, with the difference between the two reported as *net assets.* Net assets can be thought of as one way of measuring the financial strength of GWEDC. Increases or decreases in net assets over time may serve as a useful indicator of whether the financial condition of GWEDC is improving or deteriorating.

The *Statement of Activities* presents information showing how the net assets of GWEDC have changed over the course of the most recent fiscal year. All changes in net assets are recognized as soon as the underlying transactions take place, regardless of the timing of the related cash flows. As a result, certain revenues and expenses reported in these statements are related to items that will only result in cash flows in future years.

The *General Fund Balance Sheet and Statement of General Fund Revenues, Expenditures and change in Fund Balance* present information on the modified accrual basis of accounting. This methodology is focused primarily on the current use of available resources.

The *Statement of Cash Flows* presents detailed information about the changes in the cash position of GWEDC during the year.

The *Notes to the Financial Statements* provide additional information that is essential to gain a full understanding of the data presented in both the government-wide and fund financial statements and begin on page 4 of this report.

FINANCIAL OVERVIEW

It is important to recognize the mission of GWEDC when analyzing its financial position. GWEDC is funded primarily by Wayne County and was created on November 22, 2004 for the purpose of administering economic development programs and functions in Michigan. As required by the Governmental Accounting Standards Board, the discussion and analysis contains comparisons between 2009 and 2008.

GREATER WAYNE COUNTY
ECONOMIC DEVELOPMENT CORPORATION

GENERAL FUND BALANCE SHEET/
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

FINANCIAL OVERVIEW (Continued)

	2009	2008
Assets		
Current Assets	$ 678,723	$ 645,831
Capital Assets	8,956	13,627
Total Assets	$ 687,679	$ 659,458
Liabilities and Net Assets		
Current Liabilities	$ 137,634	$ 67,629
Total Liabilities	137,633	67,629
Net Assets - Unrestricted	550,045	591,829
Total Liabilities and Net Assets	$ 687,679	$ 659,458

As indicated in the following schedule, the net assets of GWEDC decreased by $41,784 and decreased by $2,485 for the year ended September 30, 2009 and 2008, respectively.

	2009	2008
Grant - Wayne County	$ 264,345	$ 338,680
Grant - Federal	117,660	0
Contributions	6,754	80,364
Other Income	31,814	0
Interest Income	3,359	13,007
Operating Expenses	(465,716)	(434,536)
Net Income from Operations	(41,784)	(2,485)
Net Assets Beginning of Year	591,829	580,574
Prior Period Adjustment	0	13,740
Net Assets End of Year	$ 550,045	$ 591,829

GENERAL FUND BALANCE SHEET/
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

BUDGETARY OVERVIEW

For the year ended September 30, 2009, GWEDC's actual revenues were under the final budgeted revenues by $13,831. This was due to GWEDC not receiving contributions that had been budgeted. GWEDC's operating expenditures exceeded budgeted levels by a total of $26,641. This was primarily due to budget overages in the areas of building rental and professional services. Additionally, actual expenditures were shifted away from salaries and wages and into contract services.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

GWEDC has an operating budget of $737,000 for the year ended September 30, 2010. GWEDC plans on continuing to build and grow economic development programs throughout fiscal year 2010.

CONTACTING THE MANAGEMENT OF GWEDC

This financial report is designed to provide the citizens, taxpayers, investors, creditors and others with a general overview of the finances of GWEDC. Questions concerning any information contained in this report or requests for additional information should be addressed to the attention of the Office Administrator at the following address: Greater Wayne County Economic Development Corporation, 500 Griswold, 30th Floor, Detroit, MI. 48226. Requests can also be made via the website at www.waynecounty.com/edge.

GREATER WAYNE COUNTY
ECONOMIC DEVELOPMENT CORPORATION

GENERAL FUND BALANCE SHEET/
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	General Fund, Modified Accrual Basis	Adjustments	Statement of Net Assets, Full Accrual Basis
ASSETS			
Current Assets:			
Cash & Cash Equivalents (Note 2)	$ 570,352	$ -	$ 570,352
Accounts Receivable	102,867	-	102,867
Prepaid Expenses	5,504	-	5,504
Total Current Assets	$ 678,723	$ -	$ 678,723
Capital Assets			
Equipment, Net of Depreciation (Note 3)	-	8,956	8,956
Total Assets	$ 678,723	8,956	$ 687,679
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Due to Primary Government	$ 126,240	$ -	126,240
Accounts Payable	6,645	-	6,645
Deferred Revenue	22,953	(22,953)	-
Accrued Payroll	4,749	-	4,749
Total Liabilities	34,347	(22,953)	11,394
Fund Balance - Designated	644,376		
Total Liabilities and Fund Balance	$ 678,723		
Net Assets - Restricted (Note 4)			
Restricted			541,089
Invested in Capital Assets, Net of Related Debt			8,956
Total Net Assets			$ 550,045

The accompanying notes are an integral part of these financial statements.

GREATER WAYNE COUNTY
ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2009

	General Fund, Modified Accrual Basis	Adjustments	Statement of Activities, Full Accrual Basis
REVENUE			
Operating Revenues:			
Contributions	$ 6,754	$ -	$ 6,754
Grant - Wayne County	264,345	-	264,345
Grant - Federal	117,660	-	117,660
Other Income	31,814	-	31,814
Total Operating Revenues	420,573	-	420,573
Expenditures			
Operating Expenditures:			
Salaries and Wages	148,440	-	148,440
Fringe Benefits	13,894	-	13,894
Payroll Processing Fees	2,550	-	2,550
Contractual Services	197,861	-	197,861
Professional Services	8,806	-	8,806
Advertising	83	-	83
Depreciation	-	4,671	4,671
Dues and Subscriptions	655	-	655
Equipment	14,513	-	14,513
Repairs and Maintenance	24,413	-	24,413
Building rental	27,106	-	27,106
Insurance	7,392	-	7,392
Office Supplies	4,865	-	4,865
Telephone	2,465	-	2,465
Travel	5,249	-	5,249
Bank Service Charges	923	-	923
Miscellaneous	1,830	-	1,830
Total Operating Expenditures	461,045	4,671	465,716
Operating Income	(40,472)	(4,671)	(45,143)
Nonoperating Revenues (Expenses):			
Interest Income	3,359	-	3,359
Total Nonoperating Revenue (Expenses)	3,359	-	3,359
Change in Fund Balance / Net Assets	(37,113)	(4,671)	(41,784)
Fund Balance / Net Assets - Beginning of Year	555,249	36,580	591,829
Fund Balance / Net Assets - End of Year	$ 518,136	$ 31,909	$ 550,045

The accompanying notes are an integral part of these financial statements.

GREATER WAYNE COUNTY
ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2009

CASH FLOWS FROM OPERATIONS	
Contributions	$ 6,754
Grant - Wayne County	264,345
Grant - Federal	117,660
Other Income	31,814
Payments	(469,150)
Interest Income	3,359
Net Cash Provided by (Used in) Operating Activities	(45,218)
Net Increase (Decrease) in Cash and Cash Equivalents	(45,218)
Cash and Cash Equivalents, Beginning of Year	615,570
Cash and Cash Equivalents, End of Year	$ 570,352
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating Income	$ (41,784)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities	
Non Cash Depreciation Expense	4,671
Change in Accounts Receivable	(78,407)
Change in Prepaid Expenses	297
Change in Accounts Payable	69,492
Change in Accrued Payroll	513
Total Adjustments	(3,434)
Net Cash Provided by (Used in) Operating Activities	$ (45,218)

The accompanying notes are an integral part of these financial statements.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Greater Wayne County Economic Development Corporation (GWEDC) was created on November 22, 2004 as a Michigan Public Body Corporate. It was created through an inter-local agreement between the Economic Development Corporation (EDC) of the Charter County of Wayne, the EDC of the City of Taylor and the EDC of the City of Detroit for the purpose of administering economic development programs and functions in Michigan. The GWEDC has one program, One-Stop Center, which receives general fund money from the County.

Legal Entity

GWEDC is a legal unit separate from the County of Wayne, Michigan. The financial statements of GWEDC will be incorporated in the financial statements of the County as a component unit.

Basis of Presentation

GWEDC has one fund, the General Fund, which is GWEDC's primary operating fund.

The General Fund is budgeted and accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, GWEDC considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

In addition to presenting information for the General Fund on the modified accrual basis (as budgeted), the basic financial statements present information for GWEDC as a whole, using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Basis of Accounting

The Greater Wayne County Economic Development Corporation follows the rules promulgated by the Governmental Accounting Standards Board. Additionally, GWEDC follows all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) issued on or before November 30, 1989, unless pronouncements conflict with or contradict GASB.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are valued at their fair value plus accrued interest in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*

2) CASH AND CASH EQUIVALENTS

The Organization's cash and cash equivalents as of September 30, 2009 are maintained in three bank accounts at a single institution.

This balance is insured by the Federal Deposit Insurance Corporation up to $250,000. At September 30, 2009, $172,176 was not insured. The Organization also has $155,508 maintained in Wayne County's shared bank account. The portion of this balance covered by Federal depository insurance is not known since this account is shared with Wayne County.

3) CAPITAL ASSETS

Capital assets are recorded at cost. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets. Capital assets are comprised of the following at September 30, 2009:

Equipment	23,358
Less: Accumulated Depreciation	(14,402)
Total	$ 8,956

4) NET ASSETS

Net assets are restricted for specified purposes as identified in the Organization's grants and contributions.

Alan C.
Young & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

7310 Woodward Ave., Suite 740
Detroit, MI 48202

(313) 873-7500
(313) 873-7502 (Fax)
www.alancyoung.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Greater Wayne County Economic
Development Corporation
Detroit, Michigan

We have audited the financial statements of the Greater Wayne County Economic Development Corporation (GWEDC) (a component unit of the County of Wayne, Michigan) as of and for the year ended September 30, 2009 and have issued our report thereon dated January 28, 2010. 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

In planning and performing our audit, we considered GWEDC'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 GWEDC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of GWEDC'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 GWEDC'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 GWEDC's financial statements that is more than inconsequential will not be prevented or detected by GWEDC's internal control.

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 GWEDC's internal control.

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 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.

Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether GWEDC'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.*

This report is intended solely for the information and use of management, the Board of Directors, and others within GWEDC and is not intended to be and should not be used by anyone other than those specified parties.

Alan C. Young & Assoc.

January 28, 2010

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT
DISCUSSION & ANALYSIS (MD&A)

GREATER WAYNE COUNTY
ECONOMIC DEVELOPMENT CORPORATION

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Originally Adopted Budget	Final Budget	Actual Balance	Variance Favorable (Unfavorable)
Operating Revenues:				
Contributions	$ 37,126	$ 37,126	$ 6,754	$ (30,372)
Grant - Wayne County	255,645	255,645	264,345	8,700
Grant - Federal	-	-	117,660	117,660
Other Income	141,633	141,633	31,814	(109,819)
Total Operating Revenues	434,404	434,404	420,573	(13,831)
Expenditures				
Operating Expenditures:				
Salaries and Wages	215,608	215,608	148,440	67,168
Fringe Benefits	-	-	13,894	(13,894)
Payroll Processing Fees	-	-	2,550	(2,550)
Contract Services	86,624	86,624	197,861	(111,237)
Professional Services	22,500	22,500	8,806	13,694
Advertising	3,000	3,000	83	2,917
Dues and Subscriptions	1,500	1,500	655	845
Equipment	7,280	7,280	14,513	(7,233)
Insurance	6,300	6,300	7,392	(1,092)
Repairs and Maintenance	31,200	31,200	24,413	6,787
Office Supplies	9,000	9,000	2,211	6,789
Telephone	-	-	2,465	(2,465)
Printing	5,000	5,000	2,654	2,346
Travel and Meeting Expenses	3,392	3,392	5,249	(1,857)
Bank Service Charges	-	-	923	(923)
Miscellaneous	-	-	1,830	(1,830)
Building Rental	43,000	43,000	27,106	15,894
Total Operating Expenditures	434,404	434,404	461,045	(26,641)
Operating Income	-	-	(40,472)	(40,472)
Nonoperating Revenues (Expenses):				
Interest Income	-	-	3,359	3,359
Total Nonoperating Revenue (Expenses)	-	-	3,359	3,359
Change in Fund Balance / Net Assets	-	-	(37,113)	(37,113)
Fund Balance / Net Assets - Beginning of Year	-	-	555,249	-
Fund Balance / Net Assets - End of Year	$ -	$ -	$ 518,136	$ (37,113)

The accompanying notes are an integral part of these financial statements.