

Office of Legislative Auditor General

WILLIE MAYO, CPA, CICA
AUDITOR GENERAL



208 WAYNE COUNTY BUILDING
600 RANDOLPH
DETROIT, MICHIGAN 48226
TELEPHONE: (313) 224-0924

March 20, 2009

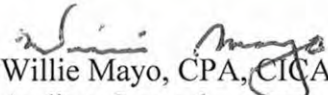
FINAL REPORT TRANSMITTAL LETTER

Honorable Wayne County Commissioners:

Enclosed is our final copy of the Office of Legislative Auditor General's Financial Assessment – Attestation Report for the Greater Wayne County Economic Development Corporation (GWEDC) audited financial statements for the fiscal year ended September 30, 2007. Our report is dated February 26, 2009; DAP No. 2009-57-901. The draft report was accepted by the Audit Committee at its meeting held on Tuesday, March 10, 2009, and formally accepted by the Wayne County Commission on March 19, 2009.

The content of this final report has been revised from the draft report to reflect the budget to actual issue raised by the Auditor General at the audit committee meeting.

We are pleased to inform you that officials from the Department of Economic & Neighborhood Development 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/mygovt/comm/AuditReport.aspx>.


Willie Mayo, CPA, CICA
Auditor General

REPORT DISTRIBUTION

Department of Economic Development Growth Engine

Turkia Mullin, Chief Development Officer

Melinda G Haner, Division Director, Management & Budget

Department of Management & Budget

Carla E. Sledge, Chief Financial Officer

Christa McLellan, Director of Financial Reporting

Terry L. Hasse – Director, Grants and Contract Administration

Wayne County Executive



RESOLUTION

No. 2009-145

By Commissioner Woronchak and Co-sponsored by Commissioner Varga

RESOLVED, by the Wayne County Commission this 19th day of March, 2009 that approval be, and is hereby, granted approving the Office of the Legislative Auditor General's Financial Assessment-Attestation review Report on the Greater Wayne Economic Development Corporation's audited financial statements for the fiscal year ended September 30, 2007. The report is dated February 26, 2009.

(2009-57-901)

Wayne County Office of Legislative Auditor General (OAG)
Financial Assessment – Attestation Review Report

Report Entity Name & Type	Greater Wayne County Economic Development Corporation (GWEDC); Audited Financial Statements for the Fiscal Year (FY) ended September 30, 2007.																									
DAF No.	No DAF number has been assigned to the financial statements because the statements have not been formally referred by the Commission. However, management provided the OAG with the financial statements and we have included them as an attachment in our report.																									
Referring Department/Agency	Department of Economic & Neighborhood Development																									
Entity Purpose and Type	The GWEDC was established on November 22, 2004 as a State of Michigan public body corporation, and was created for the purpose of administering economic development programs and functions in Wayne County, Michigan. This entity is treated as a discretely presented component unit that is legally separate from the county, but which the county is financially accountable. The GWEDC operates the "One Stop Center," which provides business development assistance to businesses located in the county and those that desire to operate in the county.																									
Organizational or Governance Structure	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.																									
Entity's Funding Sources	The Greater Wayne County Economic Development Corporation (GWEDC) receives its primary funding through grants from Wayne County and contributions from various sources. <table><tr><th>Operating Revenue</th><th>FY 2007</th><th>FY 2006</th><th>Increase/ Decrease Variance</th><th>Increase/ Decrease Percentage</th></tr><tr><td>Contributions</td><td>113,137</td><td>256,829</td><td>(143,692)</td><td>-56%</td></tr><tr><td>Grant – Wayne County</td><td>806,725</td><td>281,346</td><td>525,379</td><td>187%</td></tr><tr><td>Other Grant</td><td>25,000</td><td>-</td><td>25,000</td><td>100%</td></tr><tr><td>Total Operating Revenue</td><td>944,862</td><td>538,175</td><td>406,687</td><td>76%</td></tr></table> As of September 30, 2007 total operating revenues were \$944,862 an increase of \$406,687, or 76 percent from FY 2006. This increase was primarily due to an increase in the grant funding by Wayne County. The county provided additional grant funding totaling \$550,000 for three projects, Aerotropolis, façade improvements to various buildings within the Wayne County area, and the African Trade Mission. Wayne County funded \$806,725 or 85% of the GWEDC's annual revenue with contributions providing \$113,137 or 12% and other grant funds providing \$25,000 or 3% of total funding.	Operating Revenue	FY 2007	FY 2006	Increase/ Decrease Variance	Increase/ Decrease Percentage	Contributions	113,137	256,829	(143,692)	-56%	Grant – Wayne County	806,725	281,346	525,379	187%	Other Grant	25,000	-	25,000	100%	Total Operating Revenue	944,862	538,175	406,687	76%
Operating Revenue	FY 2007	FY 2006	Increase/ Decrease Variance	Increase/ Decrease Percentage																						
Contributions	113,137	256,829	(143,692)	-56%																						
Grant – Wayne County	806,725	281,346	525,379	187%																						
Other Grant	25,000	-	25,000	100%																						
Total Operating Revenue	944,862	538,175	406,687	76%																						

Wayne County Office of Legislative Auditor General (OAG)

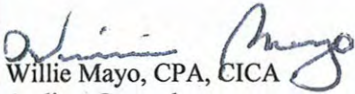
Financial Assessment – Attestation Review Report

Type of Report	Annual audited financial statements including the independent auditor's report prepared by Alan C. Young & Associates, P.C., Detroit, Michigan.
Report Period	October 1, 2006 - September 30, 2007
Report Purpose	To render an opinion on the financial statements of the Greater Wayne County Economic Development Corporation (GWEDC); for the fiscal year ended September 30, 2007.
Type of Audit Report Opinion	Unqualified (clean) Opinion.
Report's Impact on the County's Comprehensive Annual Financial Report	The financial statements of the Greater Wayne County Economic Development Corporation (GWEDC); have been included in the county's fiscal year 2007 Comprehensive Annual Financial Report (CAFR) and classified as a non-major discretely presented component unit in that is a legally separate entity for which the county is financially accountable.
OAG ASSESSMENT	Our review of the audited financial statements and required supplementary information for the fiscal year ended September 30, 2007 was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States and the American Institute of Certified Public Accountants for attestation standards. A review is substantially less in scope than an examination or audit, the objective of which is the expression of an opinion on the audited financial statements. Accordingly, we do not express such an opinion. Based on the work performed, nothing came to our attention that caused us to believe the audited financial statements of the GWEDC and other supplementary information are not presented in conformity with generally accepted accounting principles. We concluded that the audited financial statements and reported supplementary information appear complete and thorough. Below we have summarized our assessment for consideration by the commission: • Total operating expenditures were \$377,182 a decrease of \$119,173, or 24 percent from FY 2006. This was primarily due to a decrease in salaries, wages and fringe benefits, non utilization of budgeted funds of \$96,000 to establish a satellite office at Wayne County Community College District; and, unused funding of approximately \$77,000 in the Contract Services line item. • As of September 30, 2007, GWEDC had total assets of \$633,153 an increase of \$590,992 or 71 percent. This increase was primarily due to increased operating revenue. Total liabilities were \$52,579 an increase of \$21,542 or 69 percent, this increase was primarily due to an increase accounts payable. • Budgeted revenues were \$530,000; actual revenues were \$922,619, a difference of \$392,619; in additional operating revenues. Budgeted expenditures were \$530,000; actual expenditures were \$377,182; a difference of \$152,818, a reduction in operating expenditures. • As of September 30, 2007 the Fund Balance/Net Assets was \$580,574 an increase of \$569,450 as a result of a decrease in anticipated overall expenditures.

Wayne County Office of Legislative Auditor General (OAG)
Financial Assessment – Attestation Review Report

	• The agency's budget for fiscal year 2007 was not amended to reflect additional grant funding of \$550,000 appropriated by the commission. Recommendation: We recommend that management amend their budget to reflect the additional funding appropriated by the commission or other sources. This not only follows the requirement of the Budget Act, but also reflects best practices.
STATUS OF PRIOR YEAR'S RECOMMENDATIONS	There were no prior year recommendations.
VIEWS OF RESPONSIBLE OFFICIALS	We provided our financial assessment – attestation review report to the Department of Economic and Neighborhood Development. There were no overall comments or corrections.
OAG OVERALL RECOMMENDATION	It is our overall recommendation that the Greater Wayne County Economic Development Corporation's audited financial statements for the fiscal year ended September 30, 2007 be approved and forwarded to the Wayne County Commission for acceptance and approval.

This report is intended solely for the information and use of the Wayne County Department of Economic Neighborhood Development and the Wayne County Commission and is not intended to be and should not be used by another other than these specified parties. This restriction is not intended to limit the distribution of the report, which is a matter of public record.


Willie Mayo, CPA, CICA
Auditor General

Attachment

**Financial Statements for the Greater Wayne Economic Development Corporation
For the Year Ended September 30, 2007**

**GREATER WAYNE COUNTY ECONOMIC
DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
SEPTEMBER 30, 2007
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

**GREATER WAYNE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

TABLE OF CONTENTS

Page No.

Independent Auditors' Report i

Management's Discussion & Analysis..... ii

BASIC FINANCIAL STATEMENTS:

General Fund Balance Sheet / Statement
of Net Assets 1

Statement of General Fund Revenues, Expenditures
and Changes in Fund balance / Statement of Activities 2

Statement of Cash Flows..... 3

Notes to Basic Financial Statements 4

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A:

Budgetary Comparison Schedule – General Fund..... 7

Independent Auditors' Report on Compliance with Laws and Regulations and
Internal Control – Basic Financial Statements..... 8

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

2990 W. Grand Blvd., Suite 310
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

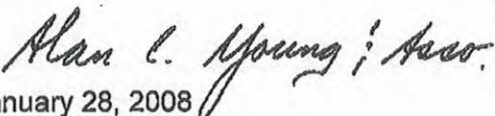
We have audited the accompanying financial statements of the Greater Wayne County Economic Development Corporation (GWEDC), (a component unit of the County of Wayne, Michigan) as of and for the year ended September 30, 2007, as listed in the table of contents. These financial statements are the responsibility 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, 2007, 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, 2008 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. 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.


January 28, 2008

**GREATER WAYNE COUNTY ECONOMIC
DEVELOPMENT CORPORATION
MANAGEMENT DISCUSSION & ANALYSIS
SEPTEMBER 30, 2007**

As management of the GWEDC, we offer this narrative overview and analysis of the financial activities of GWEDC for the year ended September 30, 2007. 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 2007 and 2006.

**GREATER WAYNE COUNTY ECONOMIC
DEVELOPMENT CORPORATION
MANAGEMENT DISCUSSION & ANALYSIS
SEPTEMBER 30, 2007
(Continued)**

FINANCIAL OVERVIEW (Continued)

NET ASSETS

	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
Current Assets	\$614,855	\$19,192
Capital Assets	<u>18,298</u>	<u>22,969</u>
Total Assets	<u><u>\$633,153</u></u>	<u><u>\$42,161</u></u>
<u>Liabilities and Net Assets</u>		
Current Liabilities	<u>\$52,579</u>	<u>\$31,037</u>
Total Liabilities	<u>52,579</u>	<u>31,037</u>
Net Assets - Unrestricted	<u>580,574</u>	<u>11,124</u>
Total Liabilities and Net Assets	<u><u>\$633,153</u></u>	<u><u>\$42,161</u></u>

As indicated in the following schedule, the net assets of GWEDC increased by \$569,450 and by \$41,993 for the year ended September 30, 2007 and 2006, respectively.

CHANGES IN NET ASSETS

	<u>2007</u>	<u>2006</u>
Grant - Wayne County	\$806,725	\$281,346
Contributions	113,137	256,829
Other Grant Income	25,000	0
Interest Income	1,770	173
Operating Expenses	<u>(377,182)</u>	<u>(496,355)</u>
Net Income from Operations	569,450	41,993
Net Assets Beginning of Year	<u>11,124</u>	<u>(30,869)</u>
Net Assets End of Year	<u><u>\$580,574</u></u>	<u><u>\$11,124</u></u>

**GREATER WAYNE COUNTY ECONOMIC
DEVELOPMENT CORPORATION
MANAGEMENT DISCUSSION & ANALYSIS
SEPTEMBER 30, 2007
(Continued)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

GWEDC has an operating budget of \$973,680 for the year ended September 30, 2008. GWEDC plans on continuing to build and grow economic development programs throughout fiscal year 2008.

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, 600 Randolph, Suite 323, Detroit, MI. 48226. Requests can also be made by phone at 313-224-0745.

**GREATER WAYNE COUNTY ECONOMIC
DEVELOPMENT CORPORATION
GENERAL FUND BALANCE SHEET/STATEMENT OF NET ASSETS
SEPTEMBER 30, 2007**

	General Fund, Modified Accrual Basis	Adjustments	Statement of Net Assets, Full Accrual Basis
ASSETS			
Current Assets:			
Cash & Cash Equivalents (Note 2)	\$576,328	\$0	\$576,328
Accounts Receivable	32,726	0	32,726
Prepaid Expenses	5,801	0	5,801
Total Current Assets	<u>614,855</u>	<u>0</u>	<u>614,855</u>
Capital Assets			
Equipment, Net of Depreciation (Note 3)	<u>0</u>	<u>18,298</u>	<u>18,298</u>
Total Assets	<u><u>\$614,855</u></u>	<u><u>\$18,298</u></u>	<u><u>\$633,153</u></u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts Payable	\$50,400	\$0	\$50,400
Deferred Revenue	22,243	(22,243)	0
Accrued Payroll	2,179	0	2,179
Total Liabilities	<u>74,822</u>	<u>(22,243)</u>	<u>52,579</u>
Fund Balance - Designated	<u>540,033</u>	<u>(540,033)</u>	<u>0</u>
Total Liabilities and Fund Balance	<u><u>\$614,855</u></u>	<u><u>(562,276)</u></u>	<u><u>52,579</u></u>
Net Assets - Restricted (Note 4)		<u>580,574</u>	<u>580,574</u>
Total Net Assets		<u><u>\$580,574</u></u>	<u><u>\$580,574</u></u>

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
YEAR ENDED SEPTEMBER 30, 2007**

	<u>General Fund, Modified Accrual Basis</u>	<u>Adjustments</u>	<u>Statement of Activities, Full Accrual Basis</u>
REVENUE			
Operating Revenues:			
Contributions	\$90,894	\$22,243	\$113,137
Grant - Wayne County	806,725	0	806,725
Other Grant	25,000	0	25,000
Total Operating Revenues	<u>922,619</u>	<u>22,243</u>	<u>944,862</u>
Expenditures			
Operating Expenditures:			
Salaries and Wages	144,541	0	144,541
Fringe Benefits	16,861	0	16,861
Payroll Processing Fees	2,067	0	2,067
Contractual Services	49,711	0	49,711
Professional Services	69,835	0	69,835
Advertising	336	0	336
Depreciation	0	4,671	4,671
Dues and Subscriptions	7,672	0	7,672
Equipment	3,231	0	3,231
Repairs and Maintenance	16,082	0	16,082
Building rental	28,752	0	28,752
Insurance	7,828	0	7,828
Office Supplies	8,610	0	8,610
Licenses and Permits	10,000	0	10,000
Telephone	2,508	0	2,508
Travel	2,708	0	2,708
Bank Service Charges	556	0	556
Miscellaneous	1,213	0	1,213
Total Operating Expenditures	<u>372,511</u>	<u>4,671</u>	<u>377,182</u>
Operating Income	550,108	17,572	567,680
Nonoperating Revenues (Expenses):			
Interest Income	1,770	0	1,770
Total Nonoperating Revenue (Expenses)	<u>1,770</u>	<u>0</u>	<u>1,770</u>
Change in Fund Balance / Net Assets	551,878	17,572	569,450
Fund Balance / Net Assets - Beginning of Year	<u>(11,845)</u>	<u>22,969</u>	<u>11,124</u>
Fund Balance / Net Assets - End of Year	<u>\$540,033</u>	<u>\$40,541</u>	<u>\$580,574</u>

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

**GREATER WAYNE COUNTY ECONOMIC
DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2007**

CASH FLOWS FROM OPERATIONS

Contributions	\$113,137
Grant - Wayne County	776,731
Other Grant	25,000
Payments	(350,969)
Interest Income	1,770
Net Cash Provided by (Used in) Operating Activities	<u><u>565,669</u></u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 565,669
 Cash and Cash Equivalents, Beginning of Year	 <u>10,659</u>
 Cash and Cash Equivalents, End of Year	 <u><u>\$576,328</u></u>

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY (USED IN) OPERATING ACTIVITIES**

Operating Income	\$569,450
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities	
Non Cash Depreciation Expense	4,671
Change in Accounts Receivable	(28,941)
Change in Prepaid Expenses	(1,053)
Change in Accounts Payable	21,723
Change in Accrued Payroll	(181)
Purchase of Capital Assets	0
Total Adjustments	<u><u>(3,781)</u></u>
 Net Cash Provided by (Used in) Operating Activities	 <u><u>\$565,669</u></u>

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

**GREATER WAYNE COUNTY ECONOMIC
DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

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.

**GREATER WAYNE COUNTY ECONOMIC
DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007
(Continued)**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2007 are maintained in two bank accounts at a single institution.

This balance is insured by the Federal Deposit Insurance Corporation up to \$100,000. At September 30, 2007, \$476,328 was not insured.

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, 2007:

Equipment	\$23,358
Less: Accumulated Depreciation	<u>(5,060)</u>
Total	<u><u>\$18,298</u></u>

4) NET ASSETS

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

**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, 2007**

	Originally Adopted Budget	Final Amended Budget	Actual Balance	Variance Favorable (Unfavorable)
REVENUE				
Operating Revenues:				
Contributions	\$200,000	\$200,000	\$90,894	(\$109,106)
Grant - Wayne County	350,000	300,000	806,725	506,725
Other Grant	0	30,000	25,000	(5,000)
Total Operating Revenues	550,000	530,000	922,619	392,619
Expenditures				
Operating Expenditures:				
Salaries and Wages	198,000	198,000	144,541	53,459
Fringe Benefits	0	0	16,861	(16,861)
Payroll Processing Fees	0	0	2,067	(2,067)
Contract Services	94,500	127,000	49,711	77,289
Intern Stipen	0	2,500	0	2,500
Professional Services	20,000	20,000	69,835	(49,835)
Advertising	30,000	26,000	336	25,664
Dues and Subscriptions	0	0	7,672	(7,672)
Equipment	0	0	3,231	(3,231)
Insurance	2,000	17,000	7,828	9,172
Repairs and Maintenance	0	0	16,082	(16,082)
Office Supplies	5,000	1,000	8,610	(7,610)
Postage & Delivery	0	0	0	0
Telephone	0	0	2,508	(2,508)
Printing	2,500	500	0	500
Travel and Meeting Expenses	6,000	14,500	2,708	11,792
Bank Service Charges	0	0	556	(556)
Miscellaneous	36,000	39,000	1,213	37,787
WCCCD Satellite Office	96,000	0	0	0
Building Rental	24,500	24,500	28,752	(4,252)
Trade Missions	25,000	25,000	0	25,000
Membership	5,500	4,500	0	4,500
Professional Development	5,000	500	0	500
Administrative Fees	0	30,000	0	30,000
Licenses & Fees	0	0	10,000	(10,000)
Total Operating Expenditures	550,000	530,000	372,511	157,489
 Operating Income	 0	 0	 550,108	 550,108
Nonoperating Revenues (Expenses):				
Interest Income	0	0	1,770	1,770
Total Nonoperating Revenue (Expenses)	0	0	1,770	1,770
 Change in Fund Balance / Net Assets	 0	 0	 551,878	 551,878
Fund Balance / Net Assets - Beginning of Year	(11,845)	(11,845)	(11,845)	0
 Fund Balance / Net Assets - End of Year	 (\$11,845)	 (\$11,845)	 \$540,033	 \$551,878

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

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

2990 W. Grand Blvd., Suite 310
Detroit, MI 48202

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

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH LAWS AND REGULATIONS AND
INTERNAL CONTROL – BASIC FINANCIAL STATEMENTS**

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, 2006 and have issued our report thereon dated January 28, 2008. 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.

Compliance

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 grants, noncompliance with which could have a direct and material effect on the determination of financial statements 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 that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered GWEDC's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

Alan C. Young, Assoc.

January 28, 2008