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LOUISIANA ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

Baton Rouge, Louisiana

Financial Report

For the Years Ended June 30, 2010 and 2009

CONTENTS

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Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Louisiana Economic Development Corporation
Baton Rouge, Louisiana

I have audited the accompanying financial statements of Louisiana Economic Development Corporation and subsidiary, a component unit of the State of Louisiana, as of June 30, 2010 and 2009, and for the years then ended as listed in the foregoing table of contents. These financial statements are the responsibility of the management of Louisiana Economic Development Corporation. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Economic Development Corporation as of June 30, 2010, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* I have also issued a report dated August 31,2010, on my consideration of the Louisiana Economic Development Corporation's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my 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 considered in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information schedule and the Annual Fiscal Report required by the Louisiana Division of Administration as listed in the table of contents is presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Louisiana Economic Development Corporation. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, such information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

J. Aaron Cooper, CPA, LLC

DeRidder, Louisiana
August 31,2010

The Management's Discussion and Analysis of the Louisiana Economic Development Corporation's financial performance presents a narrative overview and analysis of Louisiana Economic Development Corporation and its subsidiaries' financial activities for the year ended June 30, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Louisiana Economic Development Corporation's financial statements.

FINANCIAL HIGHLIGHTS

For the fiscal year ending June 30, 2010, Louisiana Economic Development Corporation started with a budget of $28,022,218 (including appropriation for Capital Outlay). We had rollover adjustments in the amount of $18,723,809 leaving the final authorization at $46,746,027. The adjustments to programs and Legislative Initiatives increased the budget by $7,556,179. The final budget of $46,746,027 is a decrease of $23,451,284, or 33.41% under last year's budget of $70,197,311.

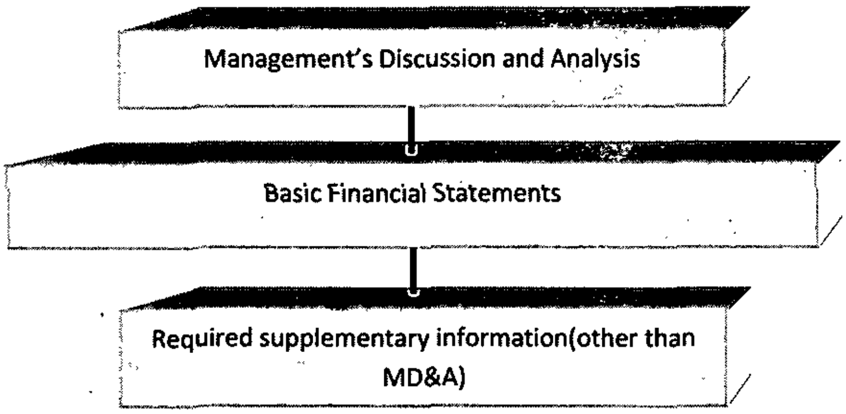
The 2010 investments (both short-term and long-term) at fair market value are $20,398,857 compared to $20,645,078 in 2009. The Louisiana Economic Development Corporation has hired an independent banking firm, Chaffe & Associates, to determine the valuation of investments. Upon their findings, an adjustment was made to decrease the fair value by $1,024,905.

The total liabilities decreased from $2,206,772 to $2,068,796, or 6.25%, for the fiscal year due mainly to a decrease in payables related to the Economic Development Award Program and Workforce Development and Training Program and accrued salaries, offset by an increase in accrued losses on guaranteed loans.

The total assets decreased by $14,277,324 from $104,871,879 for 2009 to $90,594,555 in 2010. This is a result of a combination of the decrease in appropriation for the Economic Development Awards Program, an increase in certificates of deposits, increase in loans which will be reimbursed by job credits, an increase in Legislative Initiatives, and a decrease in cash and cash equivalents.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

The basic financial statements present information for the Louisiana Economic Development Corporation and its subsidiaries as a whole in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana Economic Development Corporation is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how Louisiana Economic Development Corporation's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement presents information showing how the Louisiana Economic Development Corporation's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

The following is a condensed statement of the Balance Sheet for the Louisiana Economic Development Corporation at June 30, 2010 and 2009:

Balance Sheet
as of June 30, 2010 and 2009

	2010	2009
Current and other assets, unrestricted	$ 45,369,328	$ 45,636,257
Current and other assets, restricted	398,472	1,198,048
Other assets	44,826,755	58,037,574
Total assets	90,594,555	104,871,879
Current liabilities	106,383	526,678
Long-term obligations	1,962,413	1,680,094
Total liabilities	2,068,796	2,206,772
Net assets:		
Restricted	529,137	1,198,048
Unrestricted	87,996,622	101,467,059
Total net assets	88,525,759	102,665,107
Total net assets and liabilities	90,594,555	104,871,879

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements. Conversely, unrestricted net assets are those that do not have any limitations for what these amounts may be used.

The following is a condensed Statement of Revenues, Expenses and Changes in Net Assets for the years ended June 30, 2010 and 2009 :

Statement of Revenues, Expenses, and Changes in Net Assets
for the Years Ended June 30, 2010 and 2009

	2010	2009
Operating revenues	$ 1,660,534	$ 1,663,933
Operating expenses	32,223,659	37,243,049
Operating income(loss)	(30,563,125)	(35,579,116)
Non-operating revenues(expenses)	16,423,777	11,968,269
Changes in net assets	$ (14,139,348)	$ (23,610,847)

Although Louisiana Economic Development has incurred an decrease in activity, operating revenues have remained relatively constant from $1,663,933 in 2009 to $1,660,534 in 2010. Interest income from bank deposits and program loans fell by 42.29% due to a fall in interest rates. During 2010, $1,265,227 in dividends, including dividends received from the escrow of Venture Capital assets sold, were received compared to $935,843 for the prior year. Guarantee fees decreased from $141,949 in 2009 to $39,499 for 2010, or 72.17% due mostly to the decrease in activity.

Total operating expenses decreased from $37,243,049 in 2009 to $32,223,659 in 2010, or 13.48%. Legislative initiatives expenses decreased from $21,435,667 in 2009 to $8,348,786 for 2010, or $13,086,881. Workforce Development and Training grants decreased $651,420 due to decrease in activity. Expenditures in Capital Outlay grants increased over $1.7 million from $1,770,532 in 2009 to $3,472,524 in 2010. The Economic Development Awards Program is not allowing awards to be grants except if certain job and salary requirements are met. Therefore, the majority of awards will now be considered loans receivable with job credits.

Income from Vendor's Compensation decreased from $11,362,698 in 2009 to $9,074,476 in 2010 or 20.14%. Interest from the funds held in the Treasurer's Office fell from $757,562 in 2009 to $149,301 in 2010, or 80.29%. There were no interagency transfers made into the fund in 2009 but $7,200,000 was appropriated in 2010. Interagency transfers made out of the fund were $151,991 in 2009, but there were no transfers out in 2010. This leaves a net interagency transfer of ($151,991) in 2009 and $7,200,000 in 2010. In total, the non-operating revenues went from $11,968,269 in 2009 to $16,423,777 in 2010, a 37.23% increase.

CAPITAL ASSET AND DEBT ADMINISTRATION

Louisiana Economic Development Corporation does not have any capital assets or debt.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

The appropriation for Louisiana Economic Development Corporation is dedicated each year from the dedicated Louisiana Economic Development Fund, although it receives operating and non-operating income during the year. The revenue for 2010 was $12,061,438, which was $760,221 under the expected revenue budget of $12,821,659. This decrease is due to the decline in revenue collection from vendor compensation.

ECONOMIC FACTORS AFFECTING THIS YEARS FINANCIAL CONDITION AND NEXT YEAR'S BUDGET

The primary factors affecting Fiscal Year 2009-2010 financial condition of Louisiana Economic Development Corporation were outside factors from the change in the economic market due to the continuing recovery of Hurricanes Katrina and Rita in 2005, Hurricane Gustav and Ike in 2008 and the oil rig explosion in the Gulf of Mexico on April 20 2010.

The economy was beginning to recover from the events of September 11, 2001, when the massive destruction caused by the hurricanes in the southern region of the United States occurred. A vast majority of the demand is still being handled by recovery funds established to assist those most affected by the hurricane devastations. The spill has caused extensive damage to the Gulf's fishing and tourism industries and the subsequent drilling moratorium has put many Louisianans out of work. Decrease in the hurricane recovery funds, increase in new businesses, and increase in marketing trips should increase demand for all programs.

Although the national economy has been in a downturn, Louisiana has fared far better than most states due to the recovery efforts. Louisiana is well below both the National average and the southern indicators in the unemployment rate. Accordingly, Louisiana's employment rate has been stable throughout the recession. This is largely due to the recovery efforts from the Hurricanes, but also the aggressive action taken by the Governor and the Department of Economic Development to bring new jobs and companies to Louisiana, while continuing to grow the businesses already here.

Management continues to monitor the health of the guarantee portfolio for losses due to the economy. The investment portfolio is directly tied to the health of the market; however, there are some investments that are being held that may be liquidated this year with others to be liquidated within the next five years. The fact that the Economic Development Fund is a dedicated, revolving fund allows Louisiana Economic Development Corporation to request additional funds as needed, but due to increased activity and legislative requests, the fund amount has decreased significantly.

As in the past, the legislature has looked to Louisiana Economic Development Corporation to assist in other economic development projects other than through Louisiana Economic Development Corporation programs. For example, the Legislature has appropriated funds for the Northrop Grumman Ship Systems, CG Railway, Inc., Union Tank Car, and other Louisiana Economic Development operating expenses from the LED Fund balance. In FY10, a total of $21,453,195 was utilized for such programs, thus leaving a current restricted cash balance of $398,472.

CONTACTING THE LOUISIANA ECONOMIC DEVELOPMENT CORPORATION'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Louisiana Economic Development Corporation and its subsidiaries' finances and to show the Louisiana Economic Development Corporation and its subsidiaries' accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kristy McKearn, Undersecretary, at (225) 342-3000.

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2010 AND 2009

ASSETS

	2010	2009
Current assets		
Cash and cash equivalents	$ 24,047,331	$ 21,764,682
Restricted cash and cash equivalents	398,472	1,198,048
Total cash and cash equivalents	24,445,803	22,962,730
Accrued interest receivable	1,370,746	1,369,322
Due from State of Louisiana - Capital Outlay Fund	13,190,335	19,448,139
Accrued vendor compensation receivable	2,004,069	2,172,771
Loans, net	257,348	145,003
Deferred awards expense	4,499,499	736,340
Total current assets	45,767,800	46,834,305
Noncurrent assets		
Certificates of deposit	11,844,606	15,371,390
Loans, net	9,609,589	10,233,472
Investments, at cost net of impairments	20,398,857	20,645,078
Deferred awards expense	2,897,303	11,002,266
Other receivables	76,400	785,368
Total noncurrent assets	44,826,755	58,037,574
Total Assets	$ 90,594,555	$ 104,871,879

LIABILITIES AND NET ASSETS

	2010	2009
Current liabilities		
Accounts payable and accrued expenses	$ 106,383	$ 526,678
Total current liabilities	106,383	526,678
Noncurrent liabilities		
Accrual for losses on loan guarantees	1,962,413	1,680,094
Total liabilities	2,068,796	2,206,772
Net assets		
Restricted	398,472	1,198,048
Unrestricted	88,127,287	101,467,059
Total net assets	88,525,759	102,665,107
Total Liabilities and Net Assets	$ 90,594,555	$ 104,871,879

The accompanying notes are an integral part of these statements.

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Operating revenues		
Interest income:		
Interest on loans	$ 57,207	$ 202,822
Interest on deposits	283,601	387,708
Dividend income	1,265,227	935,843
Other	54,499	137,560
Total operating revenues	1,660,534	1,663,933
Operating expenses		
Provision (credit) for losses:		
Direct and participation loans	4,763,123	690,907
Guaranteed loans	(96,192)	910,800
Unrealized loss on investments	1,005,884	4,901,615
Salaries and employee benefits	368,911	445,676
Management and professional fees	77,557	97,392
Business Incentives Services grants	20,835,511	28,051,122
Capital Outlay grants	3,472,524	1,770,532
Administrative fees	15,843	18,699
Travel	13,248	21,481
Interagency transfer - Small and Emerging Business Development	1,767,250	334,825
Total operating expenses	32,223,659	37,243,049
Operating loss	(30,563,125)	(35,579,116)
Nonoperating revenues (expenses)		
Intergovernmental:		
Vendors' compensation	9,074,476	11,362,698
Interagency transfers in - State Capital Outlay Fund	7,200,000	-
Interagency transfers out - State General Fund	-	(151,991)
Interest on funds held by State Treasurer	149,301	757,562
Total nonoperating revenues (expenses)	16,423,777	11,968,269
Change in net assets	(14,139,348)	(23,610,847)
Net assets - beginning of year	102,665,107	126,275,954
Net assets - end of year	$ 88,525,759	$ 102,665,107

The accompanying notes are an integral part of these statements.

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Cash flows from operating activities:		
Interest and dividends received	$ 2,313,579	$ 1,548,884
Received from customers	54,499	137,560
Payments to suppliers	(2,253,572)	(256,576)
Payments of program awards	(24,499,394)	(36,310,899)
Payments to or on behalf of employees	(375,869)	(434,638)
Net cash used in operating activities	(24,760,757)	(35,315,669)
Cash flows from noncapital and related financing activities		
Appropriations received/(relinquished), net	13,457,804	(6,440,595)
Vendors' compensation	9,243,178	11,734,378
Interest on funds held at State Treasury	149,301	757,562
Net cash provided by noncapital and related financing activities	22,850,283	6,051,345
Cash flows from investing activities		
(Increase) decrease in certificates of deposit	3,526,784	(5,883,077)
Purchases of investments	(955,262)	(3,288,100)
Proceeds from sales and maturities of investments	195,599	172,092
Payments on guarantees, net of recoveries	378,510	(866,168)
(Increase) decrease in loans receivable, net	247,916	462,428
Net cash provided by (used in) investing activities	3,393,547	(9,402,825)
Change in cash and cash equivalents	1,483,073	(38,667,149)
Cash and cash equivalents - beginning of year	22,962,730	61,629,879
Cash and cash equivalents - end of year	$ 24,445,803	$ 22,962,730
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$ (30,563,125)	$ (35,579,116)
Credit for losses on loans and guarantees	4,666,931	1,601,707
Unrealized loss on investments	1,005,884	4,901,615
Change in accrued interest and dividends receivable	707,544	22,511
Amortization of job credit awards	3,768,008	736,340
Change in deferred job credit awards	(3,925,704)	(6,146,541)
Change in accounts payable and accrued expenses	(420,295)	(852,185)
Net cash used in operating activities activities	$ (24,760,757)	$ (35,315,669)

The accompanying notes are an integral part of these statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Scope of Reporting Entity

Organization

The Louisiana Economic Development Corporation ("LEDC") is a public authority whose purpose is to stimulate the flow of private capital in the form of long-term loans and other financial assistance for the sound financing of the development, expansion, and retention of small business concerns in the State of Louisiana as a means of providing high levels of employment, income growth, and expanded social and economic opportunities, especially to disadvantaged persons and within distressed areas. It is a component unit of the State of Louisiana and was authorized by Louisiana Revised Statutes 51:2311.

Effective July 1, 2001 pursuant to Act No. 9 dealing with House Bill No. 1666, the authority for the administration of the Workforce Development and Training Program (Workforce) and the Economic Development Award Program (EDAP) was transferred from the Department of Economic Development to the LEDC. Therefore, the financial activities of these two programs are also included in these financial statements.

Reporting Entity

Governmental Accounting Standards Board Statement No.14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
    a. The ability of the state to impose its will on that organization and/or
    b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the state.
2. Organizations for which the state does not appoint a voting majority but are fiscally dependent on the state.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Louisiana Economic Development Corporation is considered to be a component unit of the State of Louisiana due to the fact that the state appoints its Board of Directors and has the ability to impose its will on the organization. The accompanying basic financial statements present only transactions of the Louisiana Economic Development Corporation and its consolidated subsidiaries.

Annually the State of Louisiana through the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy issues both comprehensive and basic financial statements which include the activity contained in the accompanying basic financial statements. The basic financial statements of the state are audited by the Louisiana Legislative Auditor.

Basis of Consolidation

The financial statements contained in this report include the consolidated financial position and results of operations and cash flows of Louisiana Economic Development Corporation and its wholly-owned subsidiary Louisiana Growth Fund, LLC (collectively "LEDC"). All significant intercompany accounts have been eliminated in consolidation.

B. Measurement Focus and Basis of Accounting

Measurement Focus

On July 1, 2001, the LEDC adopted the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board *"Basic Financial Statements -and Management's Discussion and Analysis -for State and Local Government."* Statement 34 established standards for external financial reporting for all state and local governmental entities which includes a balance sheet, a statement of activities and changes in net assets and a statement of cash flows.

The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

The LEDC uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic asset used. Under the provisions of GASB Statement 20, "Accounting and Financial Reporting for Proprietary Fund Accounting," LEDC follows pronouncements of the GASB and has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

Interest income on loans and debt instruments is generally accrued on the principal balance outstanding. The accrual of interest income on loans and debt instruments is discontinued when the receipt of principal and interest on a timely basis becomes doubtful. Any accrued interest is reversed when a loan is placed on nonaccrual.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. Assets, Liabilities, and Net Assets

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments (including LEDC's share of pooled investments held in the state treasury) with a maturity of three months or less when purchased.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. The majority of receivables are in the form of loans and the related interest, and amounts due for vendor compensation. The allowance for loan losses is discussed in the next section.

Allowance for Losses on Loans and Guarantees

Valuation allowances have been established and are available for absorbing losses incurred on loans and guarantees. All losses are charged to either the reserve for loan losses or the accrual for losses on guarantees when the loss actually occurs or when a determination is made that a loss is likely to occur. Recoveries are credited to the allowance or accrual at the time of recovery.

Management's judgment as to the level of future losses on existing loans and guarantees involves the consideration of current and anticipated economic conditions and their potential effects on specific borrowers; an evaluation of the existing relationships among loans, potential losses, and the present level of the allowance and the accrual; and management's internal review of the loan and loan guarantee portfolio. In determining the collectibility of certain loans and the possibility of losses on loan guarantees, management also considers the fair value of any underlying collateral.

Foreclosed Real Estate

Real estate properties acquired through, or in lieu of, loan foreclosures are initially recorded at the lower of the carrying amount, or fair value less costs to sell, which becomes the property's new cost basis. After foreclosure, foreclosed assets are carried at the lower of (a) fair value minus estimated costs to sell or (b) their new cost basis. Costs relating to development and improvement of property are capitalized, whereas costs relating to the holding of property are expensed. There was no foreclosed real estate as of June 30, 2010 and 2009.

Investments

The Corporation records its investments at estimated fair value or at cost if fair value is not readily determinable (e.g., publicly-traded). Fair value generally is considered to be the amount which the corporation might reasonably expect to receive for its investments if negotiations for sale were entered into on the valuation date. Valuation as of any particular date, however, is not necessarily indicative of the amount which the corporation ultimately may realize as a result of a future sale or other disposition of the investments. At June 30, 2010 and 2009, LEDC owned no publicly-traded securities.

In preparing the financial statements, the Corporation's management is required to make significant judgments that affect the reported amounts of investments as of the date of the balance sheet and the change in unrealized appreciation (depreciation) for the period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the value that would have been used had a ready market for the investments existed and these differences could be material.

The process of valuing investments requires significant judgments that are particularly susceptible to change. The corporation's management believes that investment values are appropriate. While the corporation's management uses available information to recognize declines in investment values, future adjustments may be necessary based on changes in economic conditions or changes in the results of the operations of investee companies.

The valuation policies of the Corporation's management in determining the fair value of the corporation's investments include the following:

- Marketable securities listed on a national securities exchange are valued at their closing sales price on the valuation date;

- Marketable securities traded over-the-counter are valued at their closing bid price on the valuation date, as reported in the National Association of Securities Dealers' Automated Quotation System (NASDAQ) or if not reported in NASDAQ, as reported by the National Quotation Bureau (or any successor to such organization) ;

- Restricted securities (securities not freely marketable, but part of a class of securities listed on a national securities exchange or traded over-the-counter) are valued at a discount from the security's value determined under the above subsections, reflecting their limited marketability; and

- All other securities are valued initially at cost with subsequent adjustments to values which reflect meaningful third-party transactions in the private market or at fair market value reflecting, in any event, their marketability, the business and prospects of the issuer of such securities and other relevant factors.

During the years ended June 30, 2010 and 2009, the Corporation engaged an independent third party investment banker to perform valuations of certain investments. As of June 30, 2010 and 2009, the Corporation's investments have been written down to their estimated impaired values, as determined by the independent appraisal, as applicable. See Note 3 for further details.

Fixed Assets

Effective July 1, 2001, all of LEDC's fixed assets were transferred to the Department of Economic Development (DED) due to the restructuring by the State of Louisiana to include LEDC within DED. Consequently, fixed assets are not reflected in the accompanying balance sheet at June 30, 2010 and 2009. Due to the immateriality of the items acquired, the cost is generally expensed as incurred. Inventory records are maintained by the purchasing department of the Department of Economic Development which conducts an annual physical inventory of each sub-department including LEDC.

Deferred awards expense

Under a new program which began in 2007, LEDC has entered into agreements to finance public infrastructure related to new or expanded commercial facilities. As part of the agreement, these awards do not have to be repaid to LEDC if the new facilities create and sustain a certain number of new jobs as approved by LEDC's board of directors. Payments under this program are recorded as deferred awards expense and are amortized as the job creation thresholds are met. Deferred awards are evaluated in a manner similar to loans and loan guarantees and a valuation allowance is established accordingly.

Compensated Absences

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. State law allows members of the Louisiana State Employees' Retirement System, upon application for retirement, the option of receiving an actuarially determined lump sum payment of annual and sick leave which would otherwise have been used to compute years of service for retirement. The liability for unused annual leave payable at June 30, 2010 and 2009 is $22,163, and $22,696, respectively. The leave payable is recorded in the accompanying consolidated financial statements.

Other Post-Employment Benefits

In June 2004, the Government Accounting Standards Board issued GASB Statement No. 45 "Accounting and Financial Reporting by Employees for Postretirement Benefits and Other than Pensions." This statement's objective is to establish uniform standards of financial reporting by state and local government entities for other postemployment benefits (OPEB) including post-employment healthcare benefits. This Statement provides standards for measurement, recognition, and display of the OPEB expenses and related liabilities, note disclosures, and required supplementary information. This statement will require an actuarial valuation of the OPEB liability on at least a biennial basis. Management asserts that all OPEB related to retired LEDC employees will be paid by DED and the related OPEB liability will be reflected in DED's financial statements.

Equity Classifications

Equity is classified as net assets and displayed in two components:

- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of "restricted."

D. Revenues and Expenses

Operating revenues and expenses consists of those revenues and expenses that result from the ongoing principal operations of the LEDC. Operating revenues consist primarily of interest and dividend income from loans and investments, increases and (decreases) in the fair value of investments, as well as other income and guarantee fees. Non-operating revenues consist of intergovernmental revenues and the interest earned thereon and result from nonexchange transactions.

When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the LEDC's policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

E. Reclassifications

Certain amounts in the 2009 financial statements have been reclassified to conform to the 2010 presentation.

NOTE 2 – DEPOSITS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law LEDC may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasurer.

Deposits at June 30, 2010 were secured as follows:

	Short-term Deposits at Banks	Nonnegotiable Certificates of Deposit	Held by State Treasury	Total
Balance per agency books	$ 3,349,420	$ 11,844,606	$ 21,096,383	$ 36,290,409
Deposits in bank accounts per bank	$ 3,349,420	$ 11,844,606	$ -	$ 15,194,026
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	$ -	$ -	$ -	$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	-	-	-	-
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or ageny but not in the entity's name.	2,849,420	9,251,668	-	$ 12,101,088
Total Category 3 bank balances	$ 2,849,420	$ 9,251,668	$ -	12,101,088

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, LEDC's deposits may not be returned to it. As of June 30, 2010, $12,101,088 of the LEDC's bank balance of $15,194,026 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name.

NOTE 3 – INVESTMENTS

The cost and estimated fair value, including gross unrealized gains and losses of LEDC's investments at June 30, 2010 and 2009 were as follows:

2010 Investment Type	Cost	Write-downs for Impairment	Carrying Value	Gross Unrealized Gains	Fair Value
Debt investments	$ 1,340,096	$ (762,222)	$ 577,874	$ -	$ 577,874
Equity investments	46,106,607	(26,285,624)	19,820,983	11,154,363	30,975,346
Total investments	$ 47,446,703	$ (27,047,846)	$ 20,398,857	$ 11,154,363	$ 31,553,220

2009 Investment Type	Cost	Write-downs for Impairment	Carrying Value	Gross Unrealized Gains	Fair Value
Debt investments	$ 1,363,118	$ (615,000)	$ 748,118	$ -	$ 748,118
Equity investments	46,267,177	(26,370,217)	19,896,960	2,000,673	21,897,633
Total investments	$ 47,630,295	$ (26,985,217)	$ 20,645,078	$ 2,000,673	$ 22,645,751

Investments consist of securities for which market quotations are not readily available and, as such, are reflected at original cost less any return of capital. Such securities are restricted as to salability or transferability. Realized gains and losses are calculated independently of net change in fair value of investments. Realized gains or losses on investments that had been held in more than one fiscal year and sold in the current year have been included as a net change in the fair value of investments reported in prior years and the current year.

As of June 30, 2010, the Authority had the following debt investments and maturities:

Investment Type	Cost less Principal Reductions	Fair Value	Less Than One	1-5	6-10
Debt investments	$ 1,340,096	$ 577,874	$ 309,636	$ 130,000	$ 138,238

Proceeds from maturities of debt investments for the year ended June 30, 2010 and 2009 were $42,898 and $128,511, respectively.

Interest Rate Risk

Due to the nature of the operations of LEDC in that debt investments are made to start-up type companies and bear high interest rates, the risk of these companies refinancing elsewhere is low since these companies may not be able to obtain traditional financing.

Credit Risk

The LEDC sometimes invests during the year in commercial paper that is rated in the top two ratings issued by nationally recognized statistical rating organizations (NSROs). At June 30, 2010 and 2009, there were no investments in commercial paper. Currently, all debt investments are issued by start-up type companies. As such, these debt securities are unrated.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2010, none of the debt investments owned by LEDC were subject to custodial credit risk since these were held by LEDC.

Concentration of Credit Risk

In an effort to diversify the risk in the investment portfolio, the management of LEDC or its subsidiaries follow established policies. In addition, management attempts to avoid concentrations in any one industry or customer group. Management believes that at original cost, the investment portfolio had no significant industry or customer concentrations in the fiscal year ended June 30, 2010 and 2009.

LEDC places no limits on the amount it may invest in any one issuer. At June 30, 2010, more than five percent of total investments are invested in the following issuers:

Issuer	Carrying Amount	Fair Value	% of Total Investments
Aurora Ventures IV, LLC	$ 1,526,622	$ 1,724,873	7.48
Business Resource Capital Specialty BIDCO	$ 1,840,000	$ 1,840,000	9.02
Endgame Entertainment Fund, LLC	$ 2,627,488	$ 2,627,488	12.88
Louisiana Fund I, LP	$ 3,105,087	$10,414,231	15.22
Louisiana Venture Fund	$ 3,512,478	$ 3,558,319	17.22
Murphee Venture Partners VI, LP	$ 3,597,738	$ 4,007,922	17.64

There were no gross realized gains or losses for the years ended June 30, 2010 and 2009.

For the years ended June 30, 2010 and 2009, the following impairments of the carrying value of investments have been recorded:

	Impairment Write-downs	
Issuer	2010	2009
Aurora Ventures IV, L.L.C.	$ -	$ (1,509,227)
Axxon, L.L.C.	-	(39,229)
Business Resource Capital Specialty BIDCO	(124,854)	(35,146)
Endgame Entertainment Fund, L.L.C.	(33,811)	(204,434)
Genesis Offshore, L.L.C.	(47,264)	(123,100)
Gulf Coast Analytical Laboratories, Inc.	65,000	(102,500)
Louisiana Crane Company, L.L.C.	(164,958)	-
Louisiana Fund I, L.P.	-	(221,113)
Louisiana Squared, Inc.	-	(985,304)
Louisiana Venture Fund	-	(489,713)
LSU SystemResearch and Technology Fund	(375,000)	-
M.D. Technologies	-	(106,250)
Murphree Venture Partners VI, L.P.	-	(968,967)
Presonus Audio Electronics, Inc.	-	(116,632)
Sterifx, Inc.	(324,997)	-
	$ (1,005,884)	$ (4,901,615)

In its normal course of business, LEDC and its subsidiaries become party to various financial transactions that involve various risks, including market and credit risk. The management of LEDC or its subsidiaries minimizes exposure to loss from investing activities by evaluating the business prospects of potential investee companies.

In an effort to diversify the risk in the investment portfolio, the management of LEDC or its subsidiaries follow established policies which require them to avoid concentrations in anyone industry or customer group. Management believes that at original cost, the investment portfolio had no significant industry or customer concentrations in the fiscal year ended June 30, 2010 and 2009.

Louisiana Growth Fund, LLC (the Fund) was formed under the laws of the State of Louisiana on November l, 1997 to provide venture capital financing through loans or stock purchases in small business enterprises maintaining headquarters and production facilities in Louisiana. The Fund is comprised of one member, Louisiana Economic Development Corporation (LEDC). Pursuant to an Investment and Management Services Agreement (the Agreement), the Fund is managed by Stonehenge Financial Holdings, Inc. (Stonehenge), formerly known as Banc One Capital Markets, Inc. Stonehenge provides the Fund with administrative services and is responsible for identifying, investigating, evaluating and making investments in small business enterprises.

Under the Agreement, Stonehenge will receive an annual fee of 1.25% of the initial $5,000,000 capital contribution less any funds returned to the Fund from the sale or liquidation of investments, adjusted quarterly. During the year ended June 30, 2010, $2,200,000 of member capital was returned to LEDC. In addition to the annual fee, Stonehenge is entitled to receive 20% of net investment income and net realized gains from dispositions of investments by the Fund after the initial $5,000,000 capital contribution is recovered by the Fund in cash or publicly marketable securities. The Fund incurred management fee expense of $43,750 and $62,500 to Stonehenge for the years ended June 30, 2010 and 2009, respectively. The Fund will continue until November 1, 2010, unless terminated prior to that date due to complete liquidation of investments. The Fund had total assets of $1,440,416 and $3,832,808 at June 30, 2010 and 2009, respectively.

Under state law, LEDC may invest in, among other things, obligations of the US Treasury or any other federally insured investment as well as common or preferred stock of certain closely held businesses. As of June 30, 2010, LEDC had the following unfunded investment commitments:

- LEDC had $1,250,000 (which does not include the $343,750 return of capital received to date) invested in Audubon Capital Fund and certificates of deposit at Washington State Bank totaling $1,250,000 which is the remaining balance of the $2,500,000 LEDC had committed to invest in Audubon Capital. The bank has issued a letter of credit for the $1,250,000, which is secured by the certificates of deposit.

- LEDC had $4,566,250 invested in LSU Research and Technology Foundation and the Louisiana Fund I with an unfunded commitment of $1,183,750 (total commitment of $5,750,000). Funds securing this unfunded commitment are invested in a certificate of deposit at Washington State Bank.

- *LEDC had $4,750,000 invested in Louisiana Venture Fund with an unfunded commitment of* $250,000 (total commitment of $5,000,000). Funds securing this unfunded commitment are invested in a certificate of deposit at Washington State Bank.

NOTE 4 – LOANS

The balance in the LEDC's loan portfolio consisted of the following at June 30, 2010 and 2009:

	2010	2009
Direct loans	$ 8,159,006	$ 8,253,177
Participation loans	487,112	489,938
Economic development loans	1,849,995	2,001,587
Total loans	10,496,113	10,744,702
Allowance for loan losses	(629,176)	(366,226)
Loans, net	$ 9,866,937	$ 10,378,476

Activity in the allowance for loan losses was as follows for the years ended June 30, 2009 and 2008:

	2009	2008
Beginning balance	$ 366,226	$ 411,659
Provision (credit) for loan losses	263,623	(45,433)
Charge-offs	(673)	-
Ending balance	$ 629,176	$ 366,226

The Louisiana Legislature passed Act Number 585 of the 2004 Regular Session which ordered LEDC to execute a loan from monies in the Louisiana Economic Development Fund in fiscal year 2004-2005 to the Louisiana Stadium and Exposition District in an amount sufficient for the district to pay contractual obligations of the district relative to professional sports franchises, not to exceed $7,500,000, for a repayment period not to exceed eight years payable on an annual basis beginning after the end of the 2005-2006 fiscal year. After the payment in full of all contractual, necessary, statutory, and usual charges, including any indebtedness heretofore or hereafter issued by the district, the loan shall be repaid from the revenues received by the district in any fiscal year which exceeds the amount of revenues received by the district in fiscal year 2004 -2005 together with a growth factor equal to the increase in the consumer price index. In accordance with the provisions of this Act, this $7,500,000 loan was made in July 2004. This amount remains outstanding at June 30, 2010 and 2009 as no principal or interest payments were made on this loan.

Since this loan was made to another State Agency and was mandated by an act of the Louisiana Legislature, LEDC excluded this amount from its allowance for loan loss calculation as of June 30, 2010 and 2009. Management expects for this loan to be repaid in accordance with the terms of the loan.

There were no direct loans or participation loans approved but unfunded at June 30, 2010 and 2009.

Scheduled maturities of loans as of June 30, 2010, are as follows:

		Maturities			
Loan Type	Principal Balance	Less Than One	1-5	6-10	11-15
Direct loans	$ 8,159,006	$ 97,836	$8,061,170	$ -	$ -
Participation loans	487,112	14,423	79,385	393,304	-
Economic development loans	1,849,995	159,512	927,594	586,198	176,691
	$10,496,113	$ 271,771	$9,068,149	$ 979,502	$ 176,691

Concentration of Credit Risk

In an effort to diversify the risk in the loan portfolio, the management of LEDC and its subsidiaries follow established policies. In addition, management attempts to avoid concentrations in any one industry or customer group. Management believes that the only concentration in the loan portfolio at June 30, 2010 is the loan to Louisiana Stadium and Exposition District which represents approximately 71% of the total loan balance.

LEDC places no limits on the amount it may lend in any one borrower. At June 30, 2010, more than five percent of total loans are due from the following borrowers:

Borrower	Carrying Amount	% of Total Loans
Louisiana Stadium and Exposition District	$ 7,500,000	71.46
Town of Colfax, Louisiana	$ 930,489	8.87
North Webster Parish Industrial District	$ 919,506	8.76

NOTE 5 – ACCRUAL FOR LOSSES ON LOAN GUARANTEES

To meet the financing needs of its customers, LEDC is a party to various financial instruments with off-balance sheet risk in the normal course of business. These financial instruments consist primarily of financial guarantees. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the combined balance sheet. The contract or notional amounts of those instruments reflect the extent of the involvement LEDC has in particular classes of financial instruments. LEDC's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for financial guarantees is represented by the contractual notional amount of those instruments. LEDC uses the same credit policies in making these commitments and conditional obligations as it does for on-balance sheet instruments.

LEDC evaluates customers' creditworthiness on a "case-by-case" basis. The amount of collateral obtained, if considered necessary by LEDC upon extension of credit, is based on management's credit evaluation of the customer.

Financial guarantees are conditional commitments issued by LEDC to guarantee the performance of a customer to a third party. The credit risk involved in issuing financial guarantees is essentially the same as that involved in extending loan facilities to its customers.

At June 30, 2010, LEDC had guaranteed $8,403,222 of $12,723,532 of loans to customers made by various banks.

Changes in the accrual for losses on loan guarantees are summarized as follows:

	2010	2009
Beginning balance	$ 1,680,094	$ 1,635,462
Provision (credit) for losses on guarantees	(96,192)	910,800
Guarantee payment made	-	(905,168)
Recoveries	378,511	39,000
Ending balance	$ 1,962,413	$ 1,680,094

NOTE 6 – RETIREMENT PLAN

Substantially all of the employees of LEDC are members of the Louisiana State Employees' Retirement System (LASERS), a cost sharing multiple employer defined benefit pension plan. The LASERS System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Louisiana Economic Development Corporation employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to $300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and LEDC is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate was 18.6%, 20.4% and 19.1% of annual covered payroll for the fiscal years ended June 30, 2010, 2009, and 2008, respectively. LEDC's contributions to the System for the years ending June 30, 2010, 2009 and 2008, were $52,497, $61,765 and $52,513, respectively, equal to the required contributions for each year.

NOTE 7 – BOARD COMPENSATION AND PER DIEM

Members of the Board of Directors of LEDC do not receive compensation or per diems; however, they are reimbursed for travel expenses incurred on behalf of the corporation. The following schedule sets forth the names and amounts paid to board members for travel expenses for the years ended:

	2010	2009
Linda Sell	$ -	$ 2,223
Octave Francis III	299	737
A.J. Roy, III	2,312	2,160
Michael Saucier	332	466
Walter L. Martin	152	257
Shelly Ferro	421	607
Harry Avant	1,090	2,033
Robert Hammond	-	116
Ending balance	$ 4,606	$ 8,599

NOTE 9 – RESTRICTED ASSETS

Restricted net assets at June 30, 2010 and 2009 consist of the following projects approved by the State Legislature:

	2010	2009
$7,000,000 for National Center for Advanced Manufacturing equipment acquisition	$ 48,138	$ 48,138
$20,000,000 for University of New Orleans Foundation for National Aeronautics and Space Administration acquisitions and facility improvements	-	-
$6,598,100 for Union Tank Car ($3,299,600 added in 2009)	350,334	1,082,036
$3,526,363 for CG Railway, Inc. ($1,760,750 added in 2009)	-	67,874
Ending balance	$ 398,472	$ 1,198,048

NOTE 10 – DEFERRED AWARDS EXPENSE

Deferred awards expense results from awards funded as of the end of the year that have not yet been expensed as the conditions of recognition have not yet been met. This primarily results from EDAP capital outlay awards where the award is conditioned on meeting certain job creation thresholds as approved by LEDC board of directors. The awards are expensed as these thresholds are met. A portion of the deferred awards relates to two zero percent interest loans made under the Economic Development Loan Program. Management has imputed interest on these loans at market rates at the origination of the loan and an offset to the unamortized discount is carried on the books as deferred awards. The valuation allowance for impairment of deferred awards expense was $5,235,839 and $736,340 at June 30, 2010 and 2009, respectively.

NOTE 11 – UNFUNDED GRANT COMMITMENTS

The following amounts were approved contracts under the EDAP and workforce programs but unfunded as of June 30, 2010:

Economic Development Capital Outlay Program	$ 18,283,579
Workforce Development Training Program (Workforce)	$ 1,322,627

NOTE 12 –DISAGREGATION OF PAYABLES BALANCES

Accounts Payables and Accrued Expenses at June 30, 2010 and 2009, were as follows:

	2010	2009
Management fee	$ 16,096	$ 157,889
Salaries and benefits	40,077	47,035
EDAP, Workforce, and Matching grants	50,210	321,754
Ending balance	$ 106,383	$ 526,678

NOTE 13 – STATE OF LOUISIANA CAPITAL OUTLAY FUND

The Louisiana State Legislature periodically appropriates funds from bond issues to be used by the Louisiana Economic Development Corporation for capital projects awards. These appropriations are recorded as a receivable from the State Capital Outlay Fund and are drawn down as these projects are funded. As of June 30, 2010, a total of $21,895,000 had been appropriated to date. Of this amount, $8,704,665 had been spent, leaving $13,190,335 receivable at June 30, 2010.

SUPPLEMENTAL INFORMATION

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
JUNE 30, 2010

	Cost	Carrying Value	Fair Value
Debt Investments			
Genesis Offshore, L.L.C. - 18% senior subordinated note due May 2011	$ 356,900	$ 309,636	$ 309,636
Genesis Offshore, L.L.C. - 9.5% promissory note due November 2016	138,238	138,238	138,238
Greentech Panels, L.L.C. - 12% promissory note due November 2007	500,000	-	-
Gulf Coast Analytical Laboratories, Inc. - 14% senior subordinated note due January 2012	50,000	-	-
Gulf Coast Analytical Laboratories, Inc. - 10.5% promissory note due January 2012	130,000	130,000	130,000
Louisiana Crane Company, L.L.C. - 11.75% junior secured note due August 2012	164,958	-	-
	1,340,096	577,874	577,874
Equity Investments			
AIR2LAN of Louisiana, Inc. - 5,681,818 shares of Series A preferred stock	500,000	-	-
Audubon Capital Fund - 14.09% limited partnership interest	994,381	769,692	1,254,416
Aurora Ventures IV, L.L.C. - Five Class A units (6.63% ownership)	5,018,031	1,526,622	1,724,873
Axxon, L.L.C. - 6,250,000 shares of Class E convertible preferred units	500,000	290,293	914,698
Birchmere Venture II, L.P. - 6.471% ownership	3,108,894	819,930	1,872,262
Business Resource Capital Specialty BIDCO - 2,000,000 shares of Class B nonvoting common stock	2,000,000	1,840,000	1,840,000
Certia, Inc.	500,000	-	-

	Cost	Carrying Value	Fair Value
Endgame Entertainment Fund, L.L.C. - 4.8% ownership	5,000,000	2,627,488	2,627,488
GoAntiques, Inc. - 454,548 shares common stock	500,000	-	-
Golfballs.com, Inc. - 300,000 shares of Series A convertible preferred stock	300,000	-	-
Gulf Coast Analytical Laboratories, Inc. - 1077 shares of Series A preferred stock	70,000	-	-
Gulf Coast Business and Industrial Development Corporation - 113,636 shares of Class C common stock	2,500,000	383,499	805,682
iMinorities.com, Inc. - 475,003 shares of Series A convertible preferred stock	400,000	-	-
Jefferson Capital I, L.P. - 9.0% limited partnership interest	563,645	531,135	1,242,992
Louisiana Fund I, L.P. - 20.69% limited partnership interest	4,566,250	3,105,087	10,414,231
Louisiana Venture Fund - 20.93 limited partnership interest	4,665,681	3,512,478	3,558,319
Louisiana Squared, Inc. - 1,400,000 Class B membership units	3,098,000	-	-
MD Technologies, Inc. - 208,333 shares of common stock	500,000	-	80,401
Murphree Venture Partners VI, L.P. - 11.68% limited partnership interest	5,040,207	3,597,738	4,007,922
Presonus Audio Electronics, Inc. - 101,828 shares common stock and 20,400 shares of Series A preferred stock	276,828	160,196	243,776
Qcorps Residential, Inc. - 674,797 shares common stock	95,000	30,425	30,425
Selltis - 110,743 shares common units	500,000	-	-

	Cost	Carrying Value	Fair Value
Source Capital, L.L.C. - 18,000 shares common stock	2,500,000	626,400	732,861
Sterifx, Inc. - 260,000 shares of Class A preferred stock and 2,954,513 shares of Class B preferred stock	690,000	-	-
The Football Network, Inc. - 500,000 shares of common stock	1,250,000	-	-
TravelByUs, Inc. - 82,153 shares of common stock	369,690	-	-
United Agents Holdings, Inc. - 35,000 shares of Series A convertible preferred stock	600,000	-	-
	46,106,607	19,820,983	31,350,346
	$ 47,446,703	$ 20,398,857	$ 31,928,220

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INDEPENDENT AUDITOR'S 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

The Board of Directors
Louisiana Economic Development Corporation
Baton Rouge, Louisiana

I have audited the financial statements of the Louisiana Economic Development Corporation, a component unit of the State of Louisiana, as of and for the years ended June 30, 2010, and have issued my report thereon dated August 31, 2010. I conducted my 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 my audit, I considered the Corporation's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Corporation'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.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. I consider the deficiency described as Finding 2010-1 in the accompanying schedule of findings and questioned costs to be a material weakness in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Economic Development Corporation's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

The Corporation's response to the finding identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit the Corporation's response and, accordingly I express no opinion on it.

This report is intended for the information and use of the Board of Directors, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

J. Aaron Cooper, CPA, LLC

DeRidder, Louisiana
August 31, 2010

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

Summary of Auditors' Results

As required by the Office of Louisiana Legislative Auditor, the following is a summary of the results of my audit:

- Type of report issued on financial statements – unqualified.
- There was a material weakness in internal controls over financial reporting.
- There was a finding to be reported under Government Auditing Standards.
- The results of my audit procedures disclosed no material noncompliance.

Current Year Findings

Finding 2010-1 (Internal Control)

Year End Close Process. All disbursements and receipts are processed through ISIS, the state's accounting system, by the Fiscal Office of the Louisiana Department of Economic Development. I feel that controls over those transactions are strong. Each month those transactions are recorded into LEDC's general ledger on a full accrual basis. However, the accounting staff was unclear how certain transactions were to be recorded or how to reconcile the general ledger to the subsidiary records because the staff was new to LEDC and there were no written procedures for the close process. During the course of the audit, all the necessary reconciliations were prepared and all adjustments were made.

Recommendation. It appears that the accounting staff now understands how all transactions should be recorded and how to reconcile the general ledger to the subsidiary records. I recommend that these procedures be formally documented in a procedures manual.

Management's Response. The previous accountant suddenly resigned due to illness. We will document the close process as well as cross-train the accounting staff to ensure that we are prepared for turnover of personnel.

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

Finding 2009-1 (Internal Control)

Classification of Awards Payments. During the course of my audit, I noted grant accounts payable at the end of the prior year were recorded as grant awards expense in 2008, however, when payment was made during the current year, the awards were capitalized as deferred awards expense. Upon further investigation, it was determined that the awards should have been capitalized in the prior year. This error caused an overstatement of awards expense and an understatement of retained earnings in the prior year. The 2008 financial statements have been restated to correct this error.

Recommendation. I recommend that accounting closely review grant payments and the related grant contracts to ensure that such payments are recorded properly, especially those accrued as accounts payable at year end.

Corrective Action Taken. The person responsible for tracking compliance on contracts that result in deferred awards expense maintains a spreadsheet of all job credit loans. This spreadsheet will be reconciled to the general ledger as part of the close process discussed in Finding 2010-1.

Finding 2009-2 (Internal Control)

Valuation of Deferred Awards Expense. During the course of my audit, I reviewed a sample of job credit awards. Based on my review, it appeared that recipients of two of the awards would not be able to generate the jobs necessary to generate sufficient job credits to amortize the awards nor would they have the ability to pay in cash. No reserve had been established on these assets.

Recommendation. I recommend that management develop a policy on how to test these assets for impairment, including how to calculate the amount of impairment.

Corrective Action Taken. Management has implemented a policy regarding the valuation of deferred awards. The policy appears to conservative and reasonable.

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2010

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Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2010

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
P.O. Box 94185
Baton Rouge, Louisiana 70804-9185

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Physical Address:
1201 N. Third Street
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Legislative Auditor
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Baton Rouge, Louisiana 70804-9397

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Kristy G. McKearn, Secretary/Treasurer of the Louisiana Economic Development Corporation, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Economic Development Corporation at June 30, 2010, and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 31 day of August 2010.

Kristy G. McKearn
Secretary/Treasurer

Stephanie LaGrange
NOTARY PUBLIC Bar Roll #31234

Prepared by: Errol Smith

Title: Accounting Manager I

Telephone No.: (225) 342-5400

Date: August 31, 2010

Email Address: errol.smith@la.gov

STEPHANIE LE GRANGE
NOTARY PUBLIC
BAR ROLL NO. 31234
STATE OF LOUISIANA
PARISH OF ASCENSION
My Commission is for Life

STATE OF LOUISIANA **Statement A**
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET
AS OF JUNE 30, 2010

The Management's Discussion and Analysis of the Louisiana Economic Development Corporation's financial performance presents a narrative overview and analysis of Louisiana Economic Development Corporation and its subsidiaries' financial activities for the year ended June 30, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Louisiana Economic Development Corporation's financial statements.

FINANCIAL HIGHLIGHTS

For the fiscal year ending June 30, 2010, Louisiana Economic Development Corporation started with a budget of $28,022,218 (including appropriation for Capital Outlay). We had rollover adjustments in the amount of $18,723,809 leaving the final authorization at $46,746,027. The adjustments to programs and Legislatives Initiatives increased the budget by $7,556,179. The final budget of $46,746,027 is a decrease of $23,451,284, or 33.41% under last year's budget of $70,197,311.

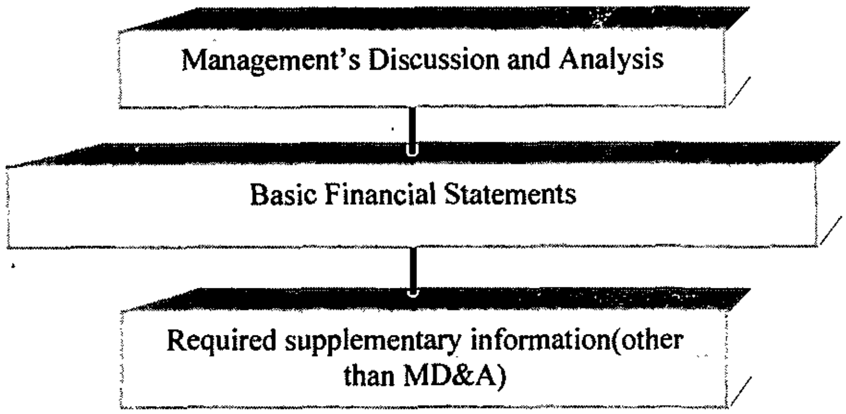
The 2010 investments (both short-term and long-term) at fair market value are $20,398,857 compared to $20,645,078 in 2009. The Louisiana Economic Development Corporation has hired an independent banking firm, Chaffe & Associates, to determine the valuation of investments. Upon their findings, an adjustment was made to decrease the fair value by $1,024,905.

The total liabilities decreased from $2,206,772 to $2,068,796, or 6.25, for the fiscal year due mainly to a decrease in payables related to the Economic Development Award Program and Workforce Development and Training Program and accrued salaries, offset by an increase in accrued losses on guaranteed loans.

The total assets decreased by $14,277,324 from $104,871,879 for 2009 to $90,594,555 in 2010. This is a result of a combination of the decrease in appropriation for the Economic Development Awards Program, an increase in certificates of deposits, increase in loans which will be reimbursed by job credits, an increase in Legislative Initiatives, and decrease in cash and cash equivalents.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

The basic financial statements present information for the Louisiana Economic Development Corporation and its subsidiaries as a whole in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana Economic Development Corporation is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how Louisiana Economic Development Corporation's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement presents information showing how the Louisiana Economic Development Corporation's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

The following is a condensed statement of the Balance Sheet for the Louisiana Economic Development Corporation at June 30, 2010 and 2009:

Balance Sheet
as of June 30, 2010 and 2009

	2010	2009
Current and other assets, unrestricted	$ 45,369,328	$ 45,636,257
Current and other assets, restricted	398,472	1,198,048
Other assets	44,826,755	58,037,574
Total assets	90,594,555	104,871,879
Current liabilities	106,383	526,678
Long-term obligations	1,962,413	1,680,094
Total liabilities	2,068,796	2,206,772
Net assets:		
Restricted	529,137	1,198,048
Unrestricted	87,996,622	101,467,059
Total net assets	88,525,759	102,665,107
Total net assets and liabilities	90,594,555	104,871,879

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements. Conversely, unrestricted net assets are those that do not have any limitations for what these amounts may be used.

The following is a condensed statement of Revenues, Expenses and Changes in Net Assets for the years ended June 30, 2010 and 2009:

Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2010 and 2009

	2010	2009
Operating revenues	$ 1,660,534	$ 1,663,933
Operating expenses	32,223,659	37,243,049
Operating income(loss)	(30,563,125)	(35,579,116)
Non-operating revenues(expenses)	16,423,777	11,968,269
Changes in net assets	$ (14,139,348)	$ (23,610,847)

Although Louisiana Economic Development has incurred an decrease in activity, operating revenues have remained relatively constant from $1,663,933 in 2009 to $1,660,534 in 2010. Interest income from bank deposits and program loans fell by 42.29% due to a fall in interest rates. During 2010, $1,265,227 in dividends, including dividends received from the escrow of Venture Capital assets sold, were received compared to $935,843 for the prior year. Guarantee fees decreased from $141,949 in 2009 to $39,499 for 2010, or 72.17% due mostly to the decrease in activity.

Total operating expenses decreased from $37,243,049 in 2009 to $32,223,659 in 2010, or 13.48%. Legislative initiatives expenses decreased from $21,435,667 in 2009 to $8,348,786 for 2010, or $13,086,881. Workforce Development and Training grants decreased $651,420 due to decrease in activity. Expenditures in Capital Outlay grants increased over $1.7 million from $1,770,532 in 2009 to $3,472,524 in 2010. The Economic Development Awards Program is not allowing awards to be grants except if certain job and salary requirements are met. Therefore, the majority of awards will now be considered loans receivable with job credits.

Income from Vendor's Compensation decreased from $11,362,698 in 2009 to $9,074,476 in 2010 or 20.14%. Interest from the funds held in the Treasurer's Office fell from $757,562 in 2009 to $149,301 in 2010, or 80.29%. There were no interagency transfers made into the fund in 2009 but $7,200,000 was appropriated in 2010. Interagency transfers made out of the fund were $151,991 in 2009, but there were no transfers out in 2010. This leaves a net interagency transfer of ($151,991) in 2009 and $7,200,000 in 2010. In total, the non-operating revenues went from $11,968,269 in 2009 to $16,423,777 in 2010, a 37.23% increase.

CAPITAL ASSET AND DEBT ADMINISTRATION

Louisiana Economic Development Corporation does not have any capital assets or debt.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

The appropriation for Louisiana Economic Development Corporation is dedicated each year from the dedicated Louisiana Economic Development Fund, although it receives operating and non-operating income during the year. The revenue for 2010 was $12,061,438, which was $760,221 under the expected revenue budget of $12,821,659. This decrease is due to the decline in revenue collection from vendor compensation.

ECONOMIC FACTORS AFFECTING THIS YEARS FINANCIAL CONDITION AND NEXT YEAR'S BUDGET

The primary factors affecting Fiscal Year 2009-2010 financial condition of Louisiana Economic Development Corporation were outside factors to the change in the economic market due to the continuing recovery of Hurricanes Katrina and Rita in 2005, Hurricane Gustav and Ike in 2008 and the oil rig explosion in the Gulf of Mexico on April 20 2010.

The economy was beginning to recover from the events of September 11, 2001, when the massive destruction caused by the hurricanes in the southern region of the United States occurred. A vast majority of the demand is still being handled by recovery funds established to assist those most affected by the hurricane devastations. The spill has caused extensive damage the Gulf's fishing and tourism industries and the subsequent drilling moratorium has put many Louisianans out of work. Decrease in the hurricane recovery funds, increase in new businesses, and increase in marketing trips should increase demand for all programs.

Although the national economy has been in a downturn, Louisiana has fared far better than most states due to the recovery efforts. Louisiana is well below both the National average and the southern indicators in the unemployment rate. Accordingly, Louisiana's employment rate has been stable throughout the recession. This is largely due to the recovery efforts from the Hurricanes, but also the aggressive action taken by the Governor and the Department of Economic Development to bring new jobs and companies to Louisiana, while continuing to grow the businesses already here.

Management continues to monitor the health of the guarantee portfolio for losses due to the economy. The investment portfolio is directly tied to the health of the market; however, there are some investments that are being held that may be liquidated this year with others to be liquidated within the next five years. The fact that the Economic Development Fund is a dedicated, revolving fund allows Louisiana Economic Development Corporation to request additional funds as needed, but due to increased activity and legislative requests, the fund amount has decreased enormously.

As in the past, the legislature has looked to Louisiana Economic Development Corporation to assist in other economic development projects other than through Louisiana Economic Development Corporation programs. For example, the Legislature has appropriated funds for the Northrop Grumman Ship Systems, CG Railway, Inc., Union Tank Car, and other Louisiana Economic Development operating expenses from the LED Fund balance In FY10, a total of $21,453,195 was utilized for such program, thus leaving a current restricted cash balance of $529,137.

CONTACTING THE LOUISIANA ECONOMIC DEVELOPMENT CORPORATION'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Louisiana Economic Development Corporation and its subsidiaries' finances and to show the Louisiana Economic Development Corporation and its subsidiaries' accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kristy McKearn, Undersecretary, at (225) 342-3000.

Statement A

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET
AS OF JUNE 30, 2010

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 24,047,331
Restricted Cash and Cash Equivalents	398,472
Investments	
Derivative instrument	
Deferred outflow of resources	
Receivables (net of allowance for doubtful accounts)(Note U)	16,565,150
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	257,348
Other current assets-deferred awards expense	4,499,499
Total current assets	45,767,800
NONCURRENT ASSETS:	
Restricted assets (Note F):	
Cash	
Investments	11,844,606
Receivables	
Investments	20,398,857
Notes receivable	9,609,589
Capital assets, net of depreciation (Note D)	
Land and non-depreciable easements	
Buildings and improvements	
Machinery and equipment	
Infrastructure	
Intangible assets	
Construction/Development-in-progress	
Other noncurrent assets	2,973,703
Total noncurrent assets	44,826,755
Total assets	$ 90,594,555
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accruals (Note V)	$ 106,383
Derivative instrument	
Deferred inflow of resources	
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remeditation obligation	
Bonds payable (include unamortized costs)	
Other long-term liabilities	
Total current liabilities	106,383
NONCURRENT LIABILITIES: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
OPEB payable	
Other long-term liabilities	1,962,413
Total noncurrent liabilities	1,962,413
Total liabilities	2,068,796
NET ASSETS	
Invested in capital assets, net of related debt	

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA **Statement B**
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

OPERATING REVENUE	
Sales of commodities and services	$
Assessments	
Use of money and property	340,808
Licenses, permits, and fees	
Other	1,319,726
Total operating revenues	1,660,534
OPERATING EXPENSES	
Cost of sales and services	29,980,850
Administrative	2,242,809
Depreciation	
Amortization	
Total operating expenses	32,223,659
Operating income(loss)	(30,563,125)
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	7,200,000
Intergovernmental revenues(expenses)	
Taxes	9,074,476
Use of money and property	149,301
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	
Other revenue	
Other expense	
Total non-operating revenues(expenses)	16,423,777
Income(loss) before contributions, extraordinary items, & transfers	(14,139,348)
Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	(14,139,348)
Total net assets – beginning	102,665,107
Total net assets – ending	$ 88,525,759

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA **Statement C**
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

See Appendix B for instructions

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Entity	$ 32,223,659	$ 1,660,534	$	$	$ (30,563,125)
General revenues:					
Taxes					9,074,476
State appropriations					7,200,000
Grants and contributions not restricted to specific programs					
Interest					149,301
Miscellaneous					
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					16,423,777
Change in net assets					(14,139,348)
Net assets - beginning as restated					102,665,107
Net assets - ending					$ 88,525,759

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

Statement D

Cash flows from operating activities		
Cash received from customers	$ 54,499	
Cash payments to suppliers for goods and services	(26,752,966)	
Cash payments to employees for services	(375,869)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)	2,313,579	
Net cash provided(used) by operating activities		(24,760,757)
Cash flows from non-capital financing activities		
State appropriations	13,457,804	
Federal receipts	-	
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other	9,392,479	
Net cash provided(used) by non-capital financing activities		22,850,283
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		-
Cash flows from investing activities		
Purchases of investment securities	(955,262)	
Proceeds from sale of investment securities	4,348,809	
Interest and dividends earned on investment securities		
Net cash provided(used) by investing activities		3,393,547
Net increase(decrease) in cash and cash equivalents		1,483,073
Cash and cash equivalents at beginning of year		22,962,730
Cash and cash equivalents at end of year		$ 24,445,803

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

Statement D
(concluded)

Reconciliation of operating loss to cash used in operating activities:

Operating loss	$	(30,563,125)
Provision for loan losses		4,666,931
Unrealized loss on investments		1,005,884
Change in accrued interest and dividends receivable		707,544
Change in deferred awards expense		(157,696)
Change in accounts payable and accrued expenses		(420,295)
Total noncash investing, capital, and financing activities:	$	(24,760,757)

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
Total noncash investing, capital, and financing activities:	$	-

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
Notes to the Financial Statement
As of and for the year ended June 30, 2010

INTRODUCTION

The Louisiana Economic Development Corporation ("LEDC") was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 51:2311. The Louisiana Economic Development Corporation is a public authority whose purpose is to stimulate the flow of private capital in the form of long-term loans and other financial assistance for the sound financing of the development, expansion, and retention of small business concerns in the State of Louisiana as a means of providing high levels of employment, income growth, and expanded social and economic opportunities, especially to disadvantaged persons and within distressed areas. Effective July 1, 2001 pursuant to Act No. 9 dealing with House Bill No. 1666, the authority for the administration of the Workforce Development and Training Program (Workforce) and the Economic Development Award Program (EDAP) was transferred from the Department of Economic Development to the LEDC.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana Economic Development Corporation present information only as to the transactions of the programs of the Corporation as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accounts of the LEDC are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition
Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition
Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana Economic Development Corporation are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	APPROPRIATIONS
Original approved budget	28,022,218
Amendments:	
Rollover	11,167,630
BA-7	7,556,179
Final approved budget	46,746,027

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix C for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the LEDC may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, LEDC may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2009, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Balance per agency books (Balance Sheet)	$ 3,349,420	$ 11,844,606	$	$ 15,194,026
Deposits in bank accounts per bank	$ 3,349,420	$ 11,844,606	$	$ 15,194,026
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	$	$	$	$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	$	$	$	$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or ageny <u>but not in the entity's name.</u>	$ 2,849,420	$ 9,251,668	$	$ 12,101,088

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

Banking Institution		Amount
1. Chase Bank	$	750,705
2. American Gateway Bank		1,642,638
3. Central Progressive Bank		607,500
4. Citizens Bank		217,750
5. Iberville Bank		250,286
6. Jeff Davis Bank		3,840,524
7. State Bank		375,188
8. Teche Bank		504,500
9. Washington State Bank		4,276,430
10. Delta Bank		1,500,000
11. Liberty Bank		1,228,505
Total	$	15,194,026

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	$	21,096,383
Petty cash	$	

2. INVESTMENTS

LEDC maintains investment accounts as authorized by Louisiana Revised Statute 51:2312.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure	
Type of Investment	Uninsured, *Unregistered, and Held by Counterparty	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name	Reported Amount Per Balance Sheet	Fair Value
Negotiable CDs	$	$	$	$
Repurchase agreements				
U.S. Government Obligations **				
U.S. Agency Obligations				
Common & preferred stock			19,820,983	31,350,346
Mortgages (including CMOs & MBSs)				
Corporate bonds				
Mutual funds				
Real estate				
External Investment Pool (LAMP) ***				
External Investment Pool (Other)				
Other: (identify)				
Debt investments			577,874	577,874
Total investments	$ -	$ -	$ 20,398,857	$ 31,928,220

* Unregistered - not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. *(See Appendix C for the definition of U.S. Government Obligations)*

*** LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level.

3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

Rating Agency	Rating	Fair Value
N/A	Unrated	$ 577,874
	Total	$ 577,874

B. Interest Rate Risk of Debt Investments

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments.)

		Investment Maturities (in Years)			
Type of Debt Investment	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	$	$	$	$	$
U.S. Agency obligations					
Mortgage backed securities					
Collateralized mortgage obligations					
Corporate bonds	577,874	309,636	130,000	138,238	
Other bonds (describe)					
Mutual bond funds					
Other					
Total debt investments	$ 577,874	$ 309,636	$ 130,000	$ 138,238	$ -

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See Appendix C for examples of debt investments that are highly sensitive to changes in interest rates.

Debt Investment	Fair Value	Terms
	$	
Total	$ -	

C. Concentration of Credit Risk

List, by amount and issuer, investments in any one issuer that represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment pools).

Issuer	Amount	% of Total Investments
Aurora Ventures IV, LLC	$ 1,526,622	7.48%
Business Resource Capital Specialty BIDCO	1,840,000	9.02%
Endgame Entertainment Fund, LLC	2,627,488	12.88%
Louisiana Fund I, LP	3,105,087	15.22%
Louisiana Venture Fund	3,512,478	17.22%
Murphree Venture Partners, LP	3,597,738	17.64%
	0	
Total	$ 16,209,413	

D. Foreign Currency Risk

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

Foreign Currency	Fair Value in U.S. Dollars Bonds	Fair Value in U.S. Dollars Stocks
	$	$
Total	$ -	$ -

4. DERIVATIVES (GASB 53) - N/A

A. Summary of Derivative Instruments

Complete the following table, "Summary of Derivative Instruments" for all derivative instruments held by the entity at June 30, 20___. If no derivative instruments were held by the entity at June 30, please state "None".

Summary of Derivative Instruments

Type	Notional	Changes in Fair Value Classification	Changes in Fair Value Amount	Fair Value at June 30 Classification	Fair Value at June 30 Amount *
Investment Derivative Instruments:			$		$
Fair Value Hedges:			$		$
Cash Flow Hedges:			$		$

***If fair value is based on other than quoted market prices, the methods and significant assumptions used to estimate those fair market values should be disclosed.**

B. Investment Derivative Instruments

Investment derivative instruments include derivative instruments that are not effective or are no longer effective and cannot be classified as hedging derivative instruments. Separately list each investment derivative instrument included in the table above and discuss the exposure to risk from these investments for the following risks:

1. **Credit Risk of Investment Derivative Instruments**

2. **Interest Rate Risk of Investment Derivative Instruments**

Investment Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years) Less than 1	1 - 5	6 - 10	More than 10

Disclose the reference rate for each investment derivative instrument along with any embedded options

____

____

3. Foreign Currency Risk of Investment Derivative Instruments

Foreign Currency	Fair Value in U.S. Dollars Bonds	Stocks
	$	$
Total	$ -	$ -

4. Reclassification from Hedging Derivative Instrument to Investment Derivative Instrument

Item Reclassified	Notional Amount	Ineffective @ 6/30/10 (Y/N)	Fair Value @ 6/30/10	Ineffective @ 6/30/09 (Y/N)	Fair Value @ 6/30/09	Change in Fair Value @ 6/30/10
						-
						-
						-
						-

C. Hedging Derivative Instruments

Complete the following table- Terms and Objectives of Hedging Derivative Instruments - for all hedging derivative instruments held by the entity at June 30, 20___.

Terms and Objectives of Hedging Derivative Instruments

Type	Notional	Objective	Effective Date	Maturity Date	Terms *	Counterparty Credit Rating

***Terms include reference rates, embedded options, and the amount of cash paid or received, if any, when a forward contract or swap (including swaptions) was entered into.**

Interest rates and the various swap indices change over time. Use the schedule below to summarize payments on the swap and interest payments to bondholders for applicable hedging derivative instruments.

Hedging Derivative Instrument	Counterparty Swap Payment			Interest Payments to Bondholders	Total Payments
	To	From	Net		

List each hedging derivative separately, and discuss the exposure to risk from these hedges for the following risks:

1. **Credit Risk of Hedging Derivative Instruments**

2. **Interest Rate Risk of Hedging Derivative Instruments**

Hedging Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 5	6 - 10	More than 10

3. **Basis Risk of Hedging Derivative Instruments**

4. **Termination Risk of Hedging Derivative Instruments**

5. Rollover Risk of Hedging Derivative Instruments

____
____
____

6. Market-Access Risk of Hedging Derivative Instruments

____
____
____
____

7. Foreign Currency Risk of Hedging Derivative Instruments

	Fair Value in U.S. Dollars	
Foreign Currency	Bonds	Stocks
	$	$
Total	$ -	$ -

If any hedged items are a debt obligation, then its net cash flows are required to be disclosed in accordance with GASB Statement No. 38, paragraphs 10 – 11. This information, if applicable, should be provided below, and will be included in Note 8 of the CAFR.

Using the following chart, provide the principal and interest requirements to maturity for those hedged items that are a debt obligation. If your fiscal year ends other than June 30, change the date within the table. If the number of years for your debt to terminate exceeds the years listed, add those years to the table (in 5 year increments).

Debt and Lease Obligations for Hedged Debt (per GASB 38, paragraph 10)

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
Notes to the Financial Statement
As of and for the year ended June 30, 2010

Fiscal Year Ending June 30	Principal	Interest	Hedging Derivative Instruments, Net	Total
2011	$	$	$	$ -
2012				-
2013				-
2014				-
2015				-
2016-2020				-
2021-2025				-
2026-2030				-
2031-2035				-
2036-2040				-
Total	-	-	-	-

Note: The hedging derivative column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting.

List any terms by which the interest rates change for variable-rate debt.

Using the following chart, provide the future minimum lease payments for those hedged items that are obligations under capital and noncancelable operating leases (per GASB 38, paragraph 11). If your fiscal year ends other than June 30, change the date within the table. If the number of years for your lease extends beyond the years listed, add those years to the table (in 5 year increments).

Fiscal Year Ending June 30	Minimum Future Lease Payment
2011	$
2012	
2013	
2014	
2015	
2016-2020	
2021-2025	
2026-2030	
2031-2035	
2036-2040	
Total	-

If effectiveness is determined by another quantitative method not identified in GASB Statement No. 53, provide the identity and characteristics of the method used, the range of critical terms the method tolerates, and the actual critical terms of the hedge.

D. Contingent Features

Disclose any contingent features that are included in derivative instruments held at the end of the reporting period. The required disclosures include (1) the existence and nature of contingent features and the circumstances in which the features could be triggered, (2) the aggregate fair value of derivative instruments that contain those features, (3) the aggregate fair value of assets that would be required to be posted as collateral or transferred in accordance with the provisions related to the triggering of the contingent liabilities, and (4) the amount, if any, that has been posted as collateral by the government as of the end of the reporting period.

E. Hybrid Instruments

If your entity has any hybrid instruments, disclosure of the companion instrument should be consistent with disclosures required of similar transactions. List any hybrid instruments below and provide information regarding any hybrid instruments and a reference to where the required disclosures can be found. If the required disclosures are not presented elsewhere, provide those disclosures below. If your entity does not have any hybrid instruments, state "None".

F. Synthetic Guaranteed Investment Contracts (SGICs)

If your entity has a fully benefit-responsive SGIC, then a description of the nature of the SGIC and the SGIC's fair value (including separate disclosure of the fair value of the wrap contract and the fair value of the corresponding underlying investments) should be disclosed as of the end of the reporting period. Provide those required disclosures below. If your entity does not have any, state "None".

5. POLICIES

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.
Investments are uninsured due to the nature of LEDC's operations. It is LEDC's policy to comply with state law regarding pledged collateral on deposits.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

a. Investments in pools managed by other governments or mutual funds N/A

b. Securities underlying reverse repurchase agreements N/A

c. Unrealized investment losses_ N/A

d. Commitments as of ________ (fiscal close), to resell securities under yield maintenance repurchase agreements:

1. Carrying amount and market value at June 30 of securities to be resold ____N/A

2. Description of the terms of the agreement ______ N/A

e. Losses during the year due to default by counterparties to deposit or investment transactions________ N/A

f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____ N/A

Legal or Contractual Provisions for Reverse Repurchase Agreements

g. Source of legal or contractual authorization for use of reverse repurchase agreements __________N/A

h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____N/A_____________________________

Reverse Repurchase Agreements as of Year-End

i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest
_____________________N/A_____________________________________

j. Commitments on ___________ (fiscal close) to repurchase securities under yield maintenance agreements______N/A______________________________

k. Market value on ___________ (fiscal close) of the securities to be repurchased
_______________N/A____

l. Description of the terms of the agreements to repurchase __N/A_______________

m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements ______N/A______________________________

n. Amounts recovered from prior-period losses which are not separately shown on the operating statement _________N/A______________________________

Fair Value Disclosures (GASB 31)

o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices

The corporation records its investments at estimated fair value or at cost if fair value is not readily determinable (e.g., publicly-traded). Fair value generally is considered to be the amount which the corporation might reasonably expect to receive for its investments if negotiations for sale were entered into on the valuation date. Valuation as of any particular date, however, is not necessarily indicative of the amount which the corporation ultimately may realize as a result of a future sale or other disposition of the investments.

In preparing the financial statements, the corporation's management is required to make significant judgments that affect the reported amounts of investments as of the date of the balance sheet and the change in unrealized appreciation (depreciation) for the period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the value that would have been used had a ready market for the investments existed and these differences could be material.

The process of valuing investments requires significant judgments that are particularly susceptible to change. The corporation's management believes that investment values are appropriate. While the corporation's management uses available information to recognize declines in investment values, future adjustments may be necessary based on changes in economic conditions or changes in the results of the operations of investee companies.

The valuation policies of the corporation's management in determining the fair value of the corporation's investments include the following:

- Marketable securities listed on a national securities exchange are valued at their closing sales price on the valuation date;

- Marketable securities traded over-the-counter are valued at their closing bid price on the valuation date, as reported in the National Association of Securities Dealers' Automated Quotation System (NASDAQ) or if not reported in NASDAQ, as reported by the National Quotation Bureau (or any successor to such organization) ;

- Restricted securities (securities not freely marketable, but part of a class of securities listed on a national securities exchange or traded over-the-counter) are valued at a discount from the security's value determined under the above subsections, reflecting their limited marketability; and

- All other securities are valued initially at cost with subsequent adjustments to values which reflect meaningful third-party transactions in the private market or at fair market value reflecting, in any event, their marketability, the business and prospects of the issuer of such securities and other relevant factors.

During the year ended June 30, 2009, the Corporation engaged an independent third party investment banker to perform valuations of most of its investments. As of June 30, 2009, the Corporation's investments have been written down to their estimated impaired values, as determined by the independent appraisal, as applicable.

p. Basis for determining which investments, if any, are reported at amortized cost
N/A

q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool
N/A

r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares ________________N/A____________________

s. Any involuntary participation in an external investment pool ___N/A____________
____

t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate
__________N/A____

u. Any income from investments associated with one fund that is assigned to another fund
__________N/A____

Land and Other Real Estate Held as Investments by Endowments (GASB 52)-N/A

v. ______________________________ (agency/entity) owns land or other real estate held as investments by endowments. (yes/no) Land or real estate held as investments by endowments is reported at fair value in the entity's financial statements and any applicable fair value note disclosures are reported in the preceding fair value disclosure section.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS - N/A

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

Capital assets not being depreciated								
Land	$	$	$	$ -	$	$	$	$ -
Non-depreciable land improvements				-				-
Non-depreciable easements				-				-
Capitalized collections				-				-
Software Development in Progress				-				-
Construction in progress (CIP)				-				-
Total capital assets not being depreciated	-	-	-	-	-	-	-	-
Other capital assets								
Machinery and equipment				-				-
Less accumulated depreciation				-				-
Total Machinery and equipment	-	-	-	-	-	-	-	-
Buildings and improvements				-				-
Less accumulated depreciation				-				-
Total buildings and improvements	-	-	-	-	-	-	-	-
Depreciable land improvements				-				-
Less accumulated depreciation				-				-
Total land improvements	-	-	-	-	-	-	-	-
Infrastructure				-				-
Less accumulated depreciation				-				-
Total infrastructure	-	-	-	-	-	-	-	-
Software (internally generated and purchased)				-				-
Other Intangibles				-				-
Less accumulated amortization - software				-				-
Less accumulated amortization - other intangibles				-				-
Total intangibles	-	-	-	-	-	-	-	-
Total other capital assets	-	-	-	-	-	-	-	-
Capital assets not being depreciated	-	-	-	-	-	-	-	-
Other capital assets, at cost	-	-	-	-	-	-	-	-
Total cost of capital assets	-	-	-	-	-	-	-	-
Less accumulated depreciation and amortization	-	-	-	-	-	-	-	-
Capital assets, net	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets.

** Enter a negative number with the exception of accumulated depreciation in the retirement and prior period adjustment column.

If other intangible assets were reported in the table above, list the types of intangible assets, their cost, and accumulated amortization for each type of intangible asset reported. ______________________________

____

E. INVENTORIES - N/A

The BTA's inventories are valued using _______________ (method of valuation – FIFO, LIFO, weighted average, moving average, specific identification, etc). These are perpetual inventories and are expensed when used.

F. RESTRICTED ASSETS

Restricted assets in the Louisiana Economic Development Corporation at June 30, 2010, reflected at $398,472 in the current assets section on Statement A, consisting of cash with fiscal agent. These funds have been restricted for specific projects by the State Legislature as identified in Note BB.

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana Economic Development Corporation has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations. The liability for accrued payable compensated absences at June 30, 2010 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be $22,975. The leave payable is recorded in the accompanying financial statements.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. There is no compensatory leave payable at June 30, 2010.

H. RETIREMENT SYSTEM

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. **(Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)**

All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to $300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) <u>on or after</u> July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2010, decreased / increased to 18.6% of annual covered payroll from the 18.6% and 20.4% required in fiscal years ended June 30, 2009 and 2008 respectively. The (BTA) contributions to the System for the years ending June 30, 2010, 2009, and 2008, were $52,497, $61,765, and $52,513, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – N/A (Liability recorded at the department level)

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. **See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.**

1. Calculation of Net OPEB Obligation

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. **The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's website - http://www.doa.louisiana.gov/OSRAP/afrpackets.htm) and select "GASB 45 OPEB Valuation Report as of July 1, 2009, to be used for fiscal year ending June 30, 2010." Report note disclosures for other plans, not administrated by OGB, separately.**

Annual OPEB expense and net OPEB Obligation

Fiscal year ending	**6/30/2010**
1. * ARC	
2. * Interest on NOO (4%)	
3. * ARC adjustment	
4. * Annual OPEB Expense (1. + 2. - 3.)	
5. Contributions (employer pmts. to OGB for retirees' cost of 2010 insurance premiums)	
6. Increase in Net OPEB Obligation (4. - 5.)	
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)	
8. **NOO, end of year (6. + 7.)	

*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2009, to be used for fiscal year ending June 30, 2010."

**This should be the same amount as that shown on the Balance Sheet for the year ended June 30, 2010 if your entity's only OPEB is administered by OGB.

For more information on calculating the annual OPEB expense and the net OPEB obligation, see Appendix D in the back of this packet.

2. Note Disclosures

If your only OPEB provider is OGB, your entity will have no OPEB note disclosures for OSRAP other than the OPEB calculation above; <u>however, GASB 45 note disclosures are required for separately issued GAAP financial statements.</u> Please provide OSRAP with the applicable GASB 43 and 45 note disclosures if your entity's OPEB group insurance plan is administered by an entity other than OGB. Following is a summary of the requirements of GASB Statement 45.

I. Plan Description

a) Name of Plan
b) Identify entity that administers the plan
c) Type of plan
d) Brief description of the types of benefits
e) Authority under which benefit provisions are established or may be amended
f) Whether the OPEB plan issues a stand-alone financial report or is included in the report of a PERS or another entity, and, if so how to obtain the report.

II. Funding Policy

a) Authority under which the obligations of the plan members, employers, and other contributing entities (e.g., state contributions to local government plans) to contribute to the plan are established or may be amended.

b) Required contribution rates of plan members (amount per member or percentage of covered payroll).

c) Required contribution rates of the employer in accordance with the funding policy (in dollars or as percentage of current-year covered payroll) and, if applicable, legal or contractual maximum contribution rates: If the plan is a single-employer or agent plan and the rate differs significantly from the ARC, disclose how the rate is determined (e.g., by statute or contract) or that the plan is financed on a pay-as-you-go basis. If the plan is a cost-sharing plan, disclose the required contributions in dollars and the percentage of that amount contributed for the current year and each of the two preceding years, and how the required contribution rate is determined (e.g., by statue or by contract, or on an actuarially determined basis) or that the plan is financed on a pay-as-you-go basis.

III. Additional disclosures for sole and agent employers for each plan:

a) For current year (CY), annual OPEB cost and the dollar amount of contributions made. If the employer has a net OPEB obligation, also disclose the components of annual OPEB cost (ARC, interest on the net OPEB obligation, and the adjustment to the ARC), the increase or decrease in the net OPEB obligation, and the net OPEB obligation at the end of the year.

b) For the current year and each of the two preceding years, disclose annual OPEB cost, percentage of annual OPEB cost contributed that year, and net OPEB obligation at the end of the year. (For the first two years, the required information should be presented for the transition year, and for the current and transition years, respectively.)

c) Information about the funded status of the plan as of the most recent valuation date, including the actuarial valuation date, the actuarial value of assets, the actuarial accrued liability, the total unfunded actuarial liability (or funding excess), the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio), the annual covered payroll, and the ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll. The information should be calculated in accordance with the parameters. However, employers that meet the criteria in GASB Statement 45, paragraph 11 may elect to use the alternative measurement method discussed in GASB Statement 45, paragraphs 33 through 35. Employers that use the aggregate actuarial cost method should prepare this information using the entry age actuarial cost method for that purpose only.

d) Information about the actuarial methods and assumptions used in valuations on which reported information about the ARC, annual OPEB cost, and the funded status and funding progress of OPEB plans is based, including the following:

1) Disclosure that actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

2) Disclosure that the required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether

the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

3) Disclosure that calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, if applicable, the employer should disclose that the projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations (as discussed in the disclosure of funding policy in paragraph II(c) above) on the pattern of cost sharing between the employer and plan members in the future.
4) Disclosure that actuarial calculations reflect a long-term perspective. In addition, if applicable, disclosure that, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.
5) Identification of the actuarial methods and significant assumptions used to determine the ARC for the current year and the information required by paragraph III(c) above. The disclosures should include:
   (a) The actuarial cost method.
   (b) The method(s) used to determine the actuarial value of assets.
   (c) The assumptions with respect to the inflation rate, investment return (including the method used to determine a blended rate for a partially funded plan, if applicable), postretirement benefit increases if applicable, projected salary increases if relevant to determination of the level of benefits, and, for postemployment healthcare plans, the healthcare cost trend rate. If the economic assumptions contemplate different rates for successive years (year-based or select and ultimate rates), the rates that should be disclosed are the initial and ultimate rates.
   (d) The amortization method (level dollar or level percentage of projected payroll) and the amortization period (equivalent single amortization period, for plans that use multiple periods) for the most recent actuarial valuation and whether the period is closed or open. Employers that use the aggregate actuarial cost method should disclose that because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and that the information presented is intended to approximate the funding progress of the plan.

IV. Required Supplementary Information:

Sole and agent employers should present the following information for the most recent actuarial valuation and the two preceding valuations:

a. Information about the funding progress of the plan, including, for each valuation, each of the elements of information listed in paragraph III(c) above.
b. Factors that significantly affect the identification of trends in the amounts reported, including, for example, changes in benefit provisions, the size or composition of the

population covered by the plan, or the actuarial methods and assumptions used. (The amounts reported for prior years should not be restated.)

The information should be calculated in accordance with the parameters and should be presented as RSI. Employers that use the aggregate actuarial cost method should prepare the information using the entry age actuarial cost method and should disclose that fact and that the purpose of this disclosure is to provide information that approximates the funding progress of the plan.

If the cost-sharing plan in which an employer participates does not issue and make publicly available a stand-alone plan financial report prepared in accordance with the requirements of Statement 43, and the plan is not included in the financial report of a PERS or another entity, the cost-sharing employer should present as RSI in its own financial report schedules of funding progress and employer contributions for the plan (and notes to these schedules), prepared in accordance with the requirements of Statement 43. The employer should disclose that the information presented relates to the cost-sharing plan as a whole, of which the employer is one participating employer, and should provide information helpful for understanding the scale of the information presented relative to the employer.

J. LEASES - N/A

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)

1. OPERATING LEASES

The total payments for operating leases during fiscal year ________amounted to $________. **(Note: If lease payments extend past FY 2025, create additional columns and report these future minimum lease payments in five year increments.)** A schedule of payments for operating leases follows:

Nature of lease	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016-2020	FY 2021-2025
Office Space	$	$	$	$	$	$	$
Equipment							
Land							
Other							
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -

2. CAPITAL LEASES

Capital leases (are/are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases including new leases in effect as of 6/30/10. In Schedule B, report only those new leases entered into during fiscal year 2009-2010.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	$	$	$
b. Buildings			
c. Equipment			
d. Land			
e. Other			
Total	$ -	$ -	$ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2030, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30:	Total
2011	$
2012	
2013	
2014	
2015	
2016-2020	
2021-2025	
2026-2030	
Total minimum lease payments	-
Less amounts representing executory costs	
Net minimum lease payments	-
Less amounts representing interest	
Present value of net minimum lease payments	$ -

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	$	$	$
b. Buildings			
c. Equipment			
d. Land			
e Other			
Total	$ -	$ -	$ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2030, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30:	Total
2011	$
2012	
2013	
2014	
2015	
2016-2020	
2021-2025	
2026-2030	
Total minimum lease payments	-
Less amounts representing executory costs	
Net minimum lease payments	-
Less amounts representing interest	
Present value of net minimum lease payments	$ -

SCHEDULE C – LEAF CAPITAL LEASES

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	$	$	$
b. Equipment			
c. Land			
d. Other			
Total	$ -	$ -	$ -

The following is a schedule by years of future minimum lease payments under capital leases financed through the LEAF program, together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2030, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30:	Total
2011	$
2012	
2013	
2014	
2015	
2016-2020	
2021-2025	
2026-2030	
Total minimum lease payments	-
Less amounts representing executory costs	
Net minimum lease payments	-
Less amounts representing interest	
Present value of net minimum lease payments	$ -

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectability of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

Composition of lease	Date of lease	Minimum lease payment receivable	Remaining interest to end of lease	Remanining principal to end of lease
a Office space		$	$	$
b Buildings				
c Equipment				
d Land				
e. Other				
Less amounts representing executory costs				
Minimum lease payment receivable		-		
Less allowance for doubtful accounts				
Net minimum lease payments receivable		-		
Less estimated residual value of leased property				
Less unearned income				
Net investment in direct financing lease		$ -		

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2010 were $_________ for office space, $________ for buildings, $________ for equipment, $________ for land , and $ for other.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of __________ (the last day of your fiscal year): **(Note: If lease receivables extend past FY2030, please create additional rows and report these future minimum lease payment receivables in five year increments.)**

Year ending __________:	
2011	$
2012	
2013	
2014	
2015	
2016-2020	
2021-2025	
2026-2030	
Total	$ -

4. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of __________ 20___:

	Cost	Accumulated depreciation	Carrying amount
a. Office space	$	$	$ -
b. Building			-
c. Equipment			-
d. Land			-
e. Other			-
Total	$ -	$ -	$ -

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of __________ (the last day of your fiscal year): **(Note: If lease receivables extend past FY2030, please create additional rows and report these future minimum lease payment receivables in five year increments.)**

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2011	$	$	$	$	$ -
2012					-
2013					-
2014					-
2015					-
2016-2020					-
2021-2025					-
2026-2030					-
Total	$ -	$ -	$ -	$ -	$ -

Current year lease revenues received in fiscal year ______ totaled $_______________. Contingent rentals received from operating leases received for your fiscal year was $_______________ for office space, $___________ for buildings, $___________ for equipment, $______________ for land, and $___________ for other.

K. LONG-TERM LIABILITIES - N/A

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 20__:

	Year ended June 30, 2010				
	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010	Amounts due within one year
Notes and bonds payable:					
Notes payable	$	$	$	$ -	$
Bonds payable				-	
Total notes and bonds	-	-	-	-	-
Other liabilities:					
Contracts payable				-	
Compensated absences payable				-	
Capital lease obligations				-	
Claims and litigation				-	
Pollution remediation obligation				-	
OPEB payable				-	
Other long-term liabilities				-	
Total other liabilities	-	-	-	-	-
Total long-term liabilities	$ -	$ -	$ -	$ -	$ -

(Balances at June 30th should include current and non-current portion of long-term liabilities.)

(Send OSRAP a copy of the amortization schedule for any new debt issued.) The totals must equal the Balance Sheet for each type of long-term liabilities.

L. CONTINGENT LIABILITIES - N/A

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. **Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in Note CC**. Losses or ending litigation that is probable should be reflected on the balance sheet.

The ___________ (BTA) is a defendant in litigation seeking damages as follows: (*Only list litigation not being handled by the Office of Risk Management or the Attorney General.*)

Date of Action	Description of Litigation and Probable outcome (Probable, reasonably possible or remote)	Estimated Liability Amt for Claims & Litigation (Opinion of legal counsel)	Insurance Coverage
		$	$
Totals		$ -	$ -

*Note: Liability for claims and judgments should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

(Only answer the following questions for those claims and litigation not being handled by the Office of Risk Management.)

Indicate the way in which risks of loss are handled (circle one).
(a) Purchase of commercial insurance,
(b) Participation in a public entity risk pool (e.g., Office of Risk Management claims)
(c) Risk retention (e.g., Use of an internal service fund is considered risk retention because the entity as a whole has retained the risk of loss.)
(d) Other (explain) ____________________

For entities participating in a risk pool (other than the Office of Risk Management), describe the nature of the participation, including the rights and the responsibilities of both the entity and the pool. ____________________

Describe any significant reductions in insurance coverage from coverage in the prior year by major categories of risk. Also, indicate whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years. ____________________

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it cannot be estimated. ____________________

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. ______________________________

____

Disallowed Cost:
Those agencies collecting federal funds, which have been informed that certain of their previously claimed costs were disallowed, should disclose the requested information in the schedule shown below. Show each possible disallowance on a separate line in the chart.

	Program	Date of Disallowance	Amount	*Probability of Payment	Estimated Liability Amount**
1			$		$
2					
3					
4					

* Reasonably possible, probable, or remote
** Indicate only if amount can be reasonably estimated by legal counsel

M. RELATED PARTY TRANSACTIONS - N/A

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from that result from related party transactions. List all related party transactions. ______________________________

____

N. ACCOUNTING CHANGES - N/A

Accounting changes made during the year involved a change in accounting ______________ (principle, estimate or entity). The effect of the change is being shown in ____________________.

O. IN-KIND CONTRIBUTIONS - N/A

List all in-kind contributions that are not included in the accompanying financial statements.

In-Kind Contributions	Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor
	$
Total	$ -

P. DEFEASED ISSUES - N/A

In ______________, 20____, the ______________________________________ (BTA), issued $__________________ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of _____________ bonds. In order to refund the bonds, portions of the proceeds of the new issue $______________, plus an additional $____________of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated _____________ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost $ _______________ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt) of $_______________.

Q. REVENUES – PLEDGED OR SOLD (GASB 48) - N/A

1. PLEDGED REVENUES

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. **Pledged revenues are revenue bonds that the State Bond Commission or the Louisiana Public Facilities Authority has authorized in your agency's name or in your agency's behalf.** Pledged revenues must be disclosed for each period in which the secured debt remains outstanding. **You must prepare a separate Note Q for each secured debt issued.**

Provide the following information about the specific revenue pledged:

a. Identify the specific pledged revenue:
   - Pledged revenue is ____
   - Debt secured by the pledged revenue (amount) _________________________ ____
   - Approximate amount of pledge ____________________________(equal to the remaining principal and interest requirements)

b. Term of the commitment: _________________[number of years (beginning and ending dates by month and year) that the revenue will not be available for other purposes]

c. General purpose for the debt secured by the pledge:________________________ ____

d. Relationship of the pledged amount to the specific revenue: ________________
(the proportion of the specific revenue that has been pledged)

e. Comparison of the pledged revenues (current year information):
- Principal requirements:
  ____
- Interest requirements:
  ____
- Pledged revenues recognized during the period ________________ (gross pledged revenue minus specified operating expenses)

NOTE: For any new Revenue Bonds, you must send a copy of the following pages:
- Cover page
- Introductory statement
- **Amortization schedule – terms and conditions**
- Plan of financing – sources and used of funds
- Security for the bond (pledged revenue information)

2. FUTURE REVENUES REPORTED AS A SALE

Future revenues reported as a sale are proceeds that an agency/entity received in exchange for the rights to future cash flows from specific future revenues and for which the agency/entity's continuing involvement with those revenues or receivables is effectively terminated. (see Appendix E)

Provide the following information in the year of the sale ONLY:

a. Identify the specific revenue sold:
   - the revenue sold is ______________________________
   - the approximate amount ______________________________
   - significant assumptions used in determining the approximate amount

     ____

b. Period of the sale: ______________________________

c. Relationship of the sold amount to the total for that specific revenue:

   ____

d. Comparison of the sale:
   - proceeds of the sale ______________________________
   - present value of the future revenues sold ________________
   - significant assumptions in determining the present value ____________

     ____

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) - N/A

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2009-2010:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
			$
Total government-mandated nonexchange transactions (grants)			$ -

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS - N/A

At June 30, 20__, the ________________ (BTA) was not in compliance with the provisions of ____ Bond Reserve Covenant that requires ____. The ________________(BTA) did ________________________________ to correct this deficiency.

T. SHORT-TERM DEBT - N/A

The ____________________ (BTA) issues short-term notes for the following purpose(s) ____.

Short-term debt activity for the year ended June 30, 20__, was as follows:

List the type of Short-term debt (e.g., tax anticipation notes)	Beginning Balance	Issued	Redeemed	Ending Balance
	$	$	$	$ -

The ____________________ (BTA) uses the following revolving line of credit for to finance ______________________________________ (list purpose for the S-T debt).

Short-term debt activity for the year ended June 30, 20__, was as follows:

	Balance	Draws	Redeemed	Balance
Line of credit	$	$	$	$ -

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2010, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
LEDC	$ 10,496,653	$ 2,004,069	$ 13,190,335	$ 1,370,746	$ 27,061,803
					-
Gross receivables	$ 10,496,653	$ 2,004,069	$ 13,190,335	$ 1,370,746	$ 27,061,803
Less allowance for uncollectible accounts	(629,716)				
Receivables, net	$ 9,866,937	$ 2,004,069	$ 13,190,335	$ 1,370,746	$ 27,061,803
Amounts not scheduled for collection during the subsequent year	$ 9,609,589	$ -	$ -	$ -	$ 9,609,589

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2010, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
LEDC	$ 50,210	$ 40,077	$	$ 16,096	$ 106,383
					-
Total payables	$ 50,210	$ 40,077	$ -	$ 16,096	$ 106,383

W. SUBSEQUENT EVENTS - N/A

Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.

X. SEGMENT INFORMATION - N/A

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by each segment:

Segment No. 1 ____________________________
Segment No. 2 ____________________________

A. Condensed balance sheet:

(1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTAs should be reported separately.
(2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTAs should be reported separately.
(3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	Segment #1	Segment #2
Current assets	$	$
Due from other funds		
Capital assets		
Other assets		
Current liabilities		
Due to other funds		
Long-term liabilities		
Restricted net assets		
Unrestricted net assets		
Invested in capital assets, net of related debt		

B. Condensed statement of revenues, expenses, and changes in net assets:

(1) Operating revenues (by major source).

(2) Operating expenses. Depreciation (including any amortization) should be identified separately.
(3) Operating income (loss).
(4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
(5) Capital contributions and additions to permanent and term endowments.
(6) Special and extraordinary items.
(7) Transfers
(8) Change in net assets.
(9) Beginning net assets.
(10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	Segment #1	Segment #2
Operating revenues	$	$
Operating expenses		
Depreciation and amortization		
Operating income (loss)	-	-
Nonoperating revenues (expenses)		
Capital contributions/additions to permanent and term endowments		
Special and extraordinary items		
Transfers in		
Transfers out		
Change in net assets	-	-
Beginning net assets		
Ending net assets	-	-

Condensed statement of cash flows:

(1) Net cash provided (used) by:
  (a) Operating activities
  (b) Noncapital financing activities
  (c) Capital and related financing activities
  (d) Investing activities
(2) Beginning cash and cash equivalent balances
(3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	Segment #1	Segment #2
Net cash provided (used) by operating activities	$	$
Net cash provided (used) by noncapital financing activities		
Net cash provided (used) by capital and related financing activities		
Net cash provided (used) by investing activities		
Beginning cash and cash equivalent balances		
Ending cash and cash equivalent balances	-	-

Y. DUE TO/DUE FROM AND TRANSFERS - N/A

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end:
   (Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

Type of Fund	Name of Fund	Amount
________	________	$ ________
________	________	________
________	________	________
Total due from other funds		$ ________

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

Type of Fund	Name of Fund	Amount
________	________	$ ________
________	________	________
________	________	________
Total due to other funds		$ ________

3. List by fund type **all transfers from other funds for the fiscal year:**

Type of Fund	Name of Fund	Amount
________	________	$ ________
________	________	________
________	________	________
Total transfers from other funds		$ ________

4. List by fund type **all transfers to other funds for the fiscal year:**

Type of Fund	Name of Fund	Amount
________	________	$ ________
________	________	________
________	________	________
Total transfers to other funds		$ ________

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS - N/A

Liabilities payable from restricted assets in the ____________ (BTA) at__________ (fiscal year end), reflected at $____________ in the liabilities section on Statement A, consist of $__________ in accounts payable, $__________ in notes payable, and $__________ in __________.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS - N/A

The following adjustments were made to restate beginning net assets for June 30, 20__.

Ending net assets 6/30/09 as reported to OSRAP on PY AFR	*Adjustments to ending net assets 6/30/09 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/09) + or (-)	Beg net assets @ 7/1/09 as restated
$	$		$ -
			-
			-
			-
			-

*Include all audit adjustments accepted by the agency or entity.
Each adjustment must be explained in detail on a separate sheet.

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

Of the total net assets reported on Statement A at June 30, 2010, $398,472 are restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation. Refer to Appendix F for more details on the determination of the amount to be reported as required by GASB Statement 46.

List below the net assets restricted by enabling legislation, the purpose of the restriction, and the Louisiana Revised Statute (LRS) that authorized the revenue:

Purpose of Restriction	LA Revised Statute Authorizing Revenue	Amount
Natinal Center for Advanced Manufacturing	2003 HB 2	$ 48,138
Union Tank Car	2007 HB 615	350,334
Total		$ 398,472

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES - N/A

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets and for insurance recoveries. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. See Appendix G for more information on GASB 42 and the Impairment of Capital Assets.

The following capital assets became permanently impaired in FY 09-10: (Insurance recoveries related to impairment losses should be used to offset those impairment losses if received in the same year as the impairment. Include these insurance recoveries in the third column in the table below. Calculate the net impairment loss after insurance recoveries received in the current fiscal year in the fourth column. Include in the Financial Statement Classification column the account line in which the net impairment loss is reported in the financial statements. There are five indicators of impairment described in Appendix G, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

Type of asset	Amount of Impairment Loss	Insurance Recovery in the same FY	Net Impairment Loss per Financial Stmts	Financial Statement Classification	Appendix G Indicator of Impairment	Reason for Impairment (e.g. hurricane, fire)
Buildings	$	$	$			
Movable Property						
Infrastructure						

Insurance recoveries received in FY 09-10 related to impairment losses occurring in previous years, and insurance recoveries received in FY 09-10 other than those related to impairment of capital assets, should be reported as program revenues, nonoperating revenues, or extraordinary items, as appropriate. Indicate in the following table the amount and financial statement classification (account line in which the insurance recovery is reported in the financial statements) of insurance recoveries not included in the table above:

Type of asset	Amount of Insurance Recovery	Financial Statement Classification	Reason for insurance recovery (e.g. fire)
Buildings	$		
Movable Property			
Infrastructure			

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include any permanently impaired capital assets listed above that are still idle at the end of the fiscal year, any temporarily impaired capital assets, and any assets impaired in prior years that are still idle at the end of the current fiscal year.)

Type of asset		Carrying Value of Idle Impaired Assets	Reason for Impairment
Buildings - permanently impaired	$		
Buildings - temporarily impaired			
Movable Property - permanently impaired			
Movable Property - temporarily impaired			
Infrastructure - permanently impaired			
Infrastructure - temporarily impaired			

DD. EMPLOYEE TERMINATION BENEFITS = N/A

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. **Involuntary termination benefits include benefits such as severance pay or continued access to health insurance through the employer's group insurance plan.** Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan.

Refer to GASB No. 47, Summary, Recognition Requirements – "Involuntary" termination is recognized when there is a plan of termination approved by the government. "For *financial reporting purposes, a plan of involuntary termination is defined as a plan that* (a) identifies, at a minimum, the number of employees to be terminated, the job classifications or functions that will be affected and their locations, and when the terminations are expected to occur and (b) establishes the terms of the termination benefits in sufficient detail to enable employees to determine the type and amount of benefits they will receive if they are involuntarily terminated."

Other termination benefits may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Healthcare coverage when none would otherwise be provided (COBRA)
3. Payments due to early release from employment contracts
4. **All others based on professional judgment.**

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits:

1. A description of the termination benefit arrangement(s)
2. **Year the state** becomes obligated

3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact.

The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For **FY**_______, the cost of providing those benefits for _____ (number of) voluntary terminations totaled $________. For **FY** ______, the cost of providing those benefits for _____ (number of) involuntary terminations totaled $________.

[The termination benefits (voluntary and involuntary) paid in **FY 2010** should also be included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets on the account line "Administrative" in the Operating Expense Section.]

The liability for the accrued voluntary terminations benefits payable at June 30, _____ is $________. This liability consists of ________ (number of) voluntary terminations. The liability for the accrued involuntary terminations benefits payable at June 30, ______ is $________. This liability consists of ________ (number of) involuntary terminations.

[The termination benefits (voluntary and involuntary) payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.]

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact.

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would <u>not</u> have a termination liability.

EE. POLLUTION REMEDIATION OBLIGATIONS - N/A

Pollution remediation costs (or revenue) should be reported in the statement of activities and statement of revenues, expenses, and changes in fund net assets, if appropriate, as a program or operating expense (or revenue), special item, or extraordinary item in accordance with the guidance in Statement 34.

Disclosures:

For recognized pollution remediation liabilities and recoveries of pollution remediation outlays, governments should disclose the following:

a. The nature and source of pollution remediation obligations (for example, federal, state, or local laws or regulations)
b. The amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, and the potential for changes due to, for example, price increases or reductions, technology, or applicable laws or regulations
c. Estimated recoveries reducing the liability.

For pollution remediation liabilities, or portions thereof, that are not yet recognized because they are not reasonably estimable, governments should disclose a general description of the nature of the pollution remediation activities.

See OSRAP memo 09-24, http://www.doa.la.gov/osrap/sagasb49.htm for more information on measuring pollution remediation liabilities.

SAMPLE disclosure: (This is a sample disclosure. Adapt as necessary to fit your specific agency.)

At fiscal year end, ___________________(BTA) was a responsible party or potential responsible party in the remediation of ___________________ (friable asbestos, polluted ground water, removal of leaking underground fuel storage tanks, removal of lead-based paint, diesel spill cleanup, removal and replacement of contaminated soil, oversight and enforcement-related activities, post-remediation monitoring, etc.) on _________________agency's/entity's property. A possible explanation for this is ___________________________. Further investigation to determine the full nature and extent of this contamination and required remediation has lead to a potential liability of $___________. The ___________________ (agency) paid $________ in remediation costs for fiscal year 2010 and is reporting a balance of $_____________ for the liability. At this time the complete cost for remediation is unable to be estimated as a result of future remediation contracts, inflation, and the amount of time involved. As these costs become estimable and costs incurred, the liability will be adjusted.

The following worksheet is provided to assist in completing required note disclosure and in determining the agency's pollution remediation activities, current year expenses, adjustments to pollution remediation obligations, and the amount of the year end liability.

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
Notes to the Financial Statement
As of and for the year ended June 30, 2010

____________________ (BTA)

GASB 49 Inventory Log

Fiscal Year ending June 30, 2010

Project & Project Number(s)	Trigger Year	Estimated Remediation Costs @ 6/30/09	Increases	Decreases (expenditures)	Decreases (other adjustments)	6/30/10 Ending Balance	Percent complete	Amount Due **during** fiscal year 2011	Amount due **after** fiscal year 2011	Realizable Recoveries	13th Period Expenditures
						0					
						0					
						0					
						0					
						0					
						0					
						0					
		0	0	0	0	0		0	0	0	0

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) - N/A

Provide your entity's ARRA revenue received in FY 2010 on a full accrual basis:

Provide your entity's ARRA expenses in FY 2010 on a full accrual basis:

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2010
(Fiscal close)

Name		Amount
Octave Francis III	$	299
A.J. Roy III		2312
Michael Saucier		332
Walter L. Martin		152
Shelly Ferro		421
Harry Avant		1090
Total	$	4,606

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF NOTES PAYABLE - N/A
JUNE 30, 2010
(Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		$	$	$	$		$
Total		$	$	$	$		$

*Send copies of new amortization schedules

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF BONDS PAYABLE - N/A
JUNE 30, 2010
(Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
Series:							
		$	$	$	$		$
Unamortized Discounts and Premiums Series:							
Total		$	$	$	$		$

***Note: Principal outstanding (bond series/minus unamortized costs) at 6/30/10 should agree to bonds payable on the Statement of Net Assets.**
Send copies of new amortization schedules for bonds and unamortized costs.

SCHEDULE 3-B

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF CAPITAL LEASE AMORTIZATION - N/A
For The Year Ended June 30, 2010

Ending:	Payment	Interest	Principal	Balance
2011	$	$	$	$ --
2012				--
2013				--
2014				--
2015				--
2016-2020				--
2021-2025				--
2026-2030				--
2031-2035				--
Total	$ --	$ --	$ --	$ --

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF NOTES PAYABLE AMORTIZATION- N/A
For the Year Ended June 30, 2010

Fiscal Year Ending:	Principal	Interest
2011	$	$
2012		
2013		
2014		
2015		
2016-2020		
2021-2025		
2026-2030		
2031-2035		
Total	$ --	$ --

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF BONDS PAYABLE AMORTIZATION - N/A
For The Year Ended June 30, 2010

Fiscal Year Ending:	Principal	Interest
2011	$	$
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
Total	$ --	$ --

***Note: Principal outstanding (bond series plus/minus unamortized costs) at 6/30/10 should agree to bonds payable on the Statement of Net Assets.**

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2010

	Financial Statement	Adjustments	ISIS Appropriation Report-08/16/10	Revised Budget	Variance Positive/(Negative)
Revenues:					
Intergovernmental Revenues	$	$	$ -	$	$ -
Federal Funds			-		-
Sales of Commodities and Services			-		-
Other			-		-
Total appropriated revenues	-	-	-	-	-
Expenses:					
Cost of goods sold	$	$	$ -	$	$ -
Personal services			-		-
Travel			-		-
Operating Services			-		-
Supplies			-		-
Professional services			-		-
Other charges			-		-
Capital outlay			-		-
Interagency transfers			-		-
Debt service			-		-
Other:					
Bad debts			-		-
Depreciation			-		-
Compensated absences			-		-
Interest expense			-		-
Other (identify)			-		-
Total appropriated expenses	-	-	-	-	-
Excess (deficiency) of revenues over expenses (budget basis)	$ -	$ -	$ -	$ -	$ -

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.

STATE OF LOUISIANA

____ (BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
June 30, 2010

Excess (deficiency) of revenues over expenses (budget basis)	$
Reconciling items:	
Cash carryover	
Use of money and property (interest income)	
Depreciation	
Compensated absences adjustment	
Capital outlay	
Disposal of fixed assets	
Change in inventory	
Interest expense	
Bad debts expense	
Prepaid expenses	
Principal payment	
Loan Principal Repayments included in Revenue	
Loan Disbursements included in Expenses	
Accounts receivable adjustment	
Accounts payable/estimated liabilities adjustment	
OPEB payable	
Other	
Change in Net Assets	$ -

Note: Schedule 5 is only applicable for entities whose budget is appropriated by the legislature.

STATE OF LOUISIANA

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **$3 million**, explain the reason for the change.

	2010	2009	Difference	Percentage Change
1) Revenues	$ 18,084,311	$ 13,784,193	$4,300,118	31%
Expenses	32,223,659	37,243,049	5,019,390	13%
2) Capital assets			-	
Long-term debt			-	
Net Assets	88,525,759	102,665,107	14,139,348	14%

Explanation for change: Revenues increased primarily due to additional $7,200,000 appropriation during year offset by a $2.3 million decrease in vendor's comp. Expenses decreased due to reduction in awards. Net Assets decreased due to net loss of $14 million

SCHEDULE 16 – COOPERATIVE ENDEAVORS
FOR THE YEAR ENDED JUNE 30, 2010
NAME______________________

AGENCY NUMBER________
AGENCY

SCHEDULE 16 - COOPERATIVE ENDEAVOR AGREEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

AGENCY NAME: ____________
AGENCY NUMBER: ____________

Contract Financial Management System #	Parties to the Coop	Brief Description of the Coop	Multi-year, One-Time, or Other Appropriation	Original Amount of Coop, Plus Amendments, if any	Date of Original Coop was Effective	End Date of Coop, as Amended, if Applicable	Funding Source per Coop Agreement based on Net Liability for the year ended June 30, 2010							Paid - Inception to Date for the year ended 6/30/2010	Net Liability for the year ended 6/30/2010
							100% State	100% SGR	100% Stat. Ded.	100% G.O. Bonds	100% Federal	100% IAT	100% Combination		
655949	Staples, Inc	Workforce Trainir	One-Time	250,000	8/1/2007	12/31/2010			29,422 95					220,577 05	
659338	City of Don	Infrastructure Gra	One-Time	465,000	9/21/2007	12/31/2013				58 03				464,941.97	58 03
660048	Ascension E	Infrastructure Gra	One-Time	30,000	9/21/2007	12/31/2012				3,615 56				26,384 44	3,615.56
660385	St. Helena P	Infrastructure Gra	One-Time	353,403	11/9/2007	12/31/2012				4,642 84				348,760 16	4,642 84
660685	Town of Ind	Infrastructure Gra	One-Time	124,000	8/17/2007	12/31/2012	124,000.00							-	124,000.00
661206	St. Tamman	Infrastructure Gra	One-Time	500,000	9/21/2007	12/31/2011				141,720.85				358,279.15	141,720.85
666201	Haynes Inte	Workforce Trainir	One-Time	539,460	5/18/2008	12/31/2010			539,460 00				-	-	539,460 00
666444	Accent Mar	Provide assistance	One-Time	68,360	4/18/2008	12/31/2010			59,426 84					8,933.16	59,426 84
667219	Pratt Paper,	Workforce Trainir	One-Time	800,000	5/16/2008	12/31/2010			310,118 95					489,881.05	310,118 95
669441	City of Bato	Infrastructure Gra	One-Time	1,400,000	4/18/2008	12/31/2015							1,040,000.00	360,000 00	1,040,000.00
673361	Terrebonne	Infrastructure Gra	One-Time	2,300,000	10/10/2008	12/31/2013			631,149.37					1,668,850 63	631,149.37
673873	West Baton	Infrastructure Gra	One-Time	1,200,000	9/30/2008	12/31/2013			772,506 80					427,493 20	772,506.80
679760	Shintech LA	Workforce Develo	One-Time	249,739	5/28/2009	6/30/2012			249,739.17					-	249,739.17
681075	CenturyTel	Workforce Develo	One-Time	190,175	6/22/2009	6/30/2011			110,021.69					80,153 31	110,021.69
687005	Southland S	Infrastructure Gra	One-Time	507,300	3/13/2009	1/31/2016							507,300 00	-	507,300 00
689425	Performance	Infrastructure Gra	One-Time	3,300,000	1/15/2010	3/31/2017							3,300,000 00	-	3,300,000 00
690160	Chennault Ir	Infrastructure Gra	One-Time	500,000	2/19/2010	8/31/2017							500,000 00	-	500,000 00
693529	Transportati	Infrastructure Gra	One-Time	400,000	5/14/2010	8/31/2020				400,000.00					400,000.00
															0 00
															0 00
															0 00
															0 00
															0 00
															0 00
															0 00
															0 00
															0 00
															0 00

SCHEDULE 16