

DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA



PROCEDURAL REPORT
ISSUED MAY 26, 2010

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Five copies of this public document were produced at an approximate cost of \$13.85. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 3325 or Report ID No. 80100019 for additional information.

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

April 21, 2010

**DEPARTMENT OF ECONOMIC DEVELOPMENT
STATE OF LOUISIANA**
Baton Rouge, Louisiana

As required by Louisiana Revised Statute 24:513, we conducted certain procedures at the Department of Economic Development for the period from July 1, 2008 through April 21, 2010. Our procedures included (1) a review of the department's internal controls; (2) tests of financial transactions; (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities; and (4) a review of compliance with prior report recommendations. Our procedures were more limited than would be necessary to give an opinion on internal control and on compliance with laws, regulations, policies, and procedures governing financial activities.

Specifically, we interviewed management personnel and other selected departmental personnel and evaluated selected documents, files, reports, systems, procedures, and policies, as we considered necessary.

The Annual Fiscal Reports of the Department of Economic Development were not audited or reviewed by us, and, accordingly, we do not express an opinion on those reports. The department's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

In our prior report on the Department of Economic Development, dated October 15, 2008, we reported findings relating to inadequate subrecipient monitoring, noncompliance with Temporary Assistance for Needy Families - MicroEnterprise Development Program requirements, and noncompliance with Enterprise Zone Program Regulations. These findings were resolved by management.

Based on the application of the procedures referred to previously, we found no matters that required disclosure in this report.

In addition, we have included Budgetary Comparison Schedules, which were prepared from the Annual Fiscal Reports of the Department of Economic Development and from additional data in

the Integrated Statewide Information System (ISIS), the state's accounting system. These schedules are presented as additional information, but have not been subjected to auditing procedures.

This report is intended solely for the information and use of the department and its management and the Louisiana Legislature 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.

Respectfully submitted,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is written in a cursive style with a large initial "D".

Daryl G. Purpera, CPA, CFE
Legislative Auditor

JT:ES:EFS:PEP:dl

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BUDGETARY COMPARISON SCHEDULES (UNAUDITED)

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UNAUDITED

**DEPARTMENT OF ECONOMIC DEVELOPMENT
AGENCY 251 - ECONOMIC DEVELOPMENT - OFFICE OF SECRETARY**

**Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2009**

APPROPRIATED REVENUES:

	TOTAL BEFORE ADJUSTMENTS	AGENCY ADJUSTMENTS	ADJUSTED TOTAL	REVISED BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
State general revenue	\$3,936,177		\$3,936,177	\$4,098,793	(\$162,616)
General fund - self-generated revenues	339,629		339,629	339,629	
Louisiana economic development fund	1,604,958		1,604,958	2,843,958	(1,239,000)
2004 overcollections fund	228,273		228,273	228,273	
Total Appropriated Revenues	\$6,109,037	NONE	\$6,109,037	\$7,510,653	(\$1,401,616)

APPROPRIATED EXPENDITURES:

	<u>EXECUTIVE & ADMINISTRATION</u>
Salaries	\$2,677,159
Other compensation	130,650
Related benefits	933,806
Travel and training	116,805
Operating services	386,183
Supplies	71,593
Professional services	292,960
Other charges	845,697
Capital outlay	176,733
Interagency transfers	477,451
Total appropriated expenditures before adjustments	6,109,037
System adjustments	(344)
Total Appropriated Expenditures	6,108,693
Revised Budget	7,510,653
Variance Favorable (Unfavorable)	\$1,401,960

NOTE: This schedule was prepared using information from the Integrated Statewide Information System (ISIS), the state's accounting system.

Additional detail is available on request.

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**DEPARTMENT OF ECONOMIC DEVELOPMENT
AGENCY 252 - OFFICE OF BUSINESS DEVELOPMENT**

**Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2009**

APPROPRIATED REVENUES:

	TOTAL BEFORE ADJUSTMENTS	AGENCY ADJUSTMENTS	ADJUSTED TOTAL	REVISED BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
State general revenue	\$24,297,243		\$24,297,243	\$30,477,787	(\$6,180,544)
Federal aid	808,996		808,996	7,826,246	(7,017,250)
General fund - self-generated revenues	2,674,172		2,674,172	17,566,752	(14,892,580)
General fund - interagency transfers	72,863,277		72,863,277	122,249,122	(49,385,845)
Louisiana mega-project development fund	42,217,410		42,217,410	117,000,000	(74,782,590)
Louisiana economic development fund	38,876,888		38,876,888	52,143,278	(13,266,390)
Small business surety bonding	1,766,320		1,766,320	5,659,508	(3,893,188)
Entertainment promotion & marketing fund	129,615		129,615	156,237	(26,622)
Marketing fund	2,186,300		2,186,300	2,247,196	(60,896)
Rapid response fund	13,617,458		13,617,458	44,744,876	(31,127,418)
2004 overcollections fund	584,462		584,462	1,353,750	(769,288)
Total Appropriated Revenues	\$200,022,141	NONE	\$200,022,141	\$401,424,752	(\$201,402,611)

APPROPRIATED EXPENDITURES:

	BUSINESS DEVELOPMENT PROGRAM	BUSINESS INCENTIVES PROGRAM	ACT 672 & HIRING FREEZE	TOTAL
Salaries	\$4,491,860	\$784,843		\$5,276,703
Other compensation	24,934			\$24,934
Related benefits	1,282,704	259,683		1,542,387
Travel & training	541,921	47,657		589,578
Operating services	736,786	18,106		754,892
Supplies	120,683	5,873		126,556
Professional services	5,971,383	3,550		5,974,933
Other charges	171,245,013	12,382,290		183,627,303
Capital outlay	464,491			464,491
Interagency transfers	558,179	26,400		584,579
Total appropriated expenditures				
before adjustments	185,437,954	13,528,402	NONE	198,966,356
System adjustments	(31,371)	NONE	NONE	(31,371)
Total Appropriated Expenditures	185,406,583	13,528,402	NONE	198,934,985
Revised Budget	382,367,938	18,912,064	144,750	401,424,752
Variance Favorable (Unfavorable)	\$196,961,355	\$5,383,662	\$144,750	\$202,489,767

NOTE: This schedule was prepared using information from the Integrated Statewide Information System (ISIS), the state's accounting system.

Additional detail is available on request.

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