Louisiana Economic Development Corporation
A Component Unit of the
State of Louisiana

Financial Statement Audit
for the Year Ended June 30, 2014
Issued December 17, 2014

LOUISIANA LEGISLATIVE AUDITOR
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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

December 4, 2014

Independent Auditor's Report

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
STATE OF LOUISIANA
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Louisiana Economic Development Corporation (LEDC), a component unit of the state of Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise LEDC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of LEDC as of June 30, 2014, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14, LEDC restated beginning net position to properly recognize federal funds received in previous years, for the State Small Business Credit Initiative program, that had met the criteria for revenue recognition. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise LEDC's basic financial statements. The accompanying supplementary Schedule of Investments is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary Schedule of Investments is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary Schedule of Investments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2014, on our consideration of LEDC's internal control over financial reporting and on our 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LEDC's internal control over financial reporting and compliance.

Respectfully submitted,

Daryl G. Purpera

Daryl G. Purpera, CPA, CFE
Legislative Auditor

BP:BH:EFS:THC:aa

LEDC 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The following discussion and analysis has been prepared by management and is written to provide an overview of the financial position and activities of the Louisiana Economic Development Corporation (LEDC) for the year ended June 30, 2014. It should be read in conjunction with the financial statements and the notes thereto, which follow this section. This document focuses on the current year's activities, resulting changes, and currently-known facts.

FINANCIAL HIGHLIGHTS

For the fiscal year ending June 30, 2014, LEDC started with a budget of $17,900,241. LEDC had budget adjustments in the amounts of $6,783,190 to fulfill its contractual obligations for various economic development projects, for a legal authorization of $24,683,431. The final budget of $24,683,431 is a decrease of $19,753,214, or 44.5% over last year's budget of $44,436,645. During fiscal year 2014, LEDC received revenues of $14,030,347; the majority of the difference between revenues received and budgeted is attributable to cash carryovers of $11,610,611.

The 2014 investments at carrying value are $15,765,134 compared to $16,563,432 in 2013. LEDC has hired an independent banking firm to determine the valuation of investments. The decrease is mainly due to write downs of the carrying value.

OVERVIEW OF THE FINANCIAL STATEMENTS

LEDC's financial report consists of three sections: Management's Discussion and Analysis (this section), the Basic Financial Statements including the Notes to the Financial Statements, and Supplementary Information.

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for LEDC as a whole. The basic financial statements are the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position (page 10) presents the financial position of LEDC at the end of the fiscal year and includes all assets and liabilities of LEDC. The Net Position represents the difference between total assets plus deferred outflows and total liabilities plus deferred inflows. The net position is one way to measure LEDC's financial health or position, while the change in net position is a useful indicator of whether the financial condition of LEDC is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position (page 11) presents information showing how LEDC's assets changed as a result of current-year operations.

Regardless of when the cash is affected, all changes in net position are reported when the underlying transaction occurs. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 12-13) presents information showing how LEDC's cash changed as a result of current-year operations. The Statement of Cash Flows 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 Government Accounting Standards Board 34.

The financial statements provide both long-term and short-term information about LEDC's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by supplementary information that further explains and supports the information in the financial statements.

LEDC's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of LEDC are included in the Statement of Net Position.

FINANCIAL ANALYSIS

Louisiana Economic Development Corporation
Comparative Statement of Net Position
(in thousands of dollars)

	As of			
	June 30, 2014	June 30, 2013 (restated)	Change	Percentage Change
Current Assets	$39,431,119	$46,338,388	($6,907,269)	(15%)
Noncurrent assets	34,850,516	37,734,076	(2,883,560)	(8%)
Total Assets	74,281,635	84,072,464	(9,790,829)	(12%)
Current liabilities	1,814,535	4,412,655	(2,598,120)	(59%)
Long-term liabilities	982,796	1,557,522	(574,726)	(37%)
Total Liabilities	2,797,331	5,970,177	(3,172,846)	(53%)
Net Position:				
Restricted	6,208,448		6,208,448	
Unrestricted	65,275,856	78,102,287	(12,826,431)	(16%)
Total Net Position	$71,484,304	$78,102,287	($6,617,983)	(8%)

The 8% decrease in net position was attributable to a decrease in cash of ($4.5) million, a decrease in amount due from State Treasury for capital outlay of ($2.6) million, a decrease in the loans receivable of ($1.2) million, offset by a decrease in payables and accrual for loan losses of $1.4 million.

Louisiana Economic Development Corporation
Comparative Statement of Revenues, Expenses, and Changes in Net Position
(in thousands of dollars)

	As of			
	June 30, 2014	June 30, 2013 (restated)	Change	Percentage Change
Operating revenues:				
Interest earned on loans	$105,518	$360,883	($255,365)	(71%)
Investment income	1,939,137	603,939	1,335,198	221%
Other	98,010		98,010	
Total operating revenues	2,142,665	964,822	1,177,843	122%
Nonoperating revenues:				
Vendors' compensation	10,022,049	9,781,270	240,779	2%
Interagency transfers		10,000,000	(10,000,000)	
Federal revenues	1,847,918	3,944,998	(2,097,080)	(53%)
Interest on funds	17,715	24,027	(6,312)	(26%)
Total nonoperating revenues	11,887,682	23,750,295	(11,862,613)	(50%)
Total revenues	14,030,347	24,715,117	(10,684,770)	(43%)
Operating expenses:				
Administrative and other	623,232	604,936	18,296	3%
Losses on investments		118,506	(118,506)	
Grants	18,592,626	17,068,833	1,523,793	9%
Total operating expenses	19,215,858	17,792,275	1,423,583	8%
Nonoperating expenses:				
Interagency transfers	1,432,472	1,371,781	60,691	4%
Total nonoperating expenses	1,432,472	1,371,781	60,691	4%
Total expenses	20,648,330	19,164,056	1,484,274	0%
Change in net position	(6,617,983)	5,551,061	(12,169,044)	(219%)
Net position, beginning of year (restated)	78,102,287	72,551,226	5,551,061	8%
Total net position	$71,484,304	$78,102,287	($6,617,983)	(8%)

Operating revenues increased 122%, primarily attributable to an increase in dividends received in fiscal year 2014, an increase return on investments from sale of investments or return of capital, and an increase in funds received for companies not meeting milestone as required by contract.

Nonoperating revenues decreased 50%, primarily attributable to an interagency transfer made in 2013 for $10 million for capital outlay that did not occur in fiscal year 2014 and less funds obligated in fiscal year 2014 in the State Small Business Credit Initiative program than in previous years.

Grant operating expenses increased by $1.5 million, and the allowance for loan losses decreased by $1.2 million. Nonoperating expenses stayed relatively the same.

CAPITAL ASSET AND DEBT ADMINISTRATION

LEDC does not have any capital assets or debt.

ECONOMIC OUTLOOK

The primary factors affecting the fiscal year 2014 financial condition of LEDC were outside factors due to the slow recovery of the national economy. There are also still lingering effects to the past hurricanes and the oil rig explosion in the Gulf of Mexico on April 20, 2010. In addition, the volatility of oil and gas prices has had an impact on the state's budget.

The economy was beginning to recover from the events of September 11, 2001, when the massive destruction caused by hurricanes in the southern region of the United States occurred. Then a prolonged and deep recession began in December of 2007 and ended in June 2009, making it the longest recession since the Great Depression. This large-scale downturn also put negative pressure on the Louisiana economy. In addition, the spill caused extensive damage to the Gulf's fishing and tourism industries, and the subsequent drilling moratorium put many Louisianans out of work.

Although the national economy has been slowly recovering from the deep recession, Louisiana has fared far better than most states since the recession began, due to the recovery efforts. According to U.S. Bureaus of Labor Statistics, Louisiana remained below the national and southern states' unemployment rate since the beginning of the national recession (December 2007) through the end of 2013. Also, total nonfarm employment and private sector employment are at an all-time high. Since the beginning of the recession to the end of 2013, Louisiana has ranked No. 11 in the country in terms of total nonfarm employment percentage growth and No. 5 in terms of percentage growth in private sector nonfarm employment. The growth over this time has outpaced both the South and nation. Louisiana's gross domestic product has also grown faster than both the national and Southern averages since the end of 2007. Part of the this growth is due to the post-hurricane recovery efforts but also due to 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.

CONTACTING LOUISIANA ECONOMIC DEVELOPEMNT CORPORATION MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of LEDC finances and to show LEDC accountability for the money it receives. If you have questions about this report or need additional financial information, contact Anne G. Villa, undersecretary, at (225) 342-3000.

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
STATE OF LOUISIANA

Statement of Net Position
June 30, 2014

ASSETS	
Current assets:	
Cash and cash equivalents (note 2)	$12,168,072
Receivables (note 4)	1,963,317
Due from State Treasury capital outlay fund (note 5)	20,950,675
Due from Louisiana Department of Economic Development (note 5)	549,518
Loans, net (note 6)	337,698
Unamortized awards expense (note 7)	3,461,839
Total current assets	39,431,119
Noncurrent assets:	
Cash and cash equivalents (note 2)	12,591,185
Investments (note 3)	15,765,134
Receivables (note 4)	49,629
Loans, net (note 6)	853,116
Unamortized awards expense (note 7)	5,591,452
Total noncurrent assets	34,850,516
Total assets	74,281,635
LIABILITIES	
Current liabilities:	
Accounts payable and accruals (note 8)	66,183
Compensated absences payable (note 9 and 12)	10,950
Unearned revenues (note 1.I)	1,737,402
Total current liabilities	1,814,535
Noncurrent liabilities:	
Compensated absences payable (note 9 and 12)	14,987
Accrual for losses on loan guarantees (note 9 and 17)	967,809
Total noncurrent liabilities	982,796
Total liabilities	2,797,331
NET POSITION	
Restricted for specific purposes (note 13)	6,208,448
Unrestricted	65,275,856
Total Net Position	$71,484,304

The accompanying notes are an integral part of this statement.

LOUISIANA ECONIMIC DEVELOPMENT CORPORATION
STATE OF LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2014

OPERATING REVENUES	
Interest income:	
Interest on loans	$105,518
Interest on deposits	70,480
Dividend income	57,796
Realized gain on investments	1,125,971
Unrealized gain on investments	684,890
Other operating revenues	98,010
Total operating revenues	2,142,665
OPERATING EXPENSES	
Business incentives services grants	15,337,157
Capital outlay grants	3,255,469
Salaries and employee benefits	468,792
Professional fees	75,125
Administrative expenses	49,837
Travel	29,478
Net operating expenses	19,215,858
OPERATING LOSS	(17,073,193)
NONOPERATING REVENUES (EXPENSES)	
Vendors' compensation	10,022,049
Intergovernmental expenses for small and emerging business development	(1,432,472)
Federal revenues	1,847,918
Use of money and property	17,715
Net nonoperating revenues	10,455,210
CHANGE IN NET POSITION	(6,617,983)
NET POSITION AT BEGINNING OF YEAR, restated (note 14)	78,102,287
NET POSITION AT END OF YEAR	$71,484,304

The accompanying notes are an integral part of this statement.

Statement C

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
STATE OF LOUISIANA

Statement of Cash Flows
For the Year Ended June 30, 2014

Cash Flows From Operating Activities:	
Interest and dividends received	$217,066
Receipts from customers	98,010
Payments to suppliers	(155,983)
Payments of program awards	(18,951,134)
Payments to employees for services	(454,371)
Net cash used by operating activities	(19,246,412)
Cash Flows From Noncapital Financing Activities:	
State appropriations	2,047,185
Vendors' compensation and small and emerging business development	8,558,184
Net cash provided by noncapital financing activities	10,605,369
Cash Flows From Investing Activities:	
Purchases of investments	(108,750)
Proceeds from sales and return of capital of investments	4,230,055
Interest and dividends	33,742
Net cash provided by investing activities	4,155,047
Change in cash and cash equivalents	(4,485,996)
Cash and cash equivalents at beginning of year, restated	29,245,253
Cash at end of year	$24,759,257

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
Statement of Cash Flows, 2014

Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities:	
Operating loss	($17,073,193)
Credit for losses on loans and guarantees	(929,031)
Increase in receivables	(701)
Increase in other assets	(492,245)
Decrease in accounts payable and accruals	(752,074)
Increase in compensated absences	832
Net cash used by operating activities	($19,246,412)

Reconciliation of Cash and Cash Equivalents to the Statement of Net Position	
Cash and cash equivalents classified as current assets	$12,168,072
Cash and cash equivalents classified as noncurrent assets	12,591,185
Total cash and cash equivalents	$24,759,257

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Louisiana Economic Development Corporation (LEDC) is a public authority whose purpose is to stimulate the flow of private capital in the form of 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 higher 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 Statute 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. Additionally, in June 2012, LEDC introduced a new program called the Economic Development Site Readiness Program (EDRED). Workforce provides training services to employers. EDAP provides funding for public infrastructure sites in exchange for new employment. EDRED provides funding to local governments and economic development districts to improve sites in order to attract new business. The financial activities of these three programs are also included in these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by GASB. The accompanying financial statements have been prepared in accordance with such principles.

B. REPORTING ENTITY

Using the criteria in GASB Codification Section 2100, the state of Louisiana is defined as the governmental reporting entity. LEDC is considered a discretely presented component unit of the state of Louisiana, because the state exercises oversight responsibility in that the governor appoints 11 members of the board. The accompanying financial statements present only the activity of the LEDC. Annually, the state of Louisiana issues a Comprehensive Annual Financial Report, which includes the activity contained in the accompanying financial statements. Those basic financial statements are audited by the Louisiana Legislative Auditor.

C. BASIS OF ACCOUNTING

Basis of accounting refers to the timing of recognition of revenues and expenses in the accounts and reporting in the financial statements, and the measurement focus refers to what transactions and events should be recorded. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with generally accepted accounting principles. Under this method, revenues are recognized when they are earned, and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. All assets and liabilities associated with the operations are included on the Statement of Net Position.

Operating revenues and expenses generally result from providing services in connection with LEDC's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenue of LEDC is revenues derived from loan programs and venture capital investment programs. Operating expenses include administrative expenses, salaries, and program expenses.

D. BUDGET PRACTICES

The appropriation for LEDC is dedicated each year from the dedicated Louisiana Economic Development Fund, although it receives operating and nonoperating income during the year.

The appropriations made for the operations of the various programs of LEDC are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.

2. The agency is prohibited by statute from overspending the categories established in the budget.

3. Budget revisions are granted by the Joint Legislative Committee on the Budget, and interim emergency appropriations may be granted by the Interim Emergency Board.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash held by the state treasury, cash held in interest-bearing money market funds, and all non-negotiable certificates of deposit and all highly liquid investments with an original maturity of three months or less.

F. INVESTMENTS

The process of valuing investments requires valuing LEDC's ownership interest in the venture capital companies. LEDC writes down the cost of investments for impairments of market value that fall below the cost of the investment in venture capital companies.

In preparing the financial statements, LEDC's management makes judgments that affect the reported amounts of investments as of June 30, 2014. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the value that would have been used had a market for the investments been available for use.

During the year ended June 30, 2014, LEDC engaged an independent third-party investment banker to perform valuations of certain investments. As of June 30, 2014, LEDC’s investments have been written down to their estimated impaired values, as determined by the independent appraisal.

G. LOAN RECEIVABLES

Loan receivables consist of direct loans, participation loans, and economic development loans. Direct loans are loans that LEDC provides to a qualified and approved borrower. Participation loans are loans that LEDC provides to a borrower contingent upon the business also receiving a loan from a third party that is of at least equal value to the LEDC loan. LEDC no longer issues direct loans or participation loans. However, there are still loan balances outstanding. Economic Development loans are loans that LEDC provides to a borrower to spur economic development. Receivables for the economic development loans consist of EDAP and Economic Development Loan Program (EDLOP) loans in which a company has not met set benchmarks, therefore owes funds back to LEDC. In addition, LEDC could receive some funds back on guaranteed loans that have defaulted. The bank goes through its normal collection process, and LEDC is entitled to a pro-rata share of the collateral. LEDC also shares, on a pro-rata basis, in any legal and collection fees involved in the process.

H. UNAMORTIZED AWARD EXPENSE

Under the EDAP and EDLOP programs, LEDC has entered into agreements to finance public and private infrastructure related to new or expanded commercial facilities. As part of the agreements, these awards do not have to be repaid to LEDC if the new facilities create and sustain a certain number of new jobs and payroll levels as approved by LEDC's board of directors. Payments under this program are recorded as unamortized awards expense and are amortized as the job creation thresholds are met. Unamortized awards expense results from awards funded as of the end of the year that have not yet been expensed as the conditions of expense recognition have not yet been met. Once job and payroll credits are met, the expense would be recognized.

I. UNEARNED REVENUES

LEDC participates in a federal program sponsored by the U.S. Department of the Treasury called State Small Business Credit Initiative. The purpose of the program is to assist the state in increasing the amount of capital made available by private lenders to small businesses through LEDC’s Small Business Loan Guarantee Program and the Louisiana Seed Capital Program. LEDC will use $8 million of the funds to support the existing Small Business Loan Guarantee Program that will guarantee up to 75% of the principal value of a loan made to an eligible small business. Additionally, LEDC will use $5,168,350 to support the Louisiana Seed Capital Program, a state-run venture capital program that will invest in funds that invest in eligible small businesses. The state of Louisiana was allocated an amount not to exceed $13,168,350 for the program. The funds are distributed by the Department of the Treasury in three installments. As of June 30, 2014, LEDC has received its first two installments totaling $8,691,111; $1,737,402 of this amount is unearned at June 30, 2014.

J. NONCURRENT LIABILITIES

Noncurrent liabilities include an accrual for losses on loan guarantees. LEDC is a party to various financial loan guarantees. These instruments involve elements of risk of loss in the event of nonperformance by the other party to the financial loan guarantees. 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 loan guarantees are conditional commitments issued by LEDC to guarantee the performance of a customer to a third party. LEDC estimates an allowance on its loan portfolio for loss on defaulted loans which LEDC will not be able to recover.

Currently, LEDC carries a reserve of 18% for current guarantee loans. The reserve rate is contingent on the amount of time a loan is delinquent. If a loan is 30 days delinquent, it is considered to be a higher risk and can be reserved up to 100%. At June 30, 2014, LEDC had guaranteed $4,197,524 of $6,972,289 loans to customers made by various banks.

K. COMPENSATED ABSENCES

Employees earn and accumulate annual and sick leave in accordance with state law and administrative regulations 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.

L. OTHER POSTEMPLOYMENT BENEFITS

Other postemployment benefits (OPEB) are not reported in LEDC financial statements. Management of LEDC and Louisiana Department of Economic Development (LED) assert that all OPEB related to retired LEDC employees will be paid by LED, and the related OPEB liability is reflected in LED's financial statements.

M. NET POSITION

LEDC's net position is classified as follows:

(1) Restricted Net Position

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. LEDC's restricted expendable net position includes resources that LEDC is legally or contractually obligated to spend that have restrictions imposed by external third parties.

(2) Unrestricted Net Position

Unrestricted net position is the remaining net position that is not included in the restricted net position category previously mentioned.

N. USE OF ESTIMATES

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

O. DEFERRED OUTFLOWS AND DEFERRED INFLOWS

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time. LEDC does not have any deferred outflows or deferred inflows at June 30, 2014.

P. ADOPTION OF NEW ACCOUNTING CHANGES

For fiscal year ended June 30, 2014, LEDC implemented the following accounting standards:

- GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. LEDC had no items that met the criteria for classification as deferred outflow or inflow of resources.

- GASB Statement 66, *Technical Corrections - 2012*, was issued to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, statements no. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and no. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

- GASB Statement 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*, is to improve financial reporting by states and local governmental pension plans through enhanced note disclosures and schedules of required supplementary information. The implementation of GASB 67 had no impact on the financial statements or the Notes to the Financial Statements.

- GASB Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, was issued to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are nonexchanges transactions. LEDC applied the provisions of the statement as detailed in Note 17.

2. CASH AND CASH EQUIVALENTS

At June 30, 2014, LEDC has cash and cash equivalents (book balances) of $24,759,257 as follows:

Held in State Treasury	$11,146,214
Certificates of deposit	12,591,185
Money market funds	1,021,858
Total	$24,759,257

Custodial credit risk is the risk that, in the event of a bank failure, LEDC’s deposits may not be recovered. Under state law, LEDC’s deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair 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 securities are held in the name of LEDC or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

As of June 30, 2014, LEDC had money market accounts and certificates of deposit totaling $13,613,043. These funds were fully collateralized and insured. The remaining cash and equivalents were held in the State Treasury.

3. INVESTMENTS

At June 30, 2014, the cost, carrying value, and fair value of LEDC's investments were as follows:

Type of Investment	Cost	Write-downs for Impairment	Carrying Value	Unrealized Gain	Fair Value
Equity Investments in Venture Capital	$33,787,418	($18,022,284)	$15,765,134	$9,392,008	$25,157,142

LEDC invests in venture capital start-up type companies. Investments are carried on the face of the Statement of Net Position at the carrying value.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, LEDC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In the normal course of business, LEDC becomes party to various financial transactions that involve various risks. The management of LEDC minimizes exposure to loss from investing activities by evaluating the business prospects of potential investee companies. Under state law, LEDC may invest in, among other things, obligations of the U.S. Treasury or any other federally-insured investment, as well as common or preferred stock of certain closely-held businesses.

LEDC's venture capital funds are invested in small businesses to create jobs, wealth, and to have a substantial impact on the economy of Louisiana. LEDC's venture capital investments in these companies are designed to provide financial assistance to small businesses to gain access to capital. Venture capital is attractive for new companies with limited operating history that are too small to raise capital in the public markets and have not reached the point where they are able to secure a funding or complete a debt offering. These companies are usually not publicly-traded entities. In exchange for LEDC's investment in these companies, LEDC receives a portion of the company's ownership.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. In an effort to diversify the risk in the investment portfolio, the management of LEDC follows established policies. In addition, management attempts to avoid concentrations in any one industry or customer group. LEDC places no limits on the amount it may invest in any one issuer. At June 30, 2014, more than 5% of total investments are invested in the following issuers:

Issuer	Carrying value	Percent of total investments
Louisiana Fund I, LP	$4,230,628	26.8%
Louisiana Venture Fund	3,512,478	22.3%
Business Resources Capital Specilty, BIDCO	1,620,000	10.3%
Endgame Entertainment Fund, LLC	1,572,937	10.0%
Aurora Ventures IV, LLC	1,478,401	9.4%
Murphree Venture Partners VI, LP	1,446,874	9.2%

4. RECEIVABLES

Receivables are scheduled for collection within one year and are shown on Statement A as follows:

	Receivables
Accrued vendor compensation	$1,960,513
Venture capital receivable	49,629
Accrued interest	2,804
Total	$2,012,946

The receivable, resulting from the sale of venture capital of $49,629, is a noncurrent asset. LEDC expects to receive 100% of the receivables, therefore no allowance was estimated by management.

5. DUE FROM OTHER FUNDS

LEDC is appropriated funds from the Louisiana State Legislature through the Capital Outlay Act for an infrastructure assistance program that provides funds to entities that have been determined eligible under the program. As of June 30, 2014, a total of $41,850,000 had been appropriated to date. Of this amount, $20,950,675 has not been drawn down from the state Capital Outlay Fund. In addition, LEDC has $549,518 due from the Department of Economic Development at June 30, 2014.

6. LOANS RECEIVABLE

The balance in the LEDC's loan portfolio consisted of the following at June 30, 2014:

	Loans receivable
Economic development loans	$1,303,611
Participation loans	338,570
Direct loans	97,347
	1,739,528
Allowance for loan losses	(548,714)
Loan receivable, net	$1,190,814

Activity in the allowance for loan losses was as follows for the year ended June 30, 2014:

Beginning balance	$888,032
Decrease in allowance for loan losses	(339,318)
Ending balance	$548,714

Maturity of loans as of June 30, 2014, are as follows:

		Maturities					
Loan Type	Principal Balance	2015	2016	2017	2018	2019	2020-2023
Economic Development Loans	$1,303,611	$250,892	$263,230	$239,447	$126,219	$78,392	$345,431
Participation Loans	338,570		338,570				
Direct Loans	97,347	97,347					
Total	$1,739,528	$348,239	$601,800	$239,447	$126,219	$78,392	$345,431

Concentration of Credit Risk: In an effort to diversify the risk in the loan portfolio, management attempts to avoid concentrations in any one industry or customer group. LEDC places percentage and dollar limits on how much can be lent any one borrower. At June 30, 2014, more than 5% of the total loans are due from the following borrowers:

Borrower	Loan Balance	% of Total Loans
Town of Colfax, Louisiana	$701,798	40.3%
North Webster Parish Industrial Development	472,292	27.2%
MV Realty, Inc.	338,570	19.5%
Argus Health Products, LLC & Argus Day Spa	129,521	7.5%
Aviation Exteriors Louisiana, Inc.	97,347	5.6%

7. UNAMORTIZED AWARD EXPENSE

Under the EDAP and the EDLOP programs, LEDC has entered into agreements to finance public and private infrastructure related to new or expanded commercial facilities. The awards are conditioned on meeting certain job creation and payroll-level thresholds as approved by the LEDC board of directors. The awards are expensed as these thresholds are met. When threshold are not met, a receivable is set up for the portion owed to LEDC. A portion of the unamortized awards relates to two 0% interest loans made under the EDLOP. 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 unamortized awards.

Unamortized award expense	$12,482,610
Imputed interest on loans	238,410
Allowance for loan losses	(3,667,729)
Unamortized award expense, net	$9,053,291

8. ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable and accruals at June 30, 2014, were as follows:

Activity	Amount
Vendors	$1,480
Salaries and benefits	42,185
Other payables	22,518
Total	$66,183

9. LONG-TERM ACCRUALS

	Beginning balance	Additions	Reductions	Ending balance	Amount due within one year
Compensated absences	$25,105	$1,949	($1,117)	$25,937	$10,950
Accrual for loan losses on loan guarantees	1,557,522		(589,713)	967,809	
Total long term accruals	$1,582,627	$1,949	($590,830)	$993,746	$10,950

10. RETIREMENT PLANS

Plan Description - Substantially all of the employees of LEDC are members of the Louisiana State Employees Retirement System (LASERS), a single employer-defined benefit pension plan because the material portion of its activity is with one employer, the state of Louisiana. LASERS provide retirement, disability, and survivors' benefits to plan members and beneficiaries. The state of Louisiana guarantees benefits granted by the retirement system by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in the retirement system unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Employee benefits vest with LASERS after 10 years of service. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The retirement system issues annual publicly-available financial reports that include financial statements and required supplementary information. The LASERS reports may be obtained online at www.lasersonline.org or by writing the Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600.

Funding Policy - The contribution requirements of plan members and LEDC are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate equal to the actuarially-required employer contribution as set forth in Revised Statute 11:102. Employees who became members before July 1, 2006 contribute 7.5% of gross salary. Act 75 of the 2005 Regular Session increases the member contribution for employees hired after June 1, 2006 to 8%. In fiscal year 2014, LEDC contributed 31.3% of covered salaries, an increase from 29.1% and 25.6% required in fiscal years ended June 30, 2013 and 2012, respectively. The employer contribution is funded through annual appropriations by the state of Louisiana. LEDC contributions to the System for the years ending June 30, 2014, 2013, and 2012 were $90,235, $97,688, and $91,163, respectively, equal to the required contributions for each year.

11. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies would be paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by appropriation from the state's General Fund. LEDC does not have any contingent liabilities to disclose at June 30, 2014.

12. COMPENSATED ABSENCES

At June 30, 2014, employees of LEDC have accumulated and vested annual leave benefits of $25,937, which was computed in accordance with GASB Codification Section C60. The leave accrual is recorded in the accompanying financial statements.

13. RESTRICTED NET POSITION

LEDC has restricted net position for State Small Business Credit Initiative program funds totaling $6,208,448 that have been obligated, in accordance with program eligibility requirements as of June 30, 2014.

14. RESTATEMENT OF BEGINNING NET POSITION

The beginning net position as reflected on Statements B has been restated to reflect the following changes:

Net position at June 30, 2013	$73,672,808
Federal funds received in previous years and obligated as of June 30, 2013	4,419,243
Interest earned on certificate of deposits in previous years	10,236
Net position at June 30, 2013, as restated	$78,102,287

The restatements increased LEDC's beginning net position by $4,429,479. Had the portion of these restatements affecting fiscal year 2013 been included in the June 30, 2013 Statement of Revenue, Expenses, and Changes in Net Position, the previously reported change in net position of $2,165,149 would have been $5,551,061.

15. DEFERRED COMPENSATION PLAN

Certain employees of LED who perform work activities for LEDC participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately-issued audit report for the Plan, available from the Louisiana Legislative Auditor's website at www.lla.la.gov.

16. COOPERATIVE ENDEAVOR AGREEMENTS

Cooperative endeavor is any form of economic development assistance between and among the state, its local government subdivisions, political corporations, public benefit corporations, the U.S. government or its agencies, or any public or private association, corporation, or individual. The term "cooperative endeavor" includes cooperative financing, cooperative development, or any form of cooperative economic development activity. LEDC has entered into 21 cooperative endeavor agreements with private companies and public sponsors to generate economic growth by issuing award amounts. If a private company/public sponsor does not receive the full award amount, LEDC recognizes it as an award amount outstanding in the note disclosure; the amount is not reflected in the accompanying financial statements as a liability. The amount outstanding as of June 30, 2014, for these agreements is $7,810,377.

Of the 21 cooperative endeavor agreements, six are EDAP and five are EDLOP. The purpose of the EDAP program is to assist in the financing of projects for which LEDC assistance is requested in order to promote economic development in this state and provide an incentive to influence a company's decision to locate, relocate, maintain, rebuild and/or expand its business operations in Louisiana, and/or to increase its capital investment in Louisiana. The EDLOP program is a supplement to the EDAP program to provide direct loans to Louisiana businesses that need to fund privately-owned property and improvements including the purchase of building sites, and to provide for construction, renovation, rebuilding, and improvement of buildings, surrounding property and equipment purchases for businesses locating in the state or existing businesses within the state. The amount outstanding as of June 30, 2014, for EDAPs and EDLOPs is $2,598,489 and $3,031,838, respectively.

The remaining 10 cooperative agreements are for the EDRED program. The purpose of this program is to provide financial assistance for readying sites that will be useful in promoting the state as a business and industrial location. The amount outstanding as of June 30, 2014, for EDREDs is $2,180,050.

17. NONEXCHANGE FINANCIAL GUARANTEES

LEDC extended nonexchange financial guarantees transactions during fiscal year 2014. LEDC is party to various financial loan guarantees in which LEDC guarantees the obligation of another legally-separate entity's loan to a third party. LEDC guarantees loans to banks for entities that may otherwise have difficulties obtaining a loan. This assistance helps entities maintain and expand operations that promote job growth, tax revenue, etc. for Louisiana. In the event of default, LEDC would be responsible for the portion of the loan it has guaranteed. The lending institution would foreclose on any collateral, and upon liquidation LEDC would receive its proportionate share of the proceeds. LEDC management and legal counsel would determine the appropriate pursuit to recover any collateral shortfall. LEDC is the guarantor on small business loans totaling $4,197,524 for various lengths of time with commitments through April 2018, as of June 30, 2014.

Changes in loan guarantees for fiscal year 2014:

Beginning Balance	$7,335,949
New loans guaranteed in FY14	$2,260,288
Payments made to third party on defaulted loans	$0
LEDC obligation decreased or released	($5,398,713)
Total	$4,197,524

Louisiana R.S. 51:2312 and Louisiana Administrative Code Title 19, Part VII, authorizes LEDC to extend small business loan guarantees as follows:

Authorized limit	On loans:
75%	up to $650,000
70%	up to $1,100,000
65%	up to $2,300,000
$1,500,000	in excess of $2,300,000

Management makes judgments as to the level of risk the state will be exposed to in these financial guarantees through consideration of current and anticipated economic conditions and their potential effects on specific borrowers; an evaluation of the existing relationships among loans and potential losses; and an internal review of the loan and loan guarantee portfolio. In determining the collectability of certain loans and the possibility of losses on loan guarantees, management also considers the fair value of any underlying collateral. Management uses relevant historical data and payment history in assessing the likelihood that LEDC may be required to make a payment in relation to those guarantees and records an accrual for the estimation that a loan may default. In the event that an entity would default on a loan, LEDC would be required to indemnify the bank for the loss in accordance with the agreement between LEDC and the bank.

Change in accrual for losses on loan guarantees for fiscal year 2014:

Beginning balance	$1,557,522
Decrease in accrual	(589,713)
Ending balance	$967,809

There have been no indemnification payments made during fiscal year 2014 on guaranteed loans outstanding as of June 30, 2014.

SUPPLEMENTAL INFORMATION SCHEDULE

The following pages contain a supplementary schedule reporting the breakdown of LEDC's investments at cost, carrying value, and fair value.

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
STATE OF LOUISIANA

Supplemental Schedule of Investments
June 30, 2014

	Cost	Carrying Value	Fair Value
Equity Investments			
** Audubon Capital Fund, LP - 14.09% limited partnership interest	$1,420,896		
Aurora Ventures IV, L.L.C. - Five Class A units (5.86% ownership)	4,169,914	$1,478,401	$1,984,340
* Birchmere Venture II, L. P. 6.471% ownership			
Business Resource Capital Specialty BIDCO - 2,000,000 shares of Class B nonvoting common stock	2,000,000	1,620,000	1,620,000
Endgame Entertainment Fund, L.L.C. - 4.8% ownership	5,000,000	1,572,937	1,831,425
* Globalstar, Inc. - 1,237,124 shared preferred Class E			
Gulf Coast Business and Industrial Development Corporation - 113,636 shares Class C common stock	2,500,000	383,499	1,161,364
Jefferson Capital I, L.P. - 9.0% limited partnership interest	599,488	389,297	389,297
Louisiana Fund I, L.P. - 20.69% limited partnership interest	5,238,918	4,230,627	10,599,423
Louisiana Venture Fund - 20.93% limited partnership interest	4,665,681	3,512,478	3,899,794
** MD Technologies, Inc. - 208,333 shares of common stock	500,000		
Murphree Venture Partners VI, L.P. - 11.68% limited partnership interest	3,719,689	1,446,874	1,814,582

(Continued)

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
STATE OF LOUISIANA
Supplemental Schedule of Investments
June 30, 2014

	Cost	Carrying Value	Fair Value
Equity Investments (Cont.)			
Northpeak Wireless, L.L.C. - 3.568% ownership interest	$123,710		$106,511
Presonus Audio Electronics, Inc. - 101,828 shares common stock and 20,400 shares of Series A preferred stock	276,828	$160,196	511,930
Qcorps Residential, Inc. - 674,797 shares common stock	95,000	30,425	30,425
Source Capital, L.L.C. - 18,000 shares common stock	2,500,000	626,400	734,913
Sterifx, Inc. - 260,000 shares of Class A preferred stock and 2,954,513 shares of Class B preferred stock	643,961		143,872
Themelios Ventures, II, L.P. - 21.02% limited partner interest	333,333	314,000	329,266
Total investments	$33,787,418	$15,765,134	$25,157,142

* 100% of the capital investment has been returned as of the fiscal year end June 30, 2014.

** No carrying value; however, according to management there is still potential LEDC will receive a liquidating payment on these

(Concluded)

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Exhibit A

The following pages contain our report on internal control over financial reporting and on compliance with laws, regulations, and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.

LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

December 4, 2014

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*

Independent Auditor's Report

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited, in accordance with the 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, the financial statements of the business-type activities of Louisiana Economic Development Corporation (LEDC), a discrete component unit of the state of Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise LEDC's basic financial statements, and have issued our report thereon dated December 4, 2014. Our report was modified to include an emphasis of a matter paragraph regarding financial statement comparability.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered LEDC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LEDC's internal control. Accordingly, we do not express an opinion on the effectiveness of LEDC's internal control.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LEDC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

BP:BH:EFS:THC:aa

LEDC 2014