

Report on the

**Department of Commerce  
State of Alabama  
Montgomery, Alabama**

**October 1, 2015 through September 30, 2019**

Filed: May 22, 2020



**Department of  
Examiners of Public Accounts**

**401 Adams Avenue, Suite 280  
Montgomery, Alabama 36104-4338  
P.O. Box 302251  
Montgomery, Alabama 36130-2251  
Website: [www.examiners.alabama.gov](http://www.examiners.alabama.gov)**

*Rachel Laurie Riddle, Chief Examiner*



Rachel Laurie Riddle  
*Chief Examiner*

State of Alabama  
Department of  
**Examiners of Public Accounts**

P.O. Box 302251, Montgomery, AL 36130-2251  
401 Adams Avenue, Suite 280  
Montgomery, Alabama 36104-4338  
Telephone (334) 242-9200  
FAX (334) 242-1775

Honorable Rachel Laurie Riddle  
Chief Examiner of Public Accounts  
Montgomery, Alabama 36130

Dear Madam:

An examination was conducted on the Department of Commerce, Montgomery, Alabama, for the period October 1, 2015 through September 30, 2019. Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the examination.

Respectfully submitted,

Larry W. Carmack, Jr.  
Examiner of Public Accounts

rb

---

---

## *Table of Contents*

---

---

	<i>Page</i>
<b>Summary</b>	A
Contains items pertaining to state legal compliance	
<b>Comments</b>	B
Contains information pertaining to agency operations and other matters	
Exhibit #1     Schedule of Cash Receipts, Disbursements and Balances	1

---



Department of  
**Examiners of Public Accounts**

**SUMMARY**

**Department of Commerce  
October 1, 2015 through September 30, 2019**

The Department of Commerce (the “Department”) operates under the authority of the *Code of Alabama 1975*, Sections 41-29-1 through 41-29-6. The general purpose of the Department is to coordinate and increase the cooperation between various governmental agencies, private groups, and institutions engaged in promoting the human, economic, and physical resources of the State.

This report presents the results of an examination of the Department and a review of compliance by the Department with applicable laws and regulations of the State of Alabama. This examination was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12. Our examination was performed to determine whether the public officers, agents, and employees of the Department properly and lawfully accounted for all money and other public assets or resources received, disbursed, or in the custody of the Department. Our examination included determining compliance by the Department with state laws and regulations that pertain to financial transactions; personnel; safeguarding of state-owned assets, property, and resources; information dissemination, processing, and retention; and official actions, rulemaking procedures, and meetings. As a part of our examination, we also reviewed internal control policies and procedures relating to the areas listed above. Our examination did not encompass managerial and operational matters, such as whether the Department accomplished its mission or its regulatory, enforcement, investigative, or other oversight activities in an efficient, fair, timely, or legal manner.

Tests performed during the examination did not disclose any significant instances of noncompliance with applicable laws and regulations.

Mr. Greg Canfield, Commerce Secretary was invited to an exit conference held on May 1, 2020. Individuals in attendance were Mr. Jonathan West, Accounting Director along with Larry W. Carmack, Jr. from the Department of Examiners of Public Accounts.



Department of  
**Examiners of Public Accounts**

**COMMENTS**

**Department of Commerce  
October 1, 2015 through September 30, 2019**

The Department of Commerce (the “Department”) operates under the authority of the *Code of Alabama 1975*, Sections 41-29-1 through 41-29-6. The Secretary of Commerce, who is appointed by the Governor, oversees the operations of the Department. During this examination period the Department was organized into two divisions: Business Development and Workforce Development.

The Business Development Division acts as official liaisons for new and potential businesses across the state, working with local officials and state government entities, and employing an understanding of the state’s business landscape, the Business Development Division ensures that companies can easily navigate the process of finding available sites and buildings, negotiating incentives packages, or just providing information about Alabama. Subdivisions include the following:

- **Small Business Office of Advocacy (SBOA)** – Authorized by the *Code of Alabama 1975*, Sections 41-29-220 through 41-29-227; its stated purpose is to aid, counsel, assist, and protect the interests of small business concerns in order to preserve free competitive enterprise and maintain a healthy state economy; and to provide information and assistance to citizens interested in entering into commercial activity.
- **International Trade** – The goal of this subdivision is to aid export promotion and development by: promotion of Alabama through presentations, online databases, trade associations, and publications; organization of domestic and international trade support programs and events; and organizing international trade missions.
- **Alabama Film Office** – Authorized by the *Code of Alabama 1975*, Sections 41-7A-1 through 41-7A-48; the purpose of the Alabama Film Office is to promote the State of Alabama to the motion picture, television, and video industry for on-location productions; and to coordinate requests for location assistance within the State.

The Workforce Development Division is dedicated to assisting the growth of Alabama businesses and the workers that sustain their operations. By directing individuals toward job skills improvement programs, education, and training.

The Workforce Development Division is responsible for several workforce programs, including the Alabama Industrial Development Training Institute, the Alabama Career Centers and various training programs. The division also oversees the state's Regional Workforce Development Councils, which connect local business leaders with education officials to formulate strategies to ensure the job demands of the industry are being met.

The Department operates from the following funds in the State Treasury:

- **General Fund 0100** – General Fund appropriation.
- **Education Trust Fund 0200** – Education Trust Fund appropriation; 100% of which is transferred to the Alabama Industrial Development Training.
- **Special Revenue Fund 0570** – Primarily accounts for funds used by the Alabama Department of Commerce.
- **Special Revenue Fund 1678** – Primarily accounts for funds used by the Workforce Development Division.

The Department owned nonconsumable personal property of automobiles, office furniture, computers and equipment. Nonconsumable personal property in the custody of the Department was compared with property records maintained by the Property Inventory Control Division of the State Auditor's Office. No discrepancies were noted.

***Schedule of Cash Receipts, Disbursements and Balances***  
***For the Period October 1, 2017 through September 30, 2019***

	2018-2019	2017-2018
<b>Receipts</b>		
General Fund Allotments	\$ 6,838,371.00	\$ 6,590,895.00
Education Trust Fund Allotments	58,476,319.00	56,699,479.00
Other Nonoperating Revenues	31,720.46	42,100.00
Grants	50,571,987.71	30,148,479.78
Transfers In	48,267.00	47,807.54
Total Receipts	<u>115,966,665.17</u>	<u>93,528,761.32</u>
<b>Disbursements</b>		
Personnel Costs	4,524,133.10	4,187,021.17
Employee Benefits	1,667,605.39	1,562,212.09
Travel, In-State	81,586.25	75,776.77
Travel, Out-of-State	499,660.99	533,660.12
Repair and Maintenance	2,244.04	2,633.64
Rentals and Leases	960,013.90	995,746.21
Utilities and Communication	100,292.52	59,614.82
Professional Services	1,410,809.46	1,308,330.25
Supplies, Materials, and Operating Expenses	351,146.78	367,708.59
Transportation Equipment Operations	43,273.55	41,456.26
Grants and Benefits	104,720,640.41	83,134,551.91
Transportation Equipment Purchases	199,623.50	96,191.95
Other Equipment Purchases	48,367.24	118,892.56
Prior Year General Fund Reversion	77,653.57	152,737.48
Current Year General Fund Reversion	1,032,522.57	1,163,677.99
Current Year Education Trust Fund Reversion		0.01
Total Disbursements	<u>115,719,573.27</u>	<u>93,800,211.82</u>
Excess (Deficiency) of Receipts Over Disbursements	247,091.90	(271,450.50)
Cash Balances at Beginning of Year	<u>1,667,580.32</u>	<u>1,939,030.82</u>
Cash Balances at End of Year	<u>\$ 1,914,672.22</u>	<u>\$ 1,667,580.32</u>