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NORTHEAST ECONOMIC DEVELOPMENT DISTRICT  
COMPILED FINANCIAL STATEMENTS  
DECEMBER 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, orally and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date.....Jan 2 1998

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**NORTHEAST ECONOMIC DEVELOPMENT DISTRICT  
FINANCIAL STATEMENTS  
1997**

**TABLE OF CONTENTS**

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**ACCOUNTANT'S REPORT**

Independent Accountant's Report	1
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**GENERAL PURPOSE FINANCIAL STATEMENTS**

Balance Sheet - All Fund Types and Account Groups	2
Statement of Revenues, Expenditures and Changes in Fund Balances	3

**SUPPLEMENTARY INFORMATION**

Independent Auditor's Report on Applying Agreed-Upon Procedures	5 - 8
Legislative Attestation Questionnaire	9 -10
Schedule of Fixed Assets	11

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**HALL & THOMAS, INC.**  
Certified Public Accountants

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MARKFIELD, THOMAS, CPA

**INDEPENDENT ACCOUNTANT'S REPORT**

Northeast Economic Development District  
Lake Providence, Louisiana

We have compiled the accompanying balance sheet of Northeast Economic Development District as of December 31, 1997, and the related statement of revenue, expenditures and changes in fund balances for the year then ended, and the accompanying supplementary information, which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to processing in the form of financial statements and supplementary schedules, information that is the representation of the management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Hall & Thomas, Inc.  
Certified Public Accountants

Baton Rouge, Louisiana  
July 13, 1998

**NORTHEAST ECONOMIC DEVELOPMENT DISTRICT  
ALL FUND TYPES AND ACCOUNT GROUPS  
BALANCE SHEET  
AS OF DECEMBER 31, 1997**

	GOVERNMENTAL FUNDS		ACCOUNT GROUP	TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	CAPITAL PROJECTS FUND	GENERAL FUND ASSETS	
<b>ASSETS</b>				
Cash	1027	\$1,128		\$1,447
Due from general fund		3,598		3,598
Fixed assets				
Building and Equipment			287,412	287,412
Construction in Progress			318,184	318,184
<b>Total Assets</b>	<b>1027</b>	<b>4,726</b>	<b>497,596</b>	<b>502,821</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>				
<b>Liabilities:</b>				
Accounts payable	1,290			1,290
Due to capital projects fund	3,598			3,598
<b>Total Liabilities</b>	<b>4,788</b>			<b>4,788</b>
<b>Equity and Other Credits:</b>				
Investment in general fixed assets			497,596	497,596
Fund balances, unreserved and undesignated	(4,461)	4,706		247
<b>Total Equity, and Other Credits</b>	<b>(4,461)</b>	<b>4,706</b>	<b>497,596</b>	<b>497,841</b>
<b>Total Liabilities, Equity, and other credits</b>	<b>\$1027</b>	<b>\$4,706</b>	<b>\$497,596</b>	<b>\$502,821</b>

See Independent accountants' compilation report

**NORTHEAST ECONOMIC DEVELOPMENT DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 1997**

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL, (MEMORANDUM ONLY)
<b>REVENUES:</b>			
State Appropriation		\$211,584	\$211,584
Rent Income	\$5,200		\$5,200
Cash contributions	175		175
<b>TOTAL REVENUES</b>	5,375	211,584	216,959
<b>EXPENDITURES:</b>			
Accounting fees	1,530		1,530
Operating expenses	812		812
Contingent fees	2,760		2,760
Capital outlay		218,184	218,184
<b>TOTAL EXPENDITURES</b>	5,102	218,184	223,286
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(727)	(600)	(1,327)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	(1,684)	2,585	(99)
<b>FUND BALANCES AT END OF YEAR</b>	(2,411)	\$1,985	\$484

(See independent accountants' compilation report)

**SUPPLEMENTARY INFORMATION**

**HALL & THOMAS, INC.**  
Certified Public Accountants

**HALL & THOMAS, INC.**  
Certified Public Accountants

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**Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

BARCELON, THOMAS, S.P.A.

To the Board of Directors and Management,  
Northeast Economic Development District  
105 Sparrow Road  
Lake Providence, LA 71254

We have performed the procedures included in the Louisiana Governmental Audit Guide and summarized below, which were agreed to by the management of Northeast Economic Development District, the Legislative Auditor, State of Louisiana, and applicable state grantor agency solely to assist the users in evaluating management's assertions about Northeast Economic Development District's compliance with certain laws and regulations during the year ended December 31, 1997 included in the accompanying Louisiana Arbitration Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Agreed-Upon Procedures**

**Federal, State, and Local Award**

**1. Expenditures**

Determines the amount of Federal, State, and Local Award expenditures for the fiscal year by grant and grant year.

**Finding**

Northeast Economic Development District (NEED) was appropriated \$450,000 during the 1997 regular session of the Louisiana Legislature. A Cooperative Endeavor Agreement was entered into with the State of Louisiana, Division of Administration, Office of Facility Planning and Control to administer the project. Expenditures during NEED's fiscal year were as follows:

State Agreement Name	Appropriation		FP&C Project No.	Amount
	Year			
Cooperative Endeavor Agreement	1997		50-N55-97-1	\$210,084

See independent accountants' compilation report.

3. **Procedure:**  
For each Federal, state, and local award, randomly select six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements are selected.

**Finding:**  
NIID's computer or reviewer agreement was its only source of finding from a federal, state, or local agency. During the fiscal year, there were four (4) disbursements. We selected all four.

3. **Procedure:**  
For the items selected in procedure 2, trace the four disbursements to supporting documentation as to proper amount and payee.

**Finding:**  
We examined supporting documentation for each of the four selected disbursements and found that each payment was for the proper amount and made to the correct payee.

4. **Procedure:**  
For the items selected in procedure 2, we determined if the four disbursements were properly coded to the correct fund and general ledger account.

**Finding:**  
All payments were properly coded to the correct fund and general ledger account.

5. **Procedure:**  
For the items selected in procedure 2, determine whether the four disbursements received approval from proper authorities.

**Finding:**  
Inspection of documentation supporting each of the four selected disbursements indicated approval by the chairman of the board and executive director. In addition, a summary report on the construction of the building, was presented at a board of directors meeting, which was subsequently approved by a quorum of the board.

6. **Procedure:**  
For the items selected in procedure 2: For Federal awards, determine whether the disbursements complied with the applicable specific program compliance requirements summarized in the Compliance Supplement (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, determine whether the disbursements complied with the grant agreement, relating to activities allowed or unallowed, eligibility, and reporting.



**Finding**

MSFD's agreement is for completion of the Lake Providence Economic Development Convention Center's building, roof, and interior renovations.

**Activities allowed or unallowed:**

We reviewed the disbursements, selected in procedure 2, for types of services allowed or not allowed. All disbursements complied with the allowability requirements because services rendered and construction performed were in conjunction with construction of the facility, which meet the goals of the agreement.

**Eligibility**

We reviewed the disbursements, selected in procedure 2, for eligibility requirements. All disbursements complied with the eligibility requirements because payments to individuals or contractors were in accordance with the project budgeted costs. There were no expenditures in excess of budgeted costs during 1993.

**Reporting**

We reviewed the disbursements, selected in procedure 2, for reporting requirements. All disbursements complied with the reporting requirements because they had been approved by the Office of Facility, Planning and Control.

**7. Procedure**

For the programs selected for testing in item (2) that had been closed out during the period under review, compare the close-out report, where required, with the entity's financial records to determine whether the amounts agree.

**Finding**

No programs closed-out during the period.

**Meetings****8. Procedure**

We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-BS 42:1 through 42:12 (the open meeting law).

**Finding**

Northeast Economic Development District is only required to post a notice of each meeting and the accompanying agenda on the door of Northeast Economic Development District's office building. Management has asserted that such documents were properly posted, and provided copies of notices and agendas, of their meetings, in support of their assertions.

**Comprehensive Budget****9. Procedure**

For all grants exceeding five thousand dollars, determine that each applicable federal, state, or a local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

See independent accountants' compilation report

**Finding**

Northeast Economic Development District provided a comprehensive budget to the applicable state grantor agency for the program mentioned previously. The budget specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

**Current Year Comments and Recommendations**

18. There were no comments and recommendations.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Northeast Economic Development District, the Legislative Auditor of the State of Louisiana, and the applicable state grantor agency and should not be used by those who have not agreed to the procedures and take responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Hall & Thomas, Inc.  
Certified Public Accountants

Baton Rouge, Louisiana  
July 13, 1998

**Northeast Economic Development District  
116 Sparrow Road  
Lake Providence, La. 71254**

July 2, 1998

**LOUISIANA ATTESTATION QUESTIONNAIRE**

**Hall & Thomas, Inc.  
Certified Public Accountants  
P.O. Box 80151  
Baton Rouge, La. 70895**

In connection with your completion of our financial statements as of December 31, 1997 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of July 2, 1998.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-R.S. Title 38:2213, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [  ] No [  ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-R.S. 42:1161-1124.

Yes [  ] No [  ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-R.S. 42:1119.

Yes [  ] No [  ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-R.S. 38:1301-34) or the budget requirements of LSA-R.S. 39:24.

Yes [  ] No [  ]

See independent accountants' compilation report.

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-R.S. 44:1, 44:7, 44:31, and 44:36.

Yes  No

We have filed our annual financial statements in accordance with LSA-R.S. 24:514, 51-603, and/or 59:92, as applicable.

Yes  No

We have had our financial statements audited or compiled in accordance with LSA-R.S. 24:515.

Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:1 through 42:17.

Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-R.S. 18:1410.65-1410.85.

Yes  No

**Advances and Bonuses**

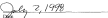
It is true we have not advanced wages and salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-R.S. 14:138, and the AG opinion 79-729.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

  
 Name and Title

  
 Date

See independent accountants' compilation report.

**MID-EAST ECONOMIC DEVELOPMENT DISTRICT**  
**SCHOOLS OF HOPE ACTS**  
**SUPPLEMENTARY INFORMATION**  
**AS OF DECEMBER 31, 1997**

<u>DESCRIPTION</u>	<u>DATE</u> <u>ACQUIRED</u>	<u>Costs at</u> <u>12-31-97</u>	<u>Balance</u> <u>on</u> <u>12-31-97</u>	<u>Costs at</u> <u>12-31-97</u>
<b>FIXED ASSETS</b>		<b>11-00-98</b>		<b>37,989</b>
Construction in Progress	12-31-97	27,989	27,984	27,984
<b>FURNITURE ITEMS</b>				
1 Executive Desk (Brown)	12-05-95	589		589
1 Executive Chair (Grey)	12-05-95	349		349
1 Guest Chair (Grey)	12-05-95	179		179
2 Computer Desk (Black/Grey)	11-21-95	189		189
1 Executive Desk (Grey)	12-05-95	399		399
1 Conference (Grey)	12-05-95	449		449
1 Jan. Bookshelves	12-05-95	499		499
1 Bookshelves (grey)	12-05-95	89		89
2 Side File Cabinets	12-05-95	694		694
1 End Table	12-05-95	199		199
1 Side Table	12-05-95	209		209
46 Conference Chair (Grey)	11-21-95	709		709
17 Conference Chair (Black)	11-21-95	289		289
4 Folding Tables	11-21-95	209		209
1 Potom	12-05-95	199		199
1 Floor Lamp	12-05-95	69		69
3 Grey Braced Chair	11-21-95	279		279
1 Writing Desk	12-15-95	179		179
1 Translucent, Gargo	04-29-98	279		279
1 Paper Monitor, Follows	02-05-98	279		279
<b>Total</b>		<b>6,244</b>		<b>6,244</b>
<b>EQUIPMENT</b>				
1 Facsimile	12-05-95	249		249
4 Telephones	11-21-95	279		279
1 Stake phone	09-09-98	379		379
1 Calculator	11-21-95	49		49
1 Sharpen (Sharpener)	08-21-95	13		13
1 Black board	12-15-95	69		69
2 Mail Boxes	12-05-95	333		333
1 Computer Table	04-13-98	199		199
<b>Total</b>		<b>1,999</b>		<b>1,999</b>
<b>MISCELLANEOUS ITEMS</b>				
1 Flowers	Various-95	79		79
1 BlueFlora	Various-95	179		179
1 Crystal Ball	Various-95	179		179
1 Blue fig gold Florer	Various-95	199		199
2 plant plants	Various-95	89		89
2 plant trees	Various-95	247		247
2 plant trees	Various-95	209		209
2 plant trees	Various-95	129		129
1 Flower arrangement	Various-95	49		49
1 Flower arrangement	Various-95	29		29
2744-1000-0000	Various-95	449		449
1 Picture Frame, 20 x 20	01-15-98	79		79
1 Picture Frame, 18 x 24	01-15-98	44		44
<b>Total</b>		<b>1,893</b>	<b>0</b>	<b>1,893</b>
<b>Total Furniture and Equipment</b>		<b>8,093</b>	<b>0</b>	<b>8,093</b>
<b>Total Fixed Assets</b>		<b>\$26,082</b>	<b>\$27,984</b>	<b>\$49,066</b>

(An independent accountant's compilation report)