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**NORTHEAST ECONOMIC DEVELOPMENT DISTRICT
COMPILED FINANCIAL STATEMENTS
DECEMBER 31, 1998**

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

Release Date Jul 14 1999

HALL & THOMAS, INC.
Certified Public Accountants

**NORTHEAST ECONOMIC DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
1998**

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TERRY R. HALL, CPA

INDEPENDENT ACCOUNTANT'S REPORT

DARRYL D. THOMAS, CPA

Northeast Economic Development District
Lake Providence, Louisiana

We have compiled the accompanying balance sheet of Northeast Economic Development District as of December 31, 1998, 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 presenting 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
June 24, 1999

NORTHEAST ECONOMIC DEVELOPMENT DISTRICT
ALL FUND TYPES AND ACCOUNT GROUPS
BALANCE SHEET
AS OF DECEMBER 31, 1998

	<u>GOVERNMENTAL FUNDS</u>		ACCOUNT GROUP	TOTAL (MEMORANDUM ONLY)
	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	GENERAL FIXED ASSETS	
ASSETS				
Cash	25			25
Due from general fund		3,608		3,608
Fixed assets			726,701	726,701
Total Assets	25	3,608	726,701	730,334
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities:				
Checks drawn in excess of available bank balances	76			76
Accrued expenses	1,500			1,500
Due to capital projects fund	3,608			3,608
Total Liabilities	5,184			5,184
Equity and Other Credits:				
Investment in general fixed assets				
Fund balances, unreserved and undesignated	(5,159)	3,608	726,701	725,150
Total Equity, and Other Credits	(5,159)	3,608	726,701	725,150
Total Liabilities, Equity, and other credits	25	3,608	726,701	730,334

See independent accountants' compilation report

**AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES:			
State Appropriations		\$228,005	\$228,005
Rent Income	\$14,465		14,465
Cash contributions			
TOTAL REVENUES	14,465	228,005	242,470
EXPENDITURES			
Operating expenses	15,163		15,163
Capital outlay		229,105	229,105
TOTAL EXPENDITURES	15,163	229,105	244,268
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(698)	(1,100)	(1,798)
FUND BALANCES AT BEGINNING OF YEAR	(4,461)	4,708	247
FUND BALANCES AT END OF YEAR	(\$5,159)	\$3,608	(\$1,551)

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SUPPLEMENTAL INFORMATION

HALL & THOMAS, INC.
Certified Public Accountant

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DARRYL D. THOMAS, CPA

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

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

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated 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, 1998 included in the accompanying Louisiana Attestation 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. Procedure

Determine 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:

<u>State Agreement Name</u>	<u>Appropriations Year</u>	<u>FP&C Project No.</u>	<u>Amount</u>
Cooperative Endeavor Agreement	1998	50-N55-97-1	\$229,105

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2. **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 6 disbursements are selected.

Finding

NEED's cooperative endeavor agreement was its only source of funding from a federal, state, or local agency. . We selected all seven (7) disbursements .

3. **Procedure**
For the items selected in procedure 2, trace the seven (7) disbursements to supporting documentation as to proper amount and payee.

Finding

We examined supporting documentation for each of the seven (7) 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 seven (7) 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 seven (7) disbursements received approval from proper authorities.

Finding

Inspection of documentation supporting each of the seven (7) selected disbursements indicated approvals by the 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.

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Finding

NEED'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 1998.

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 closed-out report was required

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-RS 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.

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Finding

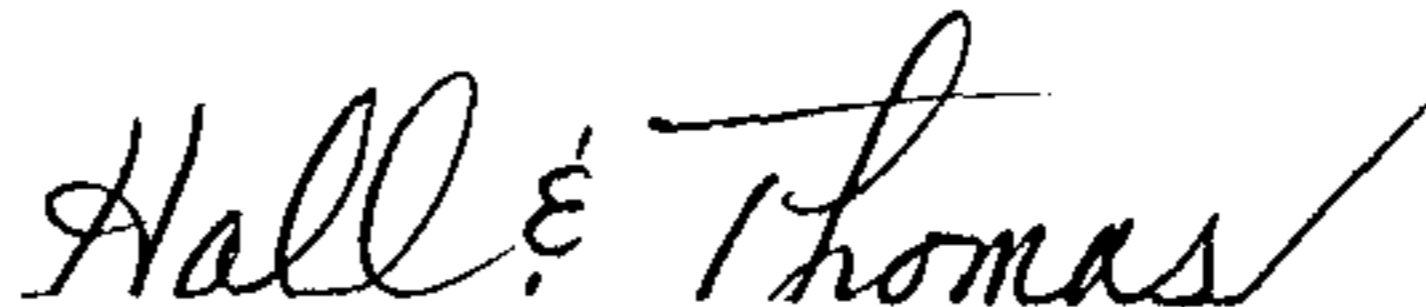
Northeast Economic Development District provided a comprehensive budget to the applicable state grantor agency for the program mentioned previously. The budget specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that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

Current Year Comments and Recommendations

10. 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 taken 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.
June 24, 1999

See independent accountants' compilation report

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

June 24, 1999

LOUISIANA ATTESTATION QUESTIONNAIRE

**Hall & Thomas, Inc.
Certified Public Accountants
P.O. Box 80151
Baton Rouge, La. 70898**

In connection with your compilation of our financial statements as of December 31, 1998 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 regulation 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 June 24, 1999.

Public Bid Law

It is true that we have complied with the public bid law, LSA-R.S. Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [**X**] 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. 42:1101-1124.

Yes [**X**] 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 [**X**] No []

Budgeting

We have compiled with the state budgeting requirements of the Local Government Budget Act (LSA-R.S. 39:1301-14) or the budget requirements of LSA-R.S. 39:34.

Yes [**X**] No []

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Accounting and Reporting

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

Yes [X] No []

We have filed our annual financial statements in accordance with LSA-R.S. 24:514, 33:463, and/or 39:92, as applicable.

Yes [X] No []

We have had our financial statements audited or compiled in accordance with LSA-R.S. 24:513.

Yes [X] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:1 through 42:12.

Yes [X] 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. 39:1410.60-1410:65.

Yes [X] No []


Advances and Bonuses

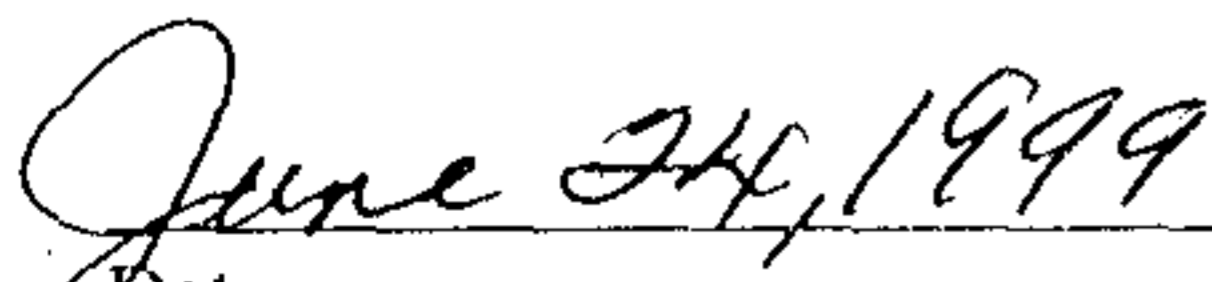
It is true we have not advanced wages and salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-R.S. 14:138, and the AG opinion 79-729.

Yes [X] 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

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NORTHEAST ECONOMIC DEVELOPMENT DISTRICT
SCHEDULE OF FIXED ASSETS
SUPPLEMENTARY INFORMATION
AS OF DECEMBER 31, 1998

DESCRIPTION	Date Acquired	Costs at 12-31-97	Additions For 12-31-98	Costs at 12-31-98
BUILDING	11-30-96	277909		692102
Construction-In-Progress	12-31-97	210184	(210,184)	
FURNITURE ITEMS				
1 Executive Desk (Brown)	12-05-95	589		589
1 Executive Chair (Navy)	12-05-95	319		319
1 Guest Chair (Navy)	12-05-95	210		210
2 Computer Desk (Black/Grey)	11-21-95	180		180
1 Executive Desk (Grey)	12-05-95	399		399
1 Credenza (Grey)	12-05-95	449		449
1 Exec. Bookshelve	12-05-95	469		469
1 Bookshelve (grey)	12-05-95	89		89
2 Side File Cabinets	12-05-95	654		654
1 End Table	12-05-95	199		199
1 Sofa Table	12-05-95	259		259
49 Conference Chairs (Grey)	11-21-95	735		735
17 Conference Chairs (stripe)	11-21-95	288		288
4 Folding Tables	11-21-95	200		200
1 Podium	12-05-95	169		169
1 Floor Lamp	12-05-95	65		65
3 Grey Swival Charis	11-21-95	270		270
1 Writing Desk	12-15-95	215		215
1 Transcriber, Sanyo	01-29-96	270		270
1 Paper Shredder, Fellowes	02-05-96	216		216
12 Globe Round Tables	02-18-98		428	428
12 Globe Round Tables	02-18-98		505	505
10 Globe Round Tables	03-10-98		702	702
250 Folding Grey Chairs	02-27-98		4317	4317
1 Executive Desk - Walnut Finish	04-07-98		474	474
1 Credenza - Walnut Finish	04-07-98		479	479
1 Executive Chair - Gray	04-07-98		186	186
4 Guest Chairs - Navy	04-07-98		557	557
10 Arm Chairs - Gray	04-07-98		497	497
1 Executive Desk - Mahogany	04-07-98		798	798
1 Credenza - Mahogany	04-07-98		1575	1575
1 Executive Chair - Navy	04-07-98		334	334
4 Guest Chairs - Navy	04-07-98		1030	1030
1 4 Dr. Legal Size File Tables	04-07-98		164	164
	03-19-98		257	257
1 Conference Table	06-01-98		621	621
1 High Back Swivel Chair	07-08-98		215	215
1 Garment Rack	07-08-98		200	200
2 Secretarial Desk	06-15-98		1154	1154
1 Lateral File - Mahogany	06-15-98		503	503
1 Super Steno Chair - Gray	06-15-98		183	183
1 Pocket Rack	06-15-98		422	422
1 Living Room Set	07-27-98		738	738
1 Cherry Table	07-27-98		95	95
1 Cryar Lamp	07-27-98		42	42
Total		6,244	16,476	22,720

See independent accountants' compilation report

**NORTHEAST ECONOMIC DEVELOPMENT DISTRICT
SCHEDULE OF FIXED ASSETS
SUPPLEMENTARY INFORMATION
AS OF DECEMBER 31, 1998**

DESCRIPTION	Date Acquired	Costs at 12-31-97	Additions For 12-31-98	Costs at 12-31-98
EQUIPMENT				
1 Fax machine	12-05-95	249		249
4 telephones	11-01-95	270		270
1 Dicta-phone	02-06-96	279		279
1 Calculator	11-01-95	40		40
1 Electric Sharpener	06-01-95	13		13
1 Black board	12-15-95	16		16
2 LA/US Flags	12-05-95	333		333
1 Computer Table	04-10-96	196		196
1 Public Adress System	03-05-98		3113	3113
1 Refrigerator	03-06-98		994	994
1 Bobcat Computer 166MHz	02-16-98		1475	1475
1 Sharp Microwave Oven	02-27-98		151	151
1 ITI Simon Security System	03-18-98		372	372
1 Kodak Slide Projector & Lens	06-15-98		617	617
Total		1,396	6,722	8,118
MISCELLANEOUS ITEMS				
1 -Flowers	Various-95	79		79
1 -Blue/Rose	Various-95	179		179
1 -Grey/Gold	Various-95	119		119
1 -Blue lrg. gold frame	Various-95	199		199
2 short plants	Various-95	80		80
4 tall trees	Various-95	241		241
2 tall trees	Various-95	200		200
2 tall trees	Various-95	128		128
1 Flower arrangement	Various-95	40		40
1 Flower arrangement	Various-95	29		29
Other unlisted assets	Various-95	446		446
1 Picture Frame, 22 x 22	01-16-96	79		79
1 Picture Frame, 18 x 24	01-16-96	44		44
1 Sign	04-06-98		698	698
3 Awnings	04-06-98		1200	1200
Total		1,863	1,898	3,761
Total Furniture and Equipment		9,503	25,096	34,599
Total Fixed Assets		\$497,596	\$229,105	\$726,701

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