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Financial Report

The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (d/b/a The Work Connection)

Houma, Louisiana

June 30, 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 JAN 13 1999

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June 30, 1998

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Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Private Industry
Council for the Terrebonne Consortium,
Service Delivery Area Thirty-One, Inc.,
Houma, Louisiana.

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc., (the P.I.C.), a component unit of the Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These financial statements are the responsibility of the P.I.C.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respect, the financial position of each of the individual funds and account groups of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. as of June 30, 1998, and the results of operations of such funds for the year then ended in conformity with generally accepted accounting principles.

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As discussed in Note 2 to the financial statements, in order to reflect more current valuations, the P.I.C. changed its method of valuation for investments from cost to fair value effective July 1, 1997.

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 1998 on our consideration of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. The accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
December 4, 1998.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (d/b/a The Work Connection)

June 30, 1998

	Governmental Fund Type Special Revenue	Fiduciary Fund Type Pension Trust	Account Groups General Fixed Assets	Account Groups Long-Term Obligations	Total (Memorandum Only)
ASSETS AND OTHER DEBITS					
Assets					
Cash	$ 29,846	$ -	$ -	$ -	$ 29,846
Investments	-	292,913			292,913
Due from the State of Louisiana	282,030	-	-	-	282,030
Receivables - miscellaneous	697	-	-	-	697
Due from other funds	25,248	-	-	-	25,248
Fixed assets	-	-	1,532,096	-	1,532,096
Other Debits					
Amount to be provided for retirement of general long-term obligations	-	-	-	95,907	95,907
Total assets and other debits	$ 337,821	$ 292,913	$ 1,532,096	$ 95,907	$ 2,258,737
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities					
Accounts payable and accrued expenditures	$ 312,573			$ -	$ 312,573
Due to other funds	25,248			-	25,248
Long-term obligations	-			95,907	95,907
Total liabilities	337,821			95,907	433,728
Equity and Other Credits					
Investments in general fixed assets			$ 1,532,096		1,532,096
Fund balances:					
Reserved for employees' retirement system		$ 292,913	-		292,913
Total equity and other credits	-	292,913	1,532,096	-	1,825,009
Total liabilities, equity and other credits	$ 337,821	$ 292,913	$ 1,532,096	$ 95,907	$ 2,258,737

See notes to financial statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPE

The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (d/b/a The Work Connection)

For the year ended June 30, 1998

	Special Revenue
Revenues	
Intergovernmental	$ 2,283,752
Expenditures - Economic Development and Assistance	
Current:	
Administrative	381,199
Training	1,382,037
Training related/supportive service	520,516
Total expenditures	2,283,752
Excess of Revenues Over Expenditures	-
Fund Balance	
Beginning of year	-
End of year	$ -

See notes to financial statements.

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - FIDUCIARY FUND TYPE

The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (d/b/a The Work Connection)

For the year ended June 30, 1998

	Pension Trust Fund
Operating Revenues	
Contributions	$ 72,877
Investment earnings	145,773
Total operating revenues	218,650
Operating Expenses	
Distributions to participants	615,257
Net Loss	(396,607)
Fund Balance	
Beginning of year	570,623
Prior period adjustment (Note 2)	118,897
End of year	$ 292,913

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (d/b/a The Work Connection)

June 30, 1998

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (the P.I.C.), conform to generally accepted accounting principles for local governmental units as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant accounting policies:

a) Reporting Entity

The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (the P.I.C.), is a component unit of the Lafourche Parish Council (the Parish).

The P.I.C. receives its revenue reported in its Special Revenue Funds primarily from federal financial assistance grants provided by the Job Training Partnership Act of 1982. In addition, state funding is provided by the Job Net grant from the State of Louisiana, Department of Labor.

The P.I.C. was incorporated as a non-profit corporation on August 28, 1987. The P.I.C., under an administrative agreement effective January 1, 1988, with the Parish serves to administer the job training plan pursuant to the Job Training Partnership Act in the Parishes of Assumption, Lafourche and Terrebonne, which have been designated as Service Delivery Area Thirty-One. In September 1997 the P.I.C. changed grant recipients to the Parish for funds received under the Job Training Partnership Act. Previously, the Terrebonne Parish Consolidated Government served as grant recipient.

The P.I.C. has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Structure

The accounting system is organized and operated on a fund basis whereby a separate, self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are grouped, in the financial statements in this report, into two broad fund categories and two generic fund types as follows:

Governmental Funds

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Fiduciary Fund

Pension Trust Fund - The Pension Trust Fund is used to account for assets of the 401(k) plan held by the P.I.C. in a trustee capacity for employees. The Pension Trust Fund is used to account for operations where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance.

Account Groups

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in the trust fund. The General Long-Term Obligations Account Group is used to account for general long-term obligations and certain other liabilities that are not specific liabilities of the fund.

c) Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

c) Basis of Accounting (Continued)

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is accumulated unpaid vacation and sick pay which is recognized when due.

The P.I.C. receives funding as pass through grants from the Parish. The Louisiana Department of Labor and the Louisiana Department of Education reimburse the P.I.C. through the Parish on a reimbursement for actual expenditures paid basis.

The Pension Trust Fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

d) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

e) Operating Budgetary Data

The P.I.C. is a quasi-governmental entity which is not legally required to adopt budgets. A budget for each Special Revenue Fund is submitted to the respective state grantor departments for approval. Funding is from intergovernmental grants received from the Louisiana Department of Labor and the Louisiana Department of Education. Some budgets are prepared on a June 30 and others on a September 30 fiscal year basis to coincide with intergovernmental grants received from the Louisiana Department of Labor and the Louisiana Department of Education. Due to the above, budget to actual comparisons are not presented for the year ended June 30, 1998.

f) Accounts Receivable

The financial statements for the P.I.C. contain no allowance for uncollectible receivables. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts, if any, are not considered to be material in relation to the financial position or operation of the funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Investments

Investments are stated at fair value, as measured by quoted market price.

h) Fixed Assets and Long-term Obligations

The accounting and reporting treatment applied to the fixed assets and long-term obligations associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized. No depreciation has been provided on fixed assets. All fixed assets are valued at historical cost.

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-term Obligations Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Obligations Account Group.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Vacation and Sick Leave

Accumulated vacation and sick leave are recorded as an expenditure of the period in which paid in all governmental funds.

Employees can earn twelve, eighteen or twenty-four days per year vacation leave, depending on their length of employment. Accumulated vacation leave benefits are due to the employee, at the time of termination or death. The vacation policy provides that employees are to take vacation within one year of being earned, but after January 1 of the following year. Employees may accumulate and carryforward no more than forty hours of annual leave from one year to the next.

Employees earn seven days of sick leave per year and are permitted to accumulate sick leave from one year to the next. Accumulated sick leave is due to the employee at the time of termination or death. The sick leave policy provides that employees are allowed to take sick leave as earned.

Accumulated vacation and sick leave benefits are reported as a liability in the General Long-term Obligations Account Group.

j) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the P.I.C.

k) Memorandum Only-Total Columns

The total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position or results of operations, in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - CHANGE IN ACCOUNTING PRINCIPLE

The P.I.C. changed the valuation of investments from cost to fair value in order to reflect more current valuations for investments held in its retirement plans. As a result unrealized gains of $118,897 are reported as a prior period adjustment in the pension trust fund.

Note 3 - CASH AND INVESTMENTS

The P.I.C. is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. At year end, the P.I.C.'s carrying amount of deposits was $29,846 and the bank balance was $71,070. The entire bank balance of $71,070 was covered by federal depository insurance (Category 1). There were no investments other than those in the 401(k) plan (see Note 10). Investments of the 401(k) plan are not collateralized (Category 3).

Note 4 - DUE FROM THE STATE OF LOUISIANA

Amounts due from the state of Louisiana at June 30, 1998 consisted of the following:

State of Louisiana -	
Department of Labor	$245,228
Department of Education	36,802
Total	$282,030

Note 5 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Such balances at June 30, 1998 are as follows:

Individual Funds	Interfund Receivables	Interfund Payables
Special Revenue Funds:		
II A Fund	$15,179	$10,069
II B Fund	-	7,562
II C Fund	5,203	-
8% Fund	-	2,692
Title III Fund	4,684	-
Title III N National Reserve Grant Fund	-	4,925
5% Incentive Fund	182	-
Total Special Revenue Funds	$25,248	$25,248

Note 6 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
Office furniture, equipment and fixtures	$1,840,115	$126,702	$512,972	$1,453,845
Machinery and equipment	78,251	-	-	78,251
Totals	$1,918,366	$126,702	$512,972	$1,532,096

The deletions relate primarily to the disposal of obsolete computer and other electronic equipment.

Note 7 - LONG-TERM OBLIGATIONS

A long-term liability for accumulated unpaid vacation and sick leave of $95,907 which represents the P.I.C.'s commitment to fund such costs from future operations, has been recorded in the General Long-term Obligations Account Group at June 30, 1998.

The following is a summary of the changes in long-term obligations of the P.I.C. for the year ended June 30, 1998:

Long-term obligations, July 1, 1997	$80,920
Net increase in accumulated unpaid vacation and sick leave	14,987
Long-term obligations, June 30, 1998	$95,907

Note 8 - OFFICE AND AUTO RENTALS

Office space and automobiles are rented on a month-to-month basis. Rental expenditures incurred on the offices and the automobiles amounted to $101,772 during the year ended June 30, 1998.

Note 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

Note 10 - DEFINED CONTRIBUTION PLAN

A. Plan Description

During the year ended June 30, 1998 the P.I.C. terminated its mandatory money purchase retirement plan in favor of establishing a 401(k) Plan. The Pension Trust Fund incurred the following activity as a result of termination of the money purchase plan and establishment of the 401(k) Plan:

	Retirement Plan		
	Money Purchase	401(k)	Pension Trust Fund
Contributions	$ 7,846	$ 65,031	$ 72,877
Investment earnings	138,479	7,294	145,773
	146,325	72,325	218,650
Distribution to participants	(615,257)	-	(615,257)
Participant account rollovers	(220,588)	220,588	-
Net income (loss)	(689,520)	292,913	(396,607)
Fund balance			
Beginning of year	570,623	-	570,623
Prior period adjustment (Note 2)	118,897	-	118,897
End of year	$ -	$292,913	$292,913

Note 10 - DEFINED CONTRIBUTION PLAN (Continued)

A. Plan Description (Continued)

The P.I.C. 401(k) Retirement Plan was established to provide retirement benefits to all permanent full-time employees having completed at least one year of service. At June 30, 1998, there were 25 plan members. Participants are permitted to contribute in any amount up to 15% of their compensation not to exceed $9,500. The P.I.C. matches 100% of the employee contributions not to exceed 5% of the employee's compensation. Plan provisions and contribution requirements are established and may be amended by the P.I.C.

B. Significant Accounting Policies

Basis of accounting - the P.I.C. Retirement Plan financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that the contributions are due.

Method used to value investments - plan investments are reported at fair value.

C. Concentrations

Investments in the plan at June 30, 1998 consisted of shares of registered investment companies within The One Group family of funds. The funds consisted of the following:

Prime Money Market Fund	$ 7,084
Income Bond Fund	4,587
Limited Volatility Bond Fund	1,476
Government Bond Fund	875
Income Equity Fund	77,155
Equity Index Fund	118,370
Value Growth Fund	74,222
Small Capitalization Fund	9,144
Total plan investments	$292,913

Note 11 - ECONOMIC DEPENDENCY

The P.I.C. receives its revenue from funds provided through grants administered by the Louisiana Department of Labor and the Louisiana Department of Education. The grant, Job Training Partnership Act (JTPA), amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state levels the amount of the funds the P.I.C. receives could be reduced significantly and have an adverse impact on its operations.

The Work Force Investment Act of 1998 (the Act) eliminates the JTPA program. States are required to fully implement all of the requirements of the Act by July 1, 2000. However, the Department of Labor encourages States to implement early. These financial statements have been prepared assuming an implementation date not before July 1, 1999.

Note 12 - COMPENSATION OF BOARD OF DIRECTORS

No compensation was paid to Directors of the Private Industry Council for the year ended June 30, 1998.

SPECIAL REVENUE FUNDS

II A Fund - To account for funds received under Title II-A of the Job Training Partnership Act. Funds are used to increase the employability of economically disadvantaged adults through participation in classroom and on-the-job training and work experience. In addition, employer outreach, job search and direct placement activities are conducted.

II B Fund - To account for funds received under Title II-B of the Job Training Partnership Act. Funds are used to increase the employability of economically disadvantaged youth through the Job Training Partnership Act Summer Youth Employment Program.

II C Fund - To account for funds under Title II-C of the Job Training Partnership Act. Funds are used to increase the employability of economically disadvantaged youth through participation in classroom and on-the-job training, work experience and exemplary youth programs. In addition, employer outreach, job search and direct placement activities are conducted.

8% Fund - To account for Education Set aside funds received under the Job Training Partnership Act passed through the Louisiana Department of Education. Funds are used to provide classroom training to economically disadvantaged youths and adults in occupations in which the participants may be placed in unsubsidized employment.

Title III Fund - To account for funds received under Title III of the Job Training Partnership Act. Funds are used to increase the employability of dislocated workers through classroom training and on-the-job training programs.

5% Incentive Fund - To account for funds received under Title II-A and II-C of the Job Training Partnership Act. Funds are used to provide employment and training activities for eligible youth and adults and/or administrative purposes.

Title III N National Reserve Grant Fund - To account for funds received under Title III of the Job Training Partnership Act. Fund are used to increase the employability of dislocated workers in the marine and shipbuilding industries through classroom training and on-the-job training programs.

Job Net Fund - To account for funds received under the Job Net Workforce Development Network. Funds are used to provide computer hardware and software to participants seeking greater access to information for selecting, changing or upgrading their careers through the use of job vacancy listings, career information and training opportunities.

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

**The Private Industry Council for the Terrebonne Consortium,
Service Delivery Area Thirty-One, Inc.
(d/b/a the Work Connection)**

June 30, 1998

	II A Fund	II B Fund	II C Fund	8% Fund
Assets				
Cash	$ 29,846	$ -	$ -	$ -
Due from the State of Louisiana	68,288	58,184	61,926	36,802
Receivables - miscellaneous	697	-	-	-
Due from other funds	15,179	-	5,203	-
Total assets	$ 114,010	$ 58,184	$ 67,129	$ 36,802
Liabilities				
Accounts payable and accrued expenditures	$ 103,941	$ 50,622	$ 67,129	$ 34,110
Due to other funds	10,069	7,562	-	2,692
Total liabilities	114,010	58,184	67,129	36,802
Fund Balances				
Unreserved	-	-	-	-
Total liabilities and fund balances	$ 114,010	$ 58,184	$ 67,129	$ 36,802

Title III Fund	5% Incentive Fund	Title III N National Reserve Grant Fund	Job Net Fund	Total
$ -	$ -	$ -	$ -	$ 29,846
30,167	-	4,925	21,738	282,030
-	-	-	-	697
4,684	182	-	-	25,248
$ 34,851	$ 182	$ 4,925	$ 21,738	$ 337,821
$ 34,851	$ 182	$ -	$ 21,738	$ 312,573
-	-	4,925	-	25,248
34,851	182	4,925	21,738	337,821
-	-	-	-	-
$ 34,851	$ 182	$ 4,925	$ 21,738	$ 337,821

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS

The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (d/b/a the Work Connection)

For the year ended June 30, 1998

	II A Fund	II B Fund	II C Fund	8% Fund
Revenues				
Intergovernmental:				
State of Louisiana:				
Department of Labor	$ 868,731	$ 377,927	$ 523,657	$ -
Department of Education	-	-	-	49,514
Total revenues	868,731	377,927	523,657	49,514
Expenditures - Economic Development and Assistance				
Current:				
Administrative:				
Personal services	88,559	27,756	74,553	7,582
Supplies and materials	1,623	1,352	769	36
Other services and charges	48,507	15,283	23,536	826
Repairs and maintenance	2,043	1,073	1,060	56
Capital expenditures	-	7	-	1
	140,732	45,471	99,918	8,501
Training:				
Personal services	307,256	64,843	250,088	37,235
Supplies and materials	85,138	5,951	27,197	1,396
Other services and charges	127,318	27,483	51,089	2,038
Repairs and maintenance	12,470	4,916	17,411	368
Capital expenditures	39,167	135	553	12
	571,349	103,328	346,338	41,049
Training related/supportive service:				
Personal services	72,342	228,635	49,782	-
Supplies and materials	3,104	-	1,510	-
Other services and charges	58,674	493	18,573	(36)
Repairs and maintenance	3,402	-	1,793	-
Capital expenditures	19,128	-	5,743	-
	156,650	229,128	77,401	(36)
Total expenditures	868,731	377,927	523,657	49,514
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances				
Beginning of year	-	-	-	-
End of year	$ -	$ -	$ -	$ -

Title III Fund	5% Incentive Fund	Title III N National Reserve Grant Fund	Job Net Fund	Total
$ 308,083	$ 111,250	$ 4,925	$ 39,665	$ 2,234,238
-	-	-	-	49,514
308,083	111,250	4,925	39,665	2,283,752
21,251	30,180	2,298		252,179
566	1,752	140		6,238
16,945	10,148	2,359		117,604
799	-	128		5,159
11	-	-		19
39,572	42,080	4,925		381,199
119,455	61,282			840,159
24,046	255			143,983
75,893	4,109			287,930
6,225	3,524			44,914
25,184	-			65,051
250,803	69,170			1,382,037
-			-	350,759
-			2,838	7,452
17,708			253	95,665
-			-	5,195
-			36,574	61,445
17,708			39,665	520,516
308,083	111,250	4,925	39,665	2,283,752
-	-	-	-	-
-	-	-	-	-
$ -	$ -	$ -	$ -	$ -

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of The Private Industry
Council for the Terrebonne Consortium,
Service Delivery Area Thirty-One, Inc.,
Houma, Louisiana.

We have audited the general-purpose financial statements and the combining and individual fund and account group financial statements of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc., (the P.I.C.), a component unit of Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated December 4, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the P.I.C.'s general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the P.I.C.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting

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would not necessary disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor for the State of Louisiana and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
December 4, 1998.

Bourgeois Bennett

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of The Private Industry
Council for the Terrebonne Consortium,
Service Delivery Area Thirty-One, Inc.,
Houma, Louisiana.

Compliance

We have audited the compliance of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc., (the P.I.C.), a component unit of Lafourche Parish Council, State of Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. The P.I.C.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the P.I.C.'s management. Our responsibility is to express an opinion on the P.I.C.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the P.I.C.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the P.I.C.'s compliance with those requirements.

In our opinion, the P.I.C. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

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Internal Control Over Compliance

The management of the P.I.C. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the P.I.C.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, Legislative Auditor for the State of Louisiana and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
December 4, 1998.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (d/b/a The Work Connection)

For the year ended June 30, 1998

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Agency or Pass Through, Grantor's Number	Federal Expenditures
Department of Labor			
Pass Through Payments:			
Louisiana Department of Labor:			
Job Training Partnership Act Title II-A	17.250	96/97-31-II-A	$ 868,731
Job Training Partnership Act Title II-A	17.250	96/97-31-INC	111,250
Job Training Partnership Act Title II-B	17.250	96/97-31-II-B	377,927
Job Training Partnership Act Title II-C	17.250	96/97-31-II-C	523,657
Job Training Partnership Act Title III	17.246	96/97-31-III	308,083
Job Training Partnership Act Title III-N	17.246	931-97-09-175-2007-3N	4,925
Pass Through Payments:			
Louisiana Department of Education:			
Job Training Partnership Act Title II-A	17.250	7-08-175-3031-2	49,514
Total			$ 2,244,087

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Private Industry Council for the Terrebonne Consortium,
Service Delivery Area Thirty-One, Inc.
(d/b/a The Work Connection)

June 30, 1998

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

Note 2 - FINDINGS OF NONCOMPLIANCE

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 1998.

Note 3 - DATA COLLECTION FORM

The reconciliation of the Schedule of Expenditures of Federal Awards to the awards expended as reported in the Data Collection Form is as follows:

CFDA Number	Pass Through Grantor	Pass Through Grantor's Number	Federal Expenditure
	Louisiana Department of Labor:		
17.246	Job Training Partnership Act Title III	96/97-31-111	$ 308,083
17.246	Job Training Partnership Act Title III-N	931-97-09-175-2007-3N	4,925
			$ 313,008
17.250	Job Training Partnership Act Title II-A	96/97-31-II-A	$ 868,731
17.250	Job Training Partnership Act Title II-A	96/97-31-INC	111,250
17.250	Job Training Partnership Act Title II-B	96/97-31-II-B	377,927
17.250	Job Training Partnership Act Title II-C	96/97-31-II-C	523,657
	Louisiana Department of Education:		
17.250	Job Training Partnership Act Title II-A	7-08-175-3031-2	49,514
			$1,931,079

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (d/b/a The Work Connection)

For the year ended June 30, 1998

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes _X_ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ___ yes _X_ none reported

Noncompliance material to financial statements noted? ___ yes _X_ no

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes _X_ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ___ yes _X_ none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___ yes _X_ no

c) Identification of Major Programs:

CFDA Number(s)	Name of Federal Program
17.246	Job Training Partnership Act Title
17.250	Job Training Partnership Act Title

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (d/b/a The Work Connection)

For the year ended June 30, 1998

Section I Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	X yes ___ no

Section II Financial Statement Findings

There were no financial statement findings reported during the audit of the financial statements for the year ended June 30, 1998.

Section III Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 1998.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

The Private Industry Council for the Terrebonne Consortium,
Service Delivery Area Thirty-One, Inc.
(d/b/a The Work Connection)

For the year ended June 30, 1998

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 1997.
No reportable conditions were reported during the audit for the year ended June 30, 1997.

Compliance

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 1997.

Section II Internal Control and Compliance Material to Federal Awards

There were no findings or questioned cost reported during the audit for the year ended June 30, 1997.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 1997.

MANAGEMENT'S CORRECTIVE ACTION PLAN

The Private Industry Council for the Terrebonne Consortium,
Service Delivery Area Thirty-One, Inc.
(d/b/a The Work Connection)

For the year ended June 30, 1998

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended June 30, 1998.
No reportable conditions were reported during the audit for the year ended June 30, 1998.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 1998.

Section II Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit for the year ended June 30, 1998.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 1998.