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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, 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, entity and other appropriate public officials. This 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 FEB 25 1998

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Service Delivery Area Thirty-One, Inc.
(d/b/a The Work Connection)

June 30, 1997

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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 of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (the P.I.C.), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, and the combining, individual fund and account group financial statements as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the P.I.C.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

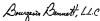
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also in our opinion, the combining, 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, 1997, and the results of operations of such funds for the year then ended in conformity with generally accepted accounting principles.

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In accordance with Government Auditing Standards, we have also issued our report dated December 8, 1997 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 of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose 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 financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



Certified Public Accountants.

Houma, La.,
December 8, 1997.

**COMBINED BALANCE SHEET
ALL FUNDS TRUST ACCOUNT GROUP**

The Private Industry Council for the Development Community,
Service Railway Area Thirty-One, Inc.,
(Part of The Work Connection)

June 30, 1991

	Governmental	Fiduciary	Account Groups		Total (Memorandum Only)
	Fund Type	Fund Type	General	General	
	Special	Position	Fund	Long-Term	
	Revenue	Trust	Assets	Obligations	
ASSETS AND OTHER DEBITS					
Assets					
Investments	\$ -	\$ 566,665	\$ -	\$ -	\$ 566,665
Due from other governmental units	222,419	-	-	-	222,419
Receivables - miscellaneous	2,260	3,862	-	-	6,122
Due from other funds	27,268	-	-	-	27,268
Prepayments	-	-	1,918,366	-	1,918,366
Other Debits					
Accounts to be provided for retirement of general long-term obligations	-	-	-	\$ 80,000	\$ 80,000
Total assets and other debits	\$ 251,947	\$ 570,527	\$ 1,918,366	\$ 80,000	\$ 2,820,840
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities					
Due (receivable)	\$ 11,527	-	-	\$ -	\$ 11,527
Accounts payable and accrued expenditures	276,628	-	-	-	276,628
Due to other funds	27,268	-	-	-	27,268
Long-term obligations	-	-	-	\$ 80,000	\$ 80,000
Total liabilities	345,423	-	-	\$ 80,000	345,423
Equity and Other Credits					
Investments in general fund assets	-	-	\$ 1,918,366	-	1,918,366
Fund balances:					
Reserved for employees' retirement system	-	\$ 570,527	-	-	570,527
Total equity and other credits	-	570,527	1,918,366	-	2,488,893
Total liabilities, equity and other credits	\$ 345,423	\$ 570,527	\$ 1,918,366	\$ 80,000	\$ 2,820,746

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, 1997

	Special Revenue
Revenues	
Intergovernmental	\$ 2,089,556
Expenditures - Economic Development and Assistance	
Current:	
Administrative	369,188
Training	1,247,045
Training related/supportive services	473,285
	<hr/>
Total expenditures	2,089,556
	<hr/>
Excess of Revenues Over Expenditures	-
Fund Balance	
Beginning of year	-
	<hr/>
End of year	\$ -
	<hr/>

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, 1997

	Pension Trust Fund
Operating Revenues	
Contributions	\$ 58,228
Investment earnings	74,309
Total operating revenues	132,536
Operating Expenses	
Distributions to participants	167,420
Net Loss	(34,884)
Fund Balance	
Beginning of year	600,213
End of year	\$ 570,629

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, 1997

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 Terrebonne Parish Consolidated Government (the Parish), and as such, these financial statements will be included in the comprehensive annual financial report of the Parish for the year ending December 31, 1997.

The P.I.C. receives its revenues 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 Career Net Work Force Development 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. The Parish serves as grant recipient for funds received by the P.I.C. under the Job Training Partnership Act.

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 defined contribution 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

General Fixed Account Group - The General Fixed Account Group is used to account for fixed assets not accounted for in the trust fund.

General Long-Term Obligations Account Group - The General Long-Term Obligations Account Group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of the trust 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 3 - 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 or 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 in 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) **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 these estimates.

e) **Investments**

Investments are stated at cost.

f) **Bad Debts**

The financial statements for the P.I.C. contain no allowance for bad debts. 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) **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") general 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 general fixed assets. All fixed assets are valued at actual or estimated 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.

h) **Accumulated Vacation and Sick Leave**

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Accumulated Vacation and Sick Leave (Continued)

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 fifty hours annual leave from one year to the next.

Employees earn seven days 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.

l) Operating Budgetary Data

The P.L.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. Some budgets are prepared on a June 30 and others on a September 30 fiscal year basis to coincide with state department budgeting of grants for the III A, II B, II C, 8% Title III and 5% Incentive and Career Net Funds. Due to the above, budget to actual comparisons are not presented for the year ended June 30, 1997.

j) Encumbrance

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Memorandum Only Total Columns

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, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - 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 a bank overdraft in the amount of \$11,537 and the bank balance was \$89,333. The entire bank balance of \$89,333 was covered by federal depository insurance (Category 1). There were no investments other than those in the defined contribution plan (see Note 8). Investments of the defined contribution plan are not collateralized (Category 3).

Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 1997 consisted of the following:

State of Louisiana -	
Department of Labor	\$220,029
Department of Education	<u>15,882</u>
Total	<u>\$235,918</u>

Note 4 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Such balances at June 30, 1997 are as follows:

Individual Funds	Interfund Receivables	Interfund Payables
Special Revenue Funds:		
II A Fund	\$27,259	\$ -
II B Fund	-	6,719
Title IX Fund	-	11,654
8% Fund	-	3,219
Title III Fund	-	3,115
5% Incentive Fund	-	2,252
Total Special Revenue Funds	\$27,259	\$27,259

Note 5 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Office furniture equipment and fixtures	\$1,831,339	\$72,798	\$64,022	\$1,840,115
Machinery and equipment	78,251	-	-	78,251
Totals	\$1,909,590	\$72,798	\$64,022	\$1,918,366

Note 6 - LONG-TERM OBLIGATIONS

A long-term liability for accumulated unpaid vacation and sick leave of \$80,920 which represents the P.L.C.'s commitment to fund such costs from future operations, has been recorded in the General Long-Term Obligations Account Group at June 30, 1997.

Note 6 - LONG-TERM OBLIGATIONS (Continued)

The following is a summary of the changes in long-term obligations of the P.I.C. for the year ended June 30, 1997:

Long-term obligations, July 1, 1996	\$70,690
Net decrease in accumulated unpaid vacation and sick leave	<u>10,430</u>
Long-term obligations, June 30, 1997	<u>\$60,260</u>

Note 7 - 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 \$87,844 during the year ended June 30, 1997.

Note 8 - DEFINED CONTRIBUTION PLAN

A. Plan Description

The P.I.C. Retirement Plan is a defined contribution pension plan established by the P.I.C. to provide benefits at retirement to all its permanent full-time employees. As June 30, 1997, there were 22 plan members. Plan members are required to contribute 5% of covered salary. The P.I.C. is required to contribute 5% of annual covered payroll. 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 cost.

Note 8 - DEFINED CONTRIBUTIONS PLAN (Continued)

C. Concentrations

Plan investments consist of the following:

	<u>Cost</u>	<u>Market Value</u>
Shares of registered investment companies:		
Cash equivalents:		
The One Group U.S. Treasury Securities Money Market Fund	\$ 56,075	\$ 56,075
Corporate equities:		
The One Group Value Growth Fund	136,312	162,958
The One Group Income Equity Fund	98,368	162,181
The One Group Gulf South Growth Fund	69,177	87,596
Fixed income:		
The One Group Government Bond Fund	153,777	155,782
The One Group Limited Volatility Bond Fund	25,399	25,433
Participant notes receivable	<u>37,535</u>	<u>37,535</u>
Total plan investments	<u>\$266,663</u>	<u>\$685,360</u>

Note 9 - 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 amounts are appropriated each year by the federal and state governments. The grant 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. Management is not aware of any actions that will adversely affect the amount of funds the P.I.C. will receive in the next fiscal year.

Note 18 - COMPENSATION OF BOARD OF DIRECTORS

No compensation was paid to Directors of the Private Industry Council for the year ended June 30, 1997.

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 unskilled 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 displaced 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.

Career Net Fund - To account for funds received under the Career 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.



<u>Title</u> <u>III</u> <u>Fund</u>	<u>5% In-</u> <u>centive</u> <u>Fund</u>	<u>Career</u> <u>Net</u> <u>Fund</u>	<u>Total</u>
\$ 31,832	\$ 13,992		\$ 250,918
-	-		2,257
-	-		<u>27,259</u>
\$ 31,832	\$ 13,992	\$ -	\$ 265,434
-	\$ -		\$ 11,537
28,717	13,748		126,638
<u>3,115</u>	<u>2,252</u>		<u>27,259</u>
31,832	13,992		265,434
-	-		-
\$ 31,832	\$ 13,992	\$ -	\$ 265,434



Tab B Fund	21a In- coming Fund	Carroll Net Fund	Total
\$ 298,626	\$ 33,519	\$ 1,082	\$ 3,028,599
-	-	-	18,956
<u>298,626</u>	<u>33,519</u>	<u>1,082</u>	<u>3,049,539</u>
33,511	23,179	-	241,976
1,099	280	100	1,784
87,188	3,812	549	185,610
1,528	-	-	1,302
121	188	-	3,685
<u>31,281</u>	<u>36,479</u>	<u>881</u>	<u>392,188</u>
78,848	21,869	-	746,879
38,240	1,219	198	113,815
92,339	3,817	-	372,849
7,817	1,248	-	82,308
<u>34,585</u>	<u>718</u>	<u>-</u>	<u>60,846</u>
<u>327,647</u>	<u>38,198</u>	<u>198</u>	<u>1,347,045</u>
-	-	-	124,466
-	-	-	8,114
<u>28,182</u>	-	-	183,378
-	-	-	4,286
-	-	-	4,289
<u>30,283</u>	-	-	471,283
<u>298,626</u>	<u>33,519</u>	<u>1,082</u>	<u>3,889,526</u>
-	-	-	-
-	-	-	-
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

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, 1997

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc.
2. There were no reportable conditions disclosed during the audit of the general purpose financial statements.
3. No instances of noncompliance material to the general purpose financial statements of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. were disclosed during the audit.
4. There were no reportable conditions disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. are reported in Part C of this Schedule.
7. The programs tested as major programs include: Job Training Partnership Act Titles II and III (CFDA 17.246 through 17.250).
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. was determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

There were no findings disclosed during the audit of the general purpose financial statements.

C. Findings and Questioned Costs - Major Federal Award Programs Audit

There were no findings or questioned cost disclosed during the year.



Bourgeois Bennett

**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 of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (the P.I.C.), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 8, 1997. 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 these 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 would not necessarily 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 general purpose 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.

Burgess Bennett, LLC

Certified Public Accountants

Houma, La.,
December 8, 1997.



Bourgeois Bennett

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND 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 Terrebonne Parish Consolidated Government, 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, 1993. The P.I.C.'s major federal programs are identified in the summary of audit 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, Audit of State, 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, 1993.

Internal Control Over Compliance

The management of the F.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 F.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 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, LLC

Certified Public Accountants

Houma, La.,
December 8, 1997.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**The Private Industry Council for the Terrebonne Consortium,
Service Delivery Area Thirty-One, Inc.**

For the year ended June 30, 1997

<u>Federal Grants/Pass Through Grants/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass Through, Grants' Number</u>	<u>Federal Expenditures</u>
Department of Labor			
<u>Pass Through Programs:</u>			
<u>Louisiana Department of Labor:</u>			
Job Training Partnership Act Title B-A	17.250	9697-31-B-A	\$ 672,730
Job Training Partnership Act Title B-B	17.250	9697-31-B-B	178,669
Job Training Partnership Act Title B-C	17.250	9697-31-B-C	610,366
Job Training Partnership Act Title B1	17.246	9697-31-B1	298,626
Job Training Partnership Act Title B-A	17.250	9697-31-B9C	10,519
<u>Pass Through Programs:</u>			
<u>Louisiana Department of Education:</u>			
Job Training Partnership Act Title B-A	17.250	8-88-175-3001-2	58,968
Total			\$ 2,088,474

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**The Private Industry Council for the Terrebonne Consortium,
Service Delivery Area Thirty-One, Inc.**

June 30, 1997

**Note 1 - SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133, SINGLE AUDIT ACT,
AMENDMENTS OF 1996**

All Federal grant awards of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc., (the P.I.C.), are included in the scope of the OMB Circular A-133, Single Audit Act Amendments of 1996. The United States Department of Labor is the federal oversight agency for the single audit.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting.



George & Bennett

COMMUNICATIONS WITH BOARD OF DIRECTORS

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

In fulfilling our responsibility as The Private Industry Council for the Tambonne Consortium, Service Delivery Area Thirty-One, Inc., (the P.I.C.), auditors for the year ended June 30, 1997, we are required to communicate to the Board of Directors certain matters related to the conduct of our audit.

1) AUDITOR'S RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS.

Our audit was conducted 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 the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations* which require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatements.

As required, letters have been issued on internal control over financial reporting; and compliance with laws and regulations.

We have complied with the requirements of the Single Audit Act and OMB Circular A-133.

2) SIGNIFICANT ACCOUNTING POLICIES.

Significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted nor required to be adopted for the year ended June 30, 1997.

3) MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES.

The most significant estimates reflected in the general purpose financial statements relate to the collectibility of accounts receivable and claims and judgments incurred. Management has provided us with representations concerning these matters.

4) SIGNIFICANT AUDIT ADJUSTMENTS.

We did not initiate any significant audit adjustments during our recent audit.

This information is intended solely for the use of the Board of Directors and management of the P.L.C. and should not be used for any other purpose.

Burgess Bennett, LLC.

Certified Public Accountants.

Houma, La.,
December 8, 1997.