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PRIVATE INDUSTRY COUNCIL SPA-SI, INC.

MONROE, LOUISIANA

JUNE 30, 1967

PARISH CLERK OF COURT

LSA-SS 24:516 provides that this report shall be available for public inspection for a period of not less than one year from the date of receipt.

Legislative Auditor

Under provisions of state law, this report is a public document. A copy of 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.

Released Date JAN 28 1968

PRIVATE INDUSTRY COUNCIL SDA-83, INC.

MONROE, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

September 12, 1997

Private Industry Council SDA-83, Inc.
Minneapolis, Louisiana

Independent Auditor's Report

We have audited the accompanying balance sheet of the Private Industry Council SDA-83, Inc. as of June 30, 1997, and the related statements of revenues, expenses, and changes in fund balances, cash flows, and changes in assets and liabilities of the agency fund for the year then ended. These financial statements are the responsibility of the Council'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 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 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 financial statements referred to above present fairly, in all material aspects, the financial position of the Private Industry Council SDA-83, Inc. as of June 30, 1997, and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 12, 1997 on our consideration of Private Industry Council's internal control structure and on its compliance with laws and regulations.

Heard, McElroy & Vestal, LLP

PRIVATE INDUSTRY COUNCIL SDA-EL, INC.

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUPS

AT JUNE 30, 1987

A S S E T S	Title II-A Fund	Title II-B Fund	Fifth Person Fund
Cash	161,640	23,309	-
Due from grantor-Note 2	66,390	-	12,976
Due from other funds	18,289	2,038	-
Other assets	414	-	-
Investment in deferred compensation-Note 3	-----	-----	-----
Total assets	<u>44,027</u>	<u>25,347</u>	<u>12,976</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	13,458	921	3
Salaries payable	6,212	-	84
Payroll deductions payable	14,608	-	-
Due to other funds	-	-	11,976
Deferred revenues	-	23,098	-
Compensated absences payable	9,816	408	513
Liability for deferred compensation-Note 3	-----	-----	-----
Total liabilities	<u>44,027</u>	<u>28,357</u>	<u>12,976</u>
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>44,027</u>	<u>28,357</u>	<u>12,976</u>

The accompanying notes are an integral part of the financial statements.

PRIVATE INDUSTRY COUNCIL, SDA-8L, INC.

COMBINED STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN FUND BALANCES

GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED JUNE 30, 1987

	Title II-A Fund	Title II-B Fund	Title Percent Fund
Revenues:			
Federal grants	508,492	152,624	51,512
Expenses:			
Administration	98,177	40,142	12,804
Training related and support	98,606	-	1,672
Direct training	318,708	306,482	37,856
Recruiting	-	-	-
Supportive services	-	-	-
Basic readjustment	-	-	-
Total expenses	<u>508,492</u>	<u>352,624</u>	<u>51,512</u>
Change of revenues over expenses	-	-	-
Fund balances at beginning of year	-	-	-
Fund balances at end of year	<u>-</u>	<u>-</u>	<u>negative</u>

The accompanying notes are an integral part of the financial statements.

<u>Title III Fund</u>	<u>Five Percent Incanties Fund</u>	<u>Title III-C Fund</u>	<u>Agency Fund</u>	<u>Total</u>
-	5,882	22,878	-	11,136
19,838	-	2,344	-	189,385
-	-	-	-	28,527
-	-	-	-	404
-	-	-	275,489	275,489
<u>22,838</u>	<u>5,882</u>	<u>25,222</u>	<u>275,489</u>	<u>416,721</u>
35,189	4	40,186	-	38,593
5,774	-	1,829	-	13,842
-	-	-	-	14,408
2,483	-	5,888	-	58,325
-	5,878	-	-	28,878
4,893	-	7,328	-	21,898
-	-	-	275,489	275,489
<u>27,838</u>	<u>5,882</u>	<u>25,122</u>	<u>275,489</u>	<u>416,721</u>
-	-	-	-	-
<u>22,838</u>	<u>5,882</u>	<u>25,222</u>	<u>275,489</u>	<u>416,721</u>

<u>Title III Fund</u>	<u>Five Percent Incentive Fund</u>	<u>Title II-C Fund</u>	<u>Total</u>
427,715	9,122	388,315	1,125,812
85,984	9,122	65,119	204,948
-	-	35,545	115,833
-	-	279,851	934,708
198,630	-	-	198,630
74,984	-	-	74,984
<u>90,117</u>	<u>-</u>	<u>-</u>	<u>90,117</u>
<u>427,715</u>	<u>9,122</u>	<u>388,315</u>	<u>1,125,812</u>
-	-	-	-
-	-	-	-
-	-	-	-

PRIVATE INDUSTRY COUNCIL/EDA-EL, INC.
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND BALANCE (BUDGET BASIS) AND ACTUAL,
 FOR THE YEAR ENDED JUNE 30, 1991

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Federal grants	2,348,441	1,739,819	(608,621)
Expenses:			
Administration	391,525	294,848	96,677
Training related and support	222,817	135,823	86,994
Direct training	1,323,819	934,708	389,111
Printing	151,300	188,639	(37,339)
Supportive services	85,179	74,988	10,191
Basic readjustment	124,829	20,717	104,112
Total expenses	<u>2,348,441</u>	<u>1,729,833</u>	<u>618,608</u>
Excess of revenues over expenses	<u> </u>	<u> </u>	<u> </u>
Fund balance at beginning of year	<u> </u>	<u> </u>	<u> </u>
Fund balance at end of year	<u> </u>	<u> </u>	<u> </u>

The accompanying notes are an integral part of the financial statements.

PRIVATE INDUSTRY COUNCIL, SDA-83, INC.

COMBINED STATEMENT OF CASH FLOWS

SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 1997

	Title II-A Fund	Title II-B Fund	Eggs Process Fund
Cash flows from operating activities:			
Excess of revenues over expenses	-	-	-
Adjustments to reconcile excess of revenues over expenses to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in due from grantor	(96,797)	5,695	(10,199)
(Increase) decrease in due from other funds	34,564	(2,000)	-
Decrease in other assets	1,812	373	-
Increase (decrease) in relation and with- holdings payable	(3,098)	(45,715)	(776)
Increase (decrease) in accounts payable	8,489	(443)	(5,889)
Increase (decrease) in due to other funds	-	-	11,876
Increase (decrease) in compensated absences payable	-	(458)	618
Increase (decrease) in deferred revenue	(80,382)	23,928	-
Total adjustments	(158,004)	(118,668)	(1,868)
Net cash provided (used) by operating activities	(59,009)	(18,668)	(7,896)
Cash at beginning of year:	17,826	41,867	2,868
Cash at end of year:	(41,183)	23,199	-

The accompanying notes are an integral part of the financial statements.

<u>Title III</u> <u>Fund</u>	<u>Fica</u> <u>Percent</u> <u>Incentive</u> <u>Fund</u>	<u>Title B-C</u> <u>Fund</u>	<u>Total</u>
-	-	-	-
8,279	8,048	86,807	42,731
-	-	-	12,536
1,648	-	1,188	4,989
(2,074)	(1,848)	(1,368)	(77,373)
12,518	(1,987)	(84,774)	(90,904)
(18,847)	(8,807)	(9,888)	(71,506)
(7,834)	-	1,813	151
-	3,878	-	(18,788)
-	5,882	22,978	(31,673)
-	3,882	22,978	(51,675)
-	-	-	62,811
-	3,878	22,978	11,026

PRIVATE INDUSTRY COUNCIL, SIA, CO., INC.
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED JUNE 30, 1993

ASSETS	Balance July 1, 1992	Additions	Deductions	Balance June 30, 1993
Investment in deferred compensation	<u>235,790</u>	<u>67,152</u>	<u>28,553</u>	<u>274,389</u>
LIABILITIES				
Liability for deferred compensation	<u>235,790</u>	<u>67,152</u>	<u>28,553</u>	<u>274,389</u>

The accompanying notes are an integral part of the financial statements.

PRIVATE INDUSTRY COUNCIL SDA-83, INC.

NOTES TO THE FINANCIAL STATEMENTS

AT JUNE 30, 1982

1. Summary of Significant Accounting Policies

The Private Industry Council SDA-83, Inc. is a nonprofit organization that was formed on January 29, 1982, to administer the Job Training Partnership Act (JTPA) Program in Service Delivery Area (SDA) Eighty-Three which is composed of the parishes of Caldwell, East Carroll, Franklin, Jackson, Madison, Richland, and Tensas. Service Delivery Area 83 is comprised of two elements:

- Private Industry Council (PIC) - which consists of 11 members representing a cross-section of the SDA population. Council members are appointed by the chief elected official from recommendations by the seven parish police juries which comprise SDA-83 and other interested organizations and serve without benefit of compensation. The PIC is responsible for providing program guidance. The PIC serves as its own administrative entity and as such is responsible for administering the program.
- Designated Chief Elected Official - this is a police jury president elected by his peers from the Eighty-Third Planning District. His responsibilities include appointment of Council members, providing guidance for program development, and monitoring the operations of the administrative entity.

Although organized as a nonprofit organization, the Council follows governmental reporting standards, as set by the Governmental Accounting Standards Board, because Council members are appointed by a member of local government.

The Franklin Parish Police Jury is the designated grant recipient for the SDA. As grant recipient, the Franklin Parish Police Jury (1) has accepted full responsibility for funds expended under the grant, (2) has assured the Louisiana Department of Labor that all funds provided will be expended according to limitations set forth in the Job Training Partnership Act, federal and state regulations, and the approved job training plan, and (3) will reimburse the Louisiana Department of Labor for any questioned costs which are ultimately disallowed by the United States Department of Labor.

A. FUND ACCOUNTING

To insure observance of limitations and restrictions placed on the use of resources available to the Council, the accounts of the Council are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

The assets, liabilities, and fund balances of the Council are reported in six self-balancing special revenue funds as follows:

I. Summary of Significant Accounting Policies (Continued)

Title II-A

The Title II-A fund accounts for funds used to assist eligible economically disadvantaged adults and other individuals facing various barriers to employment. This assistance may include skills assessment, job counseling, remedial education, development of job-seeking skills, work experience, and occupational training.

Title II-B

The Title II-B Fund accounts for funds used to provide work experience to economically disadvantaged youth (ages 14-21) during the summer. Service delivery areas are required to assess the reading and mathematics skill levels of all Title II-B participants and to provide basic and remedial education as described in their training plan.

Eight Percent

The Eight Percent Fund accounts for funds used to provide occupational training and remedial education. The Louisiana Department of Labor contracts with the Louisiana Department of Education (LDOE) to operate this program. A cooperative agreement is negotiated between LDOE and SDA-83 which in turn selects subcontractors to provide occupational training and remedial education.

Title III

The Title III Fund accounts for funds used to help those workers who have become unemployed because of plant closings or permanent layoffs resulting from technological change, foreign competition, economic downturns, or other changes in the local or national economy and who are unlikely to return to their previous occupation. Services provided to dislocated workers include assessment, job search assistance, job clubs, job development, placement, job training, remediation, supportive services, pre-layoff assistance, and relocation assistance.

Five Percent Incentive

The Five Percent Incentive Fund accounts for funds allocated to SDA-83 from the funds set aside out of Title II-A and II-C at the state level for incentive purposes. The amount received is based on SDA-83's performance in Title II-A and Title II-C measured by performance standards.

Title II-C

The Title II-C Fund accounts for funds used to assist eligible economically disadvantaged youth facing various barriers to employment. This assistance may include skills assessment, job counseling, remedial education, development of job-seeking skills, work experience, and occupational training.

I. Summary of Significant Accounting Policies (Continued)

Agency

The Agency Fund accounts for assets held by the Council in its capacity as trustee.

B. BASES OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting using the following practices in recording revenues and expenses:

Revenues - Federal grants are recognized when the expenses have been incurred.

Expenses - Expenses are recognized under the accrual basis of accounting when the related fiscal liability is incurred.

C. BUDGETS

The Council is notified of its annual allocation share by the Louisiana Department of Labor, which sends as its approval a "Cooperative Agreement" notification for each program. Council personnel break each program allocation down into object expenses for the fiscal year; any changes to the budget are approved by Council members.

D. PROPERTY AND EQUIPMENT

Property and equipment of the Council are not capitalized because title to the assets, which are purchased with resources from grants, reverts to the grantor. The full cost of the asset is charged as an expense in the year of purchase. The Council does maintain a listing of property and equipment purchased with grant funds and provides this listing to the grantor on an annual basis. At June 30, 1997, property and equipment purchased with grant funds totaled \$917,139.

E. CASH AND CASH EQUIVALENTS

At June 30, 1997, the Council had cash (bank balances) of \$11,136 as follows:

Demand deposits	11,036
Petty cash	100
Total	<u>\$11,136</u>

Cash (bank balances) at June 30, 1997, were secured as follows:

Bank balances	<u>162,403</u>
Federal deposit insurance	180,000
Fidged securities	<u>223,000</u>
Total secured	<u>345,403</u>
Excess security	<u>183,000</u>

8. Summary of Significant Accounting Policies (Continued)

It is the policy of the Council to require that fiscal agent banks pledge securities to cover bank deposits in excess of Federal deposit insurance. The pledged securities are the market value of United States Treasury notes held by a custodial bank in the name of the fiscal agent bank, rather than in the name of the Council. However, the fiscal agent bank receives authorization from the Council before pledged securities are released.

F. ANNUAL AND SICK LEAVE

Employees of the Private Industry Council SDA-83, Inc., earn from 12 to 15 days of annual leave each year, depending on length of service. A maximum of 30 days of annual leave may be accumulated. Employees who have been employed for more than six months will be paid for accumulated annual leave up to 30 days upon termination of employment.

Employees earn 12 days of sick leave each year. Unused sick leave may be accumulated to a maximum of 60 days. Employees are not paid for accumulated sick leave upon termination of employment.

At June 30, 1997, employees have accumulated and vested approximately \$25,180 in employee leave benefits compared to accordance with FASB Statement 43. The cost of leave privileges is recognized as a current-year expense when the leave is earned.

G. PREPAID EXPENSES

Expenditures for insurance that extend over more than one accounting period are capitalized and reported as prepaid.

2. Due from Grants

Due from grants at June 30, 1997, in the amount of \$189,355, consists of reimbursements for expenses incurred under the various JTPA programs.

3. Deferred Compensation Plan

Private Industry Council, SDA-83, Inc. offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 402. All employees of the Council are eligible to participate in the Master Deferred Compensation Plan for Planning and Economic Development Organizations. Employees may defer up to 6% of their gross salary until future years which the Council will match as an employer contribution. Employer's contributions to the plan for the year ended June 30, 1997, totaled \$20,239.

Although the Council does not administer the plan or maintain custody of plan assets, all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (and will be) made available to the employee or other beneficiary solely the property and rights of the Council (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Council's general creditors. Participants' rights under the plan are equal to those of general creditors of the Council in an amount equal to the fair market value of the deferred account for each participant. Deferred compensation amounts are administered and invested in debt mutual funds by a professional trustee.

4. **Leases**

The Council leases its office space, automobiles, and certain equipment under agreements that have various expiration dates. Certain of these leases meet the requirements for capitalization, however, because the Council does not capitalize property and equipment purchased with grant funds; payments under such leases are expensed as incurred. Rent expense under all leases totaled \$63,567 for the year ended June 30, 1991. Future minimum lease payments for lease agreements having remaining terms in excess of one year are as follows:

1992	26,400
1993	<u>4,800</u>
Total	<u>31,200</u>

5. **Third Party Reimbursements**

The Council receives all of its funding from third party reimbursements under contracts with the Louisiana Department of Labor and the Louisiana Department of Education for services provided as described in Part I. In order to receive funding, the Council must comply with contract provisions.

6. **Income Tax Status**

Private Industry Council SDA-88, Inc. is exempt from federal income taxes under Section 501(c)(2) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these financial statements.

7. **Fair Values of Financial Instruments**

The Council's financial instruments consist of cash, receivables, and current payables. Because such instruments are generally short-term in nature, their market values approximate their book values.

SUPPLEMENTARY INFORMATION

September 12, 1997

Private Industry Council SIDA-83, Inc.
Monroe, Louisiana

Independent Auditor's Report on Supplementary Information

We have audited the financial statements of the Private Industry Council SIDA-83, Inc. as of June 30, 1997, and for the year then ended, and have issued our report thereon dated September 12, 1997. These financial statements are the responsibility of the Private Industry Council SIDA-83, Inc. 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 *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.

Our audit was made for the purpose of forming an opinion on the financial statements of the Private Industry Council SIDA-83, Inc. taken as a whole. The supplementary information on Pages 13 through 17 (including the schedule of federal awards, as required by OMB Circular A-133) is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material aspects in relation to the financial statements taken as a whole.

Heard, McElroy & Vestal, LLP

PRIVATE INDUSTRY COUNCIL, SDA-IL, INC.

COMBINED SCHEDULE OF EXPENSES, OBJECT BASIS

SPECIAL BENEFIT FUND

FOR THE YEAR ENDED JUNE 30, 1997

	Title II-A Fund	Title II-B Fund	Eight Previous Fund
Expenses:			
Accounting/auditing	4,725	438	735
Advertising, dues, etc.	7,098	462	180
Child care-participants	-	-	-
Contract payments	-	-	24,000
Equipment maintenance	1,384	1,335	506
Equipment purchases	4,351	5,733	499
Insurance- liability	4,884	2,258	147
Interest	1,492	267	187
Legal	1,814	1,619	176
Needs based payments	69,875	-	1,677
Office supplies	3,998	1,289	371
Other operating expenses	1,535	394	71
Participant supplies	24,723	147	669
Postage	381	227	59
Rentals and leases	26,289	4,232	1,621
Salaries and related benefits	187,679	325,014	17,251
Telephone	9,283	2,386	1,000
Travel and meetings	19,796	8,288	1,321
Tuition-employees	-	281	-
Tuition-participants	99,909	-	478
Utilities	3,172	895	478
Total expenses	508,462	352,634	31,532

PRIVATE INDUSTRY COUNCIL SDA-BL, INC.
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND BALANCES, BY PARISH, BY COST CATEGORY
 FOR THE YEAR ENDED JUNE 30, 1997

	Calcasieu	East Cadeau	Franklin	Jacks
Revenues:				
Federal grants	104,211	213,687	300,531	104,642
Expenses:				
Administration	-	-	-	-
Training related and support	7,826	21,890	37,381	6,684
Direct training	104,422	148,700	199,138	94,698
Printing	78,964	18,681	35,085	25,517
Supportive services	11,701	7,509	22,158	12,712
Basic readjustment	13,698	12,807	36,709	18,951
Total expenses	<u>309,211</u>	<u>319,687</u>	<u>590,531</u>	<u>178,642</u>
Excess of revenues over expenses	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	-	-	-	-

<u>Title 10</u> <u>Fund</u>	<u>Five</u> <u>Percent</u> <u>Incentive</u> <u>Fund</u>	<u>Title 14-C</u> <u>Fund</u>	<u>Total</u>
2,730	-	1,899	10,500
1,559	128	1,319	9,437
11,985	-	-	11,993
-	-	94,812	199,513
2,185	371	4,887	11,789
(29,899)	24	13,339	13,279
2,937	429	2,596	14,447
811	16	655	3,728
1,673	89	1,312	6,081
63,209	-	12,686	156,773
2,215	73	4,473	12,383
877	29	565	3,388
12,730	-	18,318	196,694
495	11	569	3,313
13,810	176	17,832	63,987
148,360	6,821	138,478	821,803
5,933	91	6,916	25,314
11,323	646	14,348	56,734
-	-	-	391
143,411	-	32,798	121,396
<u>3,000</u>	<u>26</u>	<u>1,458</u>	<u>13,186</u>
<u>437,715</u>	<u>8,123</u>	<u>338,313</u>	<u>1,728,819</u>

Madison	Richland	Texas	Unallocated	Total
100,598	208,811	208,574	301,364	1,729,830
-	-	-	294,048	294,048
17,629	38,571	3,314	69	125,825
222,696	178,417	79,688	7,592	634,798
11,372	32,908	8,623	-	158,629
3,320	8,562	4,972	-	76,864
7,624	18,753	3,318	(1,205)	89,717
<u>102,526</u>	<u>208,811</u>	<u>208,574</u>	<u>301,364</u>	<u>1,729,830</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

PRIVATE INDUSTRY COUNCIL SBA-RI, INC.

COMBINED RECONCILIATION OF EXPENDITURES REPORTED TO GRANTOR AGENCY

SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 1992

	Title D-A Fund	Title B-B Fund	Eight Percent Fund
Total expenditures per June 30, 1992 reports to grantor agency	914,633	648,239	308,517
Adjustments:			
Prior year's expenditures reported to grantor agency in current year's expenditure reports	(481,446)	(93,189)	(34,887)
Net effect of current year audit adjustments	(4,875)	(1,496)	487
Rounding	-	(11)	-
Total expenses per statements of income, expenses, and changes in fund balances	<u>508,402</u>	<u>552,634</u>	<u>51,322</u>

<u>Title II</u> <u>Fund</u>	<u>Five</u> <u>Percent</u> <u>Incentive</u> <u>Fund</u>	<u>Title II-C</u> <u>Fund</u>	<u>Total</u>
868,640	9,123	583,253	3,501,584
(428,824)	-	(281,677)	(1,179,197)
(1,800)	-	(1,265)	(11,809)
<u> (2)</u>	<u> (2)</u>	<u> (2)</u>	<u> (2)</u>
<u>438,014</u>	<u>9,123</u>	<u>301,576</u>	<u>1,729,610</u>

PRIVATE INDUSTRY COUNCIL, SEM-BA, INC.

SCHEDULE OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 1987

Federal Grantor/ Pass-Through Grantor Name/ Program Title	Federal CFDA Number	Revenue Received	Balance
United States Department of Labor:			
Passed through Louisiana Department of Labor-Job Training Partnership Act:			
Title II-A	17-148	808,483	808,483
Title II-B		352,624	352,624
Title II-C		348,315	348,315
Title II		427,715	427,715
Five Percent Incentive		<u>9,122</u>	<u>9,122</u>
Total Passed through Louisiana Department of Labor		1,879,379	1,879,379
Passed through Louisiana Department of Education-Job Training Partnership Act Eight Percent			
	17-148	<u>51,552</u>	<u>51,552</u>
Total Federal Awards		<u>1,930,931</u>	<u>1,930,931</u>

OTHER REPORTS

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September 12, 1997

Private Industry Council 501A-60, Inc.,
Monroe, Louisiana

**Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

We have audited the financial statements of Private Industry Council 501A-60, Inc., as of and for the year ended June 30, 1997, and have issued our report thereon dated September 12, 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 Private Industry Council's 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. However, we noted an immaterial instance of noncompliance that is described in the accompanying schedule of findings and questioned costs as item 97-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Private Industry Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 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 operation that we consider to be material weaknesses.

This report is intended for the information of the board of directors, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Heard, McElroy & Vestal, LLP

September 12, 1997

Private Industry Council SDA-83, Inc.
Monroe, Louisiana

**Report on Compliance with Requirements Applicable to Health
Maintenance and Internal Control Over Compliance in
Accordance with GMB Circular A-133**

Compliance

We have audited the compliance of Private Industry Council SDA-83, Inc. 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, 1997. Private Industry Council'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 Private Industry Council's management. Our responsibility is to express an opinion on Private Industry Council'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 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 have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Private Industry Council's compliance with these 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 Private Industry Council's compliance with these requirements.

In our opinion, Private Industry Council SDA-83, Inc. 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, 1997. However, the results of our auditing procedures disclosed one instance of noncompliance with these requirements that are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Item #7-1.

Internal Control Over Compliance

The management of Private Industry Council 5124-03, Inc. 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 Private Industry Council'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 and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Heard, McGraw + Vedral, LLP

PRIVATE INDUSTRY COUNCIL SDA-83, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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 Private Industry Council SDA-83, Inc.
2. No reportable conditions relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of Private Industry Council SDA-83, Inc. were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program is reported.
5. The auditor's report on compliance for the major federal award programs for Private Industry Council SDA-83, Inc. expresses an *unqualified opinion*.
6. Audit findings relative to the major federal award program for Private Industry Council SDA-83, Inc. are reported in Part C of this schedule.
7. The programs tested as major programs included:

Program	CFDA No.
Job Training Partnership Act	17,246 - 17,250

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Private Industry Council SDA-83, Inc. was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

See Item 90-1 in next section.

C. Findings and Questioned Costs - Major Federal Award Programs

No. 90-1
Department of Labor
ITPA Program - CFDA 17,246 - 17,250 (Titles II and III) - Year Ended June 30, 1997

C. Findings and Questioned Costs - Major Federal Award Programs (Continued)

Test of eligibility of 51 participants in OIT contracts under Titles II and III indicated a total of 9 of these participants were inadvertently placed under incorrect contract classifications by funding title. This inadvertent noncompliance apparently was caused by a case manager who was writing OIT contracts for the first time. The monetary effects of this noncompliance are summarized as follows:

	Number	Amount
Participants coded to Title III; should be Title II A	9	19,349
Participants coded to Title II A; should be Title III	1	<u>(1,337)</u>
Net questioned cost		<u>12,008</u>

This noncompliance was brought to the attention of the client, who concurred with the finding and made the proper corrections during our audit.

PRIVATE INDUSTRY COUNCIL SDA-80, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1993

There are no findings and questioned costs relative to federal awards from prior years.