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PRIVATE INDUSTRY COUNCIL, SDA-85, INC.

MONROE, LOUISIANA

JUNE 30, 1986

under provisions of state law, this report is a public document. A copy of the report has been furnished to the individual to whom it applies 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.

FEB 12 1986

PRIVATE INDUSTRY COUNCIL SDA-SL, INC.

MONROE, LOUISIANA

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PRIVATE INDUSTRY COUNCIL, SEACOR, INC.  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS-TYRES  
 FOR THE YEAR ENDED JUNE 30, 1998

	Title 11-A Fund	Title 11-B Fund	Title Private Fund
Revenues:			
Federal grants	503,864	312,633	58,842
Expenses:			
Administration	113,189	(6,387)	10,000
Training, related and support	118,647	-	1,931
Direct training	288,818	319,833	42,088
Retraining	-	-	-
Supportive services	-	-	-
Basic reequipment	-	-	-
Total expenses	<u>520,654</u>	<u>313,633</u>	<u>54,019</u>
Excess(es) of revenues over expenses	(5,000)	-	-
Fund balances at beginning of year	<u>5,000</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>-</u>	<u>-</u>	<u>-</u>

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

Title III Fund	Five Percent Incentive Fund	Title II-C Fund	Agency Fund	Total
-	-	-	-	62,811
30,077	8,646	98,951	-	132,106
-	-	-	-	42,833
1,946	-	1,138	-	4,783
<u>-</u>	<u>-</u>	<u>-</u>	<u>232,289</u>	<u>337,390</u>
<u>32,023</u>	<u>8,646</u>	<u>100,089</u>	<u>232,289</u>	<u>489,543</u>
2,589	1,291	24,880	-	90,907
7,858	3,948	3,189	-	43,158
-	-	-	-	2,983
21,144	6,007	15,706	-	42,853
-	-	-	-	40,585
5,276	-	6,314	-	22,947
<u>-</u>	<u>-</u>	<u>-</u>	<u>337,390</u>	<u>232,289</u>
<u>37,123</u>	<u>8,646</u>	<u>166,689</u>	<u>337,390</u>	<u>489,843</u>
<u>37,123</u>	<u>8,646</u>	<u>100,082</u>	<u>232,289</u>	<u>489,843</u>

EGMONT INDUSTRIAL CORPORA, INC.

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUPS

AT JUNE 30, 1996

A.S.S.E.T.S	Title E-A Fund	Title E-B Fund	Title E-C Fund
Cash	12,976	41,987	2,868
Due from grantor-Note 2	-	3,655	2,777
Due from other funds	42,813	-	-
Other assets	2,218	975	-
Investment in deferred compensation-Note 3	-	-	-
<b>Total assets</b>	<b>63,003</b>	<b>47,615</b>	<b>5,645</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	4,961	1,384	5,890
Salaries payable	4,899	45,715	258
Payroll deductions payable	2,900	-	-
Due to other funds	-	-	-
Deferred revenue	48,585	-	-
Compensated absences payable	3,818	896	393
Liability for deferred compensation-Note 3	-	-	-
<b>Total liabilities</b>	<b>60,163</b>	<b>47,995</b>	<b>6,541</b>
Fund balances	-	-	-
<b>Total liabilities and fund balances</b>	<b>60,163</b>	<b>47,995</b>	<b>6,541</b>

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

# HEARD, McELROY & VANDER, L.L.P.

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October 1, 1996

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

## Independent Auditor's Report

We have audited the accompanying balance sheet of the Private Industry Council SDA-83, Inc. as of June 30, 1996, 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 respects, the financial position of the Private Industry Council SDA-83, Inc. as of June 30, 1996, 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 October 1, 1996 on our consideration of Private Industry Council's internal control structure and a report dated October 1, 1996 on its compliance with laws and regulations.

*Heard, McElroy & Vander, L.L.P.*

<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>
445,646	118,898	568,783	2,000,000
85,475	118,898	177,862	409,078
-	-	41,147	165,723
-	-	408,734	1,000,000
140,832	-	-	140,832
81,242	-	-	81,242
188,812	-	-	188,812
445,846	118,898	568,783	2,000,000
-	-	-	(5,000)
-	-	-	5,000
-	-	-	-
-	-	-	-



FRYDALS INDUSTRY COUNCIL, 1984-85, INC.

COMBINED STATEMENT OF CASH FLOWS

SPECIAL REPORTS FUND

FOR THE YEAR ENDING JUNE 30, 1986

	Table E-4 <u>Fund</u>	Table E-8 <u>Fund</u>	Eight Percent <u>Fund</u>
<b>Cash flows from operating activities:</b>			
(Deficiency) of revenues over expenses	(5,800)	-	-
Adjustments to reconcile (deficiency) of revenues over expenses to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in due from grants	83,358	(5,630)	15,004
(Increase) decrease in due from other funds	3,664	(213)	-
(Increase) in other assets	(73)	-	-
(Increase) (decrease) in salaries and withholdings payable	(8,343)	18,458	(760)
Increase (decrease) in accounts payable	1,536	(2,114)	4,845
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in compensated absences payable	(1,395)	886	(1,132)
Increase (decrease) in deferred revenue	49,585	(3,789)	(15,603)
Total adjustments	<u>132,735</u>	<u>(12,623)</u>	<u>3,858</u>
Net cash provided (used) by operating activities	117,915	17,473	2,898
 Cash at beginning of year	 <u>29,240</u>	 <u>25,954</u>	 <u>-----</u>
 Cash at end of year	 <u>147,176</u>	 <u>43,367</u>	 <u>3,896</u>

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

<u>Title III Fund</u>	<u>Five Percent Incentive Fund</u>	<u>Title II-C Fund</u>	<u>Total</u>
-	-	-	5,800
1,121	(1,800)	(85,551)	(7,000)
-	-	-	4,581
(1,046)	-	(1,138)	(2,277)
2510	1,048	(3,812)	17,158
1,853	1,581	83,695	89,646
(4,845)	(876)	15,453	85,599
744	-	(12,588)	(13,296)
<u>          </u>	<u>          </u>	<u>113,233</u>	<u>3,811</u>
<u>          </u>	<u>          </u>	<u>68,535</u>	<u>82,331</u>
-	-	68,535	71,531
<u>          </u>	<u>          </u>	<u>80,325</u>	<u>118,728</u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>62,811</u>

PRIVATE INDUSTRY COUNCIL, SDA, RI, INC.  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND  
 FOR THE YEAR ENDING JUNE 30, 1990

	Balance Feb. 1, 1989	Addition	Deductions	Balance June 30, 1989
<b>ASSETS</b>				
Investment in deferred compensation	<u>234,000</u>	<u>81,124</u>	<u>78,292</u>	<u>236,832</u>
<b>LIABILITIES</b>				
Liability for deferred compensation	<u>234,000</u>	<u>81,124</u>	<u>78,292</u>	<u>236,832</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, 1986

1. Summary of Significant Accounting Policies

The Private Industry Council SDA-83, Inc., is a nonprofit organization that was formed on January 28, 1988, 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 Terrest. Service Delivery Area 83 is comprised of two elements:

- Private Industry Council (PIC) - which consists of 21 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.

Until April 3, 1986, the Caldwell Parish Police Jury was the designated grant recipient for the JTPA. As grant recipient, the Caldwell Parish Police Jury (C) has accepted full responsibility for funds expended under the grant. It has assumed 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 (2) will reimburse the Louisiana Department of Labor for any questioned costs which are ultimately disallowed by the United States Department of Labor. Franklin Parish Police Jury assumed these duties on April 3, 1986.

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 the 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:

## 3. 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 experiences to economically disadvantaged youth (ages 14-21) during the summer. Service delivery areas are required to assess the reading and mathematics skills levels of all Title II-B participants and to provide basic and remedial education as described in their training plans.

### 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-BI which in turn selects subcontractors to provide occupational training and remedial education.

### Title III

The Title III Fund accounts for funds used to help former 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 displaced workers include assessment, job search assistance, job clubs, job development, placement, job training, remediation, supportive services, pre-layoff activities, and relocation assistance.

### Five Percent Incentive

The Five Percent Incentive Fund accounts for funds allocated to SDA-BI 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-BI'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.

1. Summary of Significant Accounting Policies (Continued)

Agency

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

B. BASIS 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 expense has been incurred.

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

C. BUDGETS

The Council is notified of its annual allocations share by the Louisiana Department of Labor, which sends us its approval a "Cooperative Agreement" modification for each program. Council personnel break each program allocation down into object expenses for the fiscal year; any changes in 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, 1996, property and equipment purchased with grant funds totaled \$280,677.

E. CASH AND CASH EQUIVALENTS

At June 30, 1996, the Council had cash (bank balances) of \$60,811 as follows:

Demand deposits	62,711
Party cash	____899
Total	<u>62,811</u>

Cash (bank balances) at June 30, 1996, were covered as follows:

Bank balances	208,782
Federal deposit insurance	100,000
Fledged securities	48,100
Total covered	<u>356,882</u>
Parties (accrued)	<u>(194,110)</u>

### 1. 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 collateral 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 SIDA-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.

As June 30, 1996, employees have accumulated and vested approximately \$23,000 in employee leave benefits computed in 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

Expensures for insurance that extend over more than one accounting period are capitalized and expensed as consumed.

### 2. Due From Grants

Due from grants at June 30, 1996, in the amount of \$152,306, consists of reimbursements for expenses incurred under the various ITSA programs.

### 3. Deferred Compensation Plan

Private Industry Council SIDA-83, Inc. offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. 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 4% 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, 1996, totaled \$26,389.

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 (until paid or 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 interest 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 \$74,503 for the year ended June 30, 1986. Future minimum lease payments for lease agreements having remaining terms in excess of one year are as follows:

1990	9,372
1991	9,374
1992	280
Total	<u>19,026</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 Note 1. In order to receive funding, the Council must comply with contract provisions.

6. Income Tax Status

Private Industry Council SDA-BI, Inc. is exempt from federal income taxes under Section 501(c)(3) 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

# HARRIS, McELROY & VENTRAL, L.L.P.

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October 1, 1998

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

## Independent Auditor's Report on Supplementary Information

We have audited the financial statements of the Private Industry Council SDA-83, Inc. as of June 30, 1998, and for the year then ended, and have issued our report thereon dated October 1, 1998. These financial statements are the responsibility of the Private Industry Council SDA-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. 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.

Our audit was made for the purpose of forming an opinion on the financial statements of the Private Industry Council SDA-83, Inc. taken as a whole. The supplementary information on Pages 13 through 17 is presented for the purpose of additional analysis and is not a required part of the financial statements. This 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 respects in relation to the financial statements taken as a whole.

Harris, McElroy & Ventral, L.L.P.

PRIVATE INDUSTRY COUNCIL, SDA-BL, INC.  
 COMBINED SCHEDULE OF EXPENSES, DIRECT BASIS  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDING JUNE 30, 1956

	Title B-A Fund	Title B-D Fund	Eight Percent Fund
<b>Expenses:</b>			
Accounting/auditing	3,948	-	756
Advertising, broch., etc.	3,834	176	800
Child care participants	-	-	-
Contract payments	-	-	10,000
Equipment maintenance	3,878	190	404
Equipment purchases	1,863	445	96
Insurance liability	4,257	6,165	323
Materials	3,000	387	365
Legal	479	-	75
Needs based payments	67,768	-	4,186
Office supplies	4,180	1,838	474
Office operating expenses	1,114	173	600
Participant supplies	42,475	351	4,898
Postage	899	337	96
Rentals and leases	53,734	8,240	3,704
Salaries and related benefits	269,444	181,697	28,070
Telephone	8,388	3,408	583
Travel and meetings	23,316	9,135	1,784
Union employees	-	-	-
Union participants	37,381	-	2,344
Utilities	3,386	1,133	465
<b>Total expenses</b>	<u>578,859</u>	<u>312,653</u>	<u>58,817</u>

<u>Title III Fund</u>	<u>Fire Percent Incentive Fund</u>	<u>Title III-C Fund</u>	<u>Total</u>
1,850	-	3,804	5,654
1,300	812	3,800	5,912
15,813	-	-	15,813
-	-	171,373	171,373
4,146	4,148	6,881	15,175
25,551	143	31,324	57,018
4,013	5,438	4,035	13,486
1,345	458	3,349	5,152
789	1,238	893	2,920
65,783	-	25,385	91,168
17,484	328	3,680	21,492
625	597	922	2,144
38,877	-	22,588	61,465
540	155	813	1,508
17,335	3,561	24,748	45,644
142,190	58,049	109,281	309,520
5,084	682	7,858	13,624
30,064	8,348	18,850	57,262
-	283	-	283
182,588	-	38,899	221,487
<u>2,849</u>	<u>769</u>	<u>3,850</u>	<u>7,468</u>
<u>415,845</u>	<u>118,858</u>	<u>268,782</u>	<u>803,485</u>

PRIVATE INDUSTRY COUNCIL, SDA-IL, INC.  
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN  
 FUND BALANCES, BY FUND, BY COST CATEGORY  
 FOR THE YEAR ENDED JUNE 30, 1988

	Capital	Debt Carroll	Expendable	Endowm
<b>Revenues:</b>				
Federal grants	130,626	229,970	379,936	135,789
<b>Expenses:</b>				
Administration	-	-	-	4,970
Training related and support	4,215	13,816	47,698	98,236
Insect training	59,579	166,378	235,447	32,683
Entomology	35,817	6,098	27,487	25,538
Supportive services	14,245	7,732	37,134	25,538
Basic reequipment	29,538	28,863	38,272	29,262
Total expenses	120,628	223,279	379,936	125,789
(Decreases) of revenues over expenses	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	-	-	-	-

Madison	Richland	Texas	Unallocated	Total
250,004	323,846	70,000	423,846	1,067,696
-	-	5,000	414,816	419,816
46,971	40,004	4,745	-	100,796
184,881	377,564	34,174	11,779	1,008,398
6,000	6,668	8,178	-	19,846
4,641	5,000	2,827	-	12,468
<u>16,523</u>	<u>42,532</u>	<u>38,854</u>	<u>-</u>	<u>97,909</u>
<u>250,004</u>	<u>323,846</u>	<u>70,000</u>	<u>423,846</u>	<u>1,067,696</u>
-	-	(5,000)	-	(5,000)
-	-	<u>3,000</u>	-	<u>3,000</u>
-	-	-	-	-

PRIVATE INDUSTRY COUNCIL, SDA-BI, INC.

COMBINED RECONCILIATION OF EXPENDITURES REPORTED TO GRANTOR AGENCY

SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 1978

	Title II-A Fund	Title II-B Fund	Eight Percent Fund
Total expenditures per June 30, 1978 shown in grantor agency	1,009,493	441,797	164,555
Adjustments:			
Prior year's expenditures reported to grantor agency in current year's expenditure reports	(543,266)	(130,966)	(25,363)
Net effect of current year audit adjustments	1,624	498	(1,121)
Reversing	_____3	_____	_____3
Total expenses per statement of revenues, expenses, and changes in fund balances	<u>370,864</u>	<u>311,331</u>	<u>88,062</u>

<u>Title 18</u> <u>Fund</u>	<u>Fire</u> <u>Percent</u> <u>Incentive</u> <u>Fund</u>	<u>Title B-C</u> <u>Fund</u>	<u>Total</u>
854,855	138,852	1,341,341	4,382,137
948,738	(11,146)	(1,199,064)	(2,344,617)
(391)	-	33,489	(12,508)
<u>2</u>	<u>0</u>	<u>50</u>	<u>2</u>
<u>1,803,102</u>	<u>127,706</u>	<u>308,303</u>	<u>1,021,054</u>



PRIVATE INDUSTRY COUNCIL, INC.  
 SCHEDULE OF INSURANCE IN FORCE (AMALTIERS)  
 AT JUNE 30, 1986

Insurer	Amount Covered	Limit of Coverage	Reinsurable	Expiration Date
Commercial Union	Items processing equipment at 22 locations	250,700	N/A	6/28/91
Fidelity and Deposit Company of Maryland	Employee dishonesty bond	50,000	N/A	6/18/90
Commercial Union	Business automobile liability	1,000,000	N/A	6/28/97
	Medical payments	5,000	N/A	
	Uninsured motorists	300,000	N/A	
	Motorist & hired liability	1,000,000	N/A	
	Comprehensive		200	
	Collision		200	
Louisiana Workers' Compensation	Louisiana Workers' Compensation	200,000/500	N/A	N/A
Frontier	Umbrella	1,000,000	10,000	6/28/91
Cohesive	Director and officers liability	1,000,000	5,000	1/24/91
Commercial Union	Property (contents): Administrative office	150,075	250	6/28/93
	Texas office	10,075		
	Eastland office	10,075		
	Calhoun office	10,075		
	Madison office	10,075		
	Franklin office	10,075		
	Jackson office	10,075		
	East Carroll office	10,075		
Frontier	General liability: Each occurrence	1,000,000	N/A	6/23/97
	Aggregate	3,000,000		
	Personal injury	1,000,000		
	Fire damage legal	50,000		
	Medical	1,000		
Frontier	Professional liability: Each occurrence	1,000,000	N/A	6/23/97
	Aggregate	3,000,000		

## PRIVATE INDUSTRY COUNCIL, SDA-BI, INC.

## SCHEDULE OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 1995

Federal Grant/ Pass-Through Grantor Name/ Program Title	Federal CFDA Number	Amount (Delivered) Revenue at June 30, 1995	Revenue Expended	Expenses	Amount (Delivered) Revenue at June 30, 1995
United States Department of Labor and Urban Development:					
Passed through Louisiana Department of Labor-Job Training Partnership Act:					
Title B-A	15.290*	85,556	315,869	315,869	(40,833)
Title B-B		(5,738)	312,639	312,639	3,635
Title B-C		(15,700)	668,785	668,785	84,881
Title B1		38,814	445,846	445,846	34,877
Five Percent Incentive Total Passed through Louisiana Department of Labor		115,352	1,962,919	1,962,919	183,764
Passed through Louisiana Department of Education-Job Training Partnership Act-Night Percent:					
	17.240*	17,851	58,841	58,841	2,771
Total Federal Financial Assistance					
		133,203	2,021,760	2,021,760	186,535

\*Major federal award program

#### OTHER REPORTS

# HEARD, McELROY & VASATAL, L.L.P.

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October 1, 1996

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

## Compliance Report Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

We have audited the financial statements of the Private Industry Council SDA-83, Inc. as of June 30, 1996, and for the year then ended, and have issued our report thereon dated October 1, 1996.

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.

Compliance with laws, regulations, contracts, and grants applicable to the Private Industry Council SDA-83, Inc. is the responsibility of the Council's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Private Industry Council SDA-83, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

We noted an immaterial instance of noncompliance that we have reported to the management of the Private Industry Council SDA-83, Inc. in a separate letter dated October 1, 1996.

This report is intended for the information of the Private Industry Council SDA-83, Inc., management of the Council, and the State of Louisiana Department of Labor. However, this report is a matter of public record and its distribution is not limited.

Heard, McElroy & Vasatal, L.L.P.

# HEARD, McELROY & VERFAL, L.L.P.

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October 1, 1996

Private Industry Council SDA-83, Inc.  
Baton Rouge, Louisiana

## Report on Compliance with General Requirements

We have audited the financial statements of the Private Industry Council SDA-83, Inc. as of June 30, 1996, and for the year then ended, and have issued our report thereon dated October 1, 1996.

We have applied procedures to test the Private Industry Council SDA-83, Inc.'s compliance with the following requirements applicable to its federal financial award program, which is identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1996: Political Activity, Civil Rights, Cash Management, Allowable Cost/Cost Principles, and Administrative Requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Audit of Institutions of Higher Learning and other Agency's Institutions*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Private Industry Council SDA-83, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items noted, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not noted, nothing came to our attention that caused us to believe that the Private Industry Council SDA-83, Inc. had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed no immaterial instance of noncompliance that we have reported to the management of the Private Industry Council SDA-83, Inc. in a separate letter dated October 1, 1996.

This report is intended for the information of the Private Industry Council SDA-83, Inc., management of the Council, and the State of Louisiana Department of Labor. However, this report is a matter of public record and its distribution is not limited.

Heard, McElroy & Verfah, L.L.P.

# HENRIE, McELROY & VENTURA, L.L.P.

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October 1, 1998

Private Industry Council 511A-83, Inc.  
Monroe, Louisiana

## Report on Compliance with Specific Requirements Applicable to Major Program Transactions

We have audited the financial statements of the Private Industry Council 511A-83, Inc. as of June 30, 1998, and for the year then ended, and have issued our report thereon dated October 1, 1998.

We have also audited the Private Industry Council 511A-83, Inc.'s compliance with the requirements governing types of services allowed, eligibility, reporting, and special requirement - training contracts that are applicable to its major federal award programs, which is identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1998. The management of the Private Industry Council 511A-83, Inc. is responsible for the Council's compliance with these requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-133, *Audit of Institutions of Higher Education and Other Eligible Institutions*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Private Industry Council 511A-83, Inc.'s compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Private Industry Council 511A-83, Inc. complied, in all material respects, with the requirements governing types of services allowed, eligibility, reporting, and special requirement - training contracts that are applicable to its major federal financial award programs for the year ended June 30, 1998.

This report is intended for the information of the Private Industry Council 511A-83, Inc., management of the Council, and the State of Louisiana Department of Labor. However, this report is a matter of public record and its distribution is not limited.

*Henrie, McElroy & Ventura, L.L.P.*

# HASKIN, McMINN & VINCIGUERRA, L.L.P.

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October 1, 1996

Private Industry Council SDA-93, Inc.  
Monroe, Louisiana

## Report on the Internal Control Structure Based on an Audit in Accordance with Government Auditing Standards

We have audited the financial statements of the Private Industry Council SDA-93, Inc., as of June 30, 1996, and for the year then ended, and have issued our report thereon dated October 1, 1996.

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.

The management of the Private Industry Council SDA-93, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Private Industry Council SDA-93, Inc., for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of

one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Private Industry Council 8314-83, Inc., management of the Council, and the State of Louisiana Department of Labor. However, this report is a matter of public record and its distribution is not limited.

Hess, McElroy + Ventel, LLP





evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purposes of this report, we have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories: accounting applications, general requirements, specific requirements, and claims for advances and reimbursements. For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1998, the Private Industry Council 5114-03, Inc. expended 100% of its total federal awards under its major federal award program.

We performed tests of controls, as required by OMB Circular A-103, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to the Private Industry Council's major federal award program, which is identified in the accompanying Schedule of Federal Awards. Our procedures were less in scope than would be necessary to render an opinion on those internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal award programs would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material to a federal award program 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 structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the Private Industry Council 5114-03, Inc., management of the Council, and the State of Louisiana Department of Labor. However, this report is a matter of public record and its distribution is not limited.

Harold, McElroy & Ventel, LLP

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October 1, 1998

Terri D. Mitchell, Fiscal Director  
Private Industry Council SDA-83, Inc.  
Monroe, Louisiana

Dear Terri:

This letter sets forth our observations and recommendations relative to an immaterial instance of noncompliance by the Council, noted during our audit of the financial statements of Private Industry Council SDA-83, Inc., for the year ended June 30, 1998.

We make the following observation:

**Collateralization of Excess Bank Deposits**

Section 22, Paragraph (j)(5) of OMB Circular A-119 provides that federal funds used by recipients in carrying out federal programs, such as ITFA, be deposited and maintained in insured accounts. Although this regulation is silent as to situations involving funds deposited in insured bank accounts when those funds exceed the insured limits, we feel that the intent of the regulation is to protect all the deposited federal funds. The Council currently protects deposited funds in excess of FDIC insurance limits by requiring that the depository bank specifically pledge in the Council's name certain U.S. Treasury securities owned by the bank, sufficient to cover the amount of unguaranteed funds on deposit. However, we noted that as of June 30, 1998, cash on deposit totaled \$308,282, but was protected only by \$300,000 in FDIC insurance and \$99,109 in market value of pledged investments. The remaining balance of \$59,173 was unprotected. Accordingly, we recommend that management implement a set of procedures to monitor on a periodic basis the total balances on deposit with Bank One, and to determine that such balances are at all times protected by a combination of FDIC insurance and pledges of bank-owned U.S. Treasury securities.

Sincerely,

*Haard, McElroy + Vestal, LLP*

Haard, McElroy & Vestal