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PRIVATE INDUSTRY COUNCIL SDA-83, INC.

MONROE, LOUISIANA

JUNE 30, 1999

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

Release Date JAN 12 2000

PRIVATE INDUSTRY COUNCIL SDA-83, INC.

MONROE, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

October 14, 1999

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, 1999, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 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, 1999, 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 14, 1999 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-83, INC.

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUPS

AT JUNE 30, 1999

<u>A S S E T S</u>	<u>Title II-A Fund</u>	<u>Title II-B Fund</u>	<u>Eight Percent Fund</u>	<u>Title IV National Reserve Fund</u>
Cash	(122,795)	10,282	-	28,165
Due from grantor-Note 2	94,437	69,435	24,013	-
Due from other funds	68,039	-	-	-
Other assets	1,494	-	-	-
Investment in deferred compensation- Note 3	-	-	-	-
Total assets	<u>41,175</u>	<u>79,717</u>	<u>24,013</u>	<u>28,165</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities:</u>				
Accounts payable	10,989	988	652	8,397
Salaries payable	-	78,490	-	-
Payroll deductions payable	14,073	-	-	-
Due to other funds	-	-	21,538	-
Deferred revenue	-	-	-	17,759
Compensated absences payable	16,113	239	1,823	2,009
Liability for deferred compensation- Note 3	-	-	-	-
Total liabilities	<u>41,175</u>	<u>79,717</u>	<u>24,013</u>	<u>28,165</u>
Fund balances	-	-	-	-
Total liabilities and fund balances	<u>41,175</u>	<u>79,717</u>	<u>24,013</u>	<u>28,165</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>Agency Fund</u>	<u>Welfare to Work</u>	<u>One-Stop Centers</u>	<u>Caldwell Out of School Grant</u>	<u>Franklin Workforce Center Grant</u>	<u>Total</u>
95,960	-	-	-	-	-	-	-	11,612
-	3,975	37,931	-	28,673	-	-	10,245	268,709
-	-	-	-	-	-	-	-	68,039
-	-	-	-	-	-	-	-	1,494
-	-	-	<u>435,770</u>	-	-	-	-	<u>435,770</u>
<u>95,960</u>	<u>3,975</u>	<u>37,931</u>	<u>435,770</u>	<u>28,673</u>	<u>-</u>	<u>-</u>	<u>10,245</u>	<u>785,624</u>
18,661	75	4,653	-	9,317	-	-	417	54,149
-	-	-	-	5,616	-	-	-	84,106
-	-	-	-	-	-	-	-	14,073
-	1,685	26,672	-	8,316	-	-	9,828	68,039
68,260	-	-	-	-	-	-	-	86,019
9,039	2,215	6,606	-	5,424	-	-	-	43,468
-	-	-	<u>435,770</u>	-	-	-	-	<u>435,770</u>
95,960	3,975	37,931	<u>435,770</u>	28,673	-	-	10,245	785,624
-	-	-	-	-	-	-	-	-
<u>95,960</u>	<u>3,975</u>	<u>37,931</u>	<u>435,770</u>	<u>28,673</u>	<u>-</u>	<u>-</u>	<u>10,245</u>	<u>785,624</u>

PRIVATE INDUSTRY COUNCIL SDA-83, INC.
COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999

	<u>Title II-A</u> <u>Fund</u>	<u>Title II-B</u> <u>Fund</u>	<u>Eight</u> <u>Percent</u> <u>Fund</u>	<u>Title III</u> <u>National</u> <u>Reserve</u> <u>Fund</u>
<u>Revenues:</u>				
Federal grants	701,589	486,809	62,401	124,240
<u>Expenses:</u>				
Administration	141,195	46,812	2,928	8,140
Direct training	560,394	439,997	59,473	107,671
Retraining	-	-	-	-
Basic readjustment	-	-	-	8,429
Total expenses	<u>701,589</u>	<u>486,809</u>	<u>62,401</u>	<u>124,240</u>
<u>Excess (deficit) of revenues over</u> <u> expenses</u>	-	-	-	-
<u>Fund balances at beginning of year</u>	-	-	-	-
<u>Fund balances at end of year</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>Welfare to Work</u>	<u>One-Stop Centers</u>	<u>Caldwell Out of School Grant</u>	<u>Franklin Workforce Center Grant</u>	<u>Total</u>
556,943	41,324	388,811	652,618	164,092	9,800	45,412	3,234,039
60,101	41,324	54,619	59,606	19,099	-	-	433,824
-	-	334,192	593,012	144,993	9,800	45,412	2,187,273
496,842	-	-	-	-	-	-	604,513
-	-	-	-	-	-	-	8,429
<u>556,943</u>	<u>41,324</u>	<u>388,811</u>	<u>652,618</u>	<u>164,092</u>	<u>9,800</u>	<u>45,412</u>	<u>3,234,039</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

PRIVATE INDUSTRY COUNCIL SDA-83, INC.
COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<u>Revenues:</u>			
Federal grants	2,685,313	3,234,039	548,726
<u>Expenses:</u>			
Administration	554,804	433,824	120,980
Direct training	1,641,220	2,187,273	(546,053)
Retraining	489,289	604,513	(115,224)
Basic readjustment	-	8,429	(8,429)
Total expenses	<u>2,685,313</u>	<u>3,234,039</u>	<u>(548,726)</u>
<u>Excess (deficit) of revenues over expenses</u>	<u>-</u>	-	<u>-</u>
<u>Fund balance at beginning of year</u>		-	
<u>Fund balance at end of year</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, 1999

	<u>Title II-A</u> <u>Fund</u>	<u>Title II-B</u> <u>Fund</u>	<u>Eight</u> <u>Percent</u> <u>Fund</u>	<u>Title III</u> <u>National</u> <u>Reserve</u> <u>Fund</u>
<u>Cash flows from operating activities:</u>				
Excess (deficit) 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	(26,856)	(59,671)	4,316	-
(Increase) decrease in due from other funds	76,871	-	-	-
(Increase) decrease in other assets	(414)	-	-	-
Increase (decrease) in salaries and with- holdings payable	(6,267)	78,490	-	-
Increase (decrease) in accounts payable	(27,389)	(2,676)	652	8,397
Increase (decrease) in due to other funds	-	(6,100)	(5,747)	-
Increase (decrease) in compensated absences payable	2,225	239	779	2,009
Increase (decrease) in deferred revenue	-	-	-	17,759
Total adjustments	<u>18,170</u>	<u>10,282</u>	<u>-</u>	<u>28,165</u>
Net cash provided (used) by operating activities	18,170	10,282	-	28,165
<u>Cash flows from financing activities:</u>				
Increase in bank overdraft	<u>(141,065)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>(141,065)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net increase (decrease) in cash</u>	<u>(122,895)</u>	<u>10,282</u>	<u>-</u>	<u>28,165</u>
<u>Cash at beginning of year</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Cash at end of year</u>	<u>(122,795)</u>	<u>10,282</u>	<u>-</u>	<u>28,165</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>Welfare to Work</u>	<u>One-Stop Centers</u>	<u>Caldwell Out of School Grant</u>	<u>Franklin Workforce Center Grant</u>	<u>Total</u>
-	-	-	-	-	-	-	-
80,790	4,676	(37,931)	(18,418)	22,948	-	14,320	(15,826)
-	-	-	-	-	-	-	76,871
-	-	-	-	-	-	-	(414)
-	-	-	5,616	-	-	-	77,839
(5,604)	(1,981)	(2,057)	9,086	-	-	417	(21,155)
(48,362)	(4,890)	26,672	(759)	(22,948)	-	(14,737)	(76,871)
876	2,195	1,490	4,475	-	-	-	14,288
<u>68,260</u>	<u>-</u>	<u>(25,905)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,114</u>
<u>95,960</u>	<u>-</u>	<u>(37,731)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,846</u>
95,960	-	(37,731)	-	-	-	-	114,846
-	-	<u>37,731</u>	-	-	-	-	<u>(103,334)</u>
-	-	<u>37,731</u>	-	-	-	-	<u>(103,334)</u>
95,960	-	-	-	-	-	-	11,512
-	-	-	-	-	-	-	100
<u>95,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,612</u>

PRIVATE INDUSTRY COUNCIL SDA-83, INC.
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES-
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 1999

<u>A S S E T S</u>	Balance July 1, 1998	<u>Additions</u>	<u>Deductions</u>	Balance June 30, 1999
Investment in deferred compensation	<u>346,382</u>	<u>116,361</u>	<u>26,973</u>	<u>435,770</u>
 <u>LIABILITIES</u>				
Liability for deferred compensation	<u>346,382</u>	<u>116,361</u>	<u>26,973</u>	<u>435,770</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, 1999

1. Summary of Significant Accounting Policies

The Private Industry Council SDA-83, Inc., is a nonprofit organization that was formed on January 29, 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 Tensas. 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.

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 eleven self-balancing special revenue funds as follows:

1. 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 serious 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 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-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.

Title III National Reserve

The Title III National Reserve Fund accounts for funds used for projects in special areas of need, technical assistance and training, and exemplary or demonstration programs.

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 serious 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.

Welfare to Work

The Welfare to Work Fund accounts for funds used to provide transitional assistance to help more hard-to-employ welfare recipients living in high poverty areas into unsubsidized employment and economic self-sufficiency. Services provided include direct training and administration.

One-Stop Centers (JobNet)

The One-Stop Centers Fund accounts for funds used to establish and operate centralized centers that provide employment information to job seekers and employee seekers. Information provided consists of job opportunities, training opportunities, financial assistance available, self assessment, and labor market information.

Caldwell Out of School Grant

The Caldwell Out of School Grant Fund accounts for funds used to help provide work-based learning activities for specific employers by specific high school students selected for participation in this program.

Franklin Workforce Center Grant

The Franklin Workforce Center Grant Fund is used to account for funds used to establish a rural out-of-school youth program that provides basic and skill training, mainly through a computer lab environment. Targeted participants are multi-barriered high school dropouts selected from area dropout lists.

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 expenses have 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 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 in the budget are approved by Council members.

1. Summary of Significant Accounting Policies (Continued)

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, 1999, property and equipment purchased with grant funds totaled \$1,004,731.

E. CASH AND CASH EQUIVALENTS

At June 30, 1999, the Council had cash (book balances) as follows:

Demand deposits	11,512
Petty cash	<u>100</u>
Total	<u>11,612</u>

Cash (bank balances) at June 30, 1999, were secured as follows:

Bank balances	<u>133,660</u>
Federal deposit insurance	100,000
Pledged securities (at approximate fair value)	<u>116,000</u>
Total secured	<u>216,000</u>
Excess security	<u>82,340</u>

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 Agency debt 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, 1999, employees have accumulated and vested approximately \$43,500 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.

1. Summary of Significant Accounting Policies (Continued)

G. PREPAID EXPENSES

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

2. Due from Grantor

Due from grantor at June 30, 1999, in the amount of \$268,709, 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 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 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, 1999, totaled approximately \$37,000.

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 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 and certain equipment under agreements that have expiration dates in 1998 and 2000. Rent expense under all leases totaled \$86,585 for the year ended June 30, 1999.

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-83, 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.

8. Year 2000 Disclosures (UNAUDITED)

The Council has addressed Year 2000 issues relating to its computer systems and other electronic equipment that are considered mission-critical. Generally, these include the accounting system and the client tracking system the Council uses in performing its work. These systems have been subjected to the four stages of work, as defined by GASB Technical Bulletin 98-1, necessary to achieve Year 2000-compliance. Such stages of work are defined as awareness, assessment, remediation, and validation/testing. Both the accounting system and the client tracking system are in the validation/testing phase. However, there can be no assurance that, even with completion of all four stages of work, that the Council's systems will be fully Year 2000-compliant under all circumstances.

SUPPLEMENTARY INFORMATION

October 14, 1999

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, 1999, and for the year then ended, and have issued our report thereon dated October 14, 1999. 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. 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 SDA-83, Inc. taken as a whole. The supplementary information on Pages 14 through 18 (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 respects in relation to the financial statements taken as a whole.

Heard, McElroy + Vestal, LLP

PRIVATE INDUSTRY COUNCIL SDA-83, INC.
COMBINED SCHEDULE OF EXPENSES, OBJECT BASIS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1999

	<u>Title II-A</u> <u>Fund</u>	<u>Title II-B</u> <u>Fund</u>	<u>Eight</u> <u>Percent</u> <u>Fund</u>	<u>Title III</u> <u>National</u> <u>Reserve</u> <u>Fund</u>
<u>Expenses:</u>				
Accounting/auditing	5,565	-	125	130
Advertising, dues, etc.	3,844	926	107	965
Child care-participants	-	-	-	-
Contract payments	21	-	46,413	70,849
Equipment maintenance	4,089	994	(389)	14
Equipment purchases	154	-	-	34,124
Insurance-liability	5,034	1,797	86	560
Janitorial	1,481	441	61	35
Legal	417	-	8	-
Needs based payments	98,547	-	959	280
Office supplies	3,648	3,897	86	138
Other operating expenses	1,575	249	48	37
Participant supplies	57,107	-	446	916
Postage	832	386	31	27
Rentals and leases	19,600	12,827	864	369
Salaries and related benefits	349,394	448,820	11,272	12,390
Telephone	11,378	3,657	401	316
Travel and meetings	32,076	11,234	1,320	1,273
Tuition-participants	50,063	105	470	1,782
Utilities	3,854	1,476	93	35
Wages-participants	<u>52,910</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>701,589</u>	<u>486,809</u>	<u>62,401</u>	<u>124,240</u>

<u>Title III Fund</u>	<u>Five Percent Incentive Fund</u>	<u>Title II-C Fund</u>	<u>Welfare to Work</u>	<u>One-Stop Centers</u>	<u>Caldwell Out of School Grant</u>	<u>Franklin Workforce Center Grant</u>	<u>Total</u>
2,540	170	1,965	1,005	-	-	-	11,500
2,913	1,277	2,131	2,273	-	-	20	14,456
20,247	-	-	-	-	-	-	20,247
5,618	-	84,431	34,769	-	-	2,132	244,233
369	55	311	745	-	-	130	6,318
93	-	2,394	3,432	113,465	-	7,526	161,188
2,089	880	2,179	2,835	-	-	-	15,460
902	125	1,146	1,499	-	-	-	5,690
181	-	150	31	-	-	-	787
128,630	-	46,587	2,608	-	-	-	277,611
2,153	704	3,358	4,456	32,872	-	3,686	54,998
753	86	518	1,786	3,730	-	60	8,842
51,304	-	32,384	-	-	-	-	142,157
515	98	455	593	-	-	13	2,950
15,462	512	9,441	23,541	-	-	3,969	86,585
110,449	31,145	138,805	492,201	-	9,800	24,929	1,629,205
7,847	464	6,867	15,585	14,025	-	1,037	61,577
19,062	5,718	12,196	35,159	-	-	382	118,420
182,847	-	40,790	264	-	-	20	276,341
2,969	90	2,703	4,396	-	-	1,508	17,124
-	-	-	25,440	-	-	-	78,350
<u>556,943</u>	<u>41,324</u>	<u>388,811</u>	<u>652,618</u>	<u>164,092</u>	<u>9,800</u>	<u>45,412</u>	<u>3,234,039</u>

PRIVATE INDUSTRY COUNCIL SDA-83, INC.

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN

FUND BALANCES, BY PARISH, BY COST CATEGORY

FOR THE YEAR ENDED JUNE 30, 1999

	<u>Caldwell</u>	<u>East Carroll</u>	<u>Franklin</u>	<u>Jackson</u>
<u>Revenues:</u>				
Federal grants	294,047	376,007	473,320	241,243
<u>Expenses:</u>				
Administration	-	-	678	-
Direct training	210,275	312,697	425,119	145,594
Retraining	83,772	62,505	47,523	95,649
Basic readjustment	-	805	-	-
Total expenses	<u>294,047</u>	<u>376,007</u>	<u>473,320</u>	<u>241,243</u>
<u>Excess of revenues over expenses</u>	-	-	-	-
<u>Fund balances at beginning of year</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund balances at end of year</u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

<u>Madison</u>	<u>Richland</u>	<u>Tensas</u>	<u>Unallocated</u>	<u>Total</u>
433,604	557,652	203,212	654,954	3,234,039
-	-	-	433,146	433,824
348,550	427,808	169,163	148,067	2,187,273
84,373	124,752	33,975	71,964	604,513
681	5,092	74	1,777	8,429
<u>433,604</u>	<u>557,652</u>	<u>203,212</u>	<u>654,954</u>	<u>3,234,039</u>
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

PRIVATE INDUSTRY COUNCIL SDA-83, INC.

COMBINED RECONCILIATION OF EXPENDITURES REPORTED TO GRANTOR AGENCY

SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 1999

	<u>Title II-A Fund</u>	<u>Title II-B Fund</u>	<u>Eight Percent Fund</u>	<u>Title III National Reserve Fund</u>
<u>Total expenditures per June 30, 1999 reports to grantor agency</u>	1,291,283	668,699	114,770	122,232
<u>Adjustments:</u>				
Prior year's expenditures reported to grantor agency in current year's expenditure reports	(591,919)	(182,129)	(53,147)	-
Net effect of current year audit adjustments	2,225	239	778	2,009
Rounding	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>
<u>Total expenses per statement of revenues, expenses, and changes in fund balances</u>	<u>701,589</u>	<u>486,809</u>	<u>62,401</u>	<u>124,240</u>

<u>Title III Fund</u>	<u>Five Percent Incentive Fund</u>	<u>Title II-C Fund</u>	<u>Welfare to Work</u>	<u>One-Stop Centers</u>	<u>Caldwell Out of School Grant</u>	<u>Franklin Workforce Center Grant</u>	<u>Total</u>
1,015,196	59,199	463,234	657,250	187,040	9,800	45,412	4,634,115
(459,130)	(20,070)	(75,913)	(9,107)	(22,948)	-	-	(1,414,363)
876	2,195	1,490	4,474	-	-	-	14,286
<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<u>556,943</u>	<u>41,324</u>	<u>388,811</u>	<u>652,618</u>	<u>164,092</u>	<u>9,800</u>	<u>45,412</u>	<u>3,234,039</u>

PRIVATE INDUSTRY COUNCIL SDA-83, INC.

SCHEDULE OF INSURANCE IN FORCE (UNAUDITED)

AT JUNE 30, 1999

<u>Insurer</u>	<u>Assets Covered</u>	<u>Limits of Coverage</u>	<u>Deductible</u>	<u>Expiration Date</u>
American Central	Data processing equipment at 22 locations	293,788	1,000	6/28/00
Fidelity and Deposit Company of Maryland	Employee dishonesty bond	50,000	250	6/28/00
American Central	Business automobile:			
	Liability	1,000,000	N/A	6/28/00
	Medical payments	5,000	N/A	
	Uninsured motorists	1,000,000	N/A	
	Comprehensive		100	
	Collision		250	
Louisiana Workers' Compensation	Louisiana Workers' Compensation	500/500/500	N/A	2/21/00
Frontier	Umbrella	1,000,000	10,000	6/28/00
Employers	Property (contents):		250	6/28/00
	Administrative office	154,300		
	Tensas office	11,125		
	Richland office	11,125		
	Caldwell office	11,125		
	Madison office	11,125		
	Franklin office	32,175		
	Jackson office	11,125		
	East Carroll office	11,125		
Frontier	General liability:		N/A	6/28/00
	Each occurrence	1,000,000		
	Aggregate	3,000,000		
	Personal injury	1,000,000		
	Fire damage legal	100,000		
	Medical	5,000		
Frontier	Professional liability:		N/A	6/28/00
	Each occurrence	1,000,000		
	Aggregate	3,000,000		
Federal	Directors and officers:		N/A	1/24/01
	Each occurrence	1,000,000		
	Aggregate	1,000,000		

PRIVATE INDUSTRY COUNCIL SDA-83, INC.

SCHEDULE OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 1999

<u>Federal Grantor/ Pass-Through Grantor Name/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Revenue Recognized</u>	<u>Expenses</u>
United States Department of Labor: Passed through Louisiana Department of Labor-Job Training Partnership Act:			
Title II-A	17.250	701,589	701,589
Title II-B	17.250	486,809	486,809
Title II-C	17.250	388,811	388,811
Title III	17.246	556,943	556,943
Title III National Reserve	17.246	124,240	124,240
Five Percent Incentive	17.250	<u>41,324</u>	<u>41,324</u>
Total Passed through Louisiana Department of Labor		2,299,716	2,299,716
Passed through Louisiana Department of Education-Job Training Partnership Act:			
Eight Percent	17.250	<u>62,401</u>	<u>62,401</u>
*Total JTPA Cluster		2,362,117	2,362,117
United States Department of Labor: Passed through Louisiana Department of Labor:			
*Welfare to Work	17.253	<u>652,618</u>	<u>652,618</u>
Total major programs		3,014,735	3,014,735
United States Department of Labor: Passed through Louisiana Department of Labor:			
JobNet One Stop Centers	17.207	164,092	164,092
School to Work Opportunities	84.278E	<u>55,212</u>	<u>55,212</u>
Total Federal Awards		<u>3,234,039</u>	<u>3,234,039</u>

*Denotes major program

OTHER REPORTS

October 14, 1999

Private Industry Council SDA-83, 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 SDA-83, Inc., as of and for the year ended June 30, 1999, and have issued our report thereon dated October 14, 1999. 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 those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 amount 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 solely for the information and use of the board of directors, management, federal awarding agencies and pass-through entities, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Heard McElroy & Vestal, LLP

HMV

October 14, 1999

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

Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB 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, 1999. 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, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Private Industry Council'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 Private Industry Council's compliance with those 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, 1999.

Internal Control Over Compliance

The management of Private Industry Council SDA-83, 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 solely for the information and use of the board of directors, management, federal awarding agencies and pass-through entities, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Heard, M^s Eroy & Vestal, LLP

PRIVATE INDUSTRY COUNCIL SDA-83, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1999

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. There were no audit findings relative to major federal award programs for Private Industry Council SDA-83, Inc.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA No.</u>
Job Training Partnership Act Cluster	17.246 and 17.250
Welfare to Work	17.253

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

None

C. Findings and Questioned Costs - Major Federal Award Programs

None

PRIVATE INDUSTRY COUNCIL SDA-83, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1999

- 98-1. This immaterial noncompliance was corrected by the Council before the related report was issued.