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Financial Report

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

Houma, Louisiana

June 30, 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 1-19-00

TABLE OF CONTENTS

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

June 30, 1999

TABLE OF CONTENTS

(Continued)

Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc., (the P.I.C.), a component unit of the Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the P.I.C.'s management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 1, 1999 on our consideration of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. taken as a whole. The accompanying combining and individual fund financial statements, schedule of functional expenditures, graph of functional expenditures for the year ended June 30, 1999 and schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements for the year ended June 30, 1999 taken as a whole.

We also have previously audited, 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, the balance sheets of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. as of June 30, 1998 and 1997, and the related statements of revenues, expenditures and changes in fund balance for each of the two years in the period ended June 30, 1998 (none of which is presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information presented in the schedule of functional expenditures and graph of functional expenditures for the years ended June 30, 1998 and 1997 are fairly stated in all material respects in relation to the general-purpose financial statements from which it has been derived.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
October 1, 1999.

Exhibit A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

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

June 30, 1999

	Governmental Fund Type	Fiduciary Fund Type	Account Groups		
	Special Revenue	Pension Trust	General Fixed Assets	General Long-Term Obligations	Total (Memorandum Only)
ASSETS AND OTHER DEBITS					
Assets					
Investments	$ -	$ 435,547	$ -	$ -	$ 435,547
Due from the State of Louisiana	231,562	-	-	-	231,562
Receivables - miscellaneous	2,132	-	-	-	2,132
Due from other funds	68,793	-	-	-	68,793
Fixed assets	-	-	1,576,968	-	1,576,968
Other Debits					
Amount to be provided for retirement of general long-term obligations	-	-	-	76,014	76,014
Total assets and other debits	$ 302,487	$ 435,547	$ 1,576,968	$ 76,014	$ 2,391,016
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities					
Bank overdraft	$ 7,368			$ -	$ 7,368
Accounts payable and accrued expenditures	226,326			-	226,326
Due to other funds	68,793			-	68,793
Long-term obligations	-			76,014	76,014
Total liabilities	302,487			76,014	378,501
Equity and Other Credits					
Investments in general fixed assets			$ 1,576,968		1,576,968
Fund balances:					
Reserved for employees' retirement system		$ 435,547	-		435,547
Total equity and other credits	-	435,547	1,576,968	-	2,012,515
Total liabilities, equity and other credits	$ 302,487	$ 435,547	$ 1,576,968	$ 76,014	$ 2,391,016

See notes to financial statements.

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

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

For the year ended June 30, 1999

	Special Revenue
Revenues	
Intergovernmental	$ 2,364,837
Expenditures - Economic Development and Assistance	
Current:	
Administrative	375,974
Training	1,520,569
Training related/supportive service	468,294
Total expenditures	2,364,837
Excess of Revenues Over Expenditures	-
Fund Balance	
Beginning of year	-
End of year	$ -

See notes to financial statements.

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

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

For the year ended June 30, 1999

	Pension Trust Fund
Operating Revenues	
Contributions	$ 86,255
Investment earnings	57,655
Total operating revenues	143,910
Operating Expenses	
Distributions to participants	1,276
Net Income	142,634
Fund Balance	
Beginning of year	292,913
End of year	$ 435,547

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

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

June 30, 1999

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc. (the P.I.C.), conform to generally accepted accounting principles (GAAP) as a applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

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

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

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Structure

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

Governmental Funds

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

Fiduciary Fund

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

Account Groups

Account groups are used to establish accounting control and accountability. The P.I.C.'s Account Groups are as follows:

General Fixed Assets Account Group - This account group is used to account for fixed assets not accounted for in proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is used to account for general long-term obligations and certain other liabilities that are not specific liabilities of proprietary or trust funds.

c) Basis of Accounting

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Accounting (Continued)

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

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

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

d) Use of Estimates

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

e) Operating Budgetary Data

The P.I.C. is a quasi-governmental entity which is not legally required to adopt budgets. A budget for each Special Revenue Fund is submitted to the respective state grantor departments for approval. Funding is from intergovernmental grants received from the Louisiana Department of Labor and the Louisiana Department of Education. Some budgets are prepared on a June 30 and others on a September 30 fiscal year basis to coincide with intergovernmental grants received from the Louisiana Department of Labor and the Louisiana Department of Education. Due to the above, budget to actual comparisons are not presented for the year ended June 30, 1999.

f) Accounts Receivable

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Investments

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

h) Fixed Assets

Fixed assets used in governmental fund type operations (fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position.

It is not involved with the measurement of results of operations. Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized along with other fixed assets. No depreciation has been provided on fixed assets.

All fixed assets are valued at historical cost.

h) Long-Term Obligations

For long-term obligations, only that portion expected to be financed from unexpendable available financial resources is reported as a fund liability of a Governmental Fund. The remaining portion of such obligations is reported in the General Long-Term Obligations Account Group.

j) Vacation and Sick Leave

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Vacation and Sick Leave (Continued)

Employees earn seven days of sick leave per year and are permitted to accumulate sick leave from one year to the next. As of December 31, 1998 employees were paid for sick leave accumulated in excess of 60 hours. Beginning January 1, 1999, staff will accumulate 5 hours per month for sickness and only sick time accumulated prior to January 1, 1999 is allowed to carryover to subsequent years.

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

k) Encumbrances

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

l) Memorandum Only-Total Columns

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

Note 2 - CASH AND INVESTMENTS

The P.I.C. is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. At year end, the P.I.C.'s carrying amount of deposits was a bank overdraft in the amount of $7,368 and the bank balance was $40,690. The entire bank balance of $40,690 was covered by federal depository insurance (Category 1). There were no investments other than those in the 401(k) plan (see Note 10). Investments of the 401(k) plan are not collateralized (Category 3).

Note 3 - DUE FROM THE STATE OF LOUISIANA

Amounts due from the State of Louisiana at June 30, 1999 consisted of the following:

State of Louisiana -	
Department of Labor	$219,035
Department of Education	12,527
Total	$231,562

Note 4 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Such balances at June 30, 1999 are as follows:

Individual Funds	Interfund Receivables	Interfund Payables
Special Revenue Funds:		
II A Fund	$50,252	$18,541
II B Fund	-	1,419
II C Fund	-	17,944
8% Fund	-	12,123
Title III Fund	10,995	-
5% Incentive Fund	-	2,619
Title III N National Reserve Grant Fund	7,546	-
Welfare-to-Work Fund	-	16,147
Total Special Revenue Funds	$68,793	$68,793

Note 5 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Office furniture, equipment and fixtures	$1,453,845	$34,366	$29,372	$1,458,839
Machinery and equipment	78,251	39,878	-	118,129
Totals	$1,532,096	$74,244	$29,372	$1,576,968

Note 5 - CHANGES IN FIXED ASSETS (Continued)

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

Note 6 - LONG-TERM OBLIGATIONS

A long-term liability for accumulated unpaid vacation and sick leave of $76,014 which represents the P.I.C.'s commitment to fund such costs from future operations, has been recorded in the General Long-Term Obligations Account Group at June 30, 1999.

The following is a summary of the changes in long-term obligations of the P.I.C. for the year ended June 30, 1999:

Long-term obligations, July 1, 1998	$ 95,907
Net decrease in accumulated unpaid vacation and sick leave	(19,893)
Long-term obligations, June 30, 1999	$ 76,014

Note 7 - OFFICE AND AUTO RENTALS

Office space and automobiles are rented on a month-to-month basis. Rental expenditures incurred on the offices and the automobiles amounted to $93,594 during the year ended June 30, 1999.

Note 8 - RISK MANAGEMENT

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

Note 9 - IN-KIND CONTRIBUTIONS

The Welfare-to-Work program requires a state-wide match. The Louisiana Department of Labor has informed the P.I.C. that it can only provide 50 percent of the required match and has requested the P.I.C. to provide cash and/or in-kind services for the remainder of the match. The P.I.C. has not recorded any amounts in the financial statements for the value of donated services because there is no objective basis available to the P.I.C. to measure the value of such services. However, for the year ended June 30, 1999 the P.I.C. placed a value of approximately $7,900 on these services for record keeping purposes. While these contributions have not been reported, the offsetting expenditures have also not been reported.

Note 10 - DEFINED CONTRIBUTION PLAN

A. Plan Description

The P.I.C. 401(k) Retirement Plan was established to provide retirement benefits to all permanent full-time employees having completed at least one year of service. At June 30, 1999, there were 25 plan members. Participants are permitted to contribute in any amount up to 15% of their compensation not to exceed $10,000. The P.I.C. matches 100% of the employee contributions not to exceed 5% of the employee's compensation. Plan provisions and contribution requirements are established and may be amended by the P.I.C.

B. Significant Accounting Policies

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

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

C. Concentrations

Investments in the plan at June 30, 1999 consisted of shares of registered investment companies within The One Group family of funds. The funds consisted of the following:

Note 10 - DEFINED CONTRIBUTION PLAN (Continued)

C. Concentrations (Continued)

Prime Money Market Fund	$ 8,429
Income Bond Fund	11,791
Short-Term Bond Fund	995
Government Bond Fund	109
Equity Income Fund	92,027
Equity Index Fund	174,075
Diversified Equity Fund	119,564
Small Capitalization Growth Fund	11,436
Participant Loans	17,121
Total plan investments	$435,547

Note 11 - COMMITMENTS

On June 30, 1999, the P.I.C. had $76,417 of outstanding contracts to fund various educational programs.

Note 12 - ECONOMIC DEPENDENCY

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

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

Note 13 - COMPENSATION OF BOARD OF DIRECTORS

No compensation was paid to Directors of the Private Industry Council for the year ended June 30, 1999.

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

Welfare-To-Work-Fund - To account for funds received under the Welfare-to-Work Grant. Funds are used to target the hard to employ and to assure the appropriate activities and services are provided to help these participants achieve self-sufficiency.

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

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

June 30, 1999

	II A Fund	II B Fund	II C Fund	8% Fund
Assets				
Due from the State of Louisiana	$ 11,405	$ 58,645	$ 47,312	$ 12,527
Receivables - miscellaneous	2,132	-	-	-
Due from other funds	50,252	-	-	-
Total assets	$ 63,789	$ 58,645	$ 47,312	$ 12,527
Liabilities				
Bank overdraft	$ 7,368	$ -	$ -	$ -
Accounts payable and accrued expenditures	37,880	57,226	29,368	404
Due to other funds	18,541	1,419	17,944	12,123
Total liabilities	63,789	58,645	47,312	12,527
Fund Balances				
Unreserved	-	-	-	-
Total liabilities and fund balances	$ 63,789	$ 58,645	$ 47,312	$ 12,527

Title III Fund	5% Incentive Fund	Title III N National Reserve Grant Fund	Job Net Fund	Welfare-to- Work Fund	Total
$ 23,533	$ 2,619	$ 49,383	$ -	$ 26,138	$ 231,562
-	-	-	-	-	2,132
10,995	-	7,546	-	-	68,793
$ 34,528	$ 2,619	$ 56,929	$ -	$ 26,138	$ 302,487
$ -	$ -	$ -	$ -	$ -	$ 7,368
34,528	-	56,929	-	9,991	226,326
-	2,619	-	-	16,147	68,793
34,528	2,619	56,929	-	26,138	302,487
-	-	-	-	-	-
$ 34,528	$ 2,619	$ 56,929	$ -	$ 26,138	$ 302,487

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

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

For the year ended June 30, 1999

	II A Fund	II B Fund	II C Fund	8% Fund
Revenues				
Intergovernmental:				
State of Louisiana:				
Department of Labor	$ 581,278	$ 319,672	$ 547,266	$ -
Department of Education	-	-	-	40,778
Total revenues	581,278	319,672	547,266	40,778
Expenditures - Economic Development and Assistance				
Current:				
Administrative:				
Personal services	68,862	27,881	52,948	5,342
Supplies and materials	1,680	1,006	801	57
Other services and charges	26,031	8,646	17,921	940
Repairs and maintenance	2,272	1,478	1,085	103
Capital expenditures	-	558	-	-
	98,845	39,569	72,755	6,442
Training:				
Personal services	197,555	55,606	328,236	30,305
Supplies and materials	50,932	3,463	25,945	1,018
Other services and charges	132,650	21,775	49,208	2,518
Repairs and maintenance	14,942	6,236	17,083	495
Capital expenditures	2,470	5,018	2,604	-
	398,549	92,098	423,076	34,336
Training related/supportive service:				
Personal services	43,939	185,965	40,979	
Supplies and materials	1,839	-	-	
Other services and charges	33,754	2,040	9,753	
Repairs and maintenance	2,705	-	74	
Capital expenditures	1,647	-	629	
	83,884	188,005	51,435	
Total expenditures	581,278	319,672	547,266	40,778
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balances				
Beginning of year	-	-	-	-
End of year	$ -	$ -	$ -	$ -

Title III Fund	5% Incentive Fund	Title III N National Reserve Grant Fund	Job Net Fund	Welfare-to- Work Fund	Total
$ 425,854	$ 4,602	$ 102,669	$ 32,517	$ 310,201	$ 2,324,059
-	-	-	-	-	40,778
425,854	4,602	102,669	32,517	310,201	2,364,837
36,944	2,950	10,174		62,343	267,444
956	-	210		884	5,594
14,977	80	1,148		24,040	93,783
1,927	-	264		1,266	8,395
200	-	-		-	758
55,004	3,030	11,796		88,533	375,974
171,596	1,572	21,188		152,450	958,508
43,185	-	1,145		7,052	132,740
100,398	-	6,276		41,162	353,987
8,913	-	1,940		12,803	62,412
1,801	-	-		1,029	12,922
325,893	1,572	30,549		214,496	1,520,569
-		-	-	-	270,883
-		-	2,160	41	4,040
44,957		20,447	-	7,131	118,082
-		-	11,946	-	14,725
-		39,877	18,411	-	60,564
44,957		60,324	32,517	7,172	468,294
425,854	4,602	102,669	32,517	310,201	2,364,837
-	-	-	-	-	-
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -

SCHEDULE OF FUNCTIONAL EXPENDITURES

The Private Industry Council for the Terrebonne Consortium,

Service Delivery Area Thirty-One, Inc.

(d/b/a the Work Connection)

For the years ending June 30, 1999, 1998 and 1997

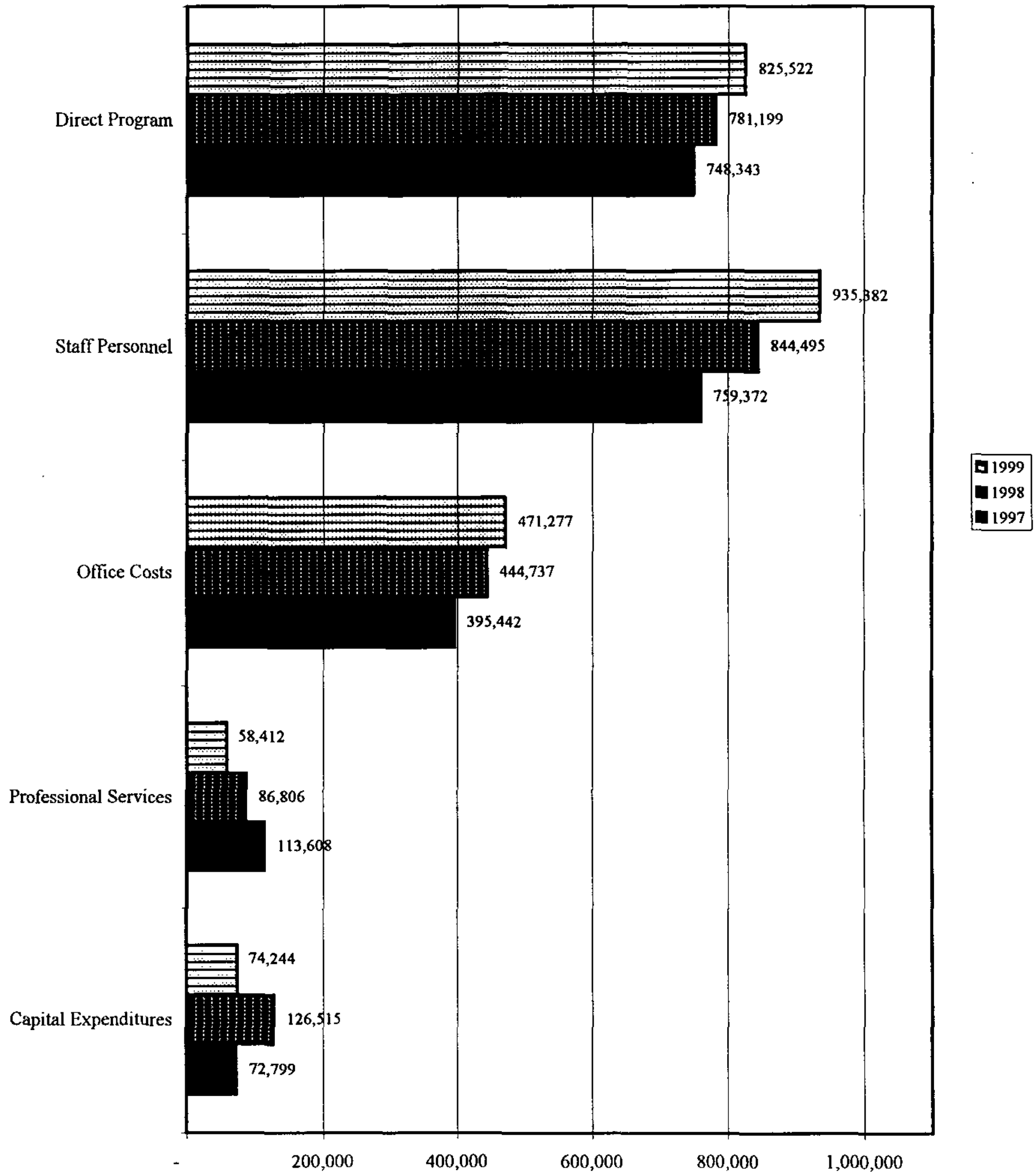
	1999	1998	1997
Direct Program			
Wages, P/R taxes & ins.	$ 622,357	$ 622,676	$ 603,095
Tuition	160,682	89,157	86,182
Room and board	5,409	-	-
Child care	37,074	69,366	59,066
Direct program	825,522	781,199	748,343
Staff Personnel			
Compensation - staff	724,257	653,559	580,839
W/C & health ins.	125,675	109,321	107,624
Payroll taxes	53,658	49,204	43,944
Retirement plan	31,792	32,411	26,965
Staff personnel	935,382	844,495	759,372
Office Costs			
Occupancy	92,808	107,625	92,848
Supplies	149,480	150,482	119,567
Travel	46,837	41,124	35,237
Repairs and maintenance	85,533	55,067	63,016
Auto costs	16,577	12,085	11,033
Telephone	32,715	30,483	24,513
Miscellaneous	28,077	28,743	24,711
Equipment rental	2,577	647	403
Other insurance	6,299	5,962	12,415
Meals	52	1,216	-
Postage	5,999	4,913	5,659
Dues and subscriptions	4,323	6,390	6,040
Office costs	471,277	444,737	395,442
Professional Services			
Accounting fees	11,500	8,897	10,885
Legal fees	11,655	22,712	18,269
Professional fees - consulting	28,744	33,363	33,727
Advertising	6,513	21,834	50,727
Professional services	58,412	86,806	113,608
Capital Expenditures	74,244	126,515	72,799
Total Expenditures	$ 2,364,837	$ 2,283,752	$ 2,089,564

Schedule 4

FUNCTIONAL EXPENDITURES

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

For the years ending June 30, 1999, 1998 and 1997



SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

Bourgeois Bennett

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

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

We have audited the general-purpose financial statements of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc., (the P.I.C.), a component unit of Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated October 1, 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 the P.I.C.'s general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

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would not 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 operations that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Directors, management, the State of Louisiana, the Legislative Auditor for the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
October 1, 1999.

Bourgeois Bennett

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

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

Compliance

We have audited the compliance of The Private Industry Council for the Terrebonne Consortium, Service Delivery Area Thirty-One, Inc., (the P.I.C.), a component unit of Lafourche Parish Council, State of Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. The P.I.C.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the P.I.C.'s management. Our responsibility is to express an opinion on the P.I.C.'s compliance based on our audit.

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

In our opinion, the P.I.C. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

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Internal Control Over Compliance

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

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

This report is intended for the information and use of the Board of Directors, management, the State of Louisiana, the Legislative Auditor for the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
October 1, 1999.

<u>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</u>

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

For the year ended June 30, 1999

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures
Department of Labor			
Pass-Through Payments:			
Louisiana Department of Labor:			
Job Training Partnership Act Title II-A	17.250	98/99-31-II-A	$ 581,278
Job Training Partnership Act Title II-A	17.250	98/99-31-INC	4,602
Job Training Partnership Act Title II-B	17.250	98/99-31-II-B	319,672
Job Training Partnership Act Title II-C	17.250	98/99-31-II-C	547,266
Job Training Partnership Act Title III	17.246	98/99-31-III	425,854
Job Training Partnership Act Title III-N	17.246	931-97-09-175-2007-3N	102,669
Welfare-To-Work	17.253	F98	310,201
Pass-Through Payments:			
Louisiana Department of Education:			
Job Training Partnership Act Title II-A	17.250	8-08-175-3031-2	40,778
Total			$ 2,332,320

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

June 30, 1999

Note 1 - BASIS OF PRESENTATION

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

Note 2 - FINDINGS OF NONCOMPLIANCE

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 1999.

Note 3 - DATA COLLECTION FORM

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

CFDA Number	Pass-Through Grantor	Pass-Through Grantor's Number	Federal Expenditure
	Louisiana Department of Labor:		
17.246	Job Training Partnership Act Title III	98/99-31-III	$ 425,854
17.246	Job Training Partnership Act Title III-N	931-97-09-175-2007-3N	102,669
	Amount expended through CFDA Number 17.246		528,523

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

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

June 30, 1999

Note 3 - DATA COLLECTION FORM (Continued)

CFDA Number	Pass-Through Grantor	Pass-Through Grantor's Number	Federal Expenditure
17.250	Job Training Partnership Act Title II-A	98/99-31-II-A	581,278
17.250	Job Training Partnership Act Title II-A	98/99-31-INC	4,602
17.250	Job Training Partnership Act Title II-B	98/99-31-II-B	319,672
17.250	Job Training Partnership Act Title II-C	98/99-31-II-C	547,266
	Louisiana Department of Education:		
17.250	Job Training Partnership Act Title II-A	8-08-175-3031-2	40,778
	Amount expended through CFDA Number 17.250		1,493,596
17.253	Welfare-To-Work	F98	310,201
	Total Federal Awards Expended		$2,332,320

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

For the year ended June 30, 1999

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

b) Federal Awards

Internal control over major programs:

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

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

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

c) Identification of Major Programs:

CFDA Number(s)	Name of Federal Program
17.246	Job Training Partnership Act Title III
17.250	Job Training Partnership Act Title II
17.253	Welfare-To-Work

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

For the year ended June 30, 1999

Section I Summary of Auditor's Results (Continued)

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

Section II *Financial Statement Findings*

No financial statement findings were noted during the audit of the general-purpose financial statements for the year ended June 30, 1999.

Section III Federal Award Findings and Questioned Costs

No federal award findings or questioned costs were noted during the audit of the general-purpose financial statements for the year ended June 30, 1999.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

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

For the year ended June 30, 1999

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

Internal Control

No material weaknesses were noted during the audit of the general-purpose financial statements for the year ended June 30, 1998.
No reportable conditions were reported during the audit of the general-purpose financial statements for the year ended June 30, 1998.

Compliance

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

Section II Internal Control and Compliance Material to Federal Awards

No findings or questioned costs were noted during the audit of the general-purpose financial statements for the year ended June 30, 1998.

Section III Management Letter

A management letter was not issued in connection with the audit of the general-purpose financial statements for the year ended June 30, 1998.

MANAGEMENT'S CORRECTIVE ACTION PLAN

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

For the year ended June 30, 1999

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

Internal Control

No material weaknesses were noted during the audit of the general-purpose financial statements for the year ended June 30, 1999.
No reportable conditions were reported during the audit of the general-purpose financial statements for the year ended June 30, 1999.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended June 30, 1999.

Section II Internal Control and Compliance Material to Federal Awards

No findings or questioned costs were noted during the audit of the general-purpose financial statements for the year ended June 30, 1999.

Section III Management Letter

A management letter was not issued in connection with the audit of the general-purpose financial statements for the year ended June 30, 1999.