

Financial Report
LAT Workforce Investment Board, Inc.
Houma, Louisiana
June 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 2-2-05

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June 30, 2004

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FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
LAT Workforce Investment Board, Inc.,
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities of LAT Workforce Investment Board, Inc. (the LAT), a component unit of Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the LAT's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the LAT's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the LAT Workforce Investment Board, Inc. as of June 30, 2004, and the changes in financial position thereof and the respective budgetary comparisons for the LAT for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 2004 on our consideration of the LAT's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

1340 West Tunnel Blvd., Suite 430
P.O. Box 2168
Houma, LA 70361-2168
Phone (985) 868-0139
Fax (985) 879-1949

1
Certified Public
Accountants | Consultants
A Limited Liability Company
P.O. Box 60600
New Orleans, LA 70160-0600
Heritage Plaza, 17th Floor
Phone (504) 831-4949
Fax (504) 833-9093

507-D St. Philip Street
P.O. Box 1205
Thibodaux, LA 70302-1205
Phone (985) 447-5243

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the LAT's basic financial statements. The accompanying combining schedule of program assets and liabilities at June 30, 2004, the combining schedule of program revenues and expenditures for the year then ended 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 basic financial statements. The accompanying combining schedule of program assets and liabilities at June 30, 2004, the combining schedule of program revenue and expenditures for the year then ended and the schedule of federal expenditures have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
November 11, 2004.

MANAGEMENT'S DISCUSSION AND ANALYSIS

LAT Workforce Investment Board, Inc.

The Management's Discussion and Analysis of the LAT Workforce Investment Board, Inc. (the LAT) financial performance presents a narrative overview and analysis of the LAT's financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the LAT's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- The LAT's assets exceeded its liabilities at the close of fiscal year 2004 by \$127 (net assets), which represents a 96.42% decrease from last fiscal year.
- The LAT's revenue decreased \$82,064 (or 4.01%) primarily due to the loss of the welfare-to-work grant program and a reduction in funding under the Workforce Investment Act (WIA) which resulted in less funds available for spending.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the LAT's basic financial statements. The LAT's annual report consists of four parts: (1) management's discussion and analysis (this section), (2) basic financial statements, (3) the optional section that presents other supplementary information and (4) various governmental compliance reports and schedules by certified public accountants and management. The basic financial statements include two kinds of statements that present different views of the LAT:

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the LAT's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the LAT's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the LAT is improving or deteriorating. The statement of activities presents information showing how the LAT's net assets change during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the LAT is to provide funds to subrecipients for job training and related support services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The governmental fund of LAT is its General Fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (Exhibit B and D).

The LAT maintains an individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund. The LAT adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found in Exhibits A through E of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the LAT's financial position. For fiscal year ending June 30, 2004, assets exceeded liabilities by \$127. The LAT's net assets reflects its investment in capital assets (e.g. office furniture and fixtures and a vehicle). Consequently these assets are not available for future spending. Long-term liabilities outstanding consist entirely of accumulated unpaid vacation and sick leave due after one year.

Condensed Statements of Net Assets

	June 30,		Dollar Change
	2004	2003	
Current and other assets	\$ 123,423	\$ 136,840	\$ (13,417)
Capital assets	16,529	19,768	(3,239)
Total assets	<u>139,952</u>	<u>156,608</u>	<u>(16,656)</u>
Long-term liabilities outstanding	16,402	16,224	178
Other liabilities	123,423	136,840	(13,417)
Total liabilities	<u>139,825</u>	<u>153,064</u>	<u>(13,239)</u>
Net Assets:			
Invested in capital assets	16,529	19,768	(3,239)
Unrestricted (deficit)	(16,402)	(16,224)	(178)
Total net assets	<u>\$ 127</u>	<u>\$ 3,544</u>	<u>\$ (3,417)</u>

Governmental Activities

Governmental activities decreased the LAT's net assets by \$3,417. Key elements of this decrease are as follows:

Condensed Changes in Net Assets

	For the year ended June 30,		Dollar Change	Total Percent Change
	2004	2003		
Revenues:				
Intergovernmental:				
Federal government - reimbursement grants	\$ 1,963,737	\$ 2,045,801	\$ (82,064)	-4.01%
Expenses:				
Current:				
Economic opportunity	1,967,154	2,046,570	(79,416)	-3.88%
Decrease in net assets	(3,417)	(769)	(2,648)	344.34%
Net assets beginning of year	3,544	4,313	(769)	-17.83%
Net assets end of year	<u>\$ 127</u>	<u>\$ 3,544</u>	<u>\$ (3,417)</u>	-96.42%

For the most part, decreases in grant funding from WIA and the now defunct welfare-to-work program has resulted in less revenue in 2004 from federal grants.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the LAT uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the LAT's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the LAT's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the LAT's governmental fund reported no ending fund balance. No ending fund balance is related to the sole activities of the LAT being funded with reimbursement grants. Accordingly, no funds are available for discretionary spending.

Major differences between the prior year and the current year's changes in revenues and expenditures were as follows:

Revenues

- Decrease of \$82,064 in federal government grants.

Expenditures

- Decrease of \$72,776 for personal services, due to LAT charging more time to the programs for personal services. Also, LAT had four full-time personnel in prior year and only three in current year.
- Decrease of \$23,232 for all other administrative expenditures.
- Increase of \$13,944 in training and support service reimbursements to subrecipients.

General Fund Budgetary Highlights

During the year, budgetary estimates exceeded revenues and expenditures by \$288,118. The LAT's budget source is reimbursement grants. Therefore the cut in appropriated grants at federal and state levels are reflected as decreases in revenues and expenses/expenditures in the LAT's basic financial statements. The budget was not amended during 2004.

CAPITAL ASSETS

The LAT's investment in capital assets for its governmental activities as of June 30, 2004, amounts to \$16,529 (net of accumulated depreciation). This investment in capital assets includes vehicles and office furniture and equipment, as follows:

	<u>2004</u>	<u>2003</u>
Office furniture and equipment	\$ 12,046	\$ 12,295
Vehicles	<u>4,483</u>	<u>7,473</u>
Totals	<u>\$ 16,529</u>	<u>\$19,768</u>

Major capital asset events during the current fiscal year included the following:

- During the year ended June 30, 2004, the LAT capitalized the purchase of three laptop computers at a cost of \$4,338.

Additional information on the LAT's capital assets can be found in Note 4, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board of Directors of the LAT considered certain factors and indicators when setting next year's budget, rates, and fees. These factors and indicators were based on anticipated grants to be received.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the LAT's finances for all those with an interest in the LAT's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Director's of the LAT Workforce Investment Board, Inc., 911 Bond St., Houma, Louisiana 70360.

**STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET**

LAT Workforce Investment Board, Inc.

June 30, 2004

	<u>General Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Assets</u>
Assets			
Cash	\$ 1,414	\$ -	\$ 1,414
Due from the State of Louisiana	121,039	-	121,039
Receivables - miscellaneous	970	-	970
Depreciable capital assets, net of accumulated depreciation	<u>-</u>	<u>16,529</u>	<u>16,529</u>
Total assets	<u>\$ 123,423</u>	<u>16,529</u>	<u>139,952</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 123,423	-	123,423
Long-term liabilities	<u>-</u>	<u>16,402</u>	<u>16,402</u>
Total liabilities	<u>123,423</u>	<u>16,402</u>	<u>139,825</u>
Fund Balance/Net Assets			
Fund balance - unreserved	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 123,423</u>		
Net assets:			
Invested in capital assets		16,529	16,529
Unrestricted (deficit)		<u>(16,402)</u>	<u>(16,402)</u>
Total net assets		<u>\$ 127</u>	<u>\$ 127</u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

LAT Workforce Investment Board, Inc.

June 30, 2004

Fund Balance - Governmental Fund	\$	-
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	\$	40,053
Less accumulated depreciation		<u>(23,524)</u>
		16,529
Long-term liabilities are not due in the current period and, therefore are not reported in the governmental funds.		
Accrued unpaid compensated absences		<u>(16,402)</u>
Net Assets of Governmental Activities	\$	<u>127</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2004

	<u>General Fund</u>	<u>Adjustments (Exhibit D)</u>	<u>Statement of Activities</u>
Revenues			
Intergovernmental	<u>\$ 1,963,737</u>		<u>\$ 1,963,737</u>
Expenditures - Economic Opportunity			
Current:			
Administrative:			
Personal services	87,626	\$ 178	87,804
Supplies and materials	6,087	-	6,087
Other services and charges	38,602	-	38,602
Repairs and maintenance	4,164	-	4,164
Capital outlay	4,338	(4,338)	-
Depreciation	<u>-</u>	<u>7,577</u>	<u>7,577</u>
	140,817	3,417	144,234
Program distributions for training related/ supportive services	<u>1,822,920</u>	<u>-</u>	<u>1,822,920</u>
Total expenditures	<u>1,963,737</u>	<u>3,417</u>	<u>1,967,154</u>
Net Change in Fund Balance	-	-	-
Change in Net Assets	-	(3,417)	(3,417)
Fund Balance/ Net Assets			
Beginning of year	<u>-</u>	<u>3,544</u>	<u>3,544</u>
End of year	<u>\$ -</u>	<u>\$ 127</u>	<u>\$ 127</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2004

Net Change in Fund Balance - Governmental Fund \$ -

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 4,338	
Depreciation expense	<u>(7,577)</u>	
Deficiency of capital outlay over depreciation expense		(3,239)

Some expenses are reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.

Increase in compensated absences		<u>(178)</u>
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Change in Net Assets of Governmental Activities **\$ (3,417)**

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$ 2,251,855</u>	<u>\$ 2,251,855</u>	<u>\$ 1,963,737</u>	<u>\$ (288,118)</u>
Expenditures - Economic Opportunity				
Current:				
Administrative:				
Personal services	177,914	177,914	87,626	90,288
Supplies and materials	6,240	6,240	6,087	153
Other services and charges	89,911	89,911	38,602	51,309
Repairs and maintenance	4,278	4,278	4,164	114
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>4,338</u>	<u>(2,338)</u>
	280,343	280,343	140,817	139,526
Program distributions to subrecipients for reimbursement of training related/ supportive services	<u>1,971,512</u>	<u>1,971,512</u>	<u>1,822,920</u>	<u>148,592</u>
Total expenditures	<u>2,251,855</u>	<u>2,251,855</u>	<u>1,963,737</u>	<u>288,118</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**LAT Workforce Investment Board, Inc.**

June 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the LAT Workforce Investment Board, Inc. (the LAT) conform to accounting principles generally accepted in the United States of America (GAAP) as 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 United States Congress passed legislation repealing the Job Training Partnership Act of 1982 (JTPA) and replaced it with the Workforce Investment Act (WIA). In the implementation of WIA, the State of Louisiana chose to create local Workforce Investment Boards to replace the local Private Industry Councils established under JTPA to administer federal financial assistance grants in the local area.

LAT Workforce Investment Board, Inc. serves as the local Workforce Investment Board for the Parishes of Lafourche, Assumption and Terrebonne. The governing authorities for the three Parishes agreed in the "Workforce Investment ACT (WIA) Chief Elected Official Agreement" that the Lafourche Parish Council (the Parish) will serve as the local grant recipient. Furthermore, the State of Louisiana Department of Labor and the Parish signed a cooperative endeavor agreement in which the LAT has been designated as the Parish's grant subrecipient and fiscal agent. The LAT was incorporated as a non-profit corporation on April 1, 2000 and is a component unit of the Lafourche Parish Council.

The LAT receives the revenue reported in its General Fund from federal financial assistance grants provided by WIA Title I-B, Grant Programs as pass-through grants directly from the State of Louisiana Department of Labor. A Department of Health and Human Services grant is a pass-through grant directly from the State of Louisiana Department of Social Services.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

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

b) Basis of Presentation

The LAT's basic financial statements consist of the government-wide statements on all activities of the LAT and the governmental fund financial statements.

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the LAT. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the LAT as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non exchange revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. Emphasis is now on the major funds in governmental categories. The daily accounts and operations of the LAT continue to be organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The following is the Governmental Fund of the LAT:

General Fund - The General Fund is the general operating fund of the LAT. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government’s availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the LAT considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 LAT is a quasi-governmental entity which is not legally required to adopt budgets. A budget for each program within the General Fund is submitted to the respective state grantor departments for approval. Funding is from intergovernmental grants received from the Louisiana Department of Labor and Department of Social Services. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board and the State of Louisiana Department of Labor and Department of Social Services. All budget amounts which are not expended lapse.

The Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund is presented on the budgetary basis to provide a comparison of actual results with the budget.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

f) Accounts Receivable

The financial statements for the LAT contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds of the LAT.

g) Capital Assets

The accounting treatment over office furniture and fixtures and vehicle (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Capital Assets (Continued)

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of asset is as follows:

Office furniture and fixtures	5 years
Vehicle	5 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

h) Compensated Absences

Employees earn and accumulate annual and sick leave at various rates, depending on their years of service. 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 carry forward no more than 40 hours of annual leave from one calendar year to the next.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Compensated Absences (Continued)

Employees earn five hours of sick leave per month and are permitted to accumulate up to 120 hours of sick leave from one calendar year to the next. Accumulated sick leave benefits are due to the employee at the time of termination or death.

In the government-wide financial statements, the net change in accumulated unpaid vacation and sick leave liability is recorded as an expense and the total a long-term obligation. In accordance with GASB Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, (issued in March 2000), no compensated absences liability is recorded at June 30, 2004 in the governmental fund-type financial statements.

i) Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets – Consists of capital assets, net of accumulated depreciation. At June 30, 2004 the LAT did not report any borrowings.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the LAT’s policy to use restricted resources first, then unrestricted resources as they are needed. At June 30, 2004, the LAT did not have or receive restricted net assets.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

Note 2 - CASH AND INVESTMENTS

The LAT 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 LAT's carrying amount of deposits was \$1,414 and the bank balance was \$6,004. The entire bank balance of \$6,004 was covered by federal depository insurance (Category 1).

Note 3 - DUE FROM THE STATE OF LOUISIANA

Amounts due from the State of Louisiana at June 30, 2004 totaled \$121,039 from the State of Louisiana – Department of Labor.

Note 4 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004 was as follows:

	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Balance June 30, 2004</u>
Capital assets being depreciated:			
Office furniture and fixtures	\$20,767	\$4,338	\$25,105
Vehicle	<u>14,948</u>	<u>-</u>	<u>14,948</u>
Total capital assets being depreciated	<u>35,715</u>	<u>4,338</u>	<u>40,053</u>
Less accumulated depreciation for:			
Office furniture and fixtures	(8,472)	(4,587)	(13,059)
Vehicle	<u>(7,475)</u>	<u>(2,990)</u>	<u>(10,465)</u>
Total accumulated depreciation	<u>(15,947)</u>	<u>(7,577)</u>	<u>(23,524)</u>
Total capital assets, net	<u>\$19,768</u>	<u>\$(3,239)</u>	<u>\$ 16,529</u>

Note 5 - LONG-TERM LIABILITIES

Long-term liabilities consist entirely of accumulated unpaid vacation and sick leave due after one year.

The following is a summary of the changes in long-term liabilities of the LAT for the year ended June 30, 2004:

Long-term liabilities, July 1, 2003	\$16,224
Net increase in accumulated unpaid vacation and sick leave	<u>178</u>
Long-term liabilities, June 30, 2004	<u>\$16,402</u>

Note 6 - OFFICE RENTAL

Office space is rented on a month-to-month basis. Rental expenditures incurred on the office amounted to \$ 7,535 during the year ended June 30, 2004.

Note 7 - ECONOMIC DEPENDENCY

The LAT receives substantially all of its revenue from funds provided through grants administered by the State of Louisiana Department of Labor. 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 LAT receives could be reduced significantly and have an adverse impact on its operations.

Note 8 - RISK MANAGEMENT

The LAT 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 LAT carries commercial insurance. No settlements were made during the year that exceeded the LAT's insurance coverage.

Note 9 - EMPLOYEE RETIREMENT PLAN

The LAT established a SIMPLE IRA Plan (the Plan) for each participating employee to provide retirement benefits to the employee pursuant to Section 408(p) of the Internal Revenue Code. The individual retirement accounts are the property of the participating employees. Participating employees may contribute an amount of their compensation, not to exceed statutory limits. The LAT matches 100% of the employee contributions not to exceed 5% of the employee's compensation. During the year ended June 30, 2004, the LAT made contributions to the participating employee accounts totaling \$4,252.

Note 10 - COMPENSATION OF BOARD OF DIRECTORS

No compensation was paid to Directors of the LAT Workforce Investment Board, Inc. for the year ended June 30, 2004.

SUPPLEMENTARY INFORMATION SECTION

GENERAL FUND PROGRAMS

Adult Program - To account for funds received under the Workforce Investment 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.

Youth Program - To account for funds received under the Workforce Investment 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.

Dislocated Worker Program - To account for funds received under the Workforce Investment Act. Funds are used to increase the employability of dislocated workers through classroom training and on-the-job training programs.

Strategies to Empower People – To account for funds received from the Department of Labor to provide STEP clients with Job Readiness activities to facilitate their movement toward self-sufficiency through the use of a structured training and assessment program aimed at generalized Job Readiness skills.

Department of Social Services Program - To account for funds received under the Department of Social Services Grant. Funds were used to provide fathers and their families with the resources to acquire the necessary knowledge and skills so that they may be allowed the opportunity to achieve their employment goals and family stability.

COMBINING SCHEDULE OF PROGRAM ASSETS AND LIABILITIES**LAT Workforce Investment Board, Inc.**

June 30, 2004

	<u>Adult Program</u>	<u>Youth Program</u>	<u>Dislocated Worker Program</u>	<u>STEPS Program</u>	<u>Department of Social Services Program</u>	<u>Total</u>
Assets						
Cash	\$ 1,414	\$ -	\$ -	\$ -		\$ 1,414
Due from the State of Louisiana	52,310	-	63,593	5,136		121,039
Receivables - miscellaneous	970	-	-	-		970
Total assets	\$ 54,694	\$ -	\$ 63,593	\$ 5,136	\$ -	\$ 123,423
Liabilities						
Accounts payable and accrued expenditures	\$ 28,401	\$ 40,195	\$ 49,691	\$ 5,136		\$ 123,423
Due to other programs	26,293	(40,195)	13,902	-		-
Total liabilities	\$ 54,694	\$ -	\$ 63,593	\$ 5,136	\$ -	\$ 123,423

COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2004

	<u>Adult Program</u>	<u>Youth Program</u>	<u>Dislocated Worker Program</u>
Revenues			
Intergovernmental:			
Federal:			
Department of Labor	\$ 752,793	\$ 566,603	\$ 607,991
Department of Social Services	-	-	-
Total revenues	<u>752,793</u>	<u>566,603</u>	<u>607,991</u>
Expenditures - Economic Opportunity			
Current:			
Administrative:			
Personal services	31,513	27,486	28,141
Supplies and materials	1,917	2,320	1,850
Other services and charges	14,517	12,638	11,447
Repairs and maintenance	1,725	1,366	1,073
Capital outlay	<u>3,000</u>	<u>701</u>	<u>637</u>
	52,672	44,511	43,148
Program distributions to subrecipients for reimbursement of training related/ supportive services	<u>700,121</u>	<u>522,092</u>	<u>564,843</u>
Total expenditures	<u>752,793</u>	<u>566,603</u>	<u>607,991</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>STEPS Program</u>	<u>Department of Social Services Program</u>	<u>Total</u>
\$ 20,217	\$ -	\$ 1,947,604
<u>-</u>	<u>16,133</u>	<u>16,133</u>
<u>20,217</u>	<u>16,133</u>	<u>1,963,737</u>
486		87,626
-		6,087
-		38,602
-		4,164
<u>-</u>		<u>4,338</u>
486		140,817
<u>19,731</u>	<u>16,133</u>	<u>1,822,920</u>
<u>20,217</u>	<u>16,133</u>	<u>1,963,737</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

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

To the Board of Directors,
LAT Workforce Investment Board, Inc.,
Houma, Louisiana.

We have audited the financial statements of LAT Workforce Investment Board, Inc., (the LAT), a component unit of Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated November 11, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 LAT'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 the LAT's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that

misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
November 11, 2004.



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,
LAT Workforce Investment Board, Inc.,
Houma, Louisiana.

Compliance

We have audited the compliance of LAT Workforce Investment Board, Inc., (the LAT), 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, 2004. The LAT'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 LAT's management. Our responsibility is to express an opinion on the LAT's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 LAT'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 LAT's compliance with those requirements.

In our opinion, the LAT 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, 2004.

Internal Control Over Compliance

The management of the LAT 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 LAT'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 material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
November 11, 2004.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award/Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Department of Labor			
<u>Pass-Through Payments:</u>			
<u>Louisiana Department of Labor:</u>			
WIA Adult Program	17.258	OCR #474-000559	\$ 752,793
WIA Youth Activities	17.259	OCR #474-000559	566,603
WIA Dislocated Workers	17.260	OCR #474-000559	607,991
Temporary Assistance for Needy Families/STEPS Program	93.558	OCR #474-401318	<u>20,217</u>
Total Department of Labor			1,947,604
Department of Health and Human Services			
<u>Pass-Through Payments:</u>			
<u>Louisiana Department of Social Services:</u>			
Temporary Assistance for Needy families	93.558	CFMS # 590284	<u>16,133</u>
Total			<u>\$ 1,963,737</u>

See notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LAT Workforce Investment Board, Inc.

June 30, 2004

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of LAT Workforce Investment Board, 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 basic financial statements.

Note 2 - FINDING OF NON-COMPLIANCE

No federal award findings of noncompliance or questioned costs were reported during the audit for the year ended June 30, 2004.

Note 3 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the LAT Workforce Investment Board, Inc. provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
WIA Adult Program	17.258	\$ 700,121
WIA Youth Activities	17.259	522,092
WIA Dislocated Workers	17.260	564,843
Strategies to Empower People	93.558	19,731
Temporary Assistance for Needy families	93.558	<u>16,133</u>
Total		<u>\$1,822,920</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2004

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?

___ yes X no

Section II Financial Statement Findings

No financial statement findings were noted during the audit of the financial statements for the year ended June 30, 2004.

Section III Federal Award Findings and Questioned Costs

No federal award findings or questioned costs were reported during the audit for the year ended June 30, 2004.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2004

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit of the financial statements for the year ended June 30, 2003.

No reportable conditions were reported during the audit of the financial statements for the year ended June 30, 2003.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2003.

Section II Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit for the year ended June 30, 2003.

Section III Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2003.

MANAGEMENT'S CORRECTIVE ACTION PLAN

LAT Workforce Investment Board, Inc.

For the year ended June 30, 2004

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit of financial statements for the year ended June 30, 2004.

No reportable conditions were reported during the audit of the financial statements for the year ended June 30, 2004.

Compliance

No compliance findings material to the financial statements were noted during the year ended June 30, 2004.

Section II Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit for the year ended June 30, 2004.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2004.