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WORKFORCE INVESTMENT BOARD SDA-83, INC.

MONROE, LOUISIANA

JUNE 30, 2003

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 2-18-04

WORKFORCE INVESTMENT BOARD SDA-83, INC.

MONROE, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

**HEARD
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& VESTAL**
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WILLIAM L. HIGHTOWER, CPA

October 7, 2003

Workforce Investment Board SDA-83, Inc.
Monroe, Louisiana

Independent Auditor's Report

We have audited the accompanying balance sheet of the Workforce Investment Board SDA-83, Inc. as of June 30, 2003, and the related statements of revenues, expenses, and changes in fund balances, cash flows, and changes in assets and liabilities of the agency fund for the year then ended. These financial statements are the responsibility of the Board'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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Workforce Investment Board SDA-83, Inc. as of June 30, 2003, and the results of its operations and cash flows 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 a report dated October 7, 2003 on our consideration of Workforce Investment Board'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 *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Heard, McElroy + Vestal, LLP

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WORKFORCE INVESTMENT BOARD SDA-83, INC.

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUPS

AT JUNE 30, 2003

<u>ASSETS</u>	Workforce Investment Act <u>Adult</u>	Workforce Investment Act Dislocated <u>Worker</u>	Title III <u>Fund</u>
Cash	200	4	-
Due from grantor-Note 2	45,623	195,180	7,462
Due from other funds	199,674	-	1
Other assets	3,982	-	-
Investment in deferred compensation- Note 3	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>249,479</u>	<u>195,184</u>	<u>7,463</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Cash overdraft	193,859	-	-
Accrued salaries and expenses	41,142	27,086	-
Payroll deductions payable	2,321	-	-
Due to other funds	4	160,783	-
Deferred revenue	4,502	110	-
Compensated absences payable	7,651	7,205	7,463
Liability for deferred compensation- Note 3	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>249,479</u>	<u>195,184</u>	<u>7,463</u>
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>249,479</u>	<u>195,184</u>	<u>7,463</u>

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

<u>Northeast Louisiana Workforce Center</u>	<u>Agency Fund</u>	<u>Welfare to Work</u>	<u>Workforce Investment Act Youth</u>	<u>Youth Opportunity Grant</u>	<u>Totals (Memorandum Only)</u>
2,177	-	1	386	151,587	154,355
-	-	9,094	116,455	77,650	451,464
-	-	-	1	-	199,676
-	-	-	-	-	3,982
<u>-</u>	<u>665,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>665,563</u>
<u>2,177</u>	<u>665,563</u>	<u>9,095</u>	<u>116,842</u>	<u>229,237</u>	<u>1,475,040</u>
-	-	-	-	-	193,859
-	-	-	68,523	90,253	227,004
2,177	-	-	-	-	4,498
-	-	-	38,889	-	199,676
-	-	-	-	45,382	49,994
-	-	9,095	9,430	93,602	134,446
<u>-</u>	<u>665,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>665,563</u>
<u>2,177</u>	<u>665,563</u>	<u>9,095</u>	<u>116,842</u>	<u>229,237</u>	<u>1,475,040</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,177</u>	<u>665,563</u>	<u>9,095</u>	<u>116,842</u>	<u>229,237</u>	<u>1,475,040</u>

WORKFORCE INVESTMENT BOARD SDA-83, INC.
COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Workforce Investment Act Adult</u>	<u>Workforce Investment Act Dislocated Worker</u>	<u>Northeast Louisiana Workforce Center</u>
<u>Revenues:</u>			
Federal grants	1,268,973	1,050,877	-
<u>Expenses:</u>			
Administration	97,891	46,238	-
Program costs	<u>1,171,082</u>	<u>1,004,639</u>	<u>-</u>
Total expenses	<u>1,268,973</u>	<u>1,050,877</u>	<u>-</u>
<u>Excess (deficit) of revenues over expenses</u>	-	-	-
<u>Fund balances at beginning of year</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund balances at end of year</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

<u>Workforce Investment Act Youth</u>	<u>Youth Opportunity Grant</u>	<u>Totals (Memorandum Only)</u>
1,150,573	3,821,258	7,291,681
74,585	257,063	475,777
<u>1,075,988</u>	<u>3,564,195</u>	<u>6,815,904</u>
<u>1,150,573</u>	<u>3,821,258</u>	<u>7,291,681</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

WORKFORCE INVESTMENT BOARD SDA-83, INC.
COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Federal grants	7,537,121	7,291,681	(245,440)
<u>Expenses:</u>			
Administration	184,498	475,777	(291,279)
Program costs	<u>7,352,623</u>	<u>6,815,904</u>	<u>536,719</u>
Total expenses	<u>7,537,121</u>	<u>7,291,681</u>	<u>245,440</u>
<u>Excess (deficit) of revenues over expenses</u>	<u>-</u>	-	<u>-</u>
<u>Fund balance at beginning of year</u>		<u>-</u>	
<u>Fund balance at end of year</u>		<u>-</u>	

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

WORKFORCE INVESTMENT BOARD SDA-83, INC.

COMBINED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2003

Cash flows from operating activities:

Excess of revenues over expenses	-
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease in due from grantor	171,656
Decrease in due from other funds	55,761
Decrease in other assets	19,972
(Decrease) in salaries and withholdings payable	(166,903)
Increase in accounts payable	50,193
(Decrease) in due to other funds	(55,761)
Increase in compensated absences payable	20,844
Increase in deferred revenue	<u>34,070</u>
Total adjustments	<u>129,832</u>
Net cash provided by operating activities	129,832

Cash flows from financing activities:

(Decrease) in cash overdraft	<u>(62,206)</u>
Net cash (used) by financing activities	<u>(62,206)</u>

Net increase in cash 67,626

Cash at beginning of year 86,729

Cash at end of year 154,355

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

WORKFORCE INVESTMENT BOARD SDA-83, INC.
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES-
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2003

<u>ASSETS</u>	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
Investment in deferred compensation	<u>525,385</u>	<u>248,949</u>	<u>108,771</u>	<u>665,563</u>
 <u>LIABILITIES</u>				
Liability for deferred compensation	<u>525,385</u>	<u>248,949</u>	<u>108,771</u>	<u>665,563</u>

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

WORKFORCE INVESTMENT BOARD SDA-83, INC.

NOTES TO THE FINANCIAL STATEMENTS

AT JUNE 30, 2003

1. Summary of Significant Accounting Policies

The Workforce Investment Board SDA-83, Inc. (formerly Private Industry Council SDA-83, Inc.), is a nonprofit organization that originally was formed on January 29, 1988, to administer the Job Training Partnership Act (JTPA) Program in Service Delivery Area (SDA) Eighty-Three which is composed of the parishes of Caldwell, East Carroll, Franklin, Jackson, Madison, Richland, and Tensas. With the replacement of JTPA programs with the Workforce Investment Act, as mandated by federal law, Private Industry Council changed its name in 2000 to Workforce Investment Board SDA-83, Inc. Workforce Investment Board also administers the Welfare to Work Program and Youth Opportunity Grant. Service Delivery Area 83 is comprised of two elements:

- Workforce Investment Board (WIB) - which consists of 21 members representing a cross-section of the SDA population. Board members are appointed by the chief elected official from recommendations by the seven parish police juries which comprise SDA-83 and other interested organizations and serve without benefit of compensation. The WIB is responsible for providing program guidance. The WIB serves as its own administrative entity and as such is responsible for administering the program.
- Designated Chief Elected Official - this is a police jury president elected by his peers from the Eighty-Third Planning District. His responsibilities include appointment of Board members, providing guidance for program development, and monitoring the operations of the administrative entity.

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

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

A. FUND ACCOUNTING

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

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

1. Summary of Significant Accounting Policies (Continued)

Agency

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

Welfare to Work

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

Workforce Investment Act Youth

The Workforce Investment Act Youth Fund accounts for funds used in the new WIA program. This program plans to implement major reforms of the job training system to help increase employment, earnings and retention of participants, and reduce welfare dependency. A key component of this program is the One-Stop service delivery system.

Workforce Investment Act Adults and Dislocated Workers

This group of funds also accounts for funds used in the new WIA program. Programs included in these funds seek to improve employment, retention, and earnings of WIA participants and increase their educational and occupational skill attainment, and reduce welfare dependency.

Youth Opportunity Grant

The Youth Opportunity Grant Fund accounts for funds used to increase the long-term employment of youth who live in empowerment zones, enterprise communities and high-poverty areas.

B. BASIS OF ACCOUNTING

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

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

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

C. BUDGETS

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

1. Summary of Significant Accounting Policies (Continued)

D. PROPERTY AND EQUIPMENT

Property and equipment of the Board are not capitalized because title to the assets, which are purchased with resources from grants, reverts to the grantor. The full cost of the asset is charged as an expense in the year of purchase. The Board does maintain a listing of property and equipment purchased with grant funds and provides this listing to the grantor on an annual basis. For the year ended June 30, 2003, property and equipment purchased with grant funds totaled approximately \$82,000.

E. CASH AND CASH EQUIVALENTS

At June 30, 2003, the Board had cash (book balances) as follows:

Demand deposits	154,155
Petty cash	<u>200</u>
	154,355
Cash overdraft	<u>(193,859)</u>
Total	<u><u>(39,504)</u></u>

Cash (bank balances) at June 30, 2003, were secured as follows:

Bank balances	<u>207,416</u>
Federal deposit insurance	100,000
Pledged securities (at approximate fair value)	<u>217,910</u>
Total secured	<u>317,910</u>
Excess security	<u>110,494</u>

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

F. ANNUAL AND SICK LEAVE

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

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

At June 30, 2003, employees have accumulated and vested approximately \$134,000 in employee leave benefits computed in accordance with FASB Statement 43. The cost of leave privileges is recognized as a current-year expense when the leave is earned.

1. Summary of Significant Accounting Policies (Continued)

G. PREPAID EXPENSES

Expenditures for insurance that extend over more than one accounting period are expensed as incurred.

H. TOTAL COLUMNS

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Due from Grantor

Due from grantor at June 30, 2003, in the amount of \$451,464, consists of reimbursements for expenses incurred under the various Department of Labor programs.

3. Deferred Compensation Plan

Workforce Investment Board, SDA-83, Inc. offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. All employees of the Board are eligible to participate in the Master Deferred Compensation Plan for Planning and Economic Development Organizations. Employees may defer up to 6% of their gross salary until future years which the Board will match as an employer contribution. They may also elect to defer additional amounts, which will not be matched by the Board. Employer's contributions to the plan for the year ended June 30, 2003, totaled approximately \$77,000.

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

4. Leases

The Board leases its facilities space and certain equipment under agreements that have expiration dates on monthly or an annual basis. Rent expense under all leases totaled approximately \$252,000 for the year ended June 30, 2003. Future minimum rentals as of June 30, 2003 are as follows:

June 30, 2004	81,950
June 30, 2005	44,850
June 30, 2006	<u>12,600</u>
	<u>139,400</u>

5. Third Party Reimbursements

The Board receives all of its funding from third party reimbursements under contracts with the Louisiana Department of Labor and the U.S. Department of Labor for services provided as described in Note 1. In order to receive funding, the Board must comply with contract provisions.

6. Income Tax Status

Workforce Investment Board SDA-83, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these financial statements.

7. Fair Values of Financial Instruments

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

8. Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Board's insurance coverage.

SUPPLEMENTARY INFORMATION

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October 7, 2003

Workforce Investment Board SDA-83, Inc.
Monroe, Louisiana

Independent Auditor's Report on Supplementary Information

We have audited the financial statements of the Workforce Investment Board SDA-83, Inc. as of June 30, 2003, and for the year then ended, and have issued our report thereon dated September 7, 2003. These financial statements are the responsibility of the Workforce Investment Board SDA-83, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Heard, McElroy + Vestal, LLP

WORKFORCE INVESTMENT BOARD SDA-83, INC.

COMBINED SCHEDULE OF EXPENSES, OBJECT BASIS

SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Title II-A</u> <u>Fund</u>	<u>Workforce</u> <u>Investment</u> <u>Act</u> <u>Adult</u>	<u>Workforce</u> <u>Investment</u> <u>Act</u> <u>Dislocated</u> <u>Worker</u>	<u>Title III</u> <u>Fund</u>
<u>Expenses:</u>				
Accounting/auditing	-	500	6,000	-
Advertising, dues, etc.	-	3,014	14,020	-
Child care-participants	-	89,150	9,581	-
Computer and consulting fees	-	437	18,310	-
Contract payments	-	302,697	411,927	-
Equipment maintenance	-	7,040	9,541	-
Equipment purchases	-	14,318	19,914	-
Insurance-liability	-	2,514	43	-
Janitorial	-	4,589	4,033	-
Legal	-	26	306	-
Needs based payments	-	158,521	55,046	-
Office supplies	-	7,906	22,627	-
Other operating expenses	-	2,240	10,589	-
Participant supplies	-	70,560	26,547	-
Postage	-	297	818	-
Rentals and leases	-	35,623	27,411	-
Salaries and related benefits	-	173,905	167,504	-
Stipends-participants	-	-	-	-
Telephone	-	21,524	27,663	-
Travel and meetings	-	15,400	34,176	-
Tuition-participants	-	222,270	145,570	-
Utilities	-	8,551	5,753	-
Wages-participants	-	<u>127,891</u>	<u>33,498</u>	-
Total expenses	-	<u>1,268,973</u>	<u>1,050,877</u>	-

<u>Welfare to Work</u>	<u>Workforce Investment Act Youth</u>	<u>Youth Opportunity Grant</u>	<u>Totals (Memorandum Only)</u>
-	700	15,940	23,140
-	2,187	2,559	21,780
-	17,527	106,135	222,393
-	(1,512)	61,955	79,190
-	546,812	147,151	1,408,587
-	4,350	24,918	45,849
-	10,447	41,374	86,053
-	698	8,008	11,263
-	2,538	13,619	24,779
-	16	255	603
-	50,367	7,137	271,071
-	8,081	59,792	98,406
-	763	142,016	155,608
-	33,524	178,453	309,084
-	122	6,570	7,807
-	23,164	200,833	287,031
-	130,135	2,153,158	2,624,702
-	2,400	16,000	18,400
-	9,773	103,625	162,585
-	5,081	142,581	197,238
-	54,187	84,463	506,490
-	4,169	43,845	62,318
-	<u>245,044</u>	<u>260,871</u>	<u>667,304</u>
<u>-</u>	<u>1,150,573</u>	<u>3,821,258</u>	<u>7,291,681</u>

WORKFORCE INVESTMENT BOARD SDA-83, INC.

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN

FUND BALANCES, BY PARISH, BY COST CATEGORY

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Caldwell</u>	<u>East Carroll</u>	<u>Franklin</u>	<u>Jackson</u>
<u>Revenues:</u>				
Federal grants	450,708	584,806	533,639	371,574
<u>Expenses:</u>				
Administration	-	-	-	-
Program costs	<u>450,708</u>	<u>584,806</u>	<u>533,639</u>	<u>371,574</u>
Total expenses	<u>450,708</u>	<u>584,806</u>	<u>533,639</u>	<u>371,574</u>
<u>Excess of revenues over expenses</u>	-	-	-	-
<u>Fund balances at beginning of year</u>	-	-	-	-
<u>Fund balances at end of year</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

<u>Madison</u>	<u>Richland</u>	<u>Tensas</u>	<u>Unallocated</u>	<u>Totals (Memorandum Only)</u>
706,307	667,176	269,521	3,707,950	7,291,681
121	-	-	475,656	475,777
<u>706,186</u>	<u>667,176</u>	<u>269,521</u>	<u>3,232,294</u>	<u>6,815,904</u>
<u>706,307</u>	<u>667,176</u>	<u>269,521</u>	<u>3,707,950</u>	<u>7,291,681</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

WORKFORCE INVESTMENT BOARD SDA-83, INC.

SCHEDULE OF INSURANCE IN FORCE (UNAUDITED)

FOR THE YEAR ENDED JUNE 30, 2003

<u>Insurer</u>	<u>Assets Covered</u>	<u>Limits of Coverage</u>	<u>Deductible</u>	<u>Expiration Date</u>
Fairmont	Data processing equipment	528,788	1,500	6/28/03
Fairmont	Employee dishonesty bond	50,000	250	6/28/03
Fairmont	Business automobile:			
	Liability	1,000,000	N/A	6/28/03
	Medical payments	5,000	N/A	
	Uninsured motorists	1,000,000	N/A	
	Comprehensive		250	
	Collision		500	
Louisiana Workers' Compensation	Louisiana Workers' Compensation	500/500/500	N/A	5/01/03
Fairmont	Umbrella	1,000,000	10,000	6/28/03
Fairmont	Property (contents):		500	6/28/03
	Administrative office	154,300	Contents	
	Tensas office	11,125	Contents	
	Tensas rec center	10,000	Contents	
	Richland office	11,125	Contents	
	Caldwell office	11,125	Contents	
	Madison office and rec center	500,000	Building	
		100,000	Contents	
	Franklin office	35,000	Contents	
		47,000	Betterments	
	Jackson office	11,125	Contents	
	East Carroll office	11,125	Contents	
	East Carroll rec center	75,000	Contents	
Fairmont	General liability:		N/A	6/28/03
	Each occurrence	1,000,000		
	Aggregate	3,000,000		
	Personal injury	1,000,000		
	Fire damage legal	100,000		
	Medical	15,000		
Fairmont	Professional liability:		N/A	6/28/03
	Each occurrence	1,000,000		
	Aggregate	3,000,000		
Travelers	Directors and officers:		5,000	7/01/03
	Each occurrence	2,000,000		
	Aggregate	2,000,000		

WORKFORCE INVESTMENT BOARD SDA-83, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2003

<u>Federal Grantor/ Pass-Through Grantor Name/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
United States Department of Labor: Passed through Louisiana Department of Labor:			
Workforce Investment Act-Adult Program	17.258	1,268,973	1,268,973
Workforce Investment Act-Youth Activities	17.259	1,150,573	1,150,573
Workforce Investment Act-Dislocated Workers	17.260	<u>1,050,877</u>	<u>1,050,877</u>
Total Employment Services Cluster		3,470,423	3,470,423
United States Department of Labor: Direct Program:			
Youth Opportunity Grant Program	17.263	<u>3,821,258</u>	<u>3,821,258</u>
Total Federal Awards		<u>7,291,681</u>	<u>7,291,681</u>

WORKFORCE INVESTMENT BOARD SDA-83, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2003

1. Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Workforce Investment Board SDA-83, Inc. and is presented on the accrual basis of accounting, which is the same basis of accounting used for the presentation of the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

Workforce Investment Board SDA-83, Inc. did not pass through any of its federal awards to a subrecipient during the fiscal year, nor did it expend any federal awards in the form of noncash assistance.

OTHER REPORTS

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WILLIAM L. HIGHTOWER, CPA

October 7, 2003

Workforce Investment Board SDA-83, Inc.
Monroe, Louisiana

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

We have audited the financial statements of Workforce Investment Board SDA-83, Inc., as of and for the year ended June 30, 2003, and have issued our report thereon dated October 7, 2003. 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 Workforce Investment Board'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 Workforce Investment Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Heard, McElroy & Vestal, LLP

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October 7, 2003

Workforce Investment Board SDA-83, Inc.
Monroe, Louisiana

Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133

Compliance

We have audited the compliance of Workforce Investment Board SDA-83, Inc. with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. Workforce Investment Board'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 Workforce Investment Board's management. Our responsibility is to express an opinion on Workforce Investment Board'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 Workforce Investment Board'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 Workforce Investment Board's compliance with those requirements.

In our opinion, Workforce Investment Board SDA-83, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

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Internal Control Over Compliance

The management of Workforce Investment Board SDA-83, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Workforce Investment Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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

Heard, McGray + Ventel, LLP

WORKFORCE INVESTMENT BOARD SDA-83, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Workforce Investment Board SDA-83, Inc.
2. No reportable conditions relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of Workforce Investment Board SDA-83, Inc. were disclosed during the audit.
4. No reportable conditions relating to the audit of a major federal award program are reported.
5. The auditor's report on compliance for the major federal award programs for Workforce Investment Board SDA-83, Inc. expresses an unqualified opinion.
6. There were no audit findings relative to major federal award programs for Workforce Investment Board SDA-83, Inc.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA No.</u>
Workforce Investment Act-Adult Program	17.258
Workforce Investment Act-Youth Activities	17.259
Workforce Investment Act-Dislocated Workers	17.260
Youth Opportunity Grant	17.263

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

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

None

WORKFORCE INVESTMENT BOARD SDA-83, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2003

No findings were reported as a result of the prior year's audit.

WORKFORCE INVESTMENT BOARD SDA-83, INC.

MANAGEMENT'S CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2003

No findings were reported for the current year.