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***Financial Report***  
***The Work Connection, Inc.***  
***Houma, Louisiana***  
***For the year ended June 30, 2010***

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 3/9/11

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For the year ended June 30, 2010

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**FINANCIAL SECTION**



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors,  
The Work Connection, Inc.,  
Houma, Louisiana.

We have audited the accompanying statement of financial position of The Work Connection, Inc. (the Organization), a nonprofit organization, as of June 30, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the 2009 financial statements and in our report dated December 22, 2009; we expressed an unqualified opinion on those financial statements.

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 Governmental 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 Organization as of June 30, 2010, and the change in its net assets and its 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 our report dated November 16, 2010, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our

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testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on The Work Connection, Inc. taken as a whole. The accompanying 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, is presented for the purpose of additional analysis and is not a required part of the financial statements of The Work Connection, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Bourgeois Bennett, L.L.C.*  
Certified Public Accountants.

Houma, Louisiana,  
November 16, 2010.

**STATEMENT OF FINANCIAL POSITION****The Work Connection, Inc.**

June 30, 2010

(with summarized financial information for the year ended June 30, 2009)

<b>Assets</b>	<u>2010</u>	<u>2009</u>
Cash on hand	\$ 66,490	\$ 62,064
Grants receivable	19,670	-
Miscellaneous receivable	1,450	1,450
Property and equipment, net	10,557	19,081
Long-term receivable	<u>7,461</u>	<u>6,240</u>
 Total assets	 <u>\$ 105,628</u>	 <u>\$ 88,835</u>
 <b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 66,324	\$ 45,252
Compensated absences payable	<u>7,461</u>	<u>6,240</u>
 Total liabilities	 <u>73,785</u>	 <u>51,492</u>
 <b>Net Assets</b>		
Unrestricted	21,286	18,262
Temporarily restricted	<u>10,557</u>	<u>19,081</u>
 Total net assets	 <u>31,843</u>	 <u>37,343</u>
 Total liabilities and net assets	 <u>\$ 105,628</u>	 <u>\$ 88,835</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES****The Work Connection, Inc.**

For the year ended June 30, 2010  
(with summarized financial information for the year ended June 30, 2009)

	2010			2009 Totals
	Unrestricted	Temporarily Restricted	Total	
<b>Revenues, Gains and Other Support</b>				
Government grants	\$ 1,170,480	\$ -	\$ 1,170,480	\$ 1,378,838
Charges for services	5,600	-	5,600	24,492
Net assets released from restrictions:				
Satisfaction of use restrictions	8,524	(8,524)	-	-
Total revenues, gains and other support	<u>1,184,604</u>	<u>(8,524)</u>	<u>1,176,080</u>	<u>1,403,330</u>
<b>Expenses</b>				
Program Services:				
Adult	343,244	-	343,244	532,476
Dislocated Workers	127,625	-	127,625	577,388
Youth	272,288	-	272,288	217,339
15% Discretionary	59,091	-	59,091	-
American Recovery and Reinvestment Act	376,756	-	376,756	65,235
Pathways and Hearts	2,576	-	2,576	11,414
Total expenses	<u>1,181,580</u>	<u>-</u>	<u>1,181,580</u>	<u>1,403,852</u>
<b>Increase (Decrease) in Net Assets</b>	3,024	(8,524)	(5,500)	(522)
<b>Net Assets</b>				
Beginning of year	<u>18,262</u>	<u>19,081</u>	<u>37,343</u>	<u>37,865</u>
End of year	<u>\$ 21,286</u>	<u>\$ 10,557</u>	<u>\$ 31,843</u>	<u>\$ 37,343</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES****The Work Connection, Inc.**

For the year ended June 30, 2010  
(with summarized financial information for the year ended June 30, 2009)

	2010			2009 Totals
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<b>Increase (Decrease) in Net Assets</b>	<b>3,024</b>	<b>(8,524)</b>	<b>(5,500)</b>	<b>(522)</b>
<b>Net Assets</b>				
Beginning of year	18,262	19,081	37,343	37,865
End of year	\$ 21,286	\$ 10,557	\$ 31,843	\$ 37,343

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

The Work Connection, Inc.

For the year ended June 30, 2010

	Program Services						Total
	Adult	Dislocated Workers	Youth	15% Discretionary	American Recovery and Reinvestment Act	Pathways/ Hearts	
Salaries	\$ 197,497	\$ 82,233	\$ 182,878	\$ 39,027	\$ 223,161	\$ 2,161	\$ 726,957
Payroll taxes	22,995	6,159	13,767	2,986	18,888	165	64,960
Retirement	6,110	1,977	3,919	-	737	9	12,752
Employee benefits	9,244	1,083	6,770	378	5,941	11	23,427
<b>Total salaries and related expenses</b>	<b>235,846</b>	<b>91,452</b>	<b>207,334</b>	<b>42,391</b>	<b>248,727</b>	<b>2,346</b>	<b>828,096</b>
Advertising and public relations	419	-	-	-	837	-	1,256
Contract services	7,378	4,084	-	-	46,120	-	57,582
Depreciation	2,131	4,262	2,131	-	-	-	8,524
Equipment rentals	5,695	1,484	3,542	-	-	-	10,721
Equipment repairs and maintenance	2,869	2,554	3,204	16,700	6,339	-	31,666
Insurance	7,655	1,937	5,825	-	3,349	-	18,757
Membership dues and subscriptions	763	270	575	-	339	-	1,947
Miscellaneous	3,528	214	590	-	206	230	3,768
Occupancy	30,680	10,978	19,418	-	11,974	-	72,150
Postage and shipping	170	78	150	-	80	-	478
Professional fees	6,095	1,947	4,836	-	2,800	-	15,678
Participant room and board	-	-	154	-	-	-	154
Participant tuition	7,851	-	5,398	-	23,453	-	36,702
Participant child care	853	-	2,231	-	547	-	3,631
Other participant supportive services	15,006	819	6,188	-	25,784	-	47,797
Supplies	5,689	2,836	3,482	-	1,210	-	13,217
Telephone	4,373	1,820	2,861	-	1,887	-	10,941
Travel, meals and lodging	4,534	687	1,651	-	1,903	-	8,775
Utilities	2,709	2,203	2,718	-	2,110	-	9,740
<b>Totals</b>	<b>\$ 343,244</b>	<b>\$ 127,625</b>	<b>\$ 272,288</b>	<b>\$ 59,091</b>	<b>\$ 376,756</b>	<b>\$ 2,576</b>	<b>\$ 1,181,580</b>

See notes to financial statements.

**STATEMENT OF FUNCTIONAL EXPENSES****The Work Connection, Inc.**

For the year ended June 30, 2009  
(for comparative purposes only)

	Program Services					Total
	Adult	Dislocated Workers	Youth	American Recovery and Reinvestment Act	Pathways/ Hearts	
Salaries	\$ 366,173	\$ 303,345	\$ 99,447	\$ 52,918	\$ 9,884	\$ 831,767
Payroll taxes	20,443	30,372	7,566	4,047	1,307	63,735
Retirement	10,413	776	1,763	-	125	13,077
Employee benefits	21,198	38,048	14,030	478	98	73,852
<b>Total salaries and related expenses</b>	<b>418,227</b>	<b>372,541</b>	<b>122,806</b>	<b>57,443</b>	<b>11,414</b>	<b>982,431</b>
Advertising and public relations	166	-	714	2,500	-	3,380
Contract services	-	107,480	-	-	-	107,480
Depreciation	3,400	6,800	3,400	-	-	13,600
Equipment rentals	6,505	230	3,836	-	-	10,571
Equipment repairs and maintenance	3,157	12,449	3,166	-	-	18,772
Insurance	10,805	-	6,493	-	-	17,298
Membership dues and subscriptions	1,180	197	481	-	-	1,858
Miscellaneous	925	131	1,236	150	-	2,442
Occupancy	32,237	22,708	16,206	1,200	-	72,351
Postage and shipping	584	40	178	-	-	802
Professional fees	9,900	5,960	6,058	-	-	21,918
Participant room and board	-	180	4,555	-	-	4,735
Participant tuition	-	15,533	8,533	2,138	-	26,204
Participant child care	-	1,163	1,568	-	-	2,731
Other participant supportive services	23,877	21,793	6,744	1,492	-	53,906
Supplies	5,274	6,666	22,508	312	-	34,700
Telephone	6,614	1,178	4,341	-	-	12,133
Travel, meals and lodging	2,682	(253)	1,588	-	-	4,017
Utilities	6,943	2,652	2,928	-	-	12,523
<b>Totals</b>	<b>\$ 532,476</b>	<b>\$ 577,388</b>	<b>\$ 217,339</b>	<b>\$ 65,235</b>	<b>\$ 11,414</b>	<b>\$ 1,403,852</b>

See notes to financial statements

**STATEMENT OF CASH FLOWS****The Work Connection, Inc.**

For the year ended June 30, 2010  
(with summarized information for the year ended June 30, 2009)

	<u>2010</u>	<u>2009</u>
<b>Cash Flows from Operating Activities</b>		
Decrease in net assets	\$ (5,500)	\$ (522)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	8,524	13,600
Decrease (increase) in assets:		
Grants receivable	(19,670)	81,914
Increase (decrease) in liabilities:		
Bank overdraft	-	(17,397)
Accounts payable and accrued expenses	21,072	(15,531)
Total adjustments	<u>9,926</u>	<u>62,586</u>
<b>Net Increase in Cash</b>	4,426	62,064
<b>Cash</b>		
Beginning of year	<u>62,064</u>	<u>-</u>
End of year	<u>\$ 66,490</u>	<u>\$ 62,064</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**The Work Connection, Inc.**

June 30, 2010

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Organization**

The Work Connection, Inc. (the Organization) was incorporated as a non-profit corporation on August 28, 1987. In accordance with the Workforce Investment Act (WIA), the Organization funds job training and other employment services in the parishes of Lafourche, Assumption and Terrebonne under grants provided by the local Workforce Investment Board (the LAT). The Organization is funded by the LAT as a subrecipient of Title I – B of WIA. The Organization receives fees for services from the LAT for enrolling and testing participants in the Healthcare Recovery Training System programs.

**b) Financial Statement Presentation**

The Organization's financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its *Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

**Unrestricted Net Assets** – Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

**Permanently Restricted Net Assets** – Net assets subject to donor-imposed stipulations that are maintained permanently by the Organization. The Organization had no permanently restricted net assets at June 30, 2010.

The Statement of Activities includes certain prior-year summarized comparative information in the total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2009, from which the summarized information was derived.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Basis of Accounting**

The financial statements of the Organization are prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

**e) Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Organization had no cash equivalents at June 30, 2010.

**f) Bad Debts**

The financial statements of the Organization contain no allowance for uncollectible receivables. Uncollectible receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivable. Uncollectible receivable are considered immaterial to the financial statements at June 30, 2010.

**g) Property and Equipment**

All acquisitions of property and equipment are purchased with grant funding through the LAT from the pass-through grantor, the State of Louisiana Department of Labor (LDOL). All property and equipment is ultimately the property of LDOL, which allows the Organization to use the property to perform necessary services. Purchased property and equipment is carried at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation, as determined by management. The policy of the Organization is to capitalize all expenditures for property and equipment in excess of \$1,000. Depreciation is computed using primarily the straight-line method over estimated useful lives (two to ten years). Depreciation expense for the year ended June 30, 2010 was \$8,524.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h) Compensated Absences**

Full-time employees are entitled to earn annual vacation leave with pay upon completion of six month's employment and satisfactory completion of their initial probationary period.

The rate at which an employee accumulates vacation leave depends on years of service. In the event the Organization would not be funded in the following year, employees would be required to exhaust their annual vacation leave prior to the end of the funding year. The total amount of accrued accumulated vacation leave at June 30, 2010 was \$7,461. Accrued accumulated vacation leave is included in accounts payable and accrued expenses at June 30, 2010. The related reimbursement is recognized as revenue and a long-term receivable at the time the liability is incurred.

Sick leave accrues at a rate of five hours per month. Employees shall be allowed to carry accumulated sick leave forward from one program year to the next, not to exceed 120 hours. In no instance shall any employee receive wages for sick leave upon termination of employment.

**i) Functional Expenses**

The costs of providing various services and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses in accordance with cost reporting regulations of the State of Louisiana Department of Labor. Accordingly, certain costs have been allocated among the services and activities benefited.

**j) Income Taxes**

The Organization is a non-profit organization and is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code. Therefore, no provisions for income taxes have been made.

**k) Reclassifications**

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year.

**l) New Accounting Pronouncements**

Effective January 1, 2009, the Agency adopted ASC 740-10 (formerly, FASB Interpretation No. 48), *Accounting for Uncertain Tax Positions*. This accounting standard provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l) New Accounting Pronouncements (continued)**

It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The adoption of this standard had no material effect on the Organization's financial position, results of operations, or cash flows. Tax years ended June 30, 2006 and later remain subject to examination by the taxing authorities.

In June 2009, the Financial Accounting Standards Board ("FASB") issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification ("FASB ASC"), as the sole source of authoritative generally accepted accounting principles ("GAAP"). Pursuant to the provisions of Topic 105, the Organization has updated references to GAAP in its financial statements issued for the year ended June 30, 2010. The adoption of Topic 105 did not impact the Organization's net assets, changes in net assets, or cash flows for the year ended June 30, 2010.

**Note 2 - RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are restricted by donors for specific purposes or for use in subsequent periods. As June 30, 2010, temporarily restricted net assets include \$10,557 for the use of property and equipment.

**Note 3 - PROPERTY AND EQUIPMENT**

At June 30, 2010, property and equipment consist of the following:

Transportation equipment	\$ 72,682
Office furniture and equipment	<u>94,175</u>
	166,857
Less: accumulated depreciation	<u>(156,300)</u>
Property and equipment, net	<u>\$ 10,557</u>

**Note 4 - OPERATING BUDGETARY DATA**

The Organization is a non-profit organization which is not legally required to adopt or amend its budgets. The Organization's funding is from intergovernmental grants from the Federal and State of Louisiana Department of Labor paid as pass-through grants from the LAT. The Organization signed a contract with the LAT which required grant budgets in the amount of \$1,870,026. All budgeted amounts which were not expended, or obligated through contracts, lapse at year end.

**Note 5 - ECONOMIC DEPENDENCY**

As described above, the Organization receives its revenue from Federal grant funding passed through the State of Louisiana Department of Labor and the LAT. If significant budget cuts are made at the Federal, state and/or local government levels, the amount of funds that the Organization receives could be reduced significantly and have an adverse impact on its operations.

**Note 6 - PENSION PLAN**

The Organization established a 401(k) retirement plan to provide benefits to all permanent full-time employees having completed at least one year of service. Participants are permitted to contribute in any amount up to 15% of their compensation not to exceed statutory limits. The Organization matches 100% of the employee contributions not to exceed 5% of the employee's compensation. The Organization's contributions for the year ended June 30, 2010 were \$12,752.

**Note 7 - RISK MANAGEMENT**

The Organization is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the year ended June 30, 2010.

**Note 8 - OFFICE RENT**

Effective July 1, 2009, the Organization entered in a twenty-four (24) month operating lease for office space in Thibodaux, Louisiana for \$1,100 a month. Commitments under the lease are as follows:

<u>Year</u>	<u>Amount</u>
2011	<u>\$ 13,200</u>

The remaining two offices are rented on a month-to-month basis. Rental expenditures incurred on all offices, including the above lease, amounted to \$72,150 during the year ended June 30, 2010.

**Note 9 - SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through November 16, 2010, which is the date the financial statements were available to be issued.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



Bourgeois Bennett

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

To the Board of Directors,  
The Work Connection, Inc.,  
Houma, Louisiana.

We have audited the financial statements of The Work Connection, Inc., (the Organization), as of and for the year ended June 30, 2010, which collectively comprise the organizations basic financial statements and have issued our report thereon dated November 16, 2010. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported Government Auditing Standards.

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor for the State of Louisiana and various federal and state audit agencies 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 16, 2010.



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT  
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors,  
The Work Connection, Inc.,  
Houma, Louisiana.

**Compliance**

We have audited the compliance of The Work Connection, Inc., (the Organization), a nonprofit organization with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The Organization'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 Organization's management. Our responsibility is to express an opinion on the Organization'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 Organization'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 of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

## Internal Control Over Compliance

The management of the Organization 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 Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely 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. 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 16, 2010.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**The Work Connection, Inc.**

For the year ended June 30, 2010

<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>
<b>Department of Labor</b>			
<u>Pass-Through Payments:</u>			
<u>Louisiana Department of Labor:</u>			
<u>LAT Workforce Investment Board, Inc.:</u>			
WIA Adult Program	17.258	OCR# 474-000559	\$ 341,113
WIA Youth Activities	17.259	OCR# 474-000559	270,157
WIA Dislocated Workers	17.260	OCR# 474-000559	123,363
ARRA WIA 15% Discretionary	17.258		
	17.259		
	17.260		59,091
ARRA Adult Program	17.258		111,196
ARRA Youth Activities	17.259		233,244
ARRA Dislocated Workers	17.260		32,316
Total			<u>\$ 1,170,480</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**The Work Connection, Inc.**

For the year ended June 30, 2010

**Note 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of The Work Connection, 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 financial statements.

**Note 2 - RECONCILIATION TO FINANCIAL STATEMENTS**

Total federal expenditures for the year ended June 30, 2010 reconciles to the Organization's financial statements for the year ended June 30, 2010 as follows:

Total federal expenditures	\$1,170,480
Non federal expenditures	2,576
Depreciation of capitalized property and equipment	<u>8,524</u>
Total expenses	<u>\$1,181,580</u>

**Note 3 - FINDINGS OF NONCOMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE**

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2010.



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**The Work Connection, Inc.**

For the year ended June 30, 2010

**Section I Summary of Auditor's Results (Continued)**

c) Identification of Major Programs (continued):

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
17.258, 17.259, 17.260	ARRA – 15% WIA Discretionary
17.258	ARRA - WIA Adult Program
17.259	ARRA - WIA Youth Activities
17.260	ARRA - WIA Dislocated Workers

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 financial statements for the year ended June 30, 2010.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**The Work Connection, Inc.**

For the year ended June 30, 2010

**Section III Federal Award Findings and Questioned Costs**

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2010.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

**The Work Connection, Inc.**

For the year ended June 30, 2010

### **Section I Internal Control and Compliance Material to the Financial Statements**

#### **Internal Control**

No internal control findings material to the financial statements were noted during the audit of the financial statements for the year ended June 30, 2009.

#### **Compliance**

No compliance findings material to the financial statements were noted during the audit of the financial statements for the year ended June 30, 2009.

### **Section II Internal Control and Compliance Material to Federal Awards**

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2009.

### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2009.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

**The Work Connection, Inc.**

For the year ended June 30, 2010

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

#### **Internal Control**

No material weaknesses were noted during the audit for the year ended June 30, 2010.

No significant deficiencies were reported during the audit for the year ended June 30, 2010.

#### **Compliance**

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2010.

### **Section II Internal Control and Compliance Material to Federal Awards**

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2010.

### **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, 2010.