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**FINANCIAL STATEMENTS AND REPORTS OF
 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT**

**LOUISIANA ASSOCIATION OF COMMUNITY
 SERVICE ORGANIZATIONS, Inc.**

October 31, 1997

**Richard D. Traubhaar
 Certified Public Accountant
 Alexandria, Louisiana**

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

Release Date MAY 27 1998

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Roland D. Kraushaar
Certified Public Accountant

1405 Texas Avenue - Alexandria, LA 71301
Post Office Box 12838 - Alexandria, LA 71315

April 24, 1988

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Louisiana Association of Community
Service Organizations, Inc.
c/o Joyce Hamilton
P.O. Box 184
Cotzak, Louisiana

I have audited the accompanying statement of financial position of the Louisiana Association of Community Service Organizations, Inc., as of October 31, 1987, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Louisiana Association of Community Service Organizations, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Association of Community Service Organizations, Inc., as of October 31, 1987, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated April 24, 1988 on my consideration of the Louisiana Association of Community Service Organizations, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the basic financial statements of the Louisiana Association of Community Service Organizations, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-110, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Roland D. Kraushaar
Certified Public Accountant



Roland D. Kraushaar
Certified Public Accountant

1408 Texas Avenue - Alexandria, LA 71301
Post Office Box 12038 - Alexandria, LA 71315

April 29, 1998

**INDEPENDENT AUDITOR'S 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
Louisiana Association of Community
Service Organizations, Inc.
c/o Joyce Hamilton
P.O. Box 294
Coffey, Louisiana

I have audited the financial statements of the Louisiana Association of Community Service Organizations, Inc., as of and for the year ended October 31, 1997, and have issued my report thereon dated April 29, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

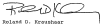
As part of obtaining reasonable assurance about whether the Louisiana Association of Community Service Organizations, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered the Louisiana Association of Community Service Organizations, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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 accounts 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management and Federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Roland D. Krossheer
Certified Public Accountant



Roland D. Kraushaar
Certified Public Accountant

1408 Texas Avenue - Alexandria, LA 71301
Post Office Box 12528 - Alexandria, LA 71315

April 29, 1998

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS
AND FINANCIAL STATEMENTS, OTHER COMPLIANCE IN
ACCORDANCE WITH GMS CIRCULAR A-113**

To the Board of Directors
Louisiana Association of Community
Service Organizations, Inc.
c/o Joyce Bealines
P.O. Box 294
Bossier, Louisiana

Compliance

I have audited the compliance of the Louisiana Association of Community Service Organizations, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) circular A-113 Compliance Supplement that are applicable to each of the major federal programs for the year ended October 31, 1997. The Louisiana Association of Community Service Organizations, Inc.'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 Louisiana Association of Community Service Organizations, Inc.'s management. My responsibility is to express an opinion on the Louisiana Association of Community Service Organizations, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and GMS Circular A-113, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and GMS Circular A-113 require that I 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 Louisiana Association of Community Service Organizations, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe

that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Louisiana Association of Community Service Organizations, Inc.'s compliance with those requirements.

In my opinion, the Louisiana Association of Community Service Organizations, 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 October 31, 1997.

Internal Control Over Compliance

The management of the Louisiana Association of Community Service Organizations, 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 my audit, I considered the Louisiana Association of Community Service Organizations, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Edward D. Kraushaar
Certified Public Accountant

LOUISIANA ASSOCIATION OF COMMUNITY
SERVICE ORGANIZATIONS, INC.

BALANCE SHEET
October 31, 1997

ASSETS

Cash & Equivalents	\$21,900
Grant Receivable	<u>18,000</u>
Total assets	<u>\$40,000</u>

LIABILITIES AND FUND EQUITY

<u>LIABILITIES</u>	
Bank Overdrafts	\$ 2,500
<u>FUND EQUITY</u>	
Fund balance	<u>31,000</u>
Total liabilities and fund equity	<u>\$40,000</u>

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION OF COMMUNITY
SERVICE ORGANIZATIONS, INC.

STATEMENT OF REVENUES, EXPENDITURES AND
CARRIED IN FUND BALANCE
Year Ended October 31, 1997

REVENUES:	
State grant	\$ 9,100
Supplemental grant	9,504
Dues and registrations	9,240
Interest income	<u>318</u>
Total revenues	\$ 28,162
EXPENDITURES:	
Seminars and meetings	\$ 10,543
Travel	1,919
Supplies	334
Telephone, postage, etc.	763
Audit and accounting	1,925
Other costs	<u>134</u>
Total expenditures	\$ 21,621
EXCESS REVENUES OVER EXPENDITURES (DEFICIT)	\$ 6,541
Fund Balance, Beginning	<u>26,135</u>
Fund Balance, Ending	\$ 31,676

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION OF COMMUNITY
SERVICE ORGANIZATIONS, INC.

STATEMENT OF CASH FLOWS
Year Ended October 31, 1997

Cash Flows From Operating Activities

Change in net assets	\$ 4,955
Increase in accounts receivable	(15,102)
Increase in operating liabilities	<u>6,800</u>
Net increase (decrease) in cash	\$ (4,347)

Cash

October 31, 1996	<u>16,119</u>
October 31, 1997	\$ 21,862

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION OF COMMUNITY
SERVICE ORGANIZATIONS, INC.

NOTES TO FINANCIAL STATEMENTS
October 31, 1997

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Louisiana Association of Community Service Organizations, Inc. is a non-profit quasi-governmental organization. Its membership is composed of the various local Community Action Agencies throughout the state of Louisiana. The Organization is supported by membership dues, self-generated conference registration fees and state grants through the Louisiana Department of Labor.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code.

Cash & Cash Equivalents

For the purposes of the statement of cash flows, LACSO considers all highly liquid investments available for current use with an initial maturity of six months or less to be cash equivalents.

NOTE 2 - BASIS OF ACCOUNTING

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

All funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

NOTE 3 - COMPENSATION AND/OR PER DIEM TO BOARD MEMBERS

There was no compensation or per diem paid to Board members of the Louisiana Association of Community Service Organizations, Inc. for the year ended October 31, 1997.

LOUISIANA ASSOCIATION OF COMMUNITY
SERVICE ORGANIZATIONS, INC.

NOTES TO FINANCIAL STATEMENTS

October 31, 1987

(Continued)

NOTE 4 - COLLATERALIZATION OF BANK DEPOSITS

At October 31, 1987, the Louisiana Association of Community Service Organizations, Inc. had cash (book balances) totaling \$21,883 on deposit at two financial institutions. Cash and cash equivalents (bank balances) at October 31, 1987 equaled \$12,670. All monies on deposit were insured by FDIC insurance.

**LOUISIANA ASSOCIATION OF COMMUNITY
SERVICE ORGANIZATIONS, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended October 31, 1997

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the Louisiana Association of Community Service Organizations, 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 the Louisiana Association of Community Service Organizations, Inc. were disclosed during the audit.
 4. No reportable conditions relating to the audit of major federal award programs is reported.
 5. The auditor's report on compliance for the major federal award programs for the Louisiana Association of Community Service Organizations, Inc. express an unqualified opinion.
 6. There were no audit findings relative to the major federal award programs for the Louisiana Association of Community Service Organizations to report in Part C.
 7. The program tested as a major program was the Community Services Block Grant, CFDA No. 93.010.
 8. The threshold for distinguishing Type A and Type B programs was 2% of Federal Funds.
 9. The Louisiana Association of Community Service Organizations, Inc. was determined to be a low-risk auditee.
- B. Findings - Financial Statement Audit**
None
- C. Findings and Questioned Costs - Major Federal Award Programs Audit**
None



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Certified Public Accountant

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Post Office Box 125358 - Alexandria, LA 71315

**INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF FEDERAL AWARDS**

April 29, 1988

To the Board of Directors
Louisiana Association of Community
Service Organizations, Inc.
c/o Joyce Hamilton
P.O. Box 294
Caldes, Louisiana

I have audited the financial statements of the Louisiana Association of Community Service Organizations, Inc. as of and for the year ended October 31, 1987, and have issued my report thereon dated April 29, 1988. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose 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. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the financial statements of the Louisiana Association of Community Service Organizations, Inc., taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of

additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Edward D. Froushour
Certified Public Accountant

LOUISIANA ASSOCIATION OF COMMUNITY
SERVICE ORGANIZATIONS, INC.

SCHEDULE OF FEDERAL EXPENSES
Two Years Ended October 31, 1997

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME</u>	<u>CFDA NUMBER</u>	<u>AGENCY OR PASS-THROUGH NUMBER</u>	<u>1997 EXPENDITURES</u>
United States Dept of Labor/ Louisiana Dept of Labor/ Community Services Block Grants	93.008	9700100	\$9,102