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FINANCIAL STATEMENTS AND REPORTS OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

LOUISIANA ASSOCIATION OF COMMUNITY  
SERVICE ORGANIZATIONS, INC.

October 31, 1998

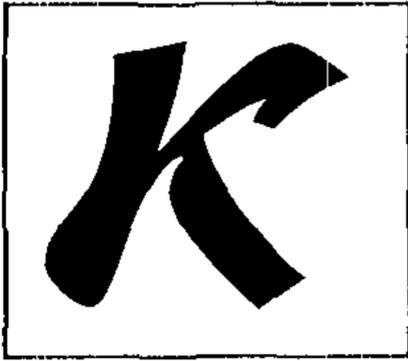
Roland D. Kraushaar  
Certified Public Accountant  
Alexandria, Louisiana

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 10 1999

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**Roland D. Kraushaar**  
Certified Public Accountant

1406 Texas Avenue      Alexandria, LA 71301  
Post Office Box 12538      Alexandria, LA 71315  
April 30, 1999

**INDEPENDENT AUDITOR'S REPORT**

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

I have audited the accompanying statement of financial position of the Louisiana Association of Community Service Organizations, Inc., as of October 31, 1998, 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. Those 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.

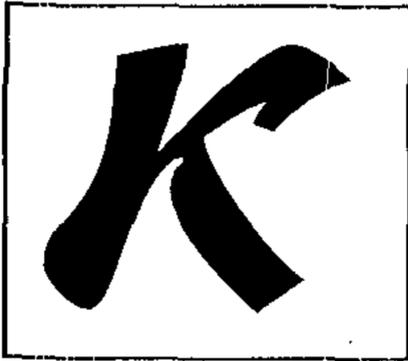
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Association of Community Service Organizations, Inc., as of October 31, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated April 30, 1999, on my consideration of The Association's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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-133, *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

1406 Texas Avenue      Alexandria, LA 71301  
Post Office Box 12538      Alexandria, LA 71315  
April 30, 1999

**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  
Colfax, 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, 1998, and have issued my report thereon dated April 30, 1999. 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 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. 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, The Louisiana Legislative Auditor 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. Kraushaar  
Certified Public Accountant

LOUISIANA ASSOCIATION OF COMMUNITY  
SERVICE ORGANIZATIONS, INC.

STATEMENT OF FINANCIAL CONDITION  
October 31, 1998

ASSETS

Cash & Equivalents	\$30,890
Grant Receivable	<u>          -</u>
Total assets	<u>\$30,890</u> <u>=====</u>

LIABILITIES AND FUND EQUITY

LIABILITIES	
Accounts Payable	\$ 529
FUND EQUITY	
Fund balance	<u>30,361</u>
Total liabilities and fund equity	<u>\$30,890</u> <u>=====</u>

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION OF COMMUNITY  
SERVICE ORGANIZATIONS, INC.

STATEMENT OF ACTIVITIES  
Year Ended October 31, 1998

REVENUES:	
State grant	\$ 34,058
Dues and registrations	14,685
Interest income	<u>683</u>
Total revenues	<u>\$ 49,426</u>
EXPENDITURES:	
Seminars and meetings	\$ 40,365
Travel	2,320
Supplies	283
Telephone, postage, etc.	1,029
Audit and accounting	1,050
Other costs	899
Grant refunds/Disallowed costs	<u>4,213</u>
Total expenditures	<u>\$ 50,159</u>
EXCESS REVENUES OVER EXPENDITURES (DEFICIT)	\$ (733)
Fund Balance, Beginning	<u>31,094</u>
Fund Balance, Ending	<u>\$ 30,361</u> =====

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, 1998

Cash Flows From Operating Activities

Change in net assets	\$ (733)
Decrease in accounts receivable	18,666
Decrease in operating liabilities	<u>(9,035)</u>
Net increase (decrease) in cash	\$ 8,898

Cash

October 31, 1997	<u>21,992</u>
October 31, 1998	<u>\$ 30,890</u> =====

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION OF COMMUNITY  
SERVICE ORGANIZATIONS, INC.

NOTES TO FINANCIAL STATEMENTS  
October 31, 1998

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, 1998.

LOUISIANA ASSOCIATION OF COMMUNITY  
SERVICE ORGANIZATIONS, INC.

NOTES TO FINANCIAL STATEMENTS

October 31, 1998

(Continued)

NOTE 4 - COLLATERALIZATION OF BANK DEPOSITS

At October 31, 1998, the Louisiana Association of Community Service Organizations, Inc. had cash (book balances) totaling \$30,890 on deposit at two financial institutions. Cash and cash equivalents (bank balances) at October 31, 1998 equaled \$30,926. 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, 1998

A. Current Year Reports

There were no findings of noncompliance nor were there any questioned costs disclosed by the audit for the year ended October 31, 1998.

B. Prior Year Findings

None detected or disclosed.

LOUISIANA ASSOCIATION OF COMMUNITY  
SERVICE ORGANIZATIONS, INC.

SCHEDULE OF FEDERAL AWARDS  
Two Years Ended October 31, 1998

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME</u>	<u>CFDA NUMBER</u>	<u>AGENCY OR PASS-THROUGH NUMBER</u>	<u>1998 EXPENDITURES</u>
United States Dept of Labor/ Louisiana Dept of Labor/ Community Services Block Grants	93.635	97D0100	\$34,058