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**HAMPCO, INC.**

**Compiled Financial Statements  
As of and For the Year Ended June 30, 2009**

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.

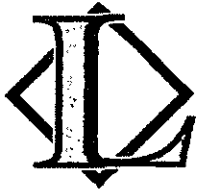
Release Date 2/17/10

HAMPCO, INC.

JUNE 30, 2009

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**LITTLE & ASSOCIATES LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
CHARLES R. MARCHBANKS, JR., CPA

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

The Board of Directors  
Hampco, Inc.  
Monroe, Louisiana

We have compiled the accompanying statement of financial position of Hampco, Inc (a Nonprofit Organization) as of June 30, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended and the accompanying supplementary information on pages 12-13, which are presented only for supplementary analysis purposes, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

*Little & Associates, LLC*

Monroe, Louisiana  
December 15, 2009

HAMPCO, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2009

<b>Assets</b>	
Cash	\$ 518,301
Equipment	33,352
Accumulated Depreciation - Equipment	<u>(20,221)</u>
Total Assets	<u>\$ 531,432</u>
<b>Liabilities</b>	
Accounts Payable	<u>\$ 12,523</u>
Total Liabilities	<u>12,523</u>
<b>Net Assets</b>	
Unrestricted	<u>518,909</u>
Total Net Assets	<u>518,909</u>
Total Liabilities and Net Assets	<u>\$ 531,432</u>

See Accompanying Accountants' Compilation Report and Notes to the Financial Statements.

HAMPCO, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>			
Contracts:			
Louisiana Department of Education	\$ -	\$ 8,574	\$ 8,574
Louisiana Department of Social Services	-	43,857	43,857
Donated Use of Equipment and Facility	-	2,383	2,383
Donations		5,792	5,792
Other Income	245	6,901	7,146
Net Assets Released from Restrictions	<u>743,896</u>	<u>(743,896)</u>	<u>-</u>
Total Support and Revenue	<u>744,141</u>	<u>(676,389)</u>	<u>67,752</u>
<b>Expenses</b>			
Programs:			
Hampco Programs:			
ACT	2,342	-	2,342
Back to School	2,322	-	2,322
Teen Pregnancy Prevention	29,647	-	29,647
Project Drive	27,037	-	27,037
TANF	49,974	-	49,974
Total Hampco Programs	<u>111,322</u>	<u>-</u>	<u>111,322</u>
Grant Programs	<u>13,351</u>	<u>-</u>	<u>13,351</u>
Total Grant Programs	<u>13,351</u>	<u>-</u>	<u>13,351</u>
Total Programs	<u>124,673</u>	<u>-</u>	<u>124,673</u>
Supporting Services:			
Management and General	<u>101,408</u>	<u>-</u>	<u>101,408</u>
Total Expenses	<u>226,081</u>	<u>-</u>	<u>226,081</u>
Change in Net Assets	518,060	(676,389)	(158,329)
Net Assets at Beginning of Year	<u>849</u>	<u>676,389</u>	<u>677,238</u>
Net Assets at End of Year	<u>\$ 518,909</u>	<u>\$ -</u>	<u>\$ 518,909</u>

See Accompanying Accountants' Compilation Report and Notes to the Financial Statements.

HAMPCO, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2009

	Hampco Programs						Supporting Services Management and General	Total
	Teen Pregnancy Prevention	Project Drive	TANF	ACT	Back to School			
Bank Charges	\$ 98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98	
Banquets & Refreshments	1,097	2,426	784	162	-	62	4,531	
Contract Services	23,330	4,175	18,862	2,180	-	18,909	67,456	
Depreciation	-	-	-	-	-	1,570	1,570	
Insurance	-	-	-	-	-	745	745	
Office Supplies and Expense	154	-	-	-	-	5,372	5,526	
Other	-	17,964	700	-	-	584	19,248	
Professional Fees	-	-	-	-	-	8,804	8,804	
Rent	175	-	-	-	-	17,254	17,429	
Salaries	-	-	-	-	-	33,050	33,050	
Supplies	4,625	2,472	26,407	-	2,322	7,703	43,529	
Taxes - Payroll	-	-	-	-	-	2,527	2,527	
Telephone/Internet Expense	-	-	-	-	-	4,720	4,720	
Travel Expense	168	-	3,221	-	-	108	3,497	
	<u>\$ 29,647</u>	<u>\$ 27,037</u>	<u>\$ 49,974</u>	<u>\$ 2,342</u>	<u>\$ 2,322</u>	<u>\$ 101,408</u>	<u>\$ 212,730</u>	

See Accompanying Accountants' Compilation Report and Notes to the Financial Statements.

HAMPCO, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2009

<b>Operating Activities</b>	
Change in Net Assets	\$ (158,329)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,570
(Increase) Decrease in Accounts Receivable	82,593
(Increase) Decrease in Prepaid Expenses	14,904
Increase (Decrease) in Accounts Payable	6,001
Increase (Decrease) in Accrued Payroll	(44,431)
Increase (Decrease) in Payroll Taxes Payable	(32)
Net Cash Provided By (Used In) Operating Activities	<u>(97,724)</u>
<b>Investing Activities</b>	
Purchase of furniture and equipment	<u>(14,701)</u>
	<u>(14,701)</u>
<b>Financing Activities</b>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(112,425)
Cash and Cash Equivalents at Beginning of Year	<u>630,727</u>
Cash and Cash Equivalents at End of Year	<u>\$ 518,302</u>

**Disclosure of Accounting Policy**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

See Accompanying Accountants' Compilation Report and Notes to the Financial Statements.

HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Hampco, Inc. (the "Organization") was established to provide funding for and to oversee the administration of programs which are designed to reduce healthcare inadequacies, enhance basic life skills, provide nutritional resources and training to those in need, enable the educationally challenged, up-grade low level labor skills, reduce unemployment, and empower disadvantaged charities, individuals, communities, and the homeless. The Organization, which was founded in 1997, operates primarily within the boundaries of Ouachita Parish District – 17.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles.

FINANCIAL STATEMENT PRESENTATION

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. These three classes of net assets are described as follows:

Unrestricted Net Assets – consists of public support and program revenues that are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted Net Assets – includes funds with donor-imposed restrictions, which permit the donee organization to expend the assets as specified and which are satisfied either by the passage of time or by actions of the organization.

Permanently Restricted Assets – includes resources that have a permanent donor-imposed restriction, which stipulates that the assets are to be maintained permanently, but permits the organization to expend all or part of the income derived from the donated assets.



HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PERVASIVENESS OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SUPPORT AND REVENUE RESTRICTIONS

The Organization reports support and revenue that is restricted by the donor as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When the restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

ADVERTISING

Advertising costs are expensed as such costs are incurred.

EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and the supporting services benefited.

INCOME TAX STATUS

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 2 – REVENUE AND SUPPORT

The Organization's primary source of support and revenue for the programs and the administration of the Organization are through Act 17 of the 2007 Regular Session, General Appropriations Act which operates under the guidelines of the Office of Contractual Review of the State of Louisiana ("OCR"). During the year ended June 30, 2009, the Organization no longer has a contract with OCR.

Also, during the year ended June 30, 2008, the Organization entered into a cooperative endeavor agreement with the State of Louisiana, Department of Education ("DOE") for the operation of DOE's TANF After School Program. The Organization refers to this program as TANF.

- Contract Period: October 1, 2007 – August 31, 2008:

Original Agreement Amount (Prior to Amendment)	\$204,984
Cumulative Amount Received as of June 30, 2008	\$136,155
Cumulative Amount Received as of June 30, 2009	\$201,160
Amount Expended, but not received as of June 30, 2009	\$ -

The funds under the cooperative endeavor agreement with the Department of Education are requested on a monthly basis. Monthly reports of contact hours are submitted to the State of Louisiana Department of Education periodically as programs are performed in accordance with the Organization's budget (including subsequent budget modifications). As of June 30, 2009, this cooperative endeavor agreement was not renewed.

Also, during the year ended June 30, 2008, the Organization entered into a cooperative endeavor agreement with the State of Louisiana, Department of Social Services ("DSS") for the operation of Teen Pregnancy Prevention Services Program. The Organization refers to this program as TPP.

- Contract Period: March 1, 2008 – February 28, 2009

Original Agreement Amount (Prior to Amendment)	\$119,000
Cumulative Amount Received as of June 30, 2008	\$ -
Cumulative Amount Received as of June 30, 2009	\$ 70,019
Amount Expended, but not received as of June 30, 2008	\$ -

HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 2 – REVENUE AND SUPPORT (CONTINUED)

The funds under the cooperative endeavor agreement with the DSS are requested on a monthly basis. Monthly reports of contact hours are submitted to the State of Louisiana Department of Social Services periodically as programs are performed in accordance with the Organization's budget (including subsequent budget modifications).

NOTE 3 – PROGRAM EXPENDITURES

The Organization oversees the operation of several programs designed to enhance the quality of life in Ouachita Parish District – 17. Also, the Organization is a grantor of funds to organizations that provide services and programs consistent with the objectives of the Organization.

The programs operated by the Organization are described as follows:

ACT – The program facilitates structural study sessions for students in grades ten through twelve. Qualified instructors provide instruction in the subjects of English, Mathematics, and science, as well as, on test-taking skills. The primary objective of the program is to increase ACT scores for the participants.

Project Drive – Programs placed under project drive are designed to improve the quality of life of all age groups through programs which provide the following: public and social etiquette training, daily academics tutoring, leadership training, academic scholarships, awareness of public services, and technical skills training.

TANF – A youth program designed to facilitate structural study sessions for students to assist youth with areas of academic weakness and to help them improve study skills. Qualified instructors provide instruction in the subjects of English, Mathematics, and Science, as well as, on test-taking skills.

TPP - A Teen Pregnancy Prevention Services Program designed to educate teenage females and males concerning pregnancy prevention.

The Organization also provided grants to local agencies whose services to the community are similar in nature to the missions of the Organization.

HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 4 – DONATED USE OF EQUIPMENT

In accordance with the terms of the cooperative endeavor agreements, equipment purchased with funds from such agreements becomes the property of the State of Louisiana upon completion of the agreements. Under the prior cooperative endeavor agreements, the Organization has purchased computers and related equipment, sewing machines, quilting machines, kilns, and educational equipment for use in various programs, as well as office equipment. The Organization continues to use such equipment at no cost. Management of the Organization has determined that the value for the use of the equipment for the year ended June 30, 2009, was \$2,383.

NOTE 5 – LEASES

In 2008, the Organization entered into an annual operating lease agreement for office space for the daily operations of Hampco, Inc. The total amount expensed under this lease during the year ended June 30, 2009, was \$14,904.

NOTE 6 – CONCENTRATIONS

The Organization in prior years received its primary source of support and revenue through cooperative endeavor agreements with the Office of Contractual Review. Prior to June 30, 2008, the Organization learned that it was not budgeted any additional funds by the State for the year ending June 30, 2009 and beyond.

On May 29, 2008, the Organization requested of the Governor's Office for permission to use any undisbursed funds carried over from the year ended June 30, 2008. The Organization received a letter dated June 9, 2008, from the Governor's Office giving them approval to carry the excess funds not disbursed in the year ended June 30, 2008, over to the year ending June 30, 2009 and beyond.

NOTE 7 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 15, 2009, the date which the financial statements were available for issue.

**OTHER ACCOUNTANTS' SCHEDULES**

HAMPCO, INC.  
Monroe, Louisiana

Summary Schedule of Prior Findings  
For the Year Ended June 30, 2009

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

**2008-1 Late Submission of Annual Financial Statements**

**Finding:** In accordance with state statute, the Organization's annual financial statements and accompanying independent auditors' report are required to be submitted to the Legislative Auditor on or before December 31 of each year. The Organization's annual financial statements and accompanying independent auditors' report for the year ended June 30, 2008, were not submitted to the Legislative Auditor on or before December 31, 2008.

**Status:** Resolved

**2008-2 Reimbursement Requests not in Agreement with Supporting Documentation**

**Finding:** For the Temporary Assistance for Needy Families (TANF) After School for All (ASFA) program, the Organization is required to keep adequate documentation to support the information reported to the Department of Education each month on its Record of Attendance Hours Reports. It was observed that there were instances of noncompliance where the student sign in sheets used to document attendance in the program did not agree to the forms submitted to the Department of Education for reimbursement.

**Status:** Finding is no longer applicable.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS

*There were no prior year findings.*

SECTION III - MANAGEMENT LETTER

*There were no prior year findings.*

**SUPPLEMENTARY INFORMATION**

HAMPCO, INC.

SCHEDULE OF GRANT PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2009

<b>Grant Programs</b>	
Project Outreach	\$ 481
Ouachita Council on Aging	4,624
Richwood High School	1,000
Scholarship	2,000
Sickle Cell	4,496
Carroll High School Choir	<u>750</u>
Total Grant Programs	\$ <u>13,351</u>

See Accompanying Accountants' Compilation Report.



HAMPCO, INC.

SCHEDULE OF FUNCTIONAL EXPENSES - PROJECT DRIVE  
FOR THE YEAR ENDED JUNE 30, 2009

	Easter Egg Hunt	Heritage (Academic) Bowls	Leadership	Sickle Cell	Diamonds In The Rough	Total
Banquets & Refreshments	\$ 150	\$ 219	\$ 1,350	\$ -	\$ 857	\$ 2,426
Contract Services	-	75	2,750	-	1,200	4,175
Other	-	1,592	5,647	6,410	35	13,684
Awards	-	1,875	2,405	-	-	4,280
Travel	-	-	-	-	-	-
Supplies	574	795	408	-	695	2,472
	<u>\$ 724</u>	<u>\$ 4,556</u>	<u>\$ 12,560</u>	<u>\$ 6,410</u>	<u>\$ 2,787</u>	<u>\$ 27,037</u>

See Accompanying Accountants' Compilation Report.