

**HAMPCO, INC.**

**Compiled Financial Statements  
As of and For the Year Ended  
June 30, 2011**

HAMPCO, INC.

JUNE 30, 2011

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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  
Hamco, Inc.  
Monroe, Louisiana

We have compiled the accompanying statement of financial position of Hamco, Inc (a Nonprofit Organization) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended and the accompanying supplementary information on pages 11-12, which are presented only for supplementary analysis purposes. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary schedules in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary schedules.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in *presenting financial information in the form of financial statements and supplementary schedules* without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary schedules.

*Little & Associates, LLC*

Monroe, Louisiana  
December 16, 2011

HAMPCO, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2011

<b>Assets</b>	
Cash	\$ 250,803
Equipment	33,352
Accumulated Depreciation - Equipment	<u>(23,971)</u>
Total Assets	<u><u>260,184</u></u>
 <b>Liabilities</b>	
Accounts Payable	\$ <u>645</u>
Total Liabilities	<u>645</u>
 <b>Net Assets</b>	
Unrestricted	<u>259,539</u>
Total Net Assets	<u>259,539</u>
Total Liabilities and Net Assets	\$ <u><u>260,184</u></u>

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

HAMPCO, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>			
State Appropriations	\$	\$ 5,000	\$ 5,000
Other Income	-	6,606	6,606
Net Assets Released from Restrictions	<u>11,606</u>	<u>(11,606)</u>	<u>-</u>
Total Support and Revenue	<u>11,606</u>	<u>-</u>	<u>11,606</u>
<b>Expenses</b>			
Programs:			
Hampco Programs:			
Teen Pregnancy Prevention	2,364	-	2,364
Project Drive	28,135	-	28,135
Financial Literacy	1,026	-	1,026
Total Hampco Programs	<u>31,525</u>	<u>-</u>	<u>31,525</u>
Grant Programs	<u>10,135</u>	<u>-</u>	<u>10,135</u>
Total Grant Programs	<u>10,135</u>	<u>-</u>	<u>10,135</u>
Total Programs	<u>41,660</u>	<u>-</u>	<u>41,660</u>
Supporting Services:			
Management and General	<u>91,412</u>	<u>-</u>	<u>91,412</u>
Total Expenses	<u>133,072</u>	<u>-</u>	<u>133,072</u>
Change in Net Assets	(121,466)	-	(121,466)
Net Assets at Beginning of Year	<u>381,005</u>	<u>-</u>	<u>381,005</u>
Net Assets at End of Year	<u>\$ 259,539</u>	<u>\$ -</u>	<u>\$ 259,539</u>

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

HAMPCO, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2011

	Hampco Programs				Supporting Services	Total
	Teen Pregnancy Prevention	Project Drive	Financial Literacy	Management and General		
Bank Charges	\$ -	\$ -	\$ -	\$ 144	\$ 144	
Banquets & Refreshments	-	1,814	-	-	1,814	
Contract Services	2,314	4,550	165	19,089	26,118	
Depreciation	-	-	-	1,875	1,875	
Insurance	-	-	-	659	659	
Office Supplies and Expense	-	-	-	2,774	2,774	
Other	-	12,665	-	397	13,062	
Professional Fees	-	-	-	1,750	1,750	
Rent	50	-	-	16,704	16,754	
Salaries	-	-	-	37,208	37,208	
Supplies	-	4,462	861	3,293	8,616	
Taxes - Payroll	-	-	-	2,844	2,844	
Telephone/Internet Expense	-	-	-	4,675	4,675	
Travel Expense	-	4,644	-	-	4,644	
	<u>\$ 2,364</u>	<u>\$ 28,135</u>	<u>\$ 1,026</u>	<u>\$ 91,412</u>	<u>\$ 122,937</u>	

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

HAMPCO, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2011

<b>Operating Activities</b>		
Change in Net Assets		\$ (121,466)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		1,875
Increase (Decrease) in Accounts Payable		645
Net Cash Provided By (Used In) Operating Activities		<u>(118,946)</u>
<b>Investing Activities</b>		<u>-</u>
<b>Financing Activities</b>		<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents		(118,946)
Cash and Cash Equivalents at Beginning of Year		<u>369,749</u>
Cash and Cash Equivalents at End of Year		<u>\$ 250,803</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, 2011

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

Financial statement presentation follows the provisions of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 958, *Not-for-Profit Organizations*. Under FASB ASC 958, 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, 2011

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 taxes under Section 501(c)(3) of the Internal Revenue Code, and is classified as other than a private foundation. During the year ended June 30, 2011, the Organization adopted certain provisions of FASB ASC 740, *Income Taxes*. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's Federal Return of Organization Exempt from Income Tax (Form 990) for the years ended December 31, 2007, 2008 and 2009 are subject to examination by the IRS, generally for three years after they were filed.

HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 2 – 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:

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.

Financial Literacy – A class to educate low income individuals on maintaining a checking account, including balancing a checkbook and writing checks, making a budget, developing a method of savings, and educating these individuals on how to make investments in order to eliminate the pitfalls of financial distress.

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

NOTE 3 – 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, 2011, was \$0.

HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 4 – LEASES

In 2010, 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, 2011, was \$14,904.

NOTE 5 – 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.

OTHER ACCOUNTANTS' SCHEDULES

HAMPCO, INC.  
Monroe, Louisiana

Summary Schedule of Prior Findings  
For the Year Ended June 30, 2011

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

There were no prior year findings.

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, 2011

<b>Grant Programs</b>	
Project Outreach	\$ 40
Ouachita Council on Aging	2,037
Richwood High School	900
Scholarship	2,000
Sickle Cell	<u>5,158</u>
Total Grant Programs	\$ <u><u>10,135</u></u>

See Accompanying Accountants' Compilation Report.

HAMPCO, INC.

SCHEDULE OF FUNCTIONAL EXPENSES - PROJECT DRIVE

FOR THE YEAR ENDED JUNE 30, 2011

	Heritage (Academic) Bowl	Leadership	Sickle Cell	Diamonds In The Rough	Total
Banquets & Refreshments	\$ 141	\$ 656	\$ -	\$ 1,017	\$ 1,814
Contract Services	-	2,500	-	2,050	4,550
Other	-	-	8,000	-	8,000
Awards	952	3,713	-	-	4,665
Travel	-	4,644	-	-	4,644
Supplies	2,139	1,463	-	860	4,462
	<u>\$ 3,232</u>	<u>\$ 12,976</u>	<u>\$ 8,000</u>	<u>\$ 3,927</u>	<u>\$ 28,135</u>

See Accompanying Accountants' Compilation Report.