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**HAMPCO, INC.**

**Financial Statements  
For the Year Ended June 30, 2000**

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 1-17-01

HAMPCO, INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000

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**LITTLE & BANKS** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
KERRY J. BANKS, CPA  
CHARLES R. MARCHBANKS, JR., CPA

INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Hampco, Inc.  
Monroe, Louisiana

We have audited the accompanying statement of financial position of Hampco, Inc. (the "Organization") as of June 30, 2000, 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.

We conducted our audit in accordance with generally accepted auditing standards and *Government 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 Hampco, Inc. as of June 30, 2000, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

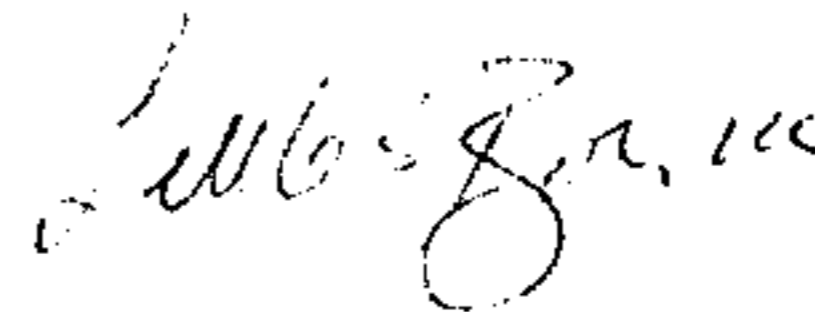
In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2000, on our consideration of Hampco, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Hampco, Inc. taken as a whole. The accompanying supplementary information included on pages 14-15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole. The other required information on page 16, which is of a

The Board of Directors  
Hamco, Inc.  
Page 2

nonaccounting nature, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and we express no opinion on such information.

West Monroe, Louisiana  
September 22, 2000

A handwritten signature in cursive script, appearing to read "L. W. Z. Inc.", is written in the upper right quadrant of the page.

HAMPCO, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2000

	<u>Temporarily Restricted</u>
<b>Assets</b>	
Cash	\$ 34,500
Prepaid Expense	<u>600</u>
Total Assets	\$ <u><u>35,100</u></u>
<b>Liabilities</b>	
Accrued Payroll	\$ 1,289
Payroll Taxes Payable	<u>99</u>
Total Liabilities	1,388
<b>Net Assets</b>	
Temporarily Restricted	<u>33,712</u>
Total Liabilities and Net Assets	\$ <u><u>35,100</u></u>

The accompanying notes are an integral part of these financial statements.

HAMPCO, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2000

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>			
Contracts:			
Cooperative Endeavor Agreement - Louisiana Governor's Office of Urban Affairs and Development	\$ -	227,050	227,050
Donated Use of Equipment	-	11,548	11,548
Other Income	-	2,288	2,288
Net Assets Released from Restrictions	<u>246,410</u>	<u>(246,410)</u>	<u>-</u>
Total Support and Revenue	<u>246,410</u>	<u>(5,524)</u>	<u>240,886</u>
<b>Expenses</b>			
Programs:			
ACT	8,306	-	8,306
Art Ease	7,988	-	7,988
Care A	10,835	-	10,835
Com-Put-R	13,011	-	13,011
Project Drive	42,110	-	42,110
Grants to Subrecipients:			
Project Drive	18,443	-	18,443
Monroe Mentor's Program	9,000	-	9,000
Ouachita Valley Boys Scouts	9,000	-	9,000
SCORE, Inc.	29,111	-	29,111
Sickle Cell	5,000	-	5,000
Top Gun Boy Scouts	9,000	-	9,000
Tri-District Boys Club	9,000	-	9,000
Total Program Expenses	<u>170,804</u>	<u>-</u>	<u>170,804</u>
Supporting Services:			
Management and General	<u>75,606</u>	<u>-</u>	<u>75,606</u>
Total Expenses	<u>246,410</u>	<u>-</u>	<u>246,410</u>
Change in Net Assets	-	(5,524)	(5,524)
Net Assets at Beginning of Year	<u>-</u>	<u>39,236</u>	<u>39,236</u>
Net Assets at End of Year	<u>\$ -</u>	<u>33,712</u>	<u>33,712</u>

The accompanying notes are an integral part of these financial statements.

HAMPCO, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2000

	Program Services				Com-Put-R	Project Drive	Supporting Services	
	ACT	Art Ease	Project Care A	Management and General			General	Total
Advertising	\$ 700	-	-	-	-	-	2,300	3,000
Bank Charges	-	-	-	-	-	160	274	434
Contract Services	6,240	3,975	1,200	7,080	25,187	-	16,455	60,137
Course Supplies	40	3,888	-	4,509	4,864	-	-	13,301
Delivery Expense	-	-	5,135	-	-	-	-	5,135
Donated Use of Equipment	-	-	-	-	6,728	-	-	6,728
Equipment	-	-	3,700	-	941	-	-	4,641
Legislative Scholarships	-	-	-	-	2,000	-	-	2,000
Office Supplies and Expense	-	-	-	-	-	-	11,978	11,978
Other	1,326	125	800	322	990	-	-	3,563
Rent	-	-	-	1,100	1,201	-	2,400	4,701
Salaries	-	-	-	-	-	-	34,304	34,304
Supplies	-	-	-	-	-	-	1,980	1,980
Taxes - Payroll	-	-	-	-	-	-	2,619	2,619
Transportation	-	-	-	-	-	39	-	39
Travel Expense	-	-	-	-	-	-	3,296	3,296
	\$ 8,306	7,988	10,835	13,011	42,110	-	75,606	157,856

The accompanying notes are an integral part of these financial statements.

HAMPCO, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2000

**Operating Activities**

Change in Net Assets	\$	(5,524)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) Decrease in Prepaid Expense		(200)
Increase (Decrease) in Accounts Payable		(484)
Increase (Decrease) in Payroll Taxes Payable		(535)
Increase (Decrease) in Accrued Payroll		1,289
Net Cash Provided By (Used In) Operating Activities		<u>(5,454)</u>

**Investing Activities**

-

**Financing Activities**

-

Net Decrease in Cash and Cash Equivalents		(5,454)
Cash and Cash Equivalents at Beginning of Year		<u>39,954</u>
Cash and Cash Equivalents at End of Year	\$	<u><u>34,500</u></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.

The accompanying notes are an integral part of these financial statements.



## HAMPCO, INC.

### NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2000

#### 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 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 assets, public support, and program revenues which 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 is satisfied either by the passage of time or by actions of the organization.

Permanently Restricted Assets - includes resources which 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  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PERVASIVENESS OF ESTIMATES

The preparation of financial statements in conformity with 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's status as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and its classification as other than a private foundation are pending with the Internal Revenue Service.

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 cooperative endeavor agreements with the

HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000

NOTE 2 – REVENUE AND SUPPORT (CONTINUED)

Louisiana Governor's Office of Urban Affairs and Development (Urban Affairs and Development). During the year ended June 30, 2000, the Organization primarily operated under the following cooperative endeavor agreement with Urban Affairs and Development:

- Contract Period: July 1, 1999 – June 30, 2000 :

Agreement Amount	\$227,050
Amount Received as of June 30, 2000	\$227,050
Amount Obligated but not Expended as of June 30, 2000	\$ 16,036

Also, during the year ended June 30, 2000, the Organization completed the programs under its cooperative endeavor agreement for the year ended June 30, 1999.

The funds received under the cooperative endeavor agreements with Urban Affairs and Development are recorded as temporarily restricted net assets since such funds are restricted as to their use. The funds are reclassified to unrestricted net assets as the funds are expended in accordance with the Organization's budget (including subsequent budget modifications) as submitted to and approved by Urban Affairs and Development.

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.

Art Ease – The program is available to students who display talent in visual arts and who have aesthetic appreciation for visual arts. The program objectives are to encourage students to develop their artistic skills and abilities, and to direct students toward expressing themselves in a positive manor.

COM-PUT-R – The program is designed to make computer resources available to students of all ages and to train students in the use of computers.

HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000

NOTE 3 – PROGRAM EXPENDITURES (CONTINUED)

Project Care – Two programs which provide food for individuals who are homeless, neglected, or destitute, and for the elderly.

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.

Kick-A-Goal – A youth soccer program designed to foster teamwork, self-esteem, personal responsibility, and personal development in a competitive environment.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2000, temporarily restricted net assets are available for the administration and the operation of the Organization's programs, as well as, for program grants to other organizations.

NOTE 5 – 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. During the cooperative endeavor agreement periods ended June 30, 1998 and 1999, the Organization purchased computers and related equipment, sewing machines, quilting machines, kilns, and educational equipment for use in various programs. The Organization continued to use such equipment, at no cost, subsequent to June 30, 1999. Management of the Organization has determined that the value for the use of the equipment for the year ended June 30, 2000, was \$11,547.

NOTE 6 – LEASES

In 1998, the Organization entered into a month-to-month lease agreement with Hunter, Blue, & Johnson, Attorneys-at-Law. In accordance with the terms of the lease agreement, the law firm leases office space, including utilities, other office facilities, and office equipment, to the Organization for \$200 per month. Louisiana State Representative Willie Hunter, Jr. (Ouachita Parish District - 17) is a co-owner of Hunter, Blue, & Johnson, Attorneys-At-Law. The total amount paid under this lease during the year ended June 30, 2000, was \$2,400.

HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000

NOTE 6 - LEASES (CONTINUED)

In 1999, the Organization entered into a building lease agreement with Pleasant Green Baptist Church, Inc. The purpose of entering into the lease agreement was to provide a facility for the operations of Senior Citizens Outreach Entity, Inc., a nonprofit organization. The lease agreement was terminated subsequent to June 30, 2000.

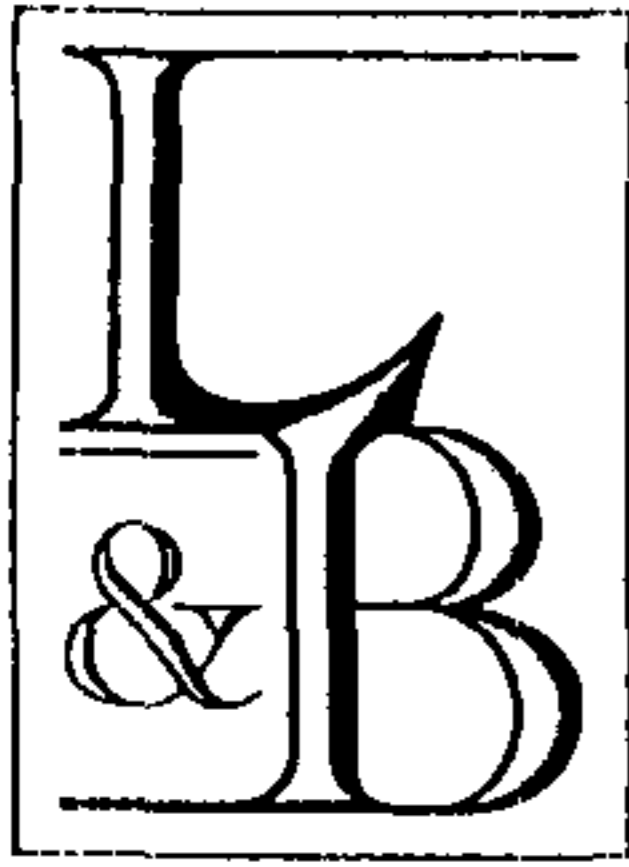
NOTE 7 - COMMITMENTS

The cooperative endeavor agreements with Urban Affairs and Development require that the Organization expend the funds it receives under such agreements in accordance with budgets (including subsequent budget modifications) approved by Urban Affairs and Development. Failure to expend the funds in accordance with such budgets and budget modifications may result in the repayment of such amounts to Urban Affairs and Development.

NOTE 8 - CONCENTRATIONS

The Organization receives its primary source of support and revenue through cooperative endeavor agreements with the Louisiana Governor's Office of Urban Affairs and Development. Such cooperative endeavor agreements are awarded on an annual basis. Subsequent to June 30, 2000, the Organization applied for funding for the year ending June 30, 2001. Approval of such funding is pending.

**OTHER INDEPENDENT AUDITORS' REPORT**



**LITTLE & BANKS** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
KERRY J. BANKS, CPA  
CHARLES R. MARCHBANKS, JR., CPA

Independent Auditors' Report on Compliance  
and on Internal Control Over Financial Reporting  
Based on an Audit of Financial Statements  
Performed in Accordance with  
Government Auditing Standards

The Board of Directors  
Hampco, Inc.  
Monroe, Louisiana

We have audited the financial statements of Hampco, Inc. as of and for the year ended June 30, 2000, and have issued our report thereon dated September 22, 2000. We conducted our 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 Hampco, Inc.'s financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of Hampco, Inc. in a separate letter dated September 22, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hampco, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting 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 misstatements in

The Board of Directors  
Hampco, Inc.  
Monroe, Louisiana

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. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

West Monroe, Louisiana  
September 22, 2000

*Little & Co. LLC*



**SUPPLEMENTARY INFORMATION**

HAMPCO, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2000

We have audited the financial statements of Hampco, Inc. as of and for the year ended June 30, 2000, and have issued our report thereon dated September 22, 2000. We conducted our 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. Our audit of the financial statements as of June 30, 2000, resulted in an unqualified opinion.

*Section I Summary of Auditors' Reports*

*a. Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Material Weaknesses     Yes  No    Reportable Conditions     Yes  No

Compliance

Compliance Material to Financial Statements     Yes  No

*b. Federal Awards*

Hampco, Inc. did not receive any Federal Awards nor did it expend any funds under a Federal Awards Program. Thus, this section is not applicable.

*Section II Financial Statement Findings*

Hampco, Inc. did not have any financial statement findings for year ended June 30, 2000.

*Section III Federal Award Findings and Questioned Costs*

Hampco, Inc. did not receive any Federal Awards nor did it expend any funds under a Federal Awards Program. Thus, this section is not applicable.

HAMPCO, INC.

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2000

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

N/A - Hampco, Inc. did not receive any Federal Awards for the year ended  
June 30, 1999.

SECTION III - MANAGEMENT LETTER

There were no prior year findings.

**OTHER REQUIRED INFORMATION**

[This form is an unaudited informational document prepared by management of the audited agency.]

LEGISLATIVE AUDITOR  
BATON ROUGE LA 70804

**DATA COLLECTION FORM**  
**FOR REPORTING ON AUDITS OF STATE AND LOCAL GOVERNMENT AND QUASIPUBLIC ENTITIES**

OMB Form 0348-0057 may be used as a substitute for this form. Date Submitted <u>09/22/00</u>	RETURN to: Legislative Auditor Attn: Engagement Processing Post Office Box 94397 Baton Rouge, Louisiana 70804-9397
1. Fiscal Year Ending Date For This Submission: <u>06 / 30 / 00</u> 3. Audit Period Covered <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Biennial <input type="checkbox"/> Other _____ to _____	2. Type of Report: <input type="checkbox"/> Single Audit <input checked="" type="checkbox"/> GAO Audit Standards Audit <input type="checkbox"/> Compilation <input type="checkbox"/> Compilation/Attestation <input type="checkbox"/> Program Audit <input type="checkbox"/> Other
<b>4. AUDITEE INFORMATION</b> Auditee Name <u>Hampco, Inc.</u> Street Address (Number and Street) <u>900 St. John</u> Mailing Address (PO No.)  City                      State                      Zip <u>Monroe</u> <u>LA</u> <u>71201</u> Auditee Contact Name                      Title <u>Betty Broussard</u> <u>Executive Director</u> Telephone                      Fax <u>(318) 361-2050</u> <u>(318) 362-4133</u> Email (Optional)	<b>5. AUDITOR INFORMATION</b> Firm Name <u>Little &amp; Banks, LLC</u> <u>Certified Public Accountants</u> b. Street Address (Number and Street) <u>2211 North 7th Street</u> Mailing Address (PO No.) <u>P. O. Box 1435</u> City                      State                      Zip <u>West Monroe,</u> <u>LA</u> <u>71294</u> c. Auditor Contact Name                      Title <u>Charles Marchbanks</u> <u>Partner</u> Telephone                      Fax <u>(318) 361-9600</u> <u>(318) 361-9620</u> Email (Optional)
Component Units Included Within the Report and for Which No Separate Report Will Be Issued:  <hr/>	
If there are no modifications to the auditor's financial opinion, no reportable conditions, no material weaknesses, no reported instances of noncompliance, and no management letter, check this box; do not complete the rest of the form. <input type="checkbox"/>	
<b>6. FINANCIAL STATEMENTS</b> a. Type of audit report on financial statements. <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Unqualified Opinion <input type="checkbox"/> Qualified Opinion <input type="checkbox"/> Adverse Opinion <input type="checkbox"/> Disclaimer of Opinion b. Is a 'going concern' explanatory paragraph included in the audit report? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Do any of the funds have deficit fund balances? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No d. Is there a related party footnote? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>7. INTERNAL CONTROL</b> Do the comments on internal control include: <input type="checkbox"/> material weaknesses <input type="checkbox"/> reportable conditions <input checked="" type="checkbox"/> not applicable	
<b>8. COMPLIANCE</b> Do the comments on compliance include: <input type="checkbox"/> illegal acts <input type="checkbox"/> fraud/criminal acts <input checked="" type="checkbox"/> not applicable	
<b>9. MANAGEMENT LETTER (Finding Caption and No.)</b> <u>ML-2000-01</u> Resolved <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable <u>ML-2000-02</u> Resolved <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable	
<b>10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)</b> _____ \$ _____ Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable _____ \$ _____ Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable _____ \$ _____ Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable _____ \$ _____ Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable _____ \$ _____ Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable _____ \$ _____ Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable Do any findings address nepotism, ethics violations or related party transactions? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Do any findings address violation of bond indenture covenants? <u>N/A</u> <input type="checkbox"/> Yes <input type="checkbox"/> No	
AUDITEE SIGNATURE <u>Shelda C. Powell</u> Date <u>12/27/00</u>	



**LITTLE & BANKS** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
KERRY J. BANKS, CPA  
CHARLES R. MARCHBANKS, JR., CPA

MANAGEMENT LETTER

The Board of Directors  
Hampco, Inc.  
Monroe, Louisiana

We have audited the financial statements of Hampco, Inc. (the "Organization") as of and for the year ended June 30, 2000, and have issued our report thereon dated September 22, 2000. We conducted our 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.

As a part of our audit, we have issued our report on the financial statements, dated September 22, 2000, and our report on our internal control and compliance with laws, regulations, and contracts, dated September 22, 2000.

During the course of our audit, we became aware of the following matters, which represent immaterial deviations of compliance or suggestions for improved internal controls.

**ML-2000-01**

**Finding:**

Hampco, Inc. is required to post the date, time, and agenda of its meetings of the Board of Directors on the door of its offices. Such meetings are required to be posted as an open meeting (the open meetings law). However, it was determined that there were instances when the Organization did not comply with the open meetings law. As a result, interested parties may not have been aware that such meetings of the Board of Directors were open to the public.

**Recommendation:**

We recommend that the Organization assign to an individual the responsibility of properly posting the notification of the meetings of the Board of Directors. We also recommend that Management review the open meetings law.

**Management's Corrective Action Plan:**

Management will assign an individual the responsibility of properly posting the notification of the meetings of the Board of Directors. Furthermore, Management will review the open meetings law.

The Board of Directors  
Hampco, Inc.  
Page Two

**ML-2000-01**

**Finding:**

Hampco, Inc.'s cooperative endeavor agreement with the Louisiana Governor's Office of Urban Affairs and Development (Urban Affairs and Development) requires that the Organization obtain approval from Urban Affairs and Development prior to entering into lease agreements. During 1999, the Organization entered into a lease agreement without the approval of Urban Affairs and Development. The lease agreement was for the lease of a building to be utilized by Senior Citizens Outreach Entity, Inc. for a period of five years. The total cost incurred by the Organization under the lease agreement was \$1 (one dollar).

**Recommendation:**

We recommend that the Organization seek a termination of the lease agreement. Furthermore, we recommend that the Organization review the requirements of future cooperative endeavor agreements with Urban Affairs and Development, particularly, with respect to lease agreements. Also, we recommend that the Organization not enter into lease agreements on behalf of other organizations.

**Management Corrective Action Plan:**

Management and the lessor have terminated the lease agreement. No additional costs were incurred by the Organization in order to cancel the lease agreement. Furthermore, Management will review more closely the requirements of future cooperative endeavor agreements. Also, Management will not enter into lease agreements on behalf of other organizations.

We recommend Management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the recommendations or help implement them.

West Monroe, Louisiana  
September 22, 2000

