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HAMPCO, INC.
(A NONPROFIT ORGANIZATION)

FINANCIAL REPORT
DECEMBER 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 APR 21 1999

HAMPCO, INC.
(A NONPROFIT ORGANIZATION)

FINANCIAL REPORT
DECEMBER 31, 1998

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LITTLE & BANKS L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

The Board of Directors
Hampco, Inc.
Monroe, Louisiana

We have audited the accompanying statement of financial position of Hampco, Inc. (a Nonprofit Organization) as of December 31, 1998, 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 December 31, 1998, 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 March 12, 1999, 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.

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 schedules and information included on pages 12-16 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Board of Directors
Hampco, Inc.
Page 2

The schedules on pages 12-14 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as whole. The information on pages 15-16, which is of a 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
March 12, 1999

Little & Fennell, LLC

HAMPCO, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1998

	<u>Temporarily Restricted</u>
Assets	
Cash	\$ <u>86,292</u>
Total Assets	\$ <u><u>86,292</u></u>
Liabilities	
Accounts Payable	\$ 1,951
Payroll Taxes Payable	<u>1,732</u>
Total Liabilities	3,683
Net Assets	
Temporarily Restricted	<u>82,609</u>
Total Liabilities and Net Assets	\$ <u><u>86,292</u></u>

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

HAMPCO, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Contracts:			
Cooperative Endeavor Agreement - Louisiana Governor's Office of Urban Affairs and Development	\$ -	251,806	251,806
Donated Use of Equipment	-	4,965	
Net Assets Released from Restrictions	<u>174,162</u>	<u>(174,162)</u>	<u>-</u>
Total Support and Revenue	<u>174,162</u>	<u>82,609</u>	<u>251,806</u>
Expenses			
Programs:			
ACT	8,315	-	8,315
Com-Put-R/Project Drive	58,715	-	58,715
Project Care	5,000	-	5,000
Grants to Subrecipients:			
Monroe City School Board (Playground)	24,000	-	24,000
SCORE, Inc.	10,000	-	10,000
Top Gun Boy Scouts	6,500	-	6,500
Total Program Expenses	<u>112,530</u>	<u>-</u>	<u>112,530</u>
Supporting Services:			
Management and General	<u>61,632</u>	<u>-</u>	<u>61,632</u>
Total Expenses	<u>174,162</u>	<u>-</u>	<u>174,162</u>
Change in Net Assets	-	82,609	82,609
Net Assets at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets at End of Year	<u>\$ -</u>	<u>82,609</u>	<u>82,609</u>

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

HAMPCO, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1998

	Program Services		
	ACT	Com-Put-R/ Project Drive	Project Care
Computers and Related Equipment	\$ -	18,632	-
Computer Software	-	498	-
Contract Services	7,380	6,686	1,000
Contributions	-	500	-
Course Supplies	789	-	-
Delivery Expense	-	-	300
Donated Use of Equipment	-	4,965	-
Food Purchases	-	-	3,700
Insurance	-	-	-
Internet Fees	-	1,687	-
Kiln Equipment	-	2,908	-
Legislative Scholarships	-	2,000	-
Mentor's Program (City of Monroe)	-	1,243	-
Office Supplies and Expense	-	-	-
Other	146	-	-
Quilting Machines	-	2,292	-
Rent	-	600	-
Repairs and Maintenance	-	181	-
Salaries	-	-	-
Sewing Machines	-	7,980	-
Supplies	-	8,457	-
Teen Workshop - Diamonds in the Rough	-	86	-
Taxes and Licenses	-	-	-
Taxes - Payroll	-	-	-
	\$ <u>8,315</u>	<u>58,715</u>	<u>5,000</u>

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

<u>Supporting Services Management and General</u>	<u>Total</u>
-	18,632
-	498
14,860	29,926
-	500
-	789
-	300
-	4,965
-	3,700
181	181
-	1,687
-	2,908
-	2,000
-	1,243
7,941	7,941
343	489
-	2,292
2,000	2,600
75	256
32,083	32,083
-	7,980
1,182	9,639
-	86
500	500
2,467	2,467
<u>61,632</u>	<u>133,662</u>

HAMPCO, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998

Operating Activities	
Change in Net Assets	\$ 82,609
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Increase (Decrease) in:	
Accounts Payable	1,951
Payroll Taxes Payable	1,732
Net Cash Provided By Operating Activities	<u>86,292</u>
Investing Activities	-
Financing Activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	86,292
Cash and Cash Equivalents at Beginning of Year	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ 86,292</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 DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Hampco, Inc. (the Organization) is a not-for-profit organization 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 1977, 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
DECEMBER 31, 1998

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.

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 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.

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 Louisiana Governor's Office of Urban Affairs and Development (Urban Affairs and Development). During the year ended December 31, 1998, the Organization operated under the following cooperative endeavor agreements with Urban Affairs and Development:

HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 2 - REVENUE AND SUPPORT (CONTINUED)

- Contract Period: July 1, 1997 - June 30, 1998 :

Agreement Amount	\$156,850
Amount Received as of December 31, 1998	\$156,850
Amount Obligated but not Expended as of December 31, 1998	\$ 5,000

- Contract Period: July 1, 1998 - June 30, 1999 :

Agreement Amount	\$189,913
Amount Received as of December 31, 1998	\$ 94,956
Remaining Agreement Amount as of December 31, 1998	\$ 94,957

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 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 provided 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.

COM-PUT-R/Project Drive - The program is designed to make computer resources available to students of all ages, to train students in the use of computers, to provide challenging daily activities for senior citizens, and to provide academic scholarships.

Project Care - The program provides food for individuals who are homeless, neglected, or destitute, and for the elderly.

HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

At December 31, 1998, 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 period ended June 30, 1998, the Organization purchased computers and related equipment, sewing machines, quilting machines, and kilns for use in various programs. The Organization continued to use such equipment, at no cost, subsequent to June 30, 1998. Management of the Organization has determined that the value for the use of the equipment for the six-months ended December 31, 1998, was \$4,965.

NOTE 6 – LEASES

During the year ended December 31, 1998, the Organization entered into a one-year lease agreement for the lease of a copier. The total amount paid under this lease during 1998 was \$2,832.

During the year ended December 31, 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 1998 was \$2,000.

NOTE 6 – 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 approved by Urban Affairs and Development. Failure to expend the funds in accordance with the budgets may result in the repayment of such amounts to Urban Affairs and Development.

HAMPCO, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE 6 – 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. At December 31, 1998, the Organization was operating under a cooperative endeavor agreement that will terminate on June 30, 1999.

OTHER INDEPENDENT AUDITORS' REPORT

LITTLE & BANKS L.L.C.

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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.

We have audited the financial statements of Hampco, Inc. as of and for the year ended December 31, 1998, and have issued our report thereon dated March 12, 1999. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 1998-1. We also noted certain immaterial instances of noncompliance that we have reported to management of Hampco, Inc. in a separate letter dated March 12, 1999.

The Board of Directors
Hampco, Inc.

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 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.

This report is intended solely for the information and use of the board of directors, management, and the Louisiana Governor's Office of Urban Affairs and Development and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

West Monroe, Louisiana
March 12, 1999

Little's Firm, LLC

SUPPLEMENTARY INFORMATION

HAMPCO, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 1998

We have audited the financial statements of Hampto, Inc. as of and for the year ended December 31, 1998, and have issued our report thereon dated March 12, 1999. 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 December 31, 1998, 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

Hampto, Inc. did not receive any Federal Awards nor did it expend any funds under a Federal Awards Program.

Section II Financial Statement Findings

1998-1 Budget Modifications

Condition and Criteria: In accordance with its cooperative endeavor agreement with the Louisiana Office of Urban Affairs and Development (Urban Affairs and Development), Hampto, Inc. is required to submit budget modifications to Urban Affairs and Development. While Management has policies and procedures in place for submitting budget modifications, a 1997-1998 budget modification of \$6,000 was not submitted by the Organization. The budget modification was for the transfer of funds from a program budget to the administrative budget.

HAMPCO, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1998

Effect: The failure to submit the budget modification to Urban Affairs and Development may result in the disallowance of \$6,000 in administrative costs.

Recommendation: Management should review its policies and procedures for submitting budget modifications. Furthermore, Management may consider revising its policies and procedures to ensure, at a minimum, the following:

1. All budget modifications have substantial support and such support is documented;
2. The Board of Directors approves all budget modifications and such approval is recorded in the minutes of the meetings of the Board of Directors;
3. All budget modifications are submitted timely; and
4. Acknowledgement of Urban Affairs and Development's receipt of budget modifications is obtained.

Also, Management should submit the budget modification in question to Urban Affairs and Development.

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 DECEMBER 31, 1998

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

An audit was not required of Hampco, Inc. for the year ended December 31, 1997. Thus, there are no prior year findings.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
FEDERAL AWARDS

An audit was not required of Hampco, Inc. for the year ended December 31, 1997. Also, Hampco, Inc. did not receive any Federal Awards during the year ended December 31, 1997. Thus, there are no prior year findings.

SECTION III - MANAGEMENT LETTER

An audit was not required of Hampco, Inc. for the year ended December 31, 1997. Thus, there are no prior year findings.

OTHER REQUIRED INFORMATION

HAMPCO, INC. MANAGEMENT'S CORRECTIVE ACTION PLAN For the Year Ended December 31, 1998	
SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT	
<p>1998-1 Budget Modification Recommendation:</p> <p>Management should review its policies and procedures regarding submission of budget modifications to the Office of Urban Affairs and Development (OUA&D). Also, management should revise such policies and procedures accordingly. Furthermore, the budget modification in question should be submitted to OUA&D.</p>	<p><u>Corrective Action:</u> Hamcco, Inc. has in place policies and procedures for approving budget modifications and submitting them to the Office of Urban Affairs and Development. Our corrective action will involve a thorough review of our policies and procedures regarding budget modifications. Furthermore, we will revise such policies and procedures as deemed necessary to ensure compliance with our cooperative endeavor agreement. Also, we have submitted the budget modification in question to the Office of Urban Affairs and Development.</p>

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
<p>N/A</p>	<p>Hamcco, Inc. did not receive any Federal Awards.</p>

SECTION III MANAGEMENT LETTER	
<p>MI.98-1 Budget Restrictions</p> <p>Management should have knowledge of the types of expenditures allowed by the approved budgets. Also, management should submit budget modification to OUA&D to have non-budgeted costs approved by OUA&D.</p>	<p><u>Corrective Action:</u> Periodically, management will review its budgets (including amendments), in order to remain familiar with the types of expenditures allowed by the budgets. Also, management has submitted a budget modification to OUA&D to have the budgets amended relative to questioned cost.</p>
<p>MI.98-2 Monthly Reports</p> <p>Management should establish procedures to ensure that the monthly reports are filed with OUA&D on a timely basis.</p>	<p><u>Corrective Action:</u> Management of Hamcco, Inc. has established an internal procedure for preparing and submitting monthly reports timely.</p> <p>A) Preparation of the monthly report by the executive & assistant director monthly.</p> <p>B) Once completed, it is turned over to the bookkeeper for verification.</p> <p>C) After verification from the bookkeeper, it is turned over to the secretary for typing. It is then proofread by all parties and mailed out certified mail prior to the due date to OUA&D.</p> <p>Request is made for OUA&D to acknowledge receipt of monthly reports.</p>

LITTLE & BANKS LLC

CERTIFIED PUBLIC ACCOUNTANTS

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March 12, 1999

Board of Directors
Hampco, Inc.
900 St. John
Monroe, Louisiana 71202

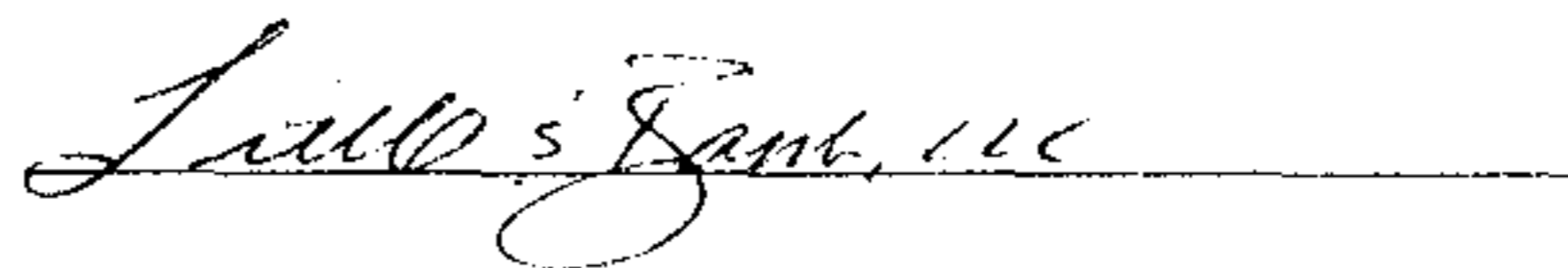
In planning and performing our audit of the financial statements of Hampco, Inc. (the Organization) for the year ended December 31, 1998, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We previously reported on the Organization's internal control in our report entitled Independent Auditors' Report on Compliance and Internal Control Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, which was dated March 12, 1999. This letter does not affect our report dated March 12, 1999, on the financial statements of Hampco, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the Organization's personnel, and we will be pleased to discuss them at your convenience, or to assist you in implementing the recommendations.

Sincerely,

LITTLE & BANKS, LLC
Certified Public Accountants



HAMPCO, INC.

MANAGEMENT LETTER MEMORANDUM

FOR THE YEAR ENDED DECEMBER 31, 1998

The following matters relative to internal control and operating efficiency, that came to our attention during our audit of the financial statements of Hampco, Inc. (the Organization) as of and for the year ended December 31, 1998, and our comments and suggestions are summarized below:

ML-98-1 Budget Restrictions

The Organization's operations are guided by administrative and program budgets (including budget modifications) approved by the Louisiana Governor's Office of Urban Affairs and Development (Urban Affairs and Development). During our audit, we determined that the Organization had an expenditure of \$500 that was not included in the approved budgets. As a result, the Organization may be required to repay this amount to Urban Affairs and Development. We recommend that Management become knowledgeable of the types of expenditures permitted by the approved budgets. Also, we suggest that Management obtain Urban Affairs and Development's approval prior to incurring expenditures not included in the approved budgets. Furthermore, we recommend that the Organization prepare a budget modification for the expenditure referred to above and then submit such modification to Urban Affairs and Development.

ML-98-2 Monthly Reports

In accordance with the cooperative endeavor agreement with the Louisiana Governor's Office of Urban Affairs and Development, Hampco, Inc. is required to prepare monthly expenditure and activity reports and submit them to Urban Affairs and Development by the fifteenth (15th) of the following month. It was noted during our audit that the required reports for several months were not submitted on a timely basis. Thus, the Organization was not in compliance with this aspect of the cooperative endeavor agreements. We suggest that Management establish procedures to ensure that the required reports are properly completed and then submitted to Urban Affairs and Development on a timely basis.

