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HAMPCO, INC.

**Reviewed Financial Report
For the Year Ended June 30, 2006**

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.

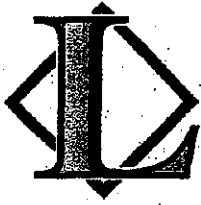
Release Date 3/21/07

HAMPCO, INC.

REVIEWED FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2006

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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT ACCOUNTANTS' REPORT

The Board of Directors
Hampco, Inc.
Monroe, Louisiana

We have reviewed the accompanying statement of financial position of Hampco, Inc. (a nonprofit organization) as of June 30, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the Organization's management.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Little & Associates, LLC

Monroe, Louisiana
December 15, 2006

HAMPCO, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2006

Assets	
Cash	\$ 34,874
Accounts Receivable - Department of Education	98,940
Accounts Receivable - Department of Social Services	10,395
Equipment	18,651
Accumulated Depreciation - Equipment	<u>(18,651)</u>
Total Assets	<u>\$ 144,209</u>
 Liabilities	
Accounts Payable	\$ 3,710
Accrued Payroll	38,168
Payroll Taxes Payable	<u>780</u>
Total Liabilities	<u>42,658</u>
 Net Assets	
Unrestricted	834
Temporarily Restricted	<u>100,717</u>
Total Net Assets	<u>101,551</u>
Total Liabilities and Net Assets	<u>\$ 144,209</u>

See accompanying notes and accountants report.

HAMPCO, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Contracts:			
Cooperative Endeavor Agreement - Louisiana Governor's Office of Urban Affairs and Development	\$ -	\$ 20,322	\$ 20,322
Louisiana Department of Education	-	272,261	272,261
Louisiana Department of Social Services	-	10,395	10,395
Donated Use of Equipment and Facility	-	3,005	3,005
Other Income	2,190	882	3,072
Net Assets Released from Restrictions	299,103	(299,103)	-
Total Support and Revenue	301,293	7,762	309,055
Expenses			
Programs:			
Hampco Programs:			
Teen Pregnancy Prevention	3,794	-	3,794
Project Drive	36,176	-	36,176
TANF	201,957	-	201,957
Total Hampco Programs	241,927	-	241,927
Grant Programs	5,587	-	5,587
Total Grant Programs	5,587	-	5,587
Total Programs	247,514	-	247,514
Supporting Services:			
Management and General	53,346	-	53,346
Total Expenses	300,860	-	300,860
Change in Net Assets	433	7,762	8,195
Net Assets at Beginning of Year	401	92,955	93,356
Net Assets at End of Year	\$ 834	\$ 100,717	\$ 101,551

See accompanying notes and accountants' report.

HAMPCO, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2006

	Programs			TANF	Supporting Services Management and General	Total
	Teen Pregnancy Prevention	Project Drive				
Bank Charges	\$ -	\$ 176	\$ -	\$ -	\$ 176	
Banquets & Refreshments	-	2,339	9,249	273	11,861	
Contract Services	3,585	9,149	141,895	12,228	166,857	
Delivery Expense	-	-	-	-	-	
Depreciation	-	-	-	1,554	1,554	
Donation Expense	-	-	-	635	635	
Insurance	-	-	-	351	351	
Office Supplies and Expense	-	411	22,708	5,182	28,301	
Other	-	9,147	-	5	9,152	
Professional Fees	-	-	3,500	1,500	5,000	
Rent	-	440	-	1,960	2,400	
Salaries	-	4,104	2,625	25,872	32,601	
Supplies	209	8,606	1,295	711	10,821	
Taxes - Payroll	-	517	165	1,780	2,462	
Telephone Expense	-	-	391	1,295	1,686	
Travel Expense	-	1,287	20,129	-	21,416	
	<u>\$ 3,794</u>	<u>\$ 36,176</u>	<u>\$ 201,957</u>	<u>\$ 53,346</u>	<u>\$ 295,273</u>	

See accompanying notes and accountants' report.

HAMPCO, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

Operating Activities	
Change in Net Assets	\$ 8,195
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,554
(Increase) Decrease in Accounts Receivable	(9,944)
Increase (Decrease) in Accounts Payable	(7,855)
Increase (Decrease) in Accrued Payroll	(45,192)
Increase (Decrease) in Payroll Taxes Payable	367
Net Cash Provided By (Used In) Operating Activities	<u>(52,875)</u>
Investing Activities	<u>-</u>
Financing Activities	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(52,875)
Cash and Cash Equivalents at Beginning of Year	<u>87,749</u>
Cash and Cash Equivalents at End of Year	<u>\$ 34,874</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 notes and accountants' report.

HAMPCO, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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.

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.

HAMPCO, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 June 30, 2006, the Organization primarily operated under the following cooperative endeavor agreement with Urban Affairs and Development:

- Contract Period: July 1, 2005 - June 30, 2006:

Agreement Amount	\$ -0-
Amount Received as of June 30, 2006	\$ 20,322
Amount Obligated but not Expended as of June 30, 2006	\$ -0-

During the year ended June 30, 2006, the Organization completed the programs under its cooperative endeavor agreement for the year ended June 30, 2005.

HAMPCO, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 – REVENUE AND SUPPORT (Continued)

The funds received under the cooperative endeavor agreement 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.

Also, during the year ended June 30, 2006, 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: September 1, 2005 – August 31, 2006:

Agreement Amount	\$240,000
Amount Received as of June 30, 2006	\$102,439
Amount Expended, but not received as of June 30, 2006	\$ 98,940

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). The maximum contract amount is \$240,000 budgeted for September 1, 2005 to August 31, 2006.

Also, during the year ended June 30, 2006, 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: June 1, 2006 – August 31, 2006:

Agreement Amount	\$ 30,000
Amount Received as of June 30, 2006	\$ -0-
Amount Expended, but not received as of June 30, 2006	\$ 3,794

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). The maximum contract amount is \$30,000 budgeted for June 1, 2006 to August 31, 2006.

HAMPCO, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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:

Project Care – Two programs that 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.

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.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2006, 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. 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, 2006, was \$3,742.

HAMPCO, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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, 2006, was \$1,440. The remaining lease payments for the year were donated in the amount of \$960.

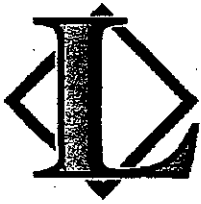
NOTE 7 – COMMITMENTS

The cooperative endeavor agreements with Urban Affairs and Development and the Department of Social Services require that the Organization expend the funds it receives under such agreements in accordance with budgets (including subsequent budget modifications) approved by these agencies. 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 or the Department of Social Services.

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, 2006, the Organization submitted an application to Urban Affairs and Development for \$215,000 in funding for the year ending June 30, 2006.

OTHER INDEPENDENT ACCOUNTANTS' REPORT



LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Board of Directors
Hampto, Inc.
Monroe, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Hampto, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Hampto, Inc.'s compliance with certain laws and regulations during the year ended June 30, 2006, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Hampto, Inc.'s Federal award expenditures for all Federal programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No.	Amount
No Federal Awards Received			
Total Expenditures			0

2. For each Federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, we traced the disbursements to supporting documentation as to proper amount and payee.

Finding: None

4. For the items selected in procedure 2, we determined if the disbursements were properly coded to the correct fund and general ledger account.

Finding: None

5. For the items selected in procedure 2, we determined whether the disbursements received approval from proper authorities.

Finding: None

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in *the Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed.

Finding: None

Eligibility

We reviewed the previously listed disbursements for eligibility requirements.

Finding: None

Reporting

We reviewed the previously listed disbursements for reporting requirements.

Finding: None

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

This procedure was not applicable.

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Finding: None

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Finding: None

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

This procedure was not applicable due to no prior year suggestions, recommendations or comments.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Hamco, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Little + Associates, LLC

Monroe, Louisiana
December 15, 2006