

INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION

DARNALL, SIKES, KOLDER, FREDERICK & RAINY

a CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

1994

J. Joseph Cox
J. Bruce Miller, III
James A. Johnson, III
Joseph S. Jones, III
James A. Smith, III
Richard C. Williams, III
Terry H. Gentry, III
Bernard J. Turner, III

MEMO
August 22nd, 1994

Mr. J. Bernard
Members of the Board
(10/24/94)

Mr. J. Joseph Cox
Terry H. Gentry, III
Richard C. Williams, III
(10/24/94)

Mr. J. Bruce Miller, III
James A. Johnson, III
(10/24/94)

Mr. J. Joseph Cox
Terry H. Gentry, III
(10/24/94)

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Mr. J. Joseph Cox
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Mr. J. Bruce Miller, III
James A. Johnson, III
(10/24/94)

MANAGEMENT LETTER

Robert E. Lee, III
Richard C. Williams, III
William H. Appleton, III
James J. Smith, III
James J. Apple, III
W. Randolph Cox
Richard C. Williams, III

Johnbert J. Bernard, Director
Members of the Board of Directors
Helping Hands, Inc. of Lafayette
Lafayette, Louisiana

Our audit of the financial statements of Helping Hands, Inc. of Lafayette as of and for the year ended June 30, 1994 revealed certain areas in which improvements in the accounting system and financial practices of the organization may be desirable. Therefore, the following suggestions are submitted for your consideration:

- (1) Checks for payment of expenses must be written for the exact amount of purchase and not a rounded-off amount.
- (2) Management must pursue collection of income taxes paid to the State of Louisiana in the amount of \$1,918 that was assessed by the state to a non-profit corporation in error.
- (3) Management should monitor grant programs to eliminate the possibility of disallowed costs.

In conclusion, we express our appreciation to you and your staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing any of our suggestions, please feel free to contact us.

Darnall, Sikes, Kolder, Frederick & Rainy

A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 23, 1994

MEMBER
OF THE INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
OF THE STATE OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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DARNALL, SIKES, KOLDER, FREDERICK & RAINY

A CORPORATION ORGANIZED UNDER MISSISSIPPI LAWS

(Firm)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Helping Hands, Inc. of Lafayette
Lafayette, Louisiana

We have audited the accompanying statements of financial position of Helping Hands, Inc. of Lafayette (a nonprofit organization) as of June 30, 1994 and 1995, and the related statements of activities and cash flows for the years then ended and the statement of functional expenses for the year ended June 30, 1994. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-133 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 audits provide 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 Helping Hands, Inc. of Lafayette as of June 30, 1994 and 1995, and the changes in its net assets and cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 15, 1994 on our consideration of Helping Hands, Inc. of Lafayette's internal control structure and a report dated September 15, 1994 on Helping Hands, Inc. of Lafayette's compliance with laws and regulations.

Darnall, Sikes, Kolder, Frederick & Rainy

A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 29, 1994

MEMBER
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
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HELPING HANDS, INC. OF LAFAYETTE

Statements of Financial Position
June 30, 1998 and 1999

	<u>1998</u>	<u>1999</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 24,607	\$ 4,484
Grants receivable	-	3,084
Other receivables	1,814	-
Prepaid insurance	3,743	1,591
Other assets	<u>208</u>	<u>436</u>
Total current assets	<u>29,372</u>	<u>10,595</u>
FURNITURE AND EQUIPMENT	<u>12,983</u>	<u>24,216</u>
TOTAL ASSETS	<u>\$ 42,355</u>	<u>\$ 34,811</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 16,138	\$ 21,709
Accrued payroll and related liabilities	<u>4,382</u>	<u>7,278</u>
Total current liabilities	<u>20,520</u>	<u>28,987</u>
NET ASSETS		
Unrestricted	<u>21,835</u>	<u>5,824</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 42,355</u>	<u>\$ 34,811</u>

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

HELPING HANDS, INC. OF LAFAYETTE

Statement of Activities
Years Ended June 30, 1984 and 1985

	<u>1986</u>	<u>1985</u>
UNRESTRICTED NET ASSETS		
Public support:		
Contributions in kind	\$ 139	\$ 18,367
Revenue:		
Interest income	2,924	1,998
Donations	5,800	180
Other income	1,450	-
Total revenue	<u>8,224</u>	<u>2,388</u>
Net assets released from restrictions	<u>350,103</u>	<u>325,828</u>
Total support, revenue and net assets released from restrictions	<u>350,436</u>	<u>344,383</u>
EXPENSES		
Program services:		
Cultural Enrichment -		
Homesites	274,744	255,939
Drug Free Schools	15,392	58,513
Summer Food Service	4,258	10,680
Supporting services:		
General and administrative	<u>73,482</u>	<u>103,031</u>
Total expenses	<u>367,876</u>	<u>428,163</u>
Increase (Decrease) in unrestricted net assets	<u>-17,440</u>	<u>-15,833</u>
TEMPORARILY RESTRICTED NET ASSETS		
Governmental grants	349,185	326,008
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>349,185</u>	<u>326,008</u>
Increase (Decrease) in temporarily restricted assets	<u>-</u>	<u>-</u>
Increase (Decrease) in net assets	<u>349,185</u>	<u>326,008</u>
NET ASSETS, beginning of year	<u>41,306</u>	<u>6,103</u>
NET ASSETS, end of year	<u>\$ 18,866</u>	<u>\$ (1,306)</u>

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

HELPING HANDS, INC. OF LAFAYETTE
 Statements of Cash Flow
 Years Ended June 30, 1994 and 1993

	<u>1994</u>	<u>1993</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$18,158	\$ (3,613)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,827	3,067
Loss on sale of fixed assets	-	418
(Increase) decrease in operating assets -		
Grants receivable	7,096	8,933
Prepaid expenses	(712)	1,479
Other receivables	(1,918)	-
Other assets	274	-
Increase (decrease) in operating liabilities -		
Accounts payable	(3,484)	(11,543)
Payroll and related liabilities	831	(16,804)
Deferred revenues	-	18,253
Net cash provided (used) by operating activities	<u>5,229</u>	<u>(12,707)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,394)	11,099
Proceeds from disposal of fixed assets	-	14,389
Net cash provided (used) by investing activities	<u>(3,394)</u>	<u>25,488</u>
Net increase (decrease) in cash and cash equivalents	20,113	(9,280)
BEGINNING CASH AND CASH EQUIVALENTS	<u>5,485</u>	<u>13,712</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$24,607</u>	<u>\$ 4,434</u>

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

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect Helping Hands' ability to administer federal awards programs in accordance with applicable laws and regulations.

Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, Helping Hands did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

Disallowed Expenditures

Finding:

There were several instances in which expenditures incurred by Helping Hands, Inc. of Lafayette for the federal program were disallowed by the grantor.

Recommendation:

Helping Hands, Inc. of Lafayette should enhance controls over federal expenditures to ensure all expenditures are allowable under the applicable federal program.

Response:

Management states that controls over expenditures will be enhanced.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

INCORPORATED IN THE STATE OF MISSISSIPPI

MEMO

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MEMO

Report to Board of Directors

To: Management
Date: 10/15/88
By: DSK

Re: Audit Report
Date: 10/15/88
By: DSK
Subject: Internal Control

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

David S. Kolder, CPA
Richard S. Sikes, CPA
Curtis A. Kolder, CPA
William B. Sikes, CPA
C. Lee Rainey, CPA
James H. Sikes, CPA

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Baton Rouge, LA 70802

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Baton Rouge, LA 70802

To the Board of Directors
Helping Hands, Inc. of Lafayette
Lafayette, Louisiana

We have audited the financial statements of Helping Hands, Inc. of Lafayette (a nonprofit organization) as of and for the year ended June 30, 1988, and have issued our report thereon dated September 23, 1988.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Helping Hands, Inc. of Lafayette is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Helping Hands, Inc. of Lafayette, for the year ended June 30, 1988, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

MEMBER
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MEMBER PUBLIC ACCOUNTING
SOCIETY OF CALIFORNIA
FORNARD PUBLIC ACCOUNTANTS

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We believe the reportable conditions described above are material weaknesses.

We also noted other matters (involving the internal control structure and its operation) that we have communicated to the management of Helping Hands, Inc. of Lafayette in a separate letter dated September 25, 1998.

This report is intended for the information of the Board of Directors and management. However, this report is a matter of public record, and its distribution is not limited.

Dunnell, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 25, 1998

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, would adversely affect the Organization's ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

Individual Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the Organization did not have adequate segregation of functions within the accounting system.

Recommendation:

Based on the size of the operation and the cost-benefit of additional accounting personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response was considered necessary.

Disallowed Expenditures

Finding:

Several instances were noted in which Helping Hands, Inc. of Lafayette incurred expenditures that were not allowable costs as defined by the funding source.

Recommendation:

Helping Hands, Inc. of Lafayette should enhance controls to insure that only allowable expenditures are incurred.

Response:

Management states the controls will be enhanced over expenditures.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal programs in the following categories:

Accounting Controls

Cash
Support, revenue and receivables
Expenses for goods and services and amounts payable
Payroll and related liabilities

Administrative Controls

<u>General Requirements</u>	<u>Specific Requirements</u>
Political activity	Types of services allowed or not allowed
Civil rights	Matching, level of effort, or submitting
Cash management	Federal financial reports and claims for
Federal financial reports	advances and reimbursements
Drug-Free Workplace Act	
Allowable costs/needs principles	
Administrative Requirements	

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1994, Helping Hands, Inc. of Lafayette had no major programs and reported 34% of its total federal awards under the following program:

DEPARTMENT OF EDUCATION: Drug-Free Schools and Communities Act

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned program. Our procedures were done to scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

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WASHINGTON, D. C. 20540

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expire in 1981)

HELPING HANDS, INC. OF LAFAYETTE

Financial Report

Years Ended June 30, 1980 and 1979

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, and by 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 **DEC 18 1984**

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

MEMBERSHIP OF REGISTERED PUBLIC ACCOUNTANTS

1988

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MEMO

September 22, 1996

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH OMB CIRCULAR A-133

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To the Board of Directors
Helping Hands, Inc. of Lafayette
Lafayette, Louisiana

We have audited the financial statements of Helping Hands, Inc. of Lafayette (a nonprofit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated September 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards: Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, " audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered Helping Hands, Inc. of Lafayette's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on Helping Hands, Inc. of Lafayette's financial statements and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated September 13, 1996.

The management of Helping Hands, Inc. of Lafayette is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal

MEMBERSHIP OF REGISTERED PUBLIC ACCOUNTANTS

HELPING HANDS, INC. OF LAFAYETTE

Notes to Financial Statements

(4) Summary of Significant Accounting Policies

A. Basis of Presentation

Financial statement presentation follows the recommendations of the American Institute of Certified Public Accountants in its Industry Audit Guide, Basics of Voluntary Health and Welfare Organizations.

B. Nature of Activities

Helping Hands, Inc. of Lafayette (Organization), a nonprofit corporation, was formed under the laws of the State of Louisiana on September 1, 1992. Its purpose is to provide services that promote the health, social, educational, vocational and character development of needy, elderly and handicapped persons; to receive, invest and disburse funds; to hold property for the purposes of the Organization; and other related purposes.

C. Cash and Cash Equivalents

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

D. Grants Receivable

Grants receivable is recognized only to the extent that related expenses have been incurred.

E. Furniture and Equipment

Furniture and equipment is valued at cost, or fair market value in the case of donated property. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets as follows:

Furniture and equipment	5 years
-------------------------	---------

F. Donated Services and Materials

A number of volunteers have donated time to the Organization's program and supporting services. Amounts have been included in the financial statements for donated services based on minimum wage rates. Donated materials are stated at their estimated fair value on the date donated. Estimated amounts of donated materials are immaterial in relation to total expenses.

HELPING HANDS, INC. OF LAFAYETTE

Notes to Financial Statements (Continued)

6. Contributions

Helping Hands also elected to adopt SFAS No. 116 "Accounting for Contributions Received and Contributions Made," in 1995. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

7. Income Tax Status

The Organization qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for Federal income taxes.

8. Financial Statement Presentation

Effective July 1, 1994, Helping Hands adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations," as required by SFAS No. 117. Financial statement presentation has been revised to incorporate the required statements as well as specific reporting practices within these statements.

9. Vacation and Sick Leave

Vacation and sick leave are recorded as expenses of the period in which paid. Vacation must be taken in the year accrued and can not be carried over. Sick leave is accumulated by employees at a rate dependent on years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. Therefore, no liability has been recorded in the accounts as of June 30, 1994 and 1995.

10. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

REPORTS BASIS, INC. OF LOUISIANA
 Statement of Functional Expenses
 Year Ended June 30, 1976

	Program Services -		Summer Food Scholarship	Expanding Schools General and Administration	Total
	Administrative	Group/Free Schools			
Salaries	\$147,522	119,400	64,773	348,080	\$339,765
Perage benefits	25,892	1,933	-	3,730	29,760
Contract workers	5,861	-	-	-	5,861
Travel	18,276	200	-	179	19,450
Insurance	28,233	276	-	381	29,400
Rent	-	-	-	4,000	4,000
Office expense	-	-	-	423	423
Supplies	6,756	203	3,348	-	10,300
Telephone and utilities	-	-	-	5,363	5,363
Repairs and maintenance	1,579	-	-	-	1,579
Professional services	6,293	200	100	-	6,600
Depreciation	-	-	-	4,876	4,876
Grant expense	-	-	-	20,000	20,000
Other	277	878	70	1,213	1,828
Included expenses	125	-	-	-	125
Total	\$224,746	129,292	81,219	579,860	\$1010,319

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

DARNALL, SIKES, KOLDER, FREDERICK & RAINY

A CORPORATION OFFERS PUBLIC ACCOUNTANTS

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MEMO

James H. Sikes, CPA, FSA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONPROFIT FEDERAL AIDED PROGRAM TRANSACTIONS

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To the Board of Directors
Helping Hands, Inc. of Lafayette
Lafayette, Louisiana

We have audited the financial statements of Helping Hands, Inc. of Lafayette (a nonprofit organization) as of and for the year ended June 30, 1994, and have issued our report thereon dated September 29, 1994.

In connection with our audit of the financial statements of Helping Hands, Inc. of Lafayette and with our consideration of Helping Hands' internal control structure used to administer federal programs, as required by Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions", we audited certain transactions applicable to certain nonmajor federal programs for the year ended June 30, 1994. As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; matching; level of effort; or awarding; reporting; and claims for advances and reimbursements that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Helping Hands' compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Helping Hands, Inc. of Lafayette had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with these requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Directors and management. However, this report is a matter of public record, and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainy
A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 29, 1994

OFFICE OF
REGISTRATION AND
CERTIFICATION OF
PUBLIC ACCOUNTANTS
STATE OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

HELPING HANDS, INC. OF LAFAYETTE

Notes to Financial Statements (Continued)

(3) Furniture and Equipment

The following is a summary of furniture and equipment at June 30, 1994 and 1993:

	<u>1994</u>	<u>1993</u>
Computer equipment	\$ 4,300	\$ 4,300
office equipment and furniture	9,571	9,571
Machinery equipment	<u>11,844</u>	<u>7,381</u>
	25,715	21,252
Less: Accumulated depreciation	<u>(11,844)</u>	<u>(7,314)</u>
Net furniture and equipment	<u>\$ 13,871</u>	<u>\$ 13,938</u>

(4) Grants

Helping Hands, Inc. of Lafayette is the recipient of several cost reimbursement grants. Revenue is recognized to the extent of expenses incurred under the grant terms. Upon completion or expiration of a grant, unexpended funds are not available to Helping Hands, Inc. of Lafayette.

Included in grant revenues in 1994 and 1993 is \$115,800 and \$193,800, respectively, for each year received from the Office of Urban Affairs and Development restricted for cultural enrichment programs for the low income elderly and handicapped; \$13,393 and \$24,873, respectively, received from the Department of Education for the Drug-Free Schools and Communities Program; and \$21,310 and \$13,055, respectively, received from the Department of Agriculture for the Summer Food Service Program.

(4) Other Assets

Other assets on the balance sheet represent security deposits made by the Organization.

(5) Economic Dependency

Helping Hands, Inc. of Lafayette receives the majority of its revenue from funds provided through grants administered by the State of Louisiana, Office of Urban Affairs and Development. The grant amounts are appropriated each year by the Louisiana legislature. If significant budget cuts are made, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the next fiscal year.

Our consideration of the internal control structure policies and procedures used in administering Federal awards would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable conditions described above are material weaknesses.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Helping Hands, Inc. of Lafayette in a separate letter dated September 15, 1996.

This report is intended for the information of the Board of Directors and management. However, this report is a matter of public record, and its distribution is not limited.

Darnall, Silja, Kaldor, Frederick & Rainey
A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 23, 1996

This report is intended for the information of the Board of Directors and management. However, this report is a matter of public record and its distribution is not limited.

Darnell, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 15, 1996

This report is intended for the information of the Board of Directors and management. However, this report is a matter of public record, and its distribution is not limited.

Dornall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 15, 1978

DARNALL, SIKES, KÖLDER, FREDERICK & RAINEY

(a CORPORATION INCORPORATED IN MISSISSIPPI)

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MEMO

Report to Board of Directors

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL AWARDS

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To the Board of Directors
Helping Hands, Inc. of Lafayette
Lafayette, Louisiana

We have audited the financial statements of Helping Hands, Inc. of Lafayette (a nonprofit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated September 19, 1996. These financial statements are the responsibility of Helping Hands' 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-333, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-333 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Helping Hands, Inc. of Lafayette taken as a whole. The accompanying schedule of federal awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Darnall, Sikes, Kölder, Frederick & Rainey
A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 25, 1996

REPORT OF
INDEPENDENT AUDITOR ON
SCHEDULE OF FEDERAL AWARDS
ISSUED IN CONNECTION WITH
AN AUDIT OF FINANCIAL STATEMENTS

HELPING HANDS, INC. OF LAKECHARTR

Schedule of Federal Awards
Year Ended June 30, 1984

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Revenues Recognized</u>	<u>Disbursements/ Expenditures</u>
Federal Assistance Programs			
United States Department of Education: Funded Through Louisiana Department of Education:			
Drug-Free Schools and Communities 84T-F.L. 99-539	84-186	\$23,593	\$23,593
United States Department of Agriculture: Funded Through Louisiana Department of Education:			
Summer Food Service Program	18-539	<u>21,511</u>	<u>21,511</u>
		<u>\$45,104</u>	<u>\$45,104</u>

HELPING HANDS, INC. OF LAFAYETTE

Schedule of Findings and Questioned Costs
Year Ended June 30, 1994

Current Year Findings

Disallowed
Costs

Department of Education

Drug-Free Schools and Communities Act - P. L. 99-370;
CFDA No. 84.184;

Helping Hands, Inc. of Lafayette incurred expenditures for this program which were disallowed by the grantor and ultimately paid with state grant funds.

\$165

Department of Agriculture

Summer Food Service Program; CFDA No. 10.518;

Helping Hands, Inc. of Lafayette incurred expenditures for this program which were disallowed by the grantor and ultimately paid with state grant funds.

\$137

Management Response

The Organization will implement procedures to insure that only allowed expenditures be incurred in these programs.

