

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Financial Report

Year Ended June 30, 2010

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

4/6/11

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Helping Hands, Inc. of Lafayette
Lafayette, Louisiana 70501

We have audited the accompanying statements of financial position of Helping Hands, Inc. of Lafayette (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Helping Hands, Inc. of Lafayette's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 the 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, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 2010, on our consideration of Helping Hands, Inc. of Lafayette's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the financial statements of Helping Hands, Inc. of Lafayette. The accompanying schedule of expenditures of federal awards on page 21 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and is not a required part of the financial statements of Helping Hands, Inc. of Lafayette. Such information 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.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 15, 2010

FINANCIAL STATEMENTS

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Statements of Financial Position
June 30, 2010 and 2009

	2010	2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 139,186	\$ 68,366
Accounts receivable	331,086	202,400
Prepaid expenses	1,684	1,597
Total current assets	471,956	272,363
Other assets:		
Deposits	720	720
Equipment, net of accumulated depreciation	4,639	6,592
Total assets	\$ 477,315	\$ 279,675
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 325,092	\$ 179,265
Due to government - grantor	32,050	32,050
Deferred revenue	129,072	72,403
Short-term notes payable	115	12,938
Total current liabilities	486,329	296,656
Net assets (deficit):		
Unrestricted -		
Operating	(13,653)	(23,573)
Net investment in fixed assets	4,639	6,592
Total net assets (deficit)	(9,014)	(16,981)
Total liabilities and net assets	\$ 477,315	\$ 279,675

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

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Statement of Activities
Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, revenues and reclassifications:			
Federal grants	\$ -	\$ 1,027,331	\$ 1,027,331
Local grants	-	103,256	103,256
Program income	24,514	-	24,514
Other	-	16,200	16,200
Net assets released from restrictions	<u>1,146,787</u>	<u>(1,146,787)</u>	<u>-</u>
Total support, revenues and reclassifications	<u>1,171,301</u>	<u>-</u>	<u>1,171,301</u>
Expenses and losses:			
Program services-			
TANF programs	109,567	-	109,567
21st Century Community Learning Centers	926,022	-	926,022
Louisiana Consumer Healthcare Coalition (LCHC)	<u>103,256</u>	<u>-</u>	<u>103,256</u>
Total program services	1,138,845	-	1,138,845
Support services-			
Management and general	<u>24,489</u>	<u>-</u>	<u>24,489</u>
Total expenses	<u>1,163,334</u>	<u>-</u>	<u>1,163,334</u>
Change in net assets	7,967	-	7,967
Net assets (deficit), beginning of year	<u>(16,981)</u>	<u>-</u>	<u>(16,981)</u>
Net assets (deficit), end of year	<u>\$ (9,014)</u>	<u>\$ -</u>	<u>\$ (9,014)</u>

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

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Statement of Activities
Year Ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, revenues and reclassifications:			
Federal grants	\$ -	\$ 731,346	\$ 731,346
Local grants	-	27,597	27,597
Program income	28,786	-	28,786
Net assets released from restrictions	<u>758,943</u>	<u>(758,943)</u>	<u>-</u>
Total support, revenues and reclassifications	<u>787,729</u>	<u>-</u>	<u>787,729</u>
 Expenses and losses:			
Program services-			
TANF programs	147,035	-	147,035
21st Century Community Learning Centers	603,772	-	603,772
Louisiana Consumer Healthcare Coalition (LCHC)	27,597	-	27,597
Medicine Assistance Program (MAP)	<u>5,240</u>	<u>-</u>	<u>5,240</u>
Total program services	783,644	-	783,644
 Support services-			
Management and general	<u>21,783</u>	<u>-</u>	<u>21,783</u>
 Total expenses	<u>805,427</u>	<u>-</u>	<u>805,427</u>
 Change in net assets	<u>(17,698)</u>	<u>-</u>	<u>(17,698)</u>
 Net assets, beginning of year	717	45,550	46,267
 Correction of error relative to accrual of amount owed to grantor	<u>-</u>	<u>(45,550)</u>	<u>(45,550)</u>
 Net assets, beginning of year, as restated	<u>717</u>	<u>-</u>	<u>717</u>
 Net assets (deficit), end of year	<u>\$ (16,981)</u>	<u>\$ -</u>	<u>\$ (16,981)</u>

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

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Statement of Functional Expenses
Year Ended June 30, 2010

	Program Services				Support Services		
	TANF After School	Freedom School	21st Century	LCHC	Total Program Services	Management and General	Total Expenses
Depreciation	\$ 447	\$ -	\$ -	\$ -	\$ 447	\$ 1,506	\$ 1,953
Insurance	-	-	1,000	-	1,000	692	1,692
Interest	-	-	-	-	-	978	978
Meetings, conferences and conventions	-	39,200	68,567	5,942	113,709	-	113,709
Office expenses	-	-	300	3,638	3,938	1,846	5,784
Payroll taxes	-	519	6,270	-	6,789	-	6,789
Postage	-	-	620	40	660	-	660
Professional fees and contract services	21,338	40,349	678,386	87,215	827,288	4,817	832,105
Rent	-	1,200	2,583	3,409	7,192	3,417	10,609
Repair and maintenance	-	-	854	-	854	466	1,320
Salaries	-	4,550	65,250	-	69,800	-	69,800
Supplies	-	383	95,712	1,676	97,771	7,566	105,337
Telephone	-	-	1,131	1,336	2,467	1,576	4,043
Travel	-	1,581	4,118	-	5,699	-	5,699
Utilities	-	-	1,231	-	1,231	1,625	2,856
Total	\$ 21,785	\$ 87,782	\$ 926,022	\$ 103,256	\$ 1,138,845	\$ 24,489	\$ 1,163,334

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

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Statement of Functional Expenses
Year Ended June 30, 2009

	Program Services										Support Services		
	TANF					Program Services					Total Program Services	Management and General	Total Expenses
	After School	Teen Pregnancy	Freedom School	21st Century	LCHC	MAP	MAP	MAP	MAP	MAP			
Depreciation	\$ 666	\$ 1,706	\$ -	\$ -	\$ -	\$ 756	\$ -	\$ -	\$ -	\$ -	\$ 928	\$ 4,056	
Insurance	-	-	-	1,000	-	-	-	-	-	-	727	1,727	
Interest	-	-	-	-	-	-	-	-	-	-	1,369	1,369	
Meetings, conferences and conventions	-	25	35,498	17,773	1,432	-	-	-	-	-	-	54,728	
Office expenses	-	-	-	135	30	-	-	-	-	-	1,866	2,031	
Payroll taxes	384	609	429	4,400	-	193	-	-	-	-	-	6,015	
Postage	-	56	7	190	8	-	-	-	-	-	-	261	
Professional fees and contract services	27,800	10,601	35,360	471,082	24,583	-	-	-	-	-	4,500	573,926	
Rent	275	360	2,741	4,000	1,136	815	-	-	-	-	2,550	11,877	
Repair and maintenance	-	-	-	1,277	-	-	-	-	-	-	51	1,328	
Salaries	3,847	6,893	4,460	64,096	-	2,159	-	-	-	-	-	81,455	
Supplies	1,151	690	8,878	37,997	163	276	-	-	-	-	5,191	54,346	
Telephone	-	-	-	1,002	245	-	-	-	-	-	2,329	3,576	
Travel	-	-	4,599	-	-	1,041	-	-	-	-	-	5,640	
Utilities	-	-	-	820	-	-	-	-	-	-	2,272	3,092	
Total	\$ 34,123	\$ 20,940	\$ 91,972	\$ 603,772	\$ 27,597	\$ 5,240	\$ 27,597	\$ 5,240	\$ 5,240	\$ 5,240	\$ 21,783	\$ 805,427	

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

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Statements of Cash Flows
Years Ended June 30, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Change in net assets	\$ 7,967	(17,698)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,953	4,056
Changes in assets and liabilities-		
(Increase) decrease in:		
Accounts receivable	(128,687)	86,463
Prepaid expenses	(88)	932
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>202,497</u>	<u>(39,594)</u>
Net cash provided by operating activities	<u>83,642</u>	<u>34,159</u>
Cash flows from financing activities:		
Short-term borrowings	230,227	116,350
Repayment of short-term borrowings	<u>(243,049)</u>	<u>(117,398)</u>
Net cash used by financing activities	<u>(12,822)</u>	<u>(1,048)</u>
Net increase in cash and cash equivalents	70,820	33,111
Cash and cash equivalents, beginning of year	<u>68,366</u>	<u>35,255</u>
Cash and cash equivalents, end of year	<u>\$ 139,186</u>	<u>\$ 68,366</u>
Supplemental disclosure for the statements of cash flows:		
Interest paid	<u>\$ 978</u>	<u>\$ 1,369</u>

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

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Notes to Financial Statements

(1) Nature of Organization and Significant Accounting Policies

A. Organization and Purpose

Helping Hands, Inc. (Organization) is a nonprofit corporation organized under the laws of the State of Louisiana on September 1, 1992. The organization was formed to engage in activities that promote health, social, educational, vocational, and character development for low-income, elderly and handicapped citizens. The Organization is exempt from federal and state income taxes as a charitable organization under Section 501(c) (3) of the Internal Revenue Code. Accordingly, contributions to the Organization are qualified as charitable donations.

B. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets of the organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to stipulations.

Temporarily restricted net assets - Net assets subject to stipulations that will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

C. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

D. Grants Receivable

Grants receivable are recognized to the extent that the related qualifying expenses have been incurred.

E. Equipment

The Organization's capitalization policy is \$500 for equipment recorded at cost, if purchased, or at estimated fair market value if donated. Donations of equipment are recorded at fair market value at the date of donation. Depreciation is computed by the straight line method at rates based on the following estimated useful lives:

	<u>Years</u>
Computer equipment	3 - 10
Machinery and equipment	5 - 10

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Notes to Financial Statements (Continued)

F. Revenue and Expense Recognition

Contributions are recognized when the donor makes a commitment to give to the Organization. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increase those net asset classes. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting. When a restriction expires, that is when a stipulated time restriction ends or purpose restrictions are accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Helping Hands, Inc. of Lafayette had no permanently restricted net assets during the period July 1, 2009 through June 30, 2010.

G. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

H. Income Taxes

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. The Organization is not classified as a private foundation.

I. Donated Services and Material

The Organization receives a significant amount of donated services from unpaid volunteers who assist in program services during the year. These donated services are not reflected in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

J. Compensated Absences

Accrued vacation and sick leave must be used by June 30th of each year and are recorded as expenses of the current period when taken. Any unused time at the end of the fiscal period may not be carried forward to subsequent periods. The Organization does not customarily pay for unused vacation and sick leave upon separation from the company nor do the rights vest or accumulate. Therefore, no liability has been recorded in the accounts as of June 30, 2010.

K. Use of Estimates

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

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(2) Receivables

Receivables are composed of the following amounts at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Louisiana Department of Education	\$ 289,739	\$ 137,757
Louisiana Department of Social Services	24,718	64,643
Other	<u>16,629</u>	<u>-</u>
Total	<u>\$ 331,086</u>	<u>\$ 202,400</u>

(3) Equipment

Equipment consists of the following as of June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Computer equipment	\$27,198	\$27,198
Machinery and equipment	<u>26,369</u>	<u>26,369</u>
	53,567	53,567
Less accumulated depreciation	<u>(48,928)</u>	<u>(46,975)</u>
Total	<u>\$ 4,639</u>	<u>\$ 6,592</u>

Total depreciation expense was \$1,953 and \$4,056 for the years ended June 30, 2010 and 2009, respectively.

(4) Prepaid Expenses

Prepaid expenses consisted of the following as of June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Insurance	<u>\$1,684</u>	<u>\$1,597</u>

(5) Short-term Borrowings

The Organization has available a variable-rate revolving line of credit with JPMorgan Chase Bank, collateralized by all funds on deposit with the financial institution. Under the terms of the agreement, the Organization can borrow up to \$50,000. Interest is due and payable monthly on the 1st day of each month at the rate of prime plus 4.250% to be applied to the unpaid principal balance. Outstanding advances under this arrangement at June 30, 2010 totaled \$115.

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(6) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following at June 30, 2010 and 2009:

	2010	2009
Trade accounts payable	\$ 315,887	\$ 167,421
Compensation and related expenses	9,205	11,844
Total	\$ 325,092	\$ 179,265

(7) Deferred Revenue

Deferred revenue in the amount of \$129,072 and \$72,403 at June 30, 2010 and 2009, respectively, consists of unexpended grant funds received from the Public Welfare Foundation for the Louisiana Consumer Healthcare Coalition.

(8) Summary of Grants/Contracts

Helping Hands, Inc. of Lafayette was primarily funded through the following grants and contracts for the period of July 1, 2009 through June 30, 2010:

Funding Source	Grant Contract Period	Total Grant Contract	Support Recognized
Louisiana Department of Education	07/1/07-6/30/10	2,094,095	931,162
Louisiana Department of Social Services	1/1/10- 8/31/10	143,555	96,169
Public Welfare Foundation	1/1/2009-12/31/2011	200,000	103,256
Total		\$2,437,650	\$ 1,130,587

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(9) Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the time or purpose restrictions specified by donors as follows:

	2010	2009
Purpose restrictions accomplished:		
Louisiana Department of Education:		
Temporary Assistance for Needy Families Program - ASFA	\$ -	\$ 19,516
21st Century Community Learning Centers Program- 21STCCLC	931,162	603,772
Louisiana Department of Social Services:		
Temporary Assistance for Needy Families Program- TPP	-	18,326
Temporary Assistance for Needy Families Program- CDFFS	96,169	89,732
Public Welfare Foundation:		
Louisiana Consumer Healthcare Coalition	103,256	27,597
SMILE Community Action Agency	16,200	-
Total net assets released from restrictions	\$ 1,146,787	\$ 758,943

(10) Contingencies

Amounts received or receivable from grantor agencies are subject to audit adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable program. Except as indicated in the following paragraph, the amount which may be disallowed by the grantor cannot be determined at this time. Accordingly, no provision for a liability was recognized in the accompanying financial statements.

The Medicine Assistance Program (MAP) was approved in the amount of \$100,000 by the Louisiana Department of Health and Hospitals for the period of July 17, 2006 through December 31, 2007. Within fifteen days of the end of this period, the Organization should have filed a close-out report and returned any unused funds. There was no evidence indicating that the Organization had obtained an extension of this agreement or returned the unused funds which totaled \$45,550 at July 1, 2008. In May of 2009 the Organization refunded \$13,500 of the unused funds to the Louisiana Department of Health and Hospitals, leaving an outstanding liability of \$32,050. The ultimate outcome of this matter, which has been reported to appropriate grant officials, is uncertain at this time.

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(11) Concentrations

Helping Hands, Inc. of Lafayette receives its support for operations primarily from grants administered through the Louisiana Departments of Education and Social Services. The grant amounts are appropriated by the Louisiana Legislature on an annual basis. In the event of significant budget cuts, the level of funding could be significantly lower and adversely impact the Organization's operations.

(12) Risk Management

The Organization is exposed to risks of loss in the areas of auto liability, general liability, management liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(13) Accumulated Deficit and Management Plans

As of June 30, 2010, the Organization has a deficit net assets balance of \$9,014. This factor, as well as the Organization's dependence on two major grantors (described in Note 11), create an uncertainty about the Organization's ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if the organization is unable to continue.

Management is currently working with the Board of Directors to develop fundraising activities and sponsorships to establish an adequate cash reserve. Since all programs currently provided by the Organization are operated on a cost-reimbursement basis, the anticipated increase in cash from these new funding sources should result in a reduction of the deficit net asset balance and allow the Organization to operate on a profitable basis.

(14) Subsequent Events

The Organization's grant contracts with the Louisiana Department of Education and Social Services, the organization's major funding sources, have expired. As of December 15, 2010, the Organization is actively seeking grants at the federal and state level to provide similar services; however, there have been no applications formally submitted to replace the major funding sources that have expired.

(15) Subsequent Events Review

Helping Hands, Inc. of Lafayette has evaluated subsequent events through December 15, 2010, the date which the financial statements were available to be issued.

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Helping Hands, Inc. of Lafayette
Lafayette, Louisiana 70501

We have audited the financial statements of Helping Hands, Inc. of Lafayette (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Helping Hands, Inc. of Lafayette's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Helping Hands, Inc. of Lafayette's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Helping Hands, Inc. of Lafayette's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying summary schedule of current and prior year audit findings and corrective action plan, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 10-3(IC) and 10-4(IC) to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Helping Hands, Inc. of Lafayette's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of Helping Hands, Inc. of Lafayette in a separate letter dated December 15, 2010.

Helping Hands, Inc. of Lafayette's responses to the findings identified in our audit are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. We did not audit the responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Helping Hands, Inc. of Lafayette's management and federal awarding agencies and pass-through entities 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.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 15, 2010

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Helping Hands, Inc. of Lafayette
Lafayette, Louisiana 70501

Compliance

We have audited the compliance of Helping Hands, Inc. of Lafayette (a nonprofit organization) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended June 30, 2010. Helping Hands, Inc. of Lafayette's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major programs is the responsibility of Helping Hands, Inc. of Lafayette's management. Our responsibility is to express an opinion on Helping Hands, Inc. of Lafayette's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Helping Hands, Inc. of Lafayette's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Helping Hands, Inc. of Lafayette's compliance with those requirements.

In our opinion, Helping Hands, Inc. of Lafayette complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 10-1(C) and 10-2(C).

Internal Control Over Compliance

The management of Helping Hands, Inc. of Lafayette is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Helping Hands, Inc. of Lafayette's internal control over compliance with requirements that could have a direct and material effect on its major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Helping Hands, Inc. of Lafayette's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and would not be designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 10-5(IC) and 10-6(IC) to be material weaknesses.

Helping Hands, Inc. of Lafayette's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the responses and, accordingly, we express no opinion on it.

This report is intended solely for the information of Helping Hands, Inc. of Lafayette's management and federal awarding agencies and pass-through entities 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.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 15, 2010

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Pass-through Identifying Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF EDUCATION:			
Passed through Louisiana Department of Education:			
21st Century Community Learning Centers	CFMS 658698	84.287	<u>\$ 931,162</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through Louisiana Department of Social Services:			
Temporary Assistance for Needy Families -			
CDF Freedom Schools 2010 Summer Program	CFMS 688295	93.558	47,725
CDF Freedom Schools 2010 Summer Program	CFMS 688292	93.558	<u>48,444</u>
Total U.S. Department of Health and Human Services			<u>96,169</u>
Total expenditures of federal awards			<u>\$1,027,331</u>

See accompanying notes to schedule of expenditures of federal awards.

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Helping Hands, Inc. of Lafayette (a nonprofit organization). Helping Hands, Inc. of Lafayette's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2010. All federal financial assistance received directly from federal agencies is included in the schedule as well as federal financial assistance passed through other government agencies. The 21st Century Community Learning Centers (CFDA No. 84.287) is the program considered to be a major program of Helping Hands, Inc. of Lafayette.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to Helping Hands, Inc. of Lafayette's financial statements for the year ended June 30, 2010.

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Part I. Summary of Auditors' Results:

1. The auditors' report expresses an unqualified opinion on the financial statements.
2. Two deficiencies in internal control were disclosed by the audit of the financial statements. All of the deficiencies were considered to be material weaknesses.
3. There were no instances of noncompliance disclosed by the audit of the financial statements, which would be required to be reported in accordance with Government Auditing Standards.
4. Two deficiencies in internal control over major federal award programs were disclosed by the audit of the financial statements. All of the deficiencies were considered to be material weaknesses.
5. An unqualified opinion was issued on compliance for the major federal programs.
6. The audit disclosed four findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The program tested as major was the 21ST Century Community Learning Centers (CFDA No. 84.287).
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of OMB Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of OMB Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

Compliance Findings -

There were no compliance findings noted for the year ended June 30, 2010.

Internal Control Findings -

See Internal Control Findings 10-3 (IC) and 10-4 (IC) in the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of OMB Circular A-133:

DEPARTMENT OF EDUCATION:

Compliance Findings -

10-1 (C)

21st Century Community Learning Centers (CFDA No. 84.287) -

Criteria

In accordance with OMB Circular A-87, attachment B, paragraph 8(h), timesheets submitted to management should be signed by the appropriate individuals.

Condition

Some of the timesheets submitted to management for contract labor were not signed by the respective individual and/or supervisor.

Questioned Costs

There are no specific questioned costs relative to this finding.

Context

The timesheets were not signed by the individual and/or supervisor.

Cause

There is a lack of procedures in place to ensure all timesheets are signed by the appropriate individuals.

Effect

The Organization does not have proper supporting documentation prior to the disbursement of funds.

Recommendation

Management should implement policies and procedures to ensure that all timesheets are properly signed prior to the disbursement of funds.

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

Response

All timesheets will be reviewed for completeness and proper approval by the appropriate individuals prior to the disbursement of funds.

DEPARTMENT OF EDUCATION:

Compliance Findings -

10-2 (C)

21st Century Community Learning Centers (CFDA No. 84.287)

Criteria

The reimbursement request submitted by management to the grantor should properly reflect all grant expenses paid during the period.

Condition

There were several instances where some grant expenses included on the reimbursement request submitted to the grantor were over requested and other grant expenses were not being requested.

Questioned Costs

There are no specific questioned costs relative to this finding.

Context

Some reimbursement request submitted to the grantor did not properly reflect the grant expenses during the period of request.

Cause

There is a lack of policies and procedures in place to ensure the grant expenses during the period of request are properly captured on the reimbursement request submitted to the grantor.

Effect

The Organization did not receive reimbursement for all qualified grant expenses.

HELPING HANDS, INC. OF LAFAYETTE
Lafayette, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2009

Recommendation

Management should develop policies and procedures to ensure all grant related expenses are captured and included on the appropriate reimbursement request submitted to the respective grantor.

Response

Policies and procedures will be implemented to adequately verify grant related expenses are properly included on each reimbursement request submitted to the grantor.

DEPARTMENT OF EDUCATION:

Internal Control Findings -

10-5 (IC)

(Refer to 10-1 (C) finding above).

DEPARTMENT OF EDUCATION:

Internal Control Findings -

10-6 (IC)

(Refer to 10-2 (C) finding above).

HELPING HANDS INC. OF LAFAYETTE
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
June 30, 2010

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken
CURRENT YEAR (6/30/2010)			
<u>Compliance:</u>			
10-1 (C)	2009	Some of the timesheets for contract labor were not approved by the employee and/or appropriate supervisor. Management should implement policies and procedures to verify that all timesheets are properly completed and approved prior to payment.	No
10-2 (C)	2010	The Organization does not have adequate controls on the preparation of reimbursement request for the 21st Century Community Learning Centers grant submitted to the Louisiana Department of Education. Procedures performed on the reimbursement request submitted by management resulted in some grant expenses being over requested and other grant expenses not being requested. The overall effect resulted in a net amount of under requested grant expenses.	No
<u>Internal Control:</u>			
10-3 (IC)	1997	Due to the small number of employees, the Organization did not have adequate segregation of functions within the accounting system.	No
10-4 (IC)	2009	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No
10-5 (IC)	2009	See Compliance finding 10-1 (C).	
10-6 (IC)	2010	See Compliance finding 10-2 (C).	
<u>Management Letter:</u>			
10-7 (ML)	2009	Management should enhance policies and procedures to properly account for the purchase and distribution of supplies utilized at service sites. Itemized listings of supplies signed by site managers or directors acknowledging receipt of items received should be attached to invoices as supporting documentation for proper distribution of purchases. Additionally, procedures should be developed and implemented regarding the purchase and distribution of snacks.	No

Corrective Action Plan	Name of Contact Person	Anticipated Date of Completion
All timesheets will be reviewed for completeness and proper approval by the appropriate individuals prior to the disbursement of funds.	David Mason, Executive Director	11/30/2010
The Organization will develop policies and procedures to adequately verify grant related expenses are properly included on each reimbursement request submitted to the grantor.	David Mason, Executive Director	11/30/2010
No corrective action is planned. Due to the size of the organization and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	David Mason, Executive Director	N/A
The Organization has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Organization to outsource this task to its independent auditors, and to carefully review to draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	David Mason, Executive Director	N/A
In the future, the acknowledgment of receipt will be attached to the invoice. Procedures will be developed and implemented regarding the purchase and distribution of snacks.	David Mason, Executive Director	11/30/2010

HELPING HANDS INC. OF LAFAYETTE
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings (Continued)
and Corrective Action Plan
June 30, 2010

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken
CURRENT YEAR (6/30/2010)			
<u>Management Letter (continued):</u>			
10-8 (ML)	2009	Management should increase oversight and monitoring of controls over cash receipts and disbursements. All bank statements and reconciliations should be reviewed on a monthly basis for accuracy by a member of the board of directors not authorized to sign the checks. This approval should be documented by a signature.	No
10-9 (ML)	2009	David Mason, Executive Director, purchases the majority of the supplies for the Organization from his personal funds and reimburses himself when revenues are received from grantors. This practice should be discontinued. Management should obtain an alternate funding source in the name of Helping Hands, Inc. or utilize its existing line of credit in order to finance reimbursement-based grants.	No
10-10 (ML)	2009	As of June 30, 2010, the Organization had a deficit net asset balance of \$9,014. Management should consider ways to increase revenues and decrease expenses in order to eliminate this deficit and operate within available resources.	No

Corrective Action Plan	Name of Contact Person	Anticipated Date of Completion
Additional controls over cash will be introduced to the board for approval.	David Mason, Executive Director	12/31/2010
Management will implement this procedure in the future.	David Mason, Executive Director	12/31/2010
The funding deficit occurred though the TANF programs, which are no longer being received by the Organization. To prevent this situation from reoccurring, procedures have been established that evaluate spending on a monthly basis.	David Mason, Executive Director	6/30/2011

HELPING HANDS INC. OF LAFAYETTE
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings (Continued)
and Corrective Action Plan
June 30, 2010

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken
PRIOR YEAR (6/30/2009)			
<u>Compliance:</u>			
09-1 (C)	2008	The Organization did not comply with federal and state laws regarding audit report completion and submission.	Yes
<u>Internal Control:</u>			
09-2 (IC)	2009	Payments made to hotels and reimbursements for travel expenses incurred by employees do not have adequate supporting documentation attached. All credit card charges regarding travel should be supported by appropriate documentation, including the business purpose for the travel.	Yes
09-3 (IC)	1997	Due to the small number of employees, the Organization did not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	No
09-4 (IC)	2009	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No
09-5 (IC)	2009	The Board of Directors does not officially approve employee compensation. Additionally, there is no documentation included in the personnel files documenting the amount of the compensation.	Yes
09-6 (IC)	2009	Some of the timesheets for regular employees and contract labor were not approved by appropriate supervisors. Management should implement policies and procedures to verify that all timesheets are approved prior to payment.	No
09-7 (IC)	2009	All teachers participating in the 21st Century Community Learning Grant who are receiving \$20 per hour are required to be certified. Appropriate written policies and procedures should be established to insure that certification status is verified for these teachers. Proof of certification should be maintained for the duration of the grant.	Yes

Corrective Action Plan	Name of Contact Person	Anticipated Date of Completion
In the future, management will comply with the federal and state laws regarding the completion and submission of the audit report within six months of the close of the fiscal year.	David Mason, Executive Director	6/30/2010
It is our policy to retain receipts for all expenses. We will continue to implement this policy and ascertain that all travel expenses are properly documented with invoices, brochures, agendas, and some information pertaining to the purpose of the travel.	David Mason, Executive Director	6/30/2010
No response is considered necessary.	David Mason, Executive Director	N/A
The Organization has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Organization to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	David Mason, Executive Director	N/A
This procedure will be recommended to the Board and will be implemented upon approval.	David Mason, Executive Director	6/30/2010
All time sheets will be approved by appropriate supervisors prior to payment. See finding 10-5 (IC).	David Mason, Executive Director	6/30/2010
Prior to this recommendation, certification of the qualifying teachers was verified through the appropriate school district. In the future, proof of certification will be verified and maintained by the Organization.	David Mason, Executive Director	6/30/2010

HELPING HANDS INC. OF LAFAYETTE
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings (Continued)
and Corrective Action Plan
June 30, 2010

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken
PRIOR YEAR (6/30/2009)			
<u>Management Letter:</u>			
09-8 (ML)	2009	Management should enhance policies and procedures to properly account for the purchase and distribution of supplies utilized at service sites. Itemized listings of supplies signed by site managers or directors acknowledging receipt of items received should be attached to invoices as supporting documentation for proper distribution of purchases. Additionally, procedures should be developed and implemented regarding the purchase and distribution of snacks.	No
09-9 (ML)	2009	Management should increase oversight and monitoring of controls over cash receipts and disbursements. All bank statements and reconciliations should be reviewed on a monthly basis for accuracy by a member of the board of directors not authorized to sign the checks. This approval should be documented by a signature.	No
09-10 (ML)	2009	Checks for payment of employee services should be issued in accordance with approved payroll distribution dates.	Yes
09-11 (ML)	2009	David Mason, Executive Director, purchases the majority of the supplies for the Organization from his personal funds and reimburses himself when revenues are received from grantors. This practice should be discontinued. Management should obtain an alternate funding source in the name of Helping Hands, Inc. or utilize its existing line of credit in order to finance reimbursement-based grants.	No
09-12 (ML)	2009	As of June 30, 2009, the Organization had a deficit net asset balance of \$16,981. Management should consider ways to increase revenues and decrease expenses in order to eliminate this deficit and operate within available resources.	No

Corrective Action Plan	Name of Contact Person	Anticipated Date of Completion
In the future, the acknowledgment of receipt will be attached to the invoice. Procedures will be developed and implemented regarding the purchase and distribution of snacks.	David Mason, Executive Director	6/30/2010
Additional controls over cash will be introduced to the board for approval.	David Mason, Executive Director	6/30/2010
Management will implement this procedure in the future.	David Mason, Executive Director	6/30/2010
In the future, management will consider other funding sources for financing reimbursement-based grants.	David Mason, Executive Director	N/A
The funding deficit occurred though the TANF programs, which are no longer being received by the Organization. To prevent this situation from reoccurring, procedures have been established that evaluate spending on a monthly basis.	David Mason, Executive Director	6/30/2010

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To the Board of Directors of
Helping Hands, Inc. of Lafayette
Lafayette, Louisiana 70501

During our audit of the basic financial statements of Helping Hands, Inc. of Lafayette for the year ended June 30, 2010, we noted certain areas in which improvements in the accounting system and financial practices of the Organization should be considered.

- (1) Management should enhance policies and procedures to properly account for the purchase and distribution of supplies utilized at service sites. Itemized listings of supplies signed by site managers or directors acknowledging receipt of items received should be attached to invoices as supporting documentation for proper distribution of purchases. Additionally, procedures should be developed and implemented regarding the purchase and distribution of snacks.
- (2) Management should increase oversight and monitoring of controls over cash receipts and disbursements. All bank statements and reconciliations should be reviewed on a monthly basis for accuracy by a member of the board of directors not authorized to sign on the checks. This approval should be documented by a signature.
- (3) David Mason, Executive Director, purchases the majority of the supplies for the Organization from his personal funds and reimburses himself when revenues are received from grantors. This practice should be discontinued. Management should obtain an alternate funding source in the name of Helping Hands, Inc. or utilize its existing line of credit in order to finance reimbursement-based grants.

- (4) As of June 30, 2010, the Organization had a deficit net asset balance of \$9,014. Management should consider ways to increase revenues and decrease expenses in order to eliminate this deficit and operate within available resources.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance, please feel free to contact us.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 15, 2010