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DELTA PREP
(A Non-Profit Organization)
Oak Grove, Louisiana

*Financial Statements
And Accountants Report*

*For the Year Ended
December 31, 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 9/5/07

DARLA S. TURNER, CPA
A Professional Accounting Corporation
3001 Armand, Suite C
Monroe, Louisiana 71201

DELTA PREP
Oak Grove, Louisiana

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Accountant's Report

To The Board of Directors
Delta Prep
310 Skinner Lane
Oak Grove, Louisiana 71263

I have reviewed the accompanying statement financial position of Delta Prep, a quasi-public organization as of December 31, 2006, and the related statement of activities and cash flows for the period then ended in accordance with 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 management of Delta Prep.

A review consists principally of Delta Prep's 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, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

In accordance with the Louisiana Government Audit Guide and the provisions of state law, I have issued a report dated June 20, 2007 on the results of our agreed-upon procedures.



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

June 20, 2007

DELTA PREP
Oak Grove, Louisiana

STATEMENT OF FINANCIAL POSITION
December 31, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	7,701
Accounts receivable		19,476
Investments		-
Total Current Assets		<u>27,177</u>

PROPERTY AND EQUIPMENT

Leasehold improvements		2,400
Furniture and fixtures		5,590
Equipment		12,054
Portable building		1,100
Less: accumulated depreciation		<u>(11,648)</u>
Net Property and Equipment		<u>9,496</u>

TOTAL ASSETS \$ 36,673

LIABILITIES & NET ASSETS

NET ASSETS

Unrestricted:		
Operating		27,177
Property and Equipment		<u>9,496</u>
Total Net Assets		<u>36,673</u>

TOTAL LIABILITIES AND NET ASSETS \$ 36,673

DELTA PREP
Oak Grove, Louisiana

Statement of Activities
December 31, 2006

PUBLIC SUPPORT AND REVENUE	
Grants	\$ 241,360
Student fees	31,677
Contributions	8,595
Fundraisers	1,467
TOTAL PUBLIC SUPPORT AND REVENUE	<u>283,099</u>
PROGRAM EXPENSES	
Wages	181,834
Supplies:	
Teaching	13,456
Computer	2,922
Rent:	
Building	7,000
Van	3,400
Copier	1,500
Repairs and maintenance:	
Building	2,853
Computer	591
Miscellaneous	536
Office supplies and postage	272
Uncollectible accounts	1,000
Insurance	6,703
Depreciation	1,588
Van expense	1,486
Music	521
Dues and subscriptions	78
Recreation	2,277
Workshops	1,321
Program//speaker	1,150
Accounting	450
Payroll taxes	15,169
Miscellaneous	68
Testing	2,630
Snacks	3,395
Stipend	210
Speech therapy	970
Telephone	1,954
Field trips	619
TOTAL PROGRAM EXPENSES	<u>255,953</u>
OTHER REVENUE (EXPENSE)	
Dividends	97
Interest	(3)
TOTAL OTHER REVENUE (EXPENSE)	<u>94</u>
CHANGE IN NET ASSETS	<u>27,240</u>
NET ASSETS - BEGINNING OF YEAR BEFORE PRIOR PERIOD ADJUSTMENT	12,800
PRIOR PERIOD ADJUSTMENT (NOTE 4)	<u>(3,367)</u>
NET ASSETS, END OF YEAR	<u>\$ 36,673</u>

See accountant's report

DELTA PREP
Oak Grove, Louisiana

Statement of Cash Flows
For the Year Ended December 31, 2006

Cash Flows From Operating Activities:	
Increase in Net Assets	\$ 27,240
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) Decrease in receivables	(20,476)
Increase (Decrease) in accrued liabilities	(4,194)
Depreciation	1,588
Allowance for doubtful accounts	1,000
Cash Flows From Investing Activities	(4,581)
	<hr/>
Net Increase (Decrease) in Cash	\$ 577
Cash at Beginning of Year	<u>7,124</u>
CASH AT END OF YEAR	<u><u>\$ 7,701</u></u>

DELTA PREP
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

**NOTE 1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING
POLICIES**

Nature of Operations

Delta Prep was incorporated in 2000 as a nonprofit corporation based in Oak Grove, Louisiana. It was organized exclusively to provide a safe, structured environment for students in grades K-12 to improve academic achievement through mastery of basis skills. Delta Prep is operated by a committee and no one on the committee receives compensation.

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting, in accordance with U. S. federally accepted accounting principles.

Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards.

Public Support and Revenue:

Contributions are recorded when received and are generally available to unrestricted use unless specifically restricted by the donor.

Grants and other contributions are recorded when received and are generally available for unrestricted use unless specifically restricted by the donor.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, and are recorded at their fair values in the period received.

DELTA PREP
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

Use of 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 those estimates.

Cash and Cash Equivalents:

Cash in checking, savings and certificates of deposits are considered cash and cash equivalents for the purposes of the statement of cash flows.

Concentrations of Credit Risk:

Delta Prep has checking amounts at a local financial institution. The accounts, in total, are insured by the Federal Deposit Insurance Corporation up to \$100,000.

Income Taxes:

Delta Prep is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

Property and Equipment:

Assets have been recorded at cost when cost could be determined and at estimated cost when cost records could not be located. All donated assets have been recorded at estimated fair value on the date of donation. Fixed assets are depreciated over estimated useful lives of five to ten years using the straight line method.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at December 31,

Capital One – checking	<u>\$ 7,700</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 7,700</u>

DELTA PREP
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable are presented net of the allowance for doubtful accounts established by Delta Prep. The total accounts receivable at December 31, 2006 was \$20,476. The allowance is an estimate of \$1,000.

NOTE 4 -PRIOR PERIOD ADJUSTMENT

Fixed assets purchased in prior periods were added and accumulated depreciated was calculated. Included in the amount of the prior period adjustment is an addition to the bank balance for the prior period.

ATTESTATION REPORT

Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Management of Delta Prep

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerate below, which were agreed to by the management of Delta Prep, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Delta Prep's compliance with certain laws and regulations during the year ended December 31, 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.

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

Any Delta Prep's Federal award expenditures for all Federal programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No.	Amount
Title IV After School Learning Center	2005-06	28063C4P	\$153,560
Title IV After School Learning Center	2006-07	28063C4P	153,560
TANF	2005-06	631264	82,000
TANF	2006-07	631264	82,000
Total Expenditures			\$235,560

- 2. For each Federal, state, and local award, I 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, I traced the six disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

All of the payments were properly coded to the correct fund and general ledger account.

For the items selected in procedure 2, I determined whether the disbursements receive approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Director.

5. For the items selected in procedure 2: For federal awards, I determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the grant agreement and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed. All of the expenditures examined were in compliance.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements

Reporting

I reviewed the previously listed disbursements for reporting requirements. All disbursements complied with the reporting requirements..

Meetings

6. I 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).

Any Quasi-Public Entity is only required to post a notice of each meeting and the accompanying agenda on the door of the Any Quasi-Public Entity's office building. Management informed me that they do not post agendas for meetings on their door. The Board has two scheduled meetings per year and meets other times as needed.

Comprehensive Budget

7. For all grants exceeding five thousand dollars, I 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.

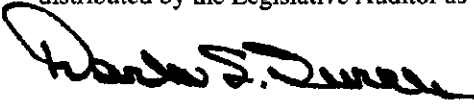
Any Quasi-Public Entity provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates for the duration of the projects, and plans showing the specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

8. There were no prior comments and recommendations.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Delta Prep, 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.



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

June 20, 2007

DELTA PREP
Oak Grove, Louisiana

Schedule of Findings and Questioned Costs
December 31, 2006

Delta Prep had no findings or questioned costs for the year ended December 31, 2006.

MANAGEMENT LETTER

None issued

DELTA PREP
Oak Grove, Louisiana

Schedule of Prior Year Findings and Questioned Costs
December 31, 2006

Delta Prep had no findings or questioned costs for the year ended December 31, 2005.

MANAGEMENT LETTER

None issued

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-Public Entities)

Dear Chief Executive Officer:

Attached is the *Louisiana Attestation Questionnaire* that is to be completed by you or your staff. This questionnaire is a required part of the review and attestation engagement of Louisiana quasi-public entities. Upon completion, the questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected governmental officials should sign the document, in lieu of such a resolution. In all instances, this compliance questionnaire is to be given to the auditor at the start of the audit; it is not necessary to return the questionnaire to my office.

The completed questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the auditor at the beginning of the engagement.** The auditor will, during the course of his engagement, perform certain agreed-upon procedures to the responses in the questionnaire.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the auditor during the course of his engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Steve J. Theriot, CPA
Legislative Auditor

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

_____ (Date Transmitted)

_____ (Auditors)

In connection with your review of our financial statements as of 12.31.2007 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

_____ Secretary _____ Date

_____ Treasurer _____ Date

Noel Haynes _____ President 5/2/2007 Date