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**DELTA PREP**  
**(A Nonprofit Organization)**  
**Oak Grove, Louisiana**

*Financial Statements*  
*And Independent Accountant's Review Report*  
  
*For the Year Ended*  
*December 31, 2012*

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 OCT 09 2013

**DARLA S. TURNER, CPA**  
*A Professional Accounting Corporation*  
*2213 Liberty Street*  
*Monroe, Louisiana 71201*

**DELTA PREP**  
**Oak Grove, Louisiana**

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**Independent Accountant's Review Report**

**To The Board of Directors  
Delta Prep  
11670 Hwy. 585E  
Oak Grove, Louisiana 71263**

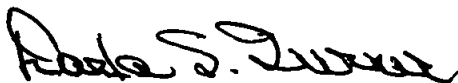
I have reviewed the accompanying statement of financial position of Delta Prep, a quasi-public organization, as of December 31, 2012, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and the *Louisiana Government Audit Guide* and the provisions of state law. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated June 27, 2013, on the results of my agreed-upon procedures.

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 accounting principles generally accepted in the United States of America.



**DARLA S. TURNER  
CERTIFIED PUBLIC ACCOUNTANT**

**June 27, 2012**

**DELTA PREP**  
**Oak Grove, Louisiana**

**Statement of Financial Position**  
**December 31, 2012**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$	(1,348)
Accounts receivable		35,769

<b>Total Current Assets</b>		<b>34,421</b>
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**Property and Equipment**

Leasehold improvements		10,423
Furniture and fixtures		5,590
Equipment		25,297
Portable building		1,100
Less accumulated depreciation		(22,712)

<b>Net Property and Equipment</b>		<b>19,698</b>
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<b>Total Assets</b>	<b>\$</b>	<b>54,119</b>
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**LIABILITIES & NET ASSETS**

**Liabilities & Equity**

Payroll liabilities	\$	278
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**Net Assets**

Unrestricted		
Operating		35,492
Property and Equipment		18,349

<b>Total Net Assets</b>		<b>53,841</b>
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<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b>54,119</b>
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**DELTA PREP****Oak Grove, Louisiana****Statement of Activities****December 31, 2012**

<b>Public Support and Revenue</b>	
Grants	\$ 196,519
Student fees	2,265
Contributions	2,850
Fundraisers (net of related expenses)	145
PeeWee Ball (net of related expenses)	8,560
Miscellaneous	101
<b>Total Public Support and Revenue</b>	<u>210,440</u>
<b>Program Expenses</b>	
Wages	120,606
Supplies	
Classroom	16,843
Computer	987
Rent	
Building	4,049
Transportation	12,722
Copier	1,500
Icemaker	1,500
Repairs and maintenance	
Building	733
Grounds	137
Computer	-
Fire extinguisher service	509
Miscellaneous	1,038
Office supplies and postage	561
Insurance	9,405
Depreciation	1,894
Fuel	1,238
Recreation/art	8
Contract labor	1,307
Accounting	3,400
Snacks	289
Payroll tax	11,308
Telephone	4,988
Utilities	13,396
Driver	8,230
Grant expenses	1,311
Advertising	326
	<u>218,285</u>
<b>Other Revenue (Expense)</b>	
Dividends	308
<b>Total Other Revenue (Expenses)</b>	<u>308</u>
<b>Change in Net Assets</b>	<u>(7,537)</u>
<b>Net Assets-beginning of year</b>	<u>61,378</u>
<b>Net Assets - end of the year</b>	<u><u>\$ 53,841</u></u>

**DELTA PREP**  
**Oak Grove, Louisiana**

**Statement of Cash Flows**  
**For the Year Ended December 31, 2012**

<b>Cash Flows From Operating Activities:</b>	
Change in net assets	\$ (7,537)
Adjustments to reconcile change in net assets to net cash used for operating purposes	
Depreciation	1,894
(Increase) Decrease in receivables	(13,061)
Increase(decrease) in accounts payable	(2,433)
Other decreases	-
	<hr/>
<b>Net cash provided by operating activities</b>	<b>(13,600)</b>
<b>Cash Flows From Investing Activities:</b>	
Purchase of fixed assets	-
	<hr/>
<b>Net cash used by investing activities</b>	<b>-</b>
<b>Cash Flows From Financing Activities:</b>	
Note payable	-
Principle on note payable	-
	<hr/>
<b>Net cash provided by financing activities</b>	<b>-</b>
	<hr/>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(21,137)</b>
	-
<b>Cash and Cash Equivalents - December 31, 2011</b>	<b>19,789</b>
	<hr/>
<b>Cash and Cash Equivalents - December 31, 2012</b>	<b>\$ (1,348)</b>
	<hr/> <hr/>

**DELTA PREP**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**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 basic 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 and in compliance with the approved budget.

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, 2012**

**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**

The cash and cash equivalents consist of a checking account at Capital One bank. At December 31, 2012, the accounting records reflected a general ledger balance of \$-1,349. This negative balance included \$14,279 of outstanding checks. The balance per bank at 12/31/2012 was \$12,930.



**DELTA PREP**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable are presented net of the allowance for doubtful accounts established by Delta Prep. Accounts receivable at December 31, 2012 were \$35,769. The allowance for bad debts relates to an estimate of insufficient funds checks when registration fees are paid. That estimate is \$100.

**NOTE 4 – ACCOUNTS PAYABLE**

The accounts payable at December 31, 2012 was for accrued Louisiana unemployment taxes.

**NOTE 5 – FUNDRAISING**

Delta Prep sponsors Pee Wee Basketball each year. The revenue was derived from fees charged to participate and concession stand sales.

The fundraising income in 2012 was from the sale of prepared food.

The gross fundraising revenue for 2012 was \$17,959. The costs for these events was \$9,253.

**NOTE 6 – RENT**

The rent on the Fiske Union building that is owned by the West Carroll School Board is paid on a yearly basis. Delta Prep pays the insurance premiums pertaining to this site each year in lieu of rent. Therefore, minimum payments cannot be determined as insurance premiums fluctuate from year to year.

**NOTE 7 – CONTINUING OPERATION**

As of May 31, 2013, Delta Prep ceased operation in providing after school tutoring. The remaining assets will be sold before the end of its calendar year December 31, 2013. The school was funded through May 31, 2013 from its existing 21<sup>st</sup> CLLC program grant. All of the funds pertaining to that grant were expended prior to that date.

2213 Liberty St , Monroe, LA 71201  
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**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, 2012 included in the accompanying *Louisiana Attestation Questionnaire*. Management of Delta Prep is responsible for its financial records and compliance with certain laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation 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, I 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

Delta Prep’s Federal award expenditures for all Federal programs for the fiscal year follow

Federal Grant Name	Grant Year	CFDA No	Amount
21 <sup>st</sup> Century Cohort	6/1/2011-5/31/2012 6/1/2012-5/31/2013	84-287C	\$225,000

- 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

- 5. 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

- 6 For the items selected in procedure 2 For state 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, I 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 Since this grant is paid by reimbursement only, the expenditures are approved before Delta Prep is sent the money

**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

- 7 There were no programs closed out during 2012

**Meetings**

- 8 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)

Delta Prep is only required to post a notice of each meeting and the accompanying agenda on the door of the 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**

- 9 For all grants exceeding five thousand dollars, I determined that each applicable federal, state, or local grantor 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

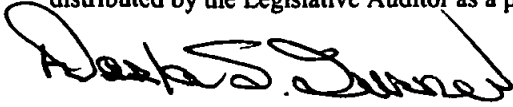
Delta Prep provided a comprehensive budget to the applicable state grantor agency for the program mentioned previously The budget specified the anticipated uses of the funds, estimates for the duration of the projects, and plans showing the specific goals and objectives that included measures of performance

**Prior Comments and Recommendations**

- 10 There were no prior comments and recommendations

I was not engaged to, and did not perform an audit, 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 27, 2012

**DELTA PREP**

**Oak Grove, Louisiana**

**Schedule of Findings and Questioned Costs**

**December 31, 2012**

Delta Prep had no findings or questioned costs for the year ended December 31, 2012

**MANAGEMENT LETTER**

None issued

**DELTA PREP  
Oak Grove, Louisiana**

**Schedule of Prior Year Findings and Questioned Costs  
December 31, 2012**

Delta Prep had no findings or questioned costs for the year ended December 31, 2011

**MANAGEMENT LETTER**

None issued

**LOUISIANA ATTESTATION QUESTIONNAIRE**

May 6, 2012

Darla S Turner CPA  
2213 Liberty Street  
Monroe, La 71201

In connection with your review of our financial statements as of December 31, 2012 and for the period then ended, and as required by Louisiana Revised Statute (R.S.) 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 completed review)

**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 R.S. 42:11 through 42:28 (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 that may occur up to the date of your report.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
<u>Noel Hynes</u>	President	<u>May 6, 2013</u>	Date