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**DELTA PREP
Oak Grove, Louisiana**

Financial Statements

*For the Year Ended
December 31, 2004*

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 8/3/05

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

DELTA PREP
Oak Grove, Louisiana

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DARLA S. TURNER, CPA
(A Professional Accounting Corporation)
3001 Armand, Suite C
Monroe, Louisiana 71201
(318) 323-8891

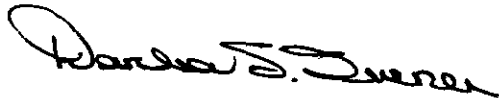
Accountant's Report

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

I have compiled the accompanying statement of assets and net assets-modified cash basis of Delta Prep, a quasi-public organization as of December 31, 2004, and the related, and the related statement of revenues, expenses and changes in net assets 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. The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of the management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about Delta Prep's assets, liabilities, net assets, revenues and expenses and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

May 4, 2005

DELTA PREP
Oak Grove, Louisiana

Statement of Assets and Net Assets - Modified Cash Basis
December 31, 2004

ASSETS

Current Assets

Cash in banks	\$	1,905
Accounts Receivable-TANF		4,950
Accounts Receivable-Other		<u>1,900</u>

Total Current Assets 8,755

Fixed Assets

Furniture		1,784
Equipment		<u>5,253</u>

Total Fixed Assets 7,037

TOTAL ASSETS \$ 15,792

LIABILITIES

Long-Term Liabilities

Note payable	\$	<u>55,000</u>
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Total Long-Term Liabilities 55,000

TOTAL LIABILITIES 55,000

NET ASSETS

NET ASSETS (39,208)

TOTAL NET ASSETS AND LIABILITIS \$ 15,792

DELTA PREP
Oak Grove, Louisiana

Statement of Revenues, Expenses and Other Changes
In Net Assets - Modified Cash Basis
For the Year Ended Decembr 31, 2004

REVENUES

Contributions	\$	11,945
Fees		23,646
State of Louisiana		92,428
Fundraiser (net of expenses-\$713)		778
Other income		465

TOTAL REVENUES 129,262

EXPENSES

Salaries	107,808
Payroll taxes	8,247
Supplies- Education	5,263
Supplies	2,173
Repairs and maintenance	3,009
Contract labor	1,831
Printing and reproduction	1,547
Insurance	2,806
Miscellaneous	239
Postage & delivery	166
Rent	3,500
Snacks	1,918
Stipend	320
Telephone	1,673
Travel	92
Student helper	588
Bank charges	40

TOTAL EXPENSES 141,220

INCREASE (DECREASE) IN NET ASSETS (11,958)

NET ASSETS AT BEGINNING OF YEAR 27,250

NET ASSETS AT END OF YEAR \$ (39,208)

DELTA PREP
Oak Grove, Louisiana

Statement of Cash Flows-Modified Cash Basis
For the Year Ended December 31, 2004

Cash Flows From Operating Activities:		
Increase in Net Income	\$	(11,958)
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) Decrease in receivables		(6,851)
Increase (Decrease) in accrued liabilities		(2,317)
Cash Flows From Investing Activities		-
Cash Flows From Financing Activities		-
		<hr/>
Net Increase (Decrease) in Cash		(21,126)
Cash at Beginning of Year		<u>23,031</u>
CASH AT END OF YEAR	\$	<u><u>1,905</u></u>

DELTA PREP

Oak Grove, Louisiana

Selected Notes to the Financial Statements

For the Year Ended December 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Delta Prep's policy is to prepare its financial statements on the modified cash basis of accounting; consequently contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

NOTE 1 - NET ASSETS

Delta Prep had a net assets deficit of \$39,208 for the year ended December 31, 2004. The deficit was caused by expenses being incurred to get the program started and delays in getting funding from funding sources.

Delta

PREP

310 Skinger Lane, Metairie, LA 71263
318-428-9377 / 318-428-9378

Re: Corrective Action Plan - Deficit In Net Assets

Since Delta PREP began in June 2000, we have operated as a not-for-profit learning center. Although there have been times when funding has been tight, we have NEVER failed to meet payroll, pay bills, or provide the excellent services we are known for. We operate from fees paid by some students, private and corporate grants, state and federal grants, and private donations. We also are building a strong network of partners who provide services free of charge.

Understanding that one requirement of being a 21st Century Community Learning Center is sustainability, we made our proposal and entered into the contract with a definite plan. It is also our understanding that we will be given three years to reach sustainability.

Although our contract year as a 21st CCLC program began December 16, 2004, we did not have student participation until January 4, 2005. Because the program had to be "up and running" for seventy-five students January 4, it was necessary to purchase equipment and materials in 2004 which were not reimbursed until 2005.

This, along with \$4,950 in TANF funds (reimbursed the first week in January) and \$1,900 in private tutoring fees (paid by January 15) contributed to a negative balance for 2004. Additionally, because Delta PREP is closed at Christmas break, \$2,224.94 in payroll taxes (due January 15, 2005) was paid in December.

Delta PREP has successfully run two programs concurrently for three years—private tutoring sessions and TANF After School For All. Adding a third program on short notice created challenges—both financially and administratively—but our state monitors can attest to the fact that we have done so very successfully.

We are including an itemized plan for sustainability, which was part of our 21st CCLC proposal, and recent actions to address funding needs.

Please contact us if we can provide further information in reference to this matter.

Sincerely,

Noel H. Haynes
Administrator

Corrective Action Plan

- **Institute a yearly student registration fee**
- **Aggressively pursue monthly donations from areas businesses and individuals**
- **Conduct a minimum of six fund-raising activities a year**
- **Apply for at least one corporate grant every month**
- **Research other applicable state and federal funding opportunities**
- **Make necessary adjustments in order to qualify for USDA assistance for snacks**
- **Increase our partnership network**
- **Increase volunteer participation of family members and community**

Sustainability Plan

Understanding that our future depends on sustainability, we are committed to doing whatever we can to continue helping children. We have spent the last five years building a solid program. We have a good reputation, and our results have earned us the respect of those who were once skeptics. The 21st Century Community Learning Center Advisory Board will create a ten-year plan for the program and address ways in which to assess needs, discover resources, and guarantee continued quality in the program. Each member will be given responsibilities, such as publicity, counseling for students if/when necessary, security, technical assistance, etc. In addition to the smaller collaborative group, we will create a list of community supporters and partners with whom we have worked from the beginning. This will include a large number who make in-kind contributions. Once these steps have been completed, a booklet will be printed detailing the various groups, committees, supporters, and responsibilities, and each member will receive a copy.

The groups represented by this Advisory Board will be instrumental in the next phase of sustainability—fund raising. This phase will begin with an assessment of resources available on the local level, a problem of particular importance because our program is located in a rural, economically depressed area (67.5% of the school district's students receive free or reduced lunches). Once local resources are identified, we will then research and identify potential state and federal funds, private funding, and fundraising projects. Several members of the collaborative group will have the responsibility of keeping abreast of political issues that may affect our program, and as these issues arise, we will seek support of area representatives. Each member will also have the responsibility of informing his business, group, school, etc. as to the issues *addressing the program and the urgency of sustainability.*

Five-Year Plan for Sustainability 2004-2008

2004

Assessment of Program Needs/Strengths and Local Resources

2005

Organize and Strengthen Organizational Infrastructure

- **Written job descriptions including roles and responsibilities**
- **Add four additional trained, competent, caring employees**
- **Write and implement weekly, monthly plans for increasing public awareness of our program**
- **Submit proposals to ten foundations**
-

2006

Expand and Enhance Partnerships and Collaborations

- **Develop partnership with ULM for counseling, speech therapy, and academics**
- **Schedule events, presenters, field trips with partners**
- **Create a base of competent volunteers**
- **Create a base of donors**
- **Submit proposals to ten foundations**

2007

Develop a base of adequate resources to support the program

- **Submit proposals to ten foundations**
- **Write a plan to leverage relationships with state and federal representatives**
- **Write a plan to secure resources from the community**
- **Create a target list of parish alumni**
- **Submit proposals to ten foundations**

2008

Develop an on-going plan to continue funding from private sources