

RECEIVED
LEGISLATIVE AUDITOR
2010 JUN 24 AM 10:51

7195

DELTA PREP
(A Nonprofit Organization)
Oak Grove, Louisiana

*Financial Statements
And Accountants Report*

*For the Year Ended
December 31, 2009*

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 8/25/10

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

DELTA PREP
Oak Grove, Louisiana

Table of Contents
December 31, 2009

	<u>Page</u>
Independent Accountant's Report	2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6-8
Schedules:	
Attestation Report	9-11
Schedule of Findings and Questioned Costs	12
Schedule of Prior Year Findings and Questioned Costs	13
Louisiana Attestation Questionnaire	14-15

2213 Liberty St., Monroe, LA 71201
(318) 323-8891 Fax (318) 323-8892

Independent Accountant's Report

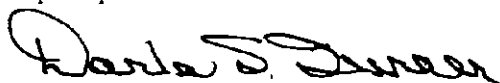
**To The Board of Directors
Delta Prep
11670 Hwy. 585E
Oak Grove, Louisiana 71263**

I have reviewed the accompanying statement financial position of Delta Prep, a quasi-public organization, as of December 31, 2009, and the related statement of activities and cash flows for the year then ended in accordance with *Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of Governmental Auditing Standards issued by the Comptroller General of the United States of America. All information included in these financial statements is the representation of the management of Delta Prep.

A review consists principally of inquiries 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.

In accordance with the *Louisiana Government Audit Guide* and the provisions of state law, I have issued a report dated June 20, 2009, on the results of our 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 generally accepted accounting principles.



**DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT**

June 20, 2010

DELTA PREP
Oak Grove, Louisiana

STATEMENT OF FINANCIAL POSITION
December 31, 2009

ASSETS

Current Assets

Cash and cash equivalents	\$	741
Accounts receivable (net of allowance for doubtful accounts)		<u>33,448</u>

Total Current Assets		<u>34,189</u>
-----------------------------	--	---------------

Property and Equipment

Leasehold improvements		10,107
Furniture and fixtures		5,590
Equipment		20,990
Portable building		1,100
Less: accumulated depreciation		<u>(17,157)</u>

Net Property and Equipment		<u>20,630</u>
-----------------------------------	--	---------------

Total Assets	\$	<u><u>54,819</u></u>
---------------------	----	----------------------

LIABILITIES & NET ASSETS

Current Liabilities

Accounts payable-Note 4	\$	1,724
Payroll liabilities		<u>2,468</u>

Total Liabilities		4,192
--------------------------	--	-------

Net Assets

Unrestricted:		
Operating		29,997
Property and Equipment		<u>20,630</u>

Total Net Assets		<u>50,627</u>
-------------------------	--	---------------

Total Liabilities and Net Assets	\$	<u><u>54,819</u></u>
---	----	----------------------

DELTA PREP
Oak Grove, Louisiana

Statement of Activities
December 31, 2009

Public Support and Revenue		
Grants		\$ 269,639
Student fees		9,478
Contributions		12,678
Fundraisers (net of related expenses-Note 6)		6,578
PeeWee Ball (net of related expenses-Note 6)		8,758
Refunds		1,003
Miscellaneous		282
	Total Public Support and Revenue	<u>308,416</u>
Program Expenses		
Wages		147,569
Supplies:		
Classroom		52,560
Computer		6,114
Rent:		
Building		4,033
Transportation		16,450
Copier		1,000
Icemaker		1,200
Repairs and maintenance:		
Building		2,836
Grounds		3,209
Computer		40
Fire extinguisher service		215
Miscellaneous		866
Office supplies and postage		700
Insurance		5,843
Depreciation		2,092
Fuel		1,757
Recreation/art		216
Contract labor		2,807
Accounting		1,500
Movie club		1,490
Snacks		1,181
Payroll tax		11,289
Fiske Union site		129
Telephone		4,439
Utilities		15,130
Field trips		894
Program/speaker		2,020
Driver		9,578
Grant expenses		1,899
	Total Program Expenses	<u>299,056</u>
Other Revenue (Expense)		
Dividends		80
Interest		(231)
	Total Other Revenue (Expenses)	<u>(151)</u>
	Change in Net Assets	9,209
	Net Assets-beginning of year	<u>41,418</u>
	Net Assets - end of the year	<u>\$ 50,627</u>

See accountant's report and the accompanying notes

DELTA PREP
Oak Grove, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2009

Cash Flows From Operating Activities:	
Change in net assets	\$ 9,209
Adjustments to reconcile change in net assets to net cash used for operating purposes:	
Depreciation	2,092
(Increase) Decrease in receivables	(16,130)
Increase(decrease) in accounts payable	4,192
	<hr/>
Net cash provided by operating activities	(637)
 Cash Flows From Investing Activities:	
Purchase of fixed assets	(4,184)
	<hr/>
Net cash used by investing activities	(4,184)
 Cash Flows From Financing Activities:	
Note payable	15,100
Principle on note payable	(15,100)
	<hr/>
Net cash provided by financing activities	-
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,821)
	-
Cash and Cash Equivalents - December 31, 2008	5,562
	<hr/>
Cash and Cash Equivalents - December 31, 2009	\$ 741
	<hr/> <hr/>

Interest paid on note payable during 2009 was \$231.

DELTA PREP
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

**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, 2009

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, 2009, the accounting records reflected a reconciled negative balance of \$983.09, created by writing checks in that amount at year-end and holding them until Delta Prep received the grant revenue related to these expenditures. The actual balance per bank was a positive \$740.61. The outstanding checks creating the negative balance are shown on the Statement of Financial Position as a current liability.

DELTA PREP
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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, 2009 was \$34,448. The allowance is an estimate of \$1,000.

NOTE 4 – ACCOUNTS PAYABLE

The accounts payable consists of checks written at the end of the period but not mailed until 2010 when grant money was disbursed. This created a negative bank balance at the year end.

NOTE 5 – LINE OF CREDIT

The interest paid during the year was a line of credit that is in the name of the Director, Noel Haynes. The principle and the interest are both paid by Delta Prep and were paid in full in December 2009.

NOTE 6 – FUNDRAISING

The gross fundraising revenue for 2009 was \$22,137. The events included Pee Wee ball, a barbeque, bingo and a rummage sale. The costs for these events was \$6,801.

NOTE 7 – 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 will pay 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.

2213 Liberty St., Monroe, LA 71201
(318) 323-8891 Fax (318) 323-8892

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, 2009 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.

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

Federal Grant Name	Grant Year	CFDA No.	Amount
21 st CCLC	7/1/07-6/30/10	84287C	\$269,639
Total			\$269,639

- 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 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, 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 2009.

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.

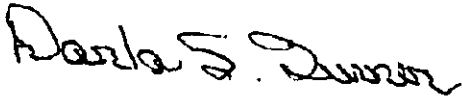
Delta Prep provided a comprehensive budget to the applicable state grantor agency for the program mentioned previously. The budget specified the anticipated uses of the funds, estimates for the duration of the projects, and plans showing the specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. There were no prior comments and recommendations.

I was not engaged to, and did not, perform an 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.

A handwritten signature in black ink that reads "Darla S. Turner". The signature is written in a cursive, flowing style.

DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

June 20, 2010

DELTA PREP
Oak Grove, Louisiana

Schedule of Findings and Questioned Costs
December 31, 2009

Delta Prep had no findings or questioned costs for the year ended December 31, 2009.

MANAGEMENT LETTER

None issued

DELTA PREP
Oak Grove, Louisiana

Schedule of Prior Year Findings and Questioned Costs
December 31, 2009

Delta Prep had no findings or questioned costs for the year ended December 31, 2008.

MANAGEMENT LETTER

None issued

LOUISIANA ATTESTATION QUESTIONNAIRE

December 7, 2009

Darla S. Turner, CPA

2213 Liberty Street

Monroe, Louisiana 71201

In connection with your review of our financial statements as of December 31, 2009 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.

No []

Yes [X]

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.

No []

Yes [X]

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

No []

Yes [X]

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.

No []

Yes [X]

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (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.

Noel Haynes President 12/12/2009 Date