

DELTA PREP
(A Nonprofit Organization)
Oak Grove, Louisiana

Financial Statements
And Independent Accountant's Review Report

For the Year Ended
December 31, 2011

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.

OCT 17 2012

Release Date _____

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

DELTA PREP
Oak Grove, Louisiana

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December 31, 2011

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A Professional Accounting Corporation

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Independent Accountant's Review Report

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

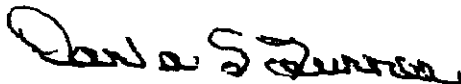
I have reviewed the accompanying statement financial position of Delta Prep, a quasi-public organization, as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data 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, 2012, 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, 2011

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 19,789
Accounts receivable	22,708
Total Current Assets	42,497
Property and Equipment	
Leasehold improvements	10,423
Furniture and fixtures	5,590
Equipment	25,297
Portable building	1,100
Less accumulated depreciation	(20,818)
Net Property and Equipment	21,592
Total Assets	\$ 64,089
LIABILITIES & NET ASSETS	
Liabilities & Equity	
Payroll liabilities	2,711
Net Assets	
Unrestricted:	
Operating	39,786
Property and Equipment	21,592
Total Net Assets	61,378
Total Liabilities and Net Assets	\$ 64,089

DELTA PREP**Oak Grove, Louisiana****Statement of Activities****December 31, 2011****Public Support and Revenue**

Grants	\$ 254,384
Student fees	6,135
Contributions	10,670
Fundraisers (net of related expenses-Note 6)	1,956
PeeWee Ball (net of related expenses-Note 6)	8,063
Miscellaneous	74
Total Public Support and Revenue	<u>281,282</u>

Program Expenses

Wages	151,609
Supplies	
Classroom	17,071
Computer	1,979
Rent	
Building	3,689
Transportation	22,144
Copier	1,445
Icemaker	1,200
Repairs and maintenance	
Building	1,143
Grounds	221
Computer	300
Fire extinguisher service	758
Miscellaneous	1,460
Office supplies and postage	566
Insurance	8,511
Depreciation	2,067
Fuel	1,516
Recreation/art	431
Contract labor	4,960
Accounting	2,600
Snacks	491
Payroll tax	11,598
Telephone	3,794
Utilities	18,368
Driver	10,855
Grant expenses	974
Advertising	750
	<u>270,500</u>

Other Revenue (Expense)

Dividends	289
Total Other Revenue (Expenses)	<u>289</u>

Change in Net Assets 11,071

Net Assets-beginning of year 50,307

Net Assets - end of the year \$ 61,378

DELTA PREP
Oak Grove, Louisiana

Statement of Cash Flows
For the Year Ended December 31, 2011

Cash Flows From Operating Activities:	
Change in net assets	\$ 11,071
Adjustments to reconcile change in net assets to net cash used for operating purposes:	
Depreciation	2,067
(Increase) Decrease in receivables	(22,708)
Increase(decrease) in accounts payable	2,711
Other decreases	(211)
	<hr/>
Net cash provided by operating activities	(18,141)
Cash Flows From Investing Activities:	
Purchase of fixed assets	(4,306)
	<hr/>
Net cash used by investing activities	(4,306)
Cash Flows From Financing Activities:	
Note payable	-
Principle on note payable	-
	<hr/>
Net cash provided by financing activities	-
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,376)
	-
Cash and Cash Equivalents - December 31, 2010	31,165
	<hr/>
Cash and Cash Equivalents - December 31, 2011	\$ 19,789
	<hr/> <hr/>

DELTA PREP
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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, 2011

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, 2011, the accounting records reflected a reconciled balance of \$19,789.

DELTA PREP
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable are presented net of the allowance for doubtful accounts established by Delta Prep. Accounts receivable at December 31, 2011 were \$22,708. 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, 2011 was for accrued payroll expenses.

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 2011 was from the sale of prepared food.

The gross fundraising revenue for 2011 was \$20,972. The costs for these events was \$10,953.

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.

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, 2011 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 Century Cohort	6/1/2010-5/31/2011	84-287C	\$225,000
	6/1/2011-5/31/2012		

- 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 2011.

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.

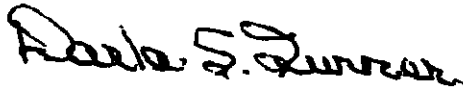
Delta Prep provided a comprehensive budget to the applicable state grantor agency for the program mentioned previously. The budget specified the anticipated uses of the funds, estimates for the duration of the projects, and plans showing the specific goals and objectives that included measures of performance.

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 27, 2012

DELTA PREP

Oak Grove, Louisiana

Schedule of Findings and Questioned Costs

December 31, 2011

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

MANAGEMENT LETTER

None issued

DELTA PREP
Oak Grove, Louisiana

Schedule of Prior Year Findings and Questioned Costs
December 31, 2011

Delta Prep had no findings or questioned costs for the year ended December 31, 2010.

MANAGEMENT LETTER

None issued

LOUISIANA ATTESTATION QUESTIONNAIRE

May 17, 2012

Darla S Turner, CPA

2213 Liberty Street

Monroe, Louisiana 71201

In connection with your review of our financial statements as of December 31, 2011 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 May 17, 2012

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

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

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

No []

Yes

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

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)

No []

Yes

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

No []

Yes

Prior Year Comments

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

No []

Yes

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 Karpis President 5/31/2012 Date