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

*Financial Statements  
And Accountant's Report*

*For the Year Ended  
December 31, 2008*

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

7/29/09

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

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

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**Accountant's Report**

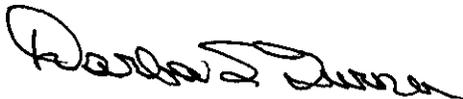
**To The Board of Directors  
Delta Prep  
11670 Hwy. 585E  
Oak Grove, Louisiana 71263**

I have reviewed the accompanying statement of financial position of Delta Prep, a nonprofit organization, as of December 31, 2008 and the related statement of activities and cash flows for the year then ended in accordance with *Statements on 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 Governmental Audit Guide* and the provisions of state law, I have issued a report, dated June 26, 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 26, 2008**

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

**Statement of Financial Position**  
**December 31, 2008**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$	5,562
Grant receivable (net of allowance for doubtful accounts)		17,318
<b>Total Current Assets</b>		<u>22,880</u>

**Property and Equipment**

Leasehold improvements		10,107
Furniture and fixtures		5,590
Equipment		16,805
Portable building		1,100
Less: accumulated depreciation		<u>(15,065)</u>

**Net Property and Equipment** 18,538

**Total Assets** \$ 41,417

**LIABILITIES & NET ASSETS**

**Net Assets**

Unrestricted:		
Operating		22,879
Property and Equipment		<u>18,538</u>

**Total Net Assets** 41,417

**Total Liabilities and Net Assets** \$ 41,417

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

**Statement of Activities**  
**December 31, 2008**

<b>Public Support and Revenue</b>	
Grants	\$ 203,414
Student fees	15,352
Contributions	13,202
Fundraisers (net of related expenses-Note 6)	2,394
PeeWee Ball (net of related expenses-Note 6)	6,438
Refunds	635
<b>Total Public Support and Revenue</b>	<u>241,435</u>
<b>Program Expenses</b>	
Wages	154,037
Supplies:	
Classroom	13,460
Computer	2,027
Classroom equipment	570
Rent:	
Building	4,098
Transportation	10,566
Copier	1,500
Miscellaneous equipment	526
Repairs and maintenance:	
Building	3,174
Grounds	3,647
Computer	1,145
Miscellaneous	574
Office supplies and postage	350
Insurance	8,701
Depreciation	2,012
Van expense	3,174
Recreation/art	659
Contract labor	3,328
Accounting	1,000
Testing	1,239
Snacks	1,870
Payroll tax	13,243
Speech therapy	410
Telephone	2,651
Utilities	18,910
Advertising	225
Program/speaker	500
Driver	6,538
Grant expenses	1,470
<b>Total Program Expenses</b>	<u>261,605</u>
<b>Other Revenue (Expense)</b>	
Dividends	446
Interest	(138)
<b>Total Other Revenue (Expenses)</b>	<u>308</u>
<b>Change in Net Assets</b>	<u>(19,863)</u>
<b>Net Assets-beginning of the year</b>	<u>61,280</u>
<b>Net Assets - end of the year</b>	<u>\$ 41,417</u>

See accountant's report and the accompanying notes

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

**Statement of Cash Flows**  
**For the Year Ended December 31, 2008**

<b>Cash Flows From Operating Activities:</b>	
Change in net assets	\$ (19,863)
Adjustments to reconcile change in net assets to net cash used for operating purposes:	
Depreciation	2,012
(Increase) Decrease in receivables	62,098
(Increase) Decrease in other assets	-
Increase(Decrease) in accounts payable	(35,185)
Total adjustments	<u>28,925</u>
<b>Net cash provided by operating activities</b>	<u>9,062</u>
<b>Cash Flows From Investing Activities:</b>	
Purchase of fixed assets	<u>(3,500)</u>
<b>Net cash used by investing activities</b>	<u>(3,500)</u>
<b>Cash Flows From Financing Activities:</b>	
Note payable	20,000
Principle on note payable	(20,000)
<b>Net cash provided by financing activities</b>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>5,562</u>
<b>Cash and Cash Equivalents - December 31, 2007</b>	<u>-</u>
<b>Cash and Cash Equivalents - December 31, 2008</b>	<u>\$ 5,562</u>

Interest paid on note payable during 2008 was \$138.

**DELTA PREP**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**NOTE 1. ORGANIZATION AND PURPOSE**

**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.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of Accounting:**

The financial statements have been prepared on the accrual basis of accounting, in accordance with U.S. federally accepted accounting principles. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

**Basis of Presentation:**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards ((SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**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, 2008**

**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 a checking account at a local financial institution. The account is 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, 2008, the accounting records reflected a reconciled balance of \$5,562. disbursed in 2008 and

**DELTA PREP**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**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, 2008 was \$17,318, net of the estimated allowance of \$1,000.

**NOTE 4 – ACCOUNTS PAYABLE**

There were no accounts payable at December 31, 2008.

**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 2008

**NOTE 6 – FUNDRAISING**

The gross fundraising revenue for 2008 was \$17,378. The events included Pee Wee ball, a fall carnival and soccer concession proceeds. The costs for these events was \$8,545.

**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.

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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 enumerated 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 period ended December 31, 2008 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.

**Federal, State, and Local Awards**

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
<u>Title IV(21<sup>st</sup> CCLC)</u>	2008	84287C	\$125,000
<u>TANF After School For All</u>	2007-2008	631264	60,453
Total Expenditures			\$185,453

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.

See the accountant's report

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 six disbursements received approval from the Director, Noel Haynes.

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

6. For the items selected in procedure 2: For federal awards, I determined whether the disbursements complied with the applicable specific program compliance requirements contained 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 selected disbursements for types of services allowed or not allowed. All of the expenditures examined were in compliance. Since these grants are paid by reimbursement, the expenditures are approved before Delta Prep is sent the money.

Eligibility

I reviewed the previously selected disbursements for eligibility requirements. All disbursements complied with the eligibility requirements.

Reporting

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

7. For the programs selected for testing in item (2) that had been closed out during the period under review, I compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The six disbursements selected included the TANF program that was closed out during the period of my review. I compared the close-out reports for this program with the entity's financial records. The amounts reported on the close-out reports agreed to the entity's financial records.

### **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 their 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.

See the accountant's report.

**Comprehensive Budget**

9. 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.

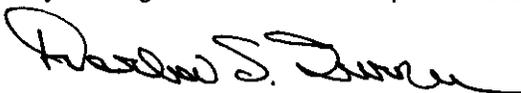
Delta Prep provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

**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.



DARLA S. TURNER, CPA

June 26, 2009

See the accountant's report

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

**Schedule of Findings and Questioned Costs**  
**December 31, 2008**

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

**MANAGEMENT LETTER**

None issued

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

**Schedule of Prior Year Findings and Questioned Costs**  
**December 31, 2008**

*Delta Prep had no findings or questioned costs for the year ended December 31, 2007.*

**MANAGEMENT LETTER**

None issued

January 13, 2009

Darla S. Turner, CPA  
2213 Liberty Street  
Monroe, LA 71201

In connection with your review of our financial statements as of December 31, 2008, 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 January 13, 2009.

**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.

Doel Harper President Jan 1, 2009 Date