

PROJECT CELEBRATION, INC.

**ANNUAL FINANCIAL REPORT
JUNE 30, 2022**

Project Celebration, Inc.
Annual Financial Report
June 30, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Project Celebration, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Project Celebration, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Project Celebration, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United State of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Project Celebration, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Project Celebration's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Project Celebration's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Project Celebration's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, reflected on page 18, to supplement the financial statements and the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* requires a Schedule of Expenditures of Federal Awards. These schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records, used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements

or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2022, on our consideration of Project Celebration's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Project Celebration's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated December 27, 2022, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

December 27, 2022

FINANCIAL STATEMENTS

Project Celebration, Inc.
Statement of Financial Position
Year Ended June 30, 2022

Assets-	
Current Assets-	
Cash	\$ 322,370
Revenue Receivable	<u>369,365</u>
Total Current Assets	\$ 691,735
Non-Current Assets-	
Property and Equipment, Net	<u>1,223,835</u>
Total Assets	<u>\$1,915,570</u>
Liabilities-	
Current Liabilities-	
Accounts Payable and Accruals	\$ 32,623
Payroll Liabilities	30,457
Advance from Grantors	471,387
Current Portion of Long-Term Debt	<u>206,950</u>
Total Current Liabilities	\$ 741,417
Non-Current Liabilities-	
Long-term Debt, Net of Current Portion	<u>36,199</u>
Total Liabilities	\$ <u>777,616</u>
Net Assets-	
Without Donor Restrictions	<u>\$1,137,954</u>
Total Liabilities & Net Assets	<u>\$1,915,570</u>

See independent auditors' report and notes to the financial statements.

Project Celebration, Inc.
Statement of Activities
Year Ended June 30, 2022

	<u>WITHOUT DONOR RESTRICTIONS</u>
Revenues—	
Grants and Receipts from other Governments	\$1,757,521
Contributions	58,768
Contributions of Nonfinancial Assets	24,116
Contract Services	1,351
Other	<u>94,641</u>
Total Revenues	<u>\$1,936,397</u>
Expenses—	
Program Services	\$1,366,848
Fundraising	0
Management and General	<u>598,836</u>
Total Expenses	<u>\$1,965,684</u>
Decrease in Net Assets	\$ (29,287)
Net Assets-Beginning of Year	<u>1,167,241</u>
Net Assets-End of Year	<u>\$1,137,954</u>

See independent auditors' report and notes to the financial statements.

Project Celebration, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:				
Client Expenses	\$ 129,250	\$ 0	\$ 0	\$ 129,250
Contract Services	23,307	0	0	23,307
Depreciation	0	0	38,080	38,080
Employee Benefits	14,375	0	24,543	38,918
Insurance	0	0	17,047	17,047
Interest Expense	0	0	11,924	11,924
Legal and Professional	0	0	21,810	21,810
Memberships and Dues	0	0	2,260	2,260
Material and Supplies	137,620	0	0	137,620
Office Expense	28	0	34,417	34,445
Payroll Taxes	0	0	88,362	88,362
Repairs and Maintenance	0	0	15,319	15,319
Rent	43,800	0	1,248	45,048
Salaries	981,423	0	218,571	1,199,994
Telephone	0	0	17,802	17,802
Travel & Training	37,045	0	0	37,045
Utilities	0	0	49,124	49,124
Workman's Compensation	0	0	23,083	23,083
Other	<u>0</u>	<u>0</u>	<u>35,246</u>	<u>35,246</u>
Total Expenses	<u>\$1,366,848</u>	<u>\$ 0</u>	<u>\$598,836</u>	<u>\$1,965,684</u>

See independent auditors' report and notes to the financial statements.

Project Celebration, Inc.
Statement of Cash Flows
Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash receipts from Program Operations	\$ 2,399,613
Cash receipts from Contributions	58,768
Cash paid for General Operating Expenses	(674,491)
Cash paid for Salaries, Benefits & Payroll Taxes	<u>(1,280,565)</u>
Net Cash Provided by Operating Activities	\$ <u>503,325</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Property & Equipment	\$ <u>(68,622)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal Payments on Debt	\$ (23,058)
Loan Proceeds	<u>30</u>
Net Cash Used by Financing Activities	\$ <u>(23,028)</u>
Net Increase in Cash	\$ 411,675
Cash at Beginning of Year	<u>(89,305)</u>
Cash at End of Year	\$ <u><u>322,370</u></u>

See independent auditors' report and notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2022

Introduction:

Project Celebration, Inc. (the “Organization”) was incorporated as a non-profit organization on June 12, 1989, under the laws of the State of Louisiana. The Organization provides direct services to survivors of domestic violence, sexual assault and children experiencing violence, in Bossier, Caddo, DeSoto, Natchitoches, Red River, Sabine and Webster parishes. Project Celebration operates domestic violence shelters for women and children, a sexual assault center, a family resource center, a child advocacy center, and provides behavioral health services. Through education, advocacy and collaboration of all available resources, the Organization’s clients develop the highest capacity for safety, self-reliance, and personal well-being.

1. Summary of Significant Accounting Policies:

The accounting and reporting policies of Project Celebration, Inc., conform to generally accepted accounting principles as applicable to non-profit organizations, and are applied on a consistent basis between periods.

The following is a summary of certain significant accounting policies and practices:

- A. Financial Statement Presentation - Project Celebration has adopted FASB Accounting Standard Update 2016-14 “*Not-for-Profit Organizations (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*”. Under FASB ASU 2016-14, Project Celebration is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. In addition, Project Celebration is required to present a statement of cash flows.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

As of June 30, 2022, all net assets of Project Celebration were without donor restrictions.

- B. Basis of Accounting - Project Celebration uses the accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when they are incurred. Purchases of various operating supplies are recognized as expenses at the time purchased.
- C. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- D. Fixed Assets - Depreciation on all exhaustible fixed assets is charged as an expense against the operations of Project Celebration. Assets are recorded at cost if purchased or at market value at time of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 50 years. The Organization maintains a threshold level of \$500 or more for capitalizing capital assets. Accumulated depreciation was \$342,564 at June 30, 2022.

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2022

- E. Income Taxes - Project Celebration is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2019 and beyond remain subject to examination by the IRS, generally for three years after filing.
- F. Accumulated Leave - Employees may not carry forward vacation and/or sick time earned but not taken. Unused vacation and sick leave expires at the end of each fiscal year. Therefore, no accrual has been made for accumulated vacation or sick leave pay.
- G. Cash and Equivalents - For the purpose of the statements of cash flows, Project Celebration considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.
- H. Functional Allocation of Expenses – Functional expenses are allocated between program services and supporting services, including fundraising and general/administrative activities. General and administrative expenses include those expenses that are not directly identifiable with any other specified function, but provide for the overall support and direction of the Organization. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function, which require allocation on a reasonable basis that is consistently applied. Salaries, payroll taxes, and benefits are allocated on the basis of estimates of time and effort.
- I. Revenue Recognition – The Organization previously adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU and all subsequently issued clarifying ASU's replaced most revenue recognition guidance in U.S. GAAP and addresses how an entity should recognize revenue derived from various contracts with customers that generate revenue, along with requiring additional disclosures related to the nature, amount, and timing of revenue and cash flows arising from contracts with customers. Primarily, the update requires the organization to evaluate the various performance obligations related to its contracts with customers, allocate the transaction price to the various performance obligations, and recognize revenue as performance obligations are satisfied. The standard was adopted using the modified retrospective method.

The Organization previously adopted FASB ASU No. 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves the guidance for contributions received and contributions made, and provides guidance to organizations on how to account for transactions as contributions or exchange transactions. In addition, it clarifies whether a contribution is conditional.

In accordance with the above standards, Project Celebration recognizes grant revenue as exchange transactions, and grant revenue is recognized as it is earned in accordance with approved grant contracts. Based on the Organization's evaluation process and review of its grant contracts, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standards.

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2022

J. Recently Adopted Accounting Standards – In September, 2020, the FASB issued Accounting Standards Update No. 2020-07, *Presentation and Disclosures of Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. The standard requires not-for-profit entities to expand their financial statement presentation and disclosure of contributed nonfinancial assets (commonly referred to as gifts-in-kind). The standard includes disclosure of information on an entity’s policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standard, as amended, is to be applied retrospectively, to annual reporting periods beginning after June 15, 2021. Project Celebration adopted the standard on a retrospective basis as of July 1, 2021, and has updated disclosures as necessary (see Note 3 - Contributed Nonfinancial Assets).

2. Cash and Cash Equivalents:

The cash and cash equivalents of Project Celebration, Inc. are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Organization will not be able to recover its deposits. Project Celebration maintains deposit accounts with two local financial institutions. The balances at each of these financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times throughout the year, the Organization may maintain certain bank accounts in excess of federally insured limits, which is a concentration of credit risk. The risk is mitigated by maintaining deposits in only well-capitalized financial institutions. Project Celebration has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

At June 30, 2022, book balances of cash and cash equivalents totaled \$322,370. Bank balances at June 30, 2022 totaled \$336,150, of which \$250,043 is secured by FDIC. The remaining \$86,107 is unsecured.

3. Contributed Nonfinancial Assets:

At June 30, 2022, Project Celebration recognized the following nonfinancial assets (gifts in-kind) within the statement of activities:

Clothing, personal items, and household goods	\$14,961
Toys and gifts	7,180
Food	1,315
Furnishings	<u>660</u>
	<u>\$24,116</u>

Contributed materials and supplies received by Project Celebration are recorded as in-kind contribution revenue with a corresponding increase in related expenses. Donated clothing, personal items, household goods, toys, gifts, and furnishings are valued based upon estimates of fair market or wholesale value that would be received selling similar products in the United States, depending on the new or used status of the items. Donated food is valued at the estimated retail cost of similar food items. All of the contributed nonfinancial assets were utilized by Project Celebration’s assistance programs and expensed as client expenses for the various shelters and outreach centers. There were no donor-imposed restrictions associated with the donated items.

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2022

4. Fixed Assets:

The following is a summary of changes in fixed assets for Project Celebration for the period ended June 30, 2022:

	Balance 6-30-2021	Additions	Deletions	Balance 6-30-2022
Fixed Assets, Not Depreciated-				
Land	\$ 68,000	\$ 0	\$0	\$ 68,000
Construction-in-Progress	<u>416,065</u>	<u>59,744</u>	<u>0</u>	<u>475,809</u>
Total Not Depreciated	<u>\$ 484,065</u>	<u>\$ 59,744</u>	<u>\$0</u>	<u>\$ 543,809</u>
Fixed Assets, Depreciated-				
Buildings	\$ 874,996	\$ 0	0	\$ 874,996
Equipment & Furniture	112,605	8,878	0	121,483
Leasehold Improvements	<u>26,111</u>	<u>0</u>	<u>0</u>	<u>26,111</u>
Total Assets Depreciated	<u>\$1,013,712</u>	<u>\$ 8,878</u>	<u>\$0</u>	<u>\$1,022,590</u>
Total Fixed Assets	\$1,497,777	\$ 68,622	\$0	\$1,566,399
Accumulated Depreciation	<u>(304,484)</u>	<u>(38,080)</u>	<u>0</u>	<u>(342,564)</u>
Total Fixed Assets, Net	<u>\$1,193,293</u>	<u>\$ 30,542</u>	<u>\$0</u>	<u>\$1,223,835</u>

Depreciation expense was \$38,080 for the year ended June 30, 2022.

5. Revenue Receivable:

At June 30, 2022, Project Celebration's receivables consisted of grants and receipts from other governments in the amount of \$369,365. The Organization considers the receivables fully collectible; therefore no allowance for uncollectibles is recorded.

6. Accounts Payable and Accruals:

At June 30, 2022, Project Celebration's payables consisted of the following:

Payable to vendors	\$32,623
Salaries and benefits payable	<u>30,457</u>
Total	<u>\$63,080</u>

7. Asset Liquidity:

Project Celebration regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenses over a 12-month period, Project Celebration considers all expenses related to its regular, recurring, and ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenses. Project Celebration anticipates revenues to be sufficient to meet its general expense needs.

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2022

7. Asset Liquidity (continued):

Project Celebration does not consider assets including deposits and fixed assets to be available for general expense. Fixed assets cannot be liquidated due to donor and self-imposed restrictions.

As of June 30, 2022, the following schedule identifies financial assets that could be made readily available within one year of the statement of financial position date to meet general expenditures:

Cash and cash equivalents	\$ 322,370
Revenue Receivables	369,365
Fixed Assets, net of accumulated depreciation	<u>1,223,835</u>
Total financial assets, period end	\$1,915,570
Less, those unavailable for general expenses within one year, due to:	
Fixed Assets, net of accumulated depreciation	<u>1,223,835</u>
Financial assets available to meet cash needs for general expenses within one year	\$ <u>691,735</u>

8. Long-Term Liabilities:

The following is a summary of the long-term obligation transactions for the year ended June 30, 2022.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Sabine State Bank LOC	\$198,206	\$30	\$ 2,862	\$195,374
Sabine State Bank	<u>58,651</u>	<u>0</u>	<u>10,876</u>	<u>47,775</u>
Total Long-Term Liabilities	<u>\$256,857</u>	<u>\$30</u>	<u>\$13,738</u>	<u>\$243,149</u>

Sabine State Bank Line of Credit:

On April 1, 2015, Project Celebration, Inc. signed a loan agreement with Sabine State Bank for a line of credit to assist in paying expenses. The Organization was issued a \$150,000 line of credit by Sabine State Bank at an interest rate of 4.75% with monthly interest payments and a maturity date of March 25, 2016. A change in terms agreement was issued to renew the loan with 5% interest due monthly and to extend the maturity date to March 25, 2020. The line of credit is secured by all accounts receivable of all grants. On September 1, 2018 the limit on the line of credit was increased by \$50,000 to a total of \$200,000. On March 5, 2020, the interest rate decreased to 5.25%. During the year ended June 30, 2022, there was one draw of \$30 taken on the line of credit and principal payments of \$2,862 were made on the line of credit. The principal balance was \$195,374 on June 30, 2022.

Sabine State Bank Note Payable:

On November 3, 2018, a promissory note was signed with Sabine State Bank for \$89,538 at an annual interest rate of 5.75%. The note will be paid in monthly payments of \$1,104 and mature on June 5, 2026. The promissory note is secured by the operations building and real estate. On March 5, 2020, the interest rate decreased to 5.25%. At June 30, 2022, the outstanding balance on the promissory note was \$47,775.

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2022

8. Long-Term Liabilities (continued):

The future maturities of the note and line of credit are as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$206,950	\$ 7,201	\$214,151
2024	12,039	1,207	13,246
2025	12,521	725	13,246
2026	<u>11,639</u>	<u>225</u>	<u>11,864</u>
Total	<u>\$243,149</u>	<u>\$9,358</u>	<u>\$252,507</u>

9. Advance from Grantors:

Advances arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Advances also arise when the Organization receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria have been met or the Organization has a legal claim to the resources, the liability for the advance is removed from the balance sheet and revenue is recognized.

On October 13, 2021, Project Celebration received \$146,946 in funding from the American Rescue Plan Act of 2021 (ARP), allocated by DCFS as supplemental funding for the Family Violence Program. Of these funds, \$57,484 was used for client housing costs during the year. The remaining amount of \$89,462 is recorded as an advance from grantor liability.

On March 3, 2022, Project Celebration received an additional \$431,293 in ARP funding, allocated by DCFS as ARP COVID Testing, Vaccines, and Mobile Health Unit supplemental funding for the Family Violence Program. Of these funds, \$49,368 was used for retention payments to employees. The remaining amount of \$381,925 is recorded as an advance from grantor liability.

10. Compensation Paid to Board Members:

The members of the Board of Directors receive no compensation for their services.

11. Shelter Rental:

In addition to other properties, Project Celebration, Inc. expanded the coverage of the Domestic Violence Program to include an established shelter in Caddo Parish. The Board agreed to a rent of \$3,000 per month until another facility could be located or constructed. For the year ending June 30, 2022, a total of \$43,800 was charged to rental expense for all properties.

12. Pending Litigation:

Project Celebration, Inc. has no legal action pending at June 30, 2022.

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2022

13. Economic Dependency:

Project Celebration receives the majority of its revenue from funds provided through federal and state grants administered by the State of Louisiana. The grants are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Organization receives could be reduced significantly, having an adverse impact on its operations. Management has been advised by the State of Louisiana of the nonrenewal of its Family Resource Center funding, which could adversely affect the amount of funds the Organization will receive in the next fiscal year. However, the Organization is seeking additional sources of funding to replace the loss of this grant.

14. Accounting Pronouncements Issued but Not Yet in Effect:

In February 2016, FASB issued ASU No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842), Targeted Improvements*, to simplify the lease standard's implementation. The amended guidance relieves businesses and other organizations from the requirement to present prior comparative years' results when they adopt the new lease standard. Instead of recasting prior year results using the new accounting when they adopt the guidance, companies can choose to recognize the cumulative effect of applying the new standard to leased assets and liabilities as an adjustment to the opening balance of net assets. This standard is effective for annual periods beginning after December 15, 2022. Project Celebration, Inc. is currently assessing the impact of this pronouncement on its financial statements.

15. Subsequent Events:

Management has evaluated events through December 27, 2022, the date on which the financial statements were available to be issued.

OTHER SUPPLEMENTARY INFORMATION

Project Celebration, Inc.
 Schedule of Compensation, Benefits and Other Payments to
 Agency Head or Chief Executive Officer
 For the Year Ended June 30, 2022

Agency Head Name: Mitzi Harris, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$108,300
Benefits - Insurance	5,032
Benefits - SS/Medicare	7,917
Cell Phone	2,400
Travel	2,017
Reimbursements	<u>314</u>
 Total	 <u>\$125,980</u>

See independent auditors' report.

Project Celebration, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>State Contract Pass-through Number</u>	<u>Federal Disbursements/ Expenditures</u>
<u>U. S. Department of Health and Human Services</u>			
Passed through State of Louisiana Department of Children and Family Services-			
Promoting Safe and Stable Families	93.556	2000534822	\$ 322,675
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	2000595643	623,087
American Rescue Plan Act Supplement	93.671	2000609840	57,484
American Rescue Plan Act Supplement	93.671	2000636806	<u>49,368</u>
Total U.S. Department of Health and Human Services			<u>\$1,052,614</u>
<u>U.S. Department of Justice</u>			
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice-			
Sexual Assault Services Formula Program	16.017	2020-KF-01-5732	\$ 29,184
Sexual Assault Services Formula Program	16.017	2021-KF-01-6566	26,728
Crime Victim Assistance	16.575	2019-VA-02/01/03-5957	433,832
Violence against Women Formula Grants	16.588	2020-WF-03-5733	13,677
Violence against Women Formula Grants	16.588	2020-WF-03-5734	10,247
Violence against Women Formula Grants	16.588	2021-WF-03-6567	13,002
Violence against Women Formula Grants	16.588	2021-WF-03-6568	<u>8,865</u>
Total U. S. Department of Justice			<u>\$ 535,535</u>
Total Expenditures of Federal Awards			<u>\$1,588,149</u>

See independent auditors' report.

Project Celebration, Inc.
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of Project Celebration, Inc. under programs of the federal government for the year ended June 30, 2022. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

Project Celebration, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

OTHER REPORTS

T | C | B | T
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Project Celebration, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Project Celebration, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 27, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Project Celebration's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Project Celebration's internal control. Accordingly, we do not express an opinion on the effectiveness of Project Celebration's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Project Celebration's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purposes. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

December 27, 2022

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

To the Board of Directors of
Project Celebration, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Project Celebration, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Project Celebration, Inc.'s major federal programs for the year ended June 30, 2022. Project Celebration, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Project Celebration complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion of Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Project Celebration, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Project Celebration's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Project Celebration's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Project Celebration's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about Project Celebration's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Project Celebration's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Project Celebration's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Project Celebration's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with

a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

December 27, 2022

Project Celebration, Inc.
Schedule of Findings and Questioned Costs
June 30, 2022

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of Project Celebration, Inc. as of and for the year ended June 30, 2022.
2. The audit disclosed no material weaknesses in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
4. The audit disclosed no instances of material weaknesses in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit disclosed no instances of noncompliance related to federal awards that are required to be reported under the Uniform Guidance.
7. The following programs were major for the year ended June 30, 2022:
 - o Health and Human Services - Family Violence Prevention and Services (CFDA #93.671)
8. \$750,000 was the threshold used to distinguish Type A from Type B programs.
9. Project Celebration, Inc. does qualify as a low risk auditee.

II. FINANCIAL STATEMENT FINDINGS

None identified.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None identified.

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**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES**

To the Project Celebration, Inc. and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Project Celebration, Inc.’s management is responsible for those C/C areas identified in the SAUPs.

Project Celebration, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user for this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
 - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - ***Disbursements***, including processing, reviewing, and approving.
 - ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedule.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
 - a) Procedure Results - We noted exceptions with regard to Written Policies and Procedures.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

- Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.

a) Procedure Results – We noted no exceptions with regard to Board or Finance Committee.

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:

- Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
- Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and
- Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

a) Procedure Results – We noted no exceptions with regard to Bank Reconciliations.

Collections (excluding electronic funds transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).

5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:

- Employees that are responsible for cash collections do not share cash drawers/registers.
- Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

- The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was enforced during the fiscal period.
 7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under “Bank Reconciliations” above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:
 - We observed that receipts are sequentially pre-numbered.
 - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - We traced the deposit slip total to the actual deposit per the bank statement.
 - We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - We traced the actual deposit per the bank statement to the general ledger.
 - a) Procedure Results – We noted no exceptions with regard to Collections.

Non-Payroll Disbursements – General (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
- We observed that the disbursement matched the related original itemized invoice and that documentation indicates that deliverables included on the invoice were received by the entity.
 - We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
- a) Procedure Results – We noted no exceptions with regard to Non-Payroll Disbursements.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:
- We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- a) Procedure Results – We noted no exceptions with regard to Credit Cards/Debit Cards/Fuel Cards/P-Cards.

Travel and Expense Reimbursement

14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected five reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

- If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
 - a) Procedure Results – We noted no exceptions with regard to Travel and Expense Reimbursements.

Contracts

15. We obtained from management a listing of all agreements/contracts for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, excluding our contract, and:
 - We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.
 - a) Procedure Results – We noted no exceptions with regard to Contracts.

Payroll and Personnel

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:
 - We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

- We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.
18. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. If applicable, we agreed the hours to the employees or officials' cumulative leave records, and the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and the termination payment to entity policy.
19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.
- a) Procedure Results – We noted no exceptions with regard to Payroll and Personnel.

Ethics

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:
- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - We observed that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- a) Procedure Results – These procedures do not apply to nonprofit organizations.

Debt Service

21. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
- a) Procedure Results – We noted no exceptions with regard to Debt Service.

Fraud Notice

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the District attorney of the parish in which the entity is domiciled.
24. We observed whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
- a) Procedure Results – There were no misappropriations identified. We noted no exceptions with regard to the Fraud Notice.

Information Technology Disaster Recovery/Business Continuity

25. We performed the following procedures:
- We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on the physical medium (e.g., tapes, CDs), we observed that backups are encrypted before being transported.
 - We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- a) Procedure Results – We performed the procedures and discussed the results with management.

Sexual Harassment

26. We randomly selected the employees/officials from procedure #16 under "Payroll and Personnel" above, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. We observed that the entity has posted its sexual harassment policy and complaint procedures on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:
- Number and percentage of public servants in the agency who have completed the training requirements;

- Number of sexual harassment complaints received by the agency;
 - Number of complaints which resulted in a finding that sexual harassment occurred;
 - Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - Amount of time it took to resolve each complaint.
- a) Procedure Results – Project Celebration, Inc. is not a public entity and does not require annual sexual harassment training or reporting.

We were engaged by Project Celebration, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Project Celebration, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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