

PROJECT CELEBRATION, INC.

**ANNUAL FINANCIAL REPORT
JUNE 30, 2023**

Project Celebration, Inc.
Annual Financial Report
June 30, 2023

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Independent Auditors' Report	---	1-3
<u>Financial Statements</u>		
Statement of Financial Position	A	5
Statement of Activities	B	6
Statement of Functional Expenses	C	7
Statement of Cash Flows	D	8
Notes to Financial Statements	---	10-16
<u>Other Supplementary Information</u>		
Schedule of Compensation, Benefits, and Other Payments to Agency Head	---	18
Schedule of Expenditures of Federal Awards	---	19
Notes to the Schedule of Expenditures of Federal Awards	---	20
<u>Other Reports</u>		
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 <i>Government Auditing Standards</i>	---	22-23
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance	---	24-26
Schedule of Findings and Questioned Costs	---	27
Independent Accountant's Report on Applying Statewide Agreed-Upon Procedures	---	28-36
Management's Response to Exceptions to Statewide Agreed-Upon Procedure	---	37

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - LLC
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

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, 2023, 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, 2023, 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 21, 2023, 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 21, 2023, 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 21, 2023

FINANCIAL STATEMENTS

Project Celebration, Inc
Statement of Financial Position
Year Ended June 30, 2023

Assets—	
Current Assets-	
Cash	\$ 249
Revenue Receivable	<u>226,471</u>
Total Current Assets	<u>\$ 226,720</u>
Noncurrent Assets-	
Property and Equipment (Net of Accumulated Depreciation)	\$1,236,119
Right of Use Assets (Net of Accumulated Amortization)	<u>42,752</u>
Total Noncurrent Assets	<u>\$1,278,871</u>
Total Assets	<u>\$1,505,591</u>
Liabilities—	
Current Liabilities-	
Cash Overdrafts	\$ 36,350
Accounts Payable and Accruals	66,713
Payroll Liabilities	62,964
Current Portion of Long-Term Debt-	
Lease Liabilities	8,066
Notes Payable	<u>208,964</u>
Total Current Liabilities	<u>\$ 383,057</u>
Noncurrent Liabilities-	
Long-term Debt, Net of Current Portion-	
Lease Liabilities	\$ 35,184
Notes Payable	<u>27,895</u>
Total Noncurrent Liabilities	<u>\$ 63,079</u>
Total Liabilities	<u>\$ 446,136</u>
Net Assets—	
Without Donor Restrictions	<u>\$1,059,455</u>
Total Liabilities & Net Assets	<u>\$1,505,591</u>

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

Project Celebration, Inc.
Statement of Activities
Year Ended June 30, 2023

	<u>WITHOUT DONOR RESTRICTIONS</u>
Revenues—	
Grants and Receipts from other Governments	\$1,825,555
Contributions	54,025
Contributions of Nonfinancial Assets	95,947
Contract Services	1,380
Other	<u>72,467</u>
Total Revenues	<u>\$2,049,374</u>
Expenses—	
Program Services	\$1,570,145
Fundraising	0
Management and General	<u>557,728</u>
Total Expenses	<u>\$2,127,873</u>
Decrease in Net Assets	\$ (78,499)
Net Assets-Beginning of Year	<u>1,137,954</u>
Net Assets-End of Year	<u>\$1,059,455</u>

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

Project Celebration, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:				
Client Expenses	\$ 208,529	\$ 0	\$ 0	\$ 208,529
Contract Services	24,438	0	0	24,438
Depreciation & Amortization	0	0	50,540	50,540
Employee Benefits	14,011	0	38,316	52,327
Insurance	0	0	13,953	13,953
Interest Expense	0	0	20,691	20,691
Legal and Professional	0	0	24,955	24,955
Memberships and Dues	0	0	1,652	1,652
Material and Supplies	180,617	0	0	180,617
Office Expense	0	0	30,261	30,261
Payroll Taxes	0	0	92,288	92,288
Repairs and Maintenance	0	0	17,881	17,881
Rent	41,850	0	1,248	43,098
Salaries	1,064,336	0	182,938	1,247,274
Telephone	0	0	33,111	33,111
Travel & Training	36,364	0	0	36,364
Utilities	0	0	11,956	11,956
Workman's Compensation	0	0	26,985	26,985
Other	0	0	10,953	10,953
Total Expenses	<u>\$1,570,145</u>	<u>\$ 0</u>	<u>\$557,728</u>	<u>\$2,127,873</u>

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

Project Celebration, Inc.
Statement of Cash Flows
Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash receipts from Program Operations	\$ 1,666,856
Cash receipts from Contributions	54,025
Cash paid for General Operating Expenses	(754,221)
Cash paid for Salaries, Benefits & Payroll Taxes	<u>(1,268,975)</u>
Net Cash Used by Operating Activities	\$ <u>(302,315)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Property & Equipment	\$ <u>(47,310)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal Payments on Debt	\$ (14,846)
Loan Proceeds	<u>6,000</u>
Net Cash Used by Financing Activities	\$ <u>(8,846)</u>
Net Decrease in Cash	\$ (358,471)
Cash at Beginning of Year	<u>322,370</u>
Cash at End of Year	\$ <u>(36,101)</u>

Reconciliation of Cash at End of Year:

Cash	\$ 249
Cash Overdrafts	<u>(36,350)</u>
Total Cash at End of Year	\$ <u>(36,101)</u>

Supplemental Disclosure

Cash payments for interest during the year ended June 30, 2023, were as follows:

Interest paid on loans	\$19,519
Interest paid on leases	<u>1,172</u>
Total Interest	\$ <u>20,691</u>

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

NOTES TO FINANCIAL STATEMENTS

Project Celebration, Inc
Notes to Financial Statements
June 30, 2023

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, 2023, 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 \$388,499 at June 30, 2023.

Project Celebration, Inc
Notes to Financial Statements
June 30, 2023

- 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 2020 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, 2023

J. Recently Adopted Accounting Standards – In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*. 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. implemented this standard as of July 1, 2022, with no effect on its prior year net 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, 2023, book balances of cash and cash equivalents equated to a deficit of \$36,101. Bank balances at June 30, 2023 totaled \$576, all of which is secured by FDIC.

3. Contributed Nonfinancial Assets.

At June 30, 2023, Project Celebration recognized the following nonfinancial assets (gifts in-kind) within the statement of activities:

Clothing, personal items, and household goods	\$10,183
Toys and gifts	48,040
Food	1,726
Furnishings and Electronics	<u>35,998</u>
	<u>\$95,947</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, electronics 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, 2023

4. Fixed Assets:

The following is a summary of changes in fixed assets for Project Celebration for the period ended June 30, 2023.

	Balance 6-30-2022	Additions	Deletions	Balance 6-30-2023
Fixed Assets, Not Depreciated-				
Land	\$ 68,000	\$ 0	\$ 0	\$ 68,000
Construction-in-Progress	<u>475,809</u>	<u>57,838</u>	<u>(533,647)</u>	<u>0</u>
Total Not Depreciated	<u>\$ 543,809</u>	<u>\$ 57,838</u>	<u>\$(533,647)</u>	<u>\$ 68,000</u>
Fixed Assets, Depreciated-				
Buildings	\$ 874,996	\$533,647	\$ 0	\$1,408,643
Equipment & Furniture	121,483	1,932	(1,551)	121,864
Leasehold Improvements	<u>26,111</u>	<u>0</u>	<u>0</u>	<u>26,111</u>
Total Assets Depreciated	<u>\$1,022,590</u>	<u>\$535,579</u>	<u>\$ (1,551)</u>	<u>\$1,556,618</u>
Total Fixed Assets	\$1,566,399	\$593,417	\$(535,198)	\$1,624,618
Accumulated Depreciation	<u>(342,564)</u>	<u>(47,486)</u>	<u>1,551</u>	<u>(388,499)</u>
Total Fixed Assets, Net	<u>\$1,223,835</u>	<u>\$545,931</u>	<u>\$(533,647)</u>	<u>\$1,236,119</u>

Depreciation expense was \$47,486 for the year ended June 30, 2023.

5. Right of Use Assets

During the year ending June 30, 2023, Project Celebration had one long-term lease agreement for a building located on Knight Street in Shreveport, Louisiana. The building was leased for a three-year term at \$932 per month, with the option to renew for an additional two years. The present value of the lease payments is \$45,806.

Right of use assets and amortization activity as of and for the year ended June 30, 2023 is as follows:

	Balance 6-30-2022	Additions	Deletions	Balance 6-30-2023
Buildings	\$ 0	\$45,806	\$ 0	\$45,806
Accumulated Amortization	<u>0</u>	<u>(3,054)</u>	<u>0</u>	<u>(3,054)</u>
Total Right of Use Assets, Net	<u>\$ 0</u>	<u>\$42,752</u>	<u>\$ 0</u>	<u>\$42,752</u>

Amortization expense was \$3,054 for the year ended June 30, 2023.

6. Revenue Receivable:

At June 30, 2023, Project Celebration's receivables consisted of grants and receipts from other governments in the amount of \$226,471. The Organization considers the receivables fully collectible; therefore no allowance for uncollectibles is recorded.

Project Celebration, Inc
Notes to Financial Statements
June 30, 2023

7. Accounts Payable and Accruals:

At June 30, 2023, Project Celebration's payables consisted of the following:

Payable to vendors	\$ 19,515
Credit card payables	46,649
Interest payable	549
Payroll taxes payable	49,759
Salaries and benefits payable	<u>13,205</u>
Total	<u>\$129,677</u>

8. 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 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, 2023, 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	\$ 249
Revenue Receivables	226,471
Right of Use Assets, net of accumulated amortization	42,752
Fixed Assets, net of accumulated depreciation	<u>1,236,119</u>
Total financial assets, period end	\$1,505,591
Less, those unavailable for general expenses within one year, due to:	
Right of Use Assets, net	42,752
Fixed Assets, net	<u>1,236,119</u>
Financial assets available to meet cash needs for general expenses within one year	\$ <u>226,720</u>

9. Long-Term Liabilities:

The following is a summary of the long-term obligation transactions for the year ended June 30, 2023.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Sabine State Bank LOC	\$195,374	\$ 6,000	\$ 2,640	\$198,734
Sabine State Bank	47,775	0	9,650	38,125
Lease Liabilities	<u>0</u>	<u>45,806</u>	<u>2,556</u>	<u>43,250</u>
Total Long-Term Liabilities	<u>\$243,149</u>	<u>\$51,806</u>	<u>\$14,846</u>	<u>\$280,109</u>

Project Celebration, Inc
Notes to Financial Statements
June 30, 2023

9. Long-Term Liabilities (continued).

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%. As of June 30, 2023, the interest rate increased to 9%. During the year ended June 30, 2023, there was one draw of \$6,000 taken on the line of credit and principal payments of \$2,640 were made on the line of credit. The principal balance was \$198,734 on June 30, 2023.

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%. As of June 30, 2023, the interest rate increased to 9%. At June 30, 2023, the outstanding balance on the promissory note was \$38,125.

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>
2024	\$208,964	\$12,837	\$221,801
2025	11,189	2,056	13,245
2026	<u>16,706</u>	<u>553</u>	<u>17,259</u>
Total	<u>\$236,859</u>	<u>\$15,446</u>	<u>\$252,305</u>

Lease Liabilities.

Project Celebration entered into a three-year lease agreement for the Caddo Outreach Center, with a commencement date of March 1, 2023, and a termination date of March 1, 2026, with a fixed rent amount of \$932 per month. Upon expiration of the initial term, the lessee may extend the term of this lease for an additional period of two years. After expiration of the extension term, the lessee shall become a tenant from month-to-month. At a discount rate of 7.6%, the initial present value of the future lease payments (including a two-year renewal) is \$45,806. Lease payments of \$3,728 were made in the current year, which consisted of principal payments of \$2,556 and interest of \$1,172, leaving a balance due of \$43,250 at June 30, 2023.

The future maturity of the lease liability is as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,066	\$3,010	\$11,076
2025	8,701	2,375	11,076
2026	9,386	1,690	11,076
2027	10,124	952	11,076
2028	<u>6,973</u>	<u>196</u>	<u>7,169</u>
Total	<u>\$43,250</u>	<u>\$8,223</u>	<u>\$51,473</u>

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2023

10. Compensation Paid to Board Members:

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

11. Operating Rentals:

Project Celebration entered into a rental agreement for property to house the Caddo Shelter, with an original term of January 1, 2020 through December 31, 2021, at the rate of \$3,000 per month. The original agreement has expired; however, Project Celebration has continued to rent the property on a month-to-month basis at the same rate. During the current year, Project Celebration paid rent for nine months and is in arrears for the remaining three months.

Project Celebration entered into an additional rental agreement for the Caddo Outreach Center, with a commencement date of January 15, 2020 and a termination date of January 31, 2023, with a fixed rent amount of \$650 per month. During the current year, Project Celebration paid rent for seven months. The rental agreement has expired and the Caddo Outreach Center has moved to another location.

Total rental expenses (excluding lease liabilities) for the year ended June 30, 2023, was \$43,098 for all properties and equipment.

12. Pending Litigation:

Project Celebration, Inc. has no legal action pending at June 30, 2023

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. During the current fiscal year, the Organization has experienced reductions and delays in funding for some of its programs; however, additional funding is expected through the Louisiana Coalition Against Domestic Violence program in the next fiscal year.

14. Commitments and Contingencies:

Due to the delay in funding from its grantors, Project Celebration, Inc. is approximately \$28,044 in arrears for its payroll tax liabilities. The Organization expects to remit the payments immediately upon receipt of the pending grant funding or through other sources of financing.

15. Subsequent Events:

Management has evaluated events through December 21, 2023, 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, 2023

Agency Head Name: Mitzi Harris, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$121,312
Benefits - Insurance	5,328
Benefits - SS/Medicare	8,865
Cell Phone	2,600
Dues	110
Travel	4,177
Reimbursements	<u>317</u>
 Total	 <u>\$142,709</u>

See independent auditors' report.

Project Celebration, Inc
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	State Contract Pass-through Number	Federal Disbursements/ Expenditures
<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	\$ 85,932
Family Violence Prevention and Services Domestic Violence Shelter and Supportive Services	93.671	2000595643	624,922
American Rescue Plan Act Supplement	93.671	2000609840	89,462
American Rescue Plan Act Supplement	93.671	2000636806	<u>381,925</u>
Total U. S. Department of Health and Human Services			<u>\$1,182,241</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	2021-KF-01-6566	\$ 32,901
Sexual Assault Services Formula Program	16.017	2022-KF-01-7264	25,485
Crime Victim Assistance	16.575	2020-VA-02/01-03-6772	299,032
Crime Victim Assistance	16.575	2021-VA-01/02-03-7173	86,656
Violence against Women Formula Grants	16.588	2021-WF-03-6567	13,886
Violence against Women Formula Grants	16.588	2021-WF-03-6568	<u>10,016</u>
Total U. S. Department of Justice			<u>\$ 467,976</u>
Total Expenditures of Federal Awards			<u>\$1,650,217</u>

See independent auditors' report

Project Celebration, Inc.
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

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, 2023. 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
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - LLC
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

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 and the *Louisiana Governmental Audit Guide*, the financial statements of Project Celebration, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 21, 2023.

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 financial statements. 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 21, 2023

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - LLC
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

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, 2023. 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, 2023.

Basis for Opinion on 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 21, 2023

Project Celebration, Inc.
Schedule of Findings and Questioned Costs
June 30, 2023

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, 2023.
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, 2023:
 - o Health and Human Services - Family Violence Prevention and Services (Federal Assistance Listing #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.

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – LLC
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

**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, 2022 through June 30, 2023. 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, 2022 through June 30, 2023. 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:

1) Written Policies and Procedures

- A. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations).
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **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).
 - v. **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 rates of pay or approval and maintenance of pay rate schedules.

- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- viii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- ix. **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).
- x. **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) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- xi. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xii. **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.
- xiii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure Results: No exceptions were noted in this category.

2) Board or Finance Committee

- A. Obtain and inspect 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:
 - i. Observe 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.
 - ii. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparison on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedure Results: No exceptions were noted in this category.

3) Bank Reconciliations

- A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - ii. 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
 - iii. 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.

Procedure Results: No exceptions were noted in this category.

4) Collections (excluding EFTs)

- A. Obtain 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. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees that are responsible for cash collections do not share cash drawers registers.
 - ii. 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.
 - iii. 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.
 - iv. 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 verifies the reconciliation
- C. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe 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).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Procedure Results: No exceptions were noted in this category

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain 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 observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order making the purchase
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. 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.
 - iv. 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.
 - v. Only employees officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- i. Observe that the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

- ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (1) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedure Results: No exceptions were noted in this category.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - i. Observe 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; and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies 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, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedure results: We noted that finance charges and late fees were assessed on one of the selected credit card statements.

7) Travel and Expense Reimbursement

- A. Obtain 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. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results: No exceptions were noted in this category.

8) Contracts

- A. Obtain 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. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - iii. If the contract was amended (e.g. change order), observe 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, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract

Procedure Results: No exceptions were noted in this category.

9) Payroll and Personnel

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe that supervisors approved the attendance and leave of the selected employees/officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary pay rate found within the personnel file.

- C. cal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Procedure Results: We noted that Project Celebration is in arrears for payroll taxes.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain ethics compliance documentation from management, and:
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedure results: No exceptions were noted in this category.

11) Debt Service (excluding nonprofits)

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree 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).

Procedure results: No exceptions were noted in this category.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that 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.

Procedure results: No exceptions were noted in this category.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- i. Observe and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test verification was successfully performed in the past 3 months.
 - iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe 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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Procedure results: We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency.
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Procedure results: No exceptions were noted in this category.

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.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

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

December 21, 2023



PROJECT CELEBRATION, INC.
580 West Main Street
Many, LA 71449

December 21, 2023

Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70802

Re: Project Celebration, Inc.
Statewide Agreed Upon Procedures Report
June 30, 2023

The following is our response to the exceptions noted in the Statewide Agreed-Up Procedures report issued by Thomas, Cunningham, Broadway & Todtenbier, Certified Public Accountants, for the year ending June 30, 2023.

Item 4 – Credit Cards, Debit Cards, Fuel Cards and Purchase Cards

Exception: Finance charges were assessed on one of the selected credit cards.

Response: At the present time, we are experiencing a cash deficit due to delays in funding from grantors, particularly from the State of Louisiana. As a result, we have been unable to pay our credit card balances in full. We have been advised that new contracts have recently been executed and we expect to receive funding soon.

Item 6 – Payroll and Personnel

Exception: Payroll taxes are in arrears.

Response: Due to the delay in funding from grantors, we are experiencing a cash deficit and have been unable to remit payroll taxes in a timely fashion. We will remit the payments immediately upon receipt of the pending grant funding or will seek other sources of financing to pay these amounts.

Sincerely,

Project Celebration, Inc.

Mitzi Harris, Executive Director

Cheryl Woolley
Board of Directors