PROJECT CELEBRATION, INC.
MANY, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 1999

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
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PROJECT CELEBRATION, INC.
MANY, LOUISIANA
BOARD OF DIRECTORS
JUNE 30, 1999

President	Kenneth Ammons
First Vice-President	Angela Collins
Second Vice-President	Floyd Giblin
Secretary/Treasurer	Barbara Peterson
Board Members	Polly Dappen Ruby Collier Jim House Rev. Charles Crews

Executive Director	Margaret Basco

Hines, Jackson & Hines

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Project Celebration, Inc.
Many, Louisiana 71449

We have audited the accompanying statement of financial position of the Project Celebration, Inc., (a non-profit organization) as of June 30, 1999, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of Project Celebration's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Project Celebration, Inc., as of June 30, 1999, and the changes in its net assets, cash flows, and functional expenses for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 13, 2000, on our consideration of Project Celebration, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Hines, Jackson & Hines
Natchitoches, Louisiana
December 13, 2000

EXHIBIT A

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1999

ASSETS		
CURRENT ASSETS		
Cash	$	49,130
Accounts receivables		31,821
Prepaid expenses		1,928
Total Current Assets		82,879
Equipment and leasehold improvements, net		44,321
Total Assets	$	127,200
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	$	352
Accounts payable		16,802
Deferred income		7,000
Total Current Liabilities		24,154
Long-term debt, net of current portion		3,262
Total Liabilities		27,416
NET ASSETS		
Unrestricted		34,050
Temporarily restricted		65,734
Total Net Assets		99,784
Total Liabilities and Net Assets	$	127,200

The notes to the financial statements are an integral part of this statement.

EXHIBIT B

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1999

	Unrestricted	Temporarily Restricted	Total
UNRESTRICTED NET ASSETS			
Support			
Contributions	$ 339	$ 5,917	$ 6,256
Contract services	51,317	0	51,317
Grants and receipts from other governments	77,825	115,456	193,281
Interest	497	406	903
Other	931	0	931
Total Support	130,909	121,779	252,688
EXPENSES			
Program Services	105,513	80,560	186,073
Management and General	29,935	26,016	55,951
Total Expenses	135,448	106,576	242,024
CHANGE IN NET ASSETS	(4,539)	15,203	10,664
NET ASSETS, Beginning of year	38,589	50,531	89,120
NET ASSETS, End of year	$ 34,050	$ 65,734	$ 99,784

The notes to the financial statements are an integral part of this statement.

EXHIBIT C

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	10,664
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation		5,917
(Increase)/decrease in operating assets		
Accounts receivables		(16,377)
Prepaid expenses		(167)
Increase/(decrease) in operating liabilities		
Accounts payable		5,449
Deferred income		1,374
Net Cash Provided By/(Used In) Operating Activities		6,860
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and leasehold improvements		(9,977)
Net Cash Provided By/(Used In) Investing Activities		(9,977)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt		4,075
Principal payments on long-term debt		(461)
Net Cash Provided By/(Used In) Financing Activities		3,614
CHANGE IN CASH		497
CASH, Beginning of year		48,633
CASH, End of year	$	49,130

SUPPLEMENTAL DISCLOSURE

Cash paid during the year ended June 30, 1999 for interest was $141.

The notes to the financial statements are an integral part of this statement.

EXHIBIT D

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 1999

	Program Services	Management and General	Total
EXPENSES			
Client expenses	$ 6,476	$ 0	$ 6,476
Contract services	42,595	0	42,595
Depreciation	0	5,917	5,917
Graduation party	3,315	0	3,315
Insurance	0	2,860	2,860
Interest expense	0	141	141
Membership and dues	0	566	566
Material and supplies	5,290	0	5,290
Miscellaneous	6,114	0	6,114
Office expense	0	5,337	5,337
Payroll taxes	6,830	1,159	7,989
Principal's workshop	12,369	0	12,369
Rent	0	6,817	6,817
Repairs and maintenance	0	5,334	5,334
Salaries	89,287	15,150	104,437
Telephone	0	2,855	2,855
Travel and training	13,797	0	13,797
Utilities	0	9,445	9,445
Workman's compensation	0	370	370
Total Functional Expenses	$ 186,073	$ 55,951	$ 242,024

The notes to the financial statements are an integral part of this statement.

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Project Celebration, Inc. (a non-profit organization) was incorporated June 12, 1989, for the purpose of promoting a chemical-free life style for the youth of Sabine Parish. In June 1996, Project Celebration began operating a domestic violence transitional home for women and children.

A. CASH

Consistent with FASB 95, Statement of Cash Flows, Project Celebration defines cash as not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

B. RECEIVABLE

All receivables are reported at their gross value and, where, applicable, are reduced by the estimated portion that is expected to be uncollected.

C. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 1999, $0 were considered to be uncollectible.

D. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Donations of equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment are reported as restricted support. When donor stipulations are absent regarding how long those donated assets must be maintained, Project Celebration reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Project Celebration reclassifies temporarily restricted net assets to unrestricted net assets at that time. Equipment are depreciated using the straight-line method.

E. NET ASSETS

Project Celebration has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, Project Celebration is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

F. PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to Project Celebration that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. PROMISES TO GIVE (CONTINUED)

restrictions expire in the fiscal year in which the contributions are reported as increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

G. CONTRIBUTIONS

Project Celebration has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

H. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. INCOME TAXES

Project Celebration is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

NOTE 2 CASH

At June 30, 1999, Project Celebration had cash totaling $49,130, as follows:

Petty cash	$ 50
Interest bearing accounts	49,080
Total	$ 49,130

At June 30, 1999, Project Celebration had $66,215 in bank deposits. These deposits were secured from risk by $66,215 of federal deposit insurance.

NOTE 3 EQUIPMENT AND LEASEHOLD IMPROVEMENTS

All equipment and leasehold improvements are stated at historical cost. Depreciation is charged as an expense against operations and has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-10 years
Leasehold improvements	Lesser of the term of the related lease or 27.5 years

NOTE 3 EQUIPMENT AND LEASEHOLD IMPROVEMENTS (CONTINUED)

A summary of property and equipment at June 30, 1999, is presented below:

	Cost	Accumulated Depreciation	Net	Depreciation This Year
Equipment	$ 12,528	$ 6,500	$ 6,028	$ 1,348
Leasehold improvements	55,516	17,223	38,293	4,569
Total	$ 68,044	$ 23,723	$ 44,321	$ 5,917

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account is relieved, and any gain or loss is included in activities.

NOTE 4 LONG-TERM DEBT

Note payable, FmHA, bearing interest at 4.75 percent with month principal and interest payments of $43, maturing June 2008.	$ 3,614
Total Debt	3,614
Less: Current portion	(352)
Total Long-term Debt	$ 3,262

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

At June 30, 1999, the temporarily restricted net assets balance of $65,734 related to the domestic violence transitional home program.

NOTE 6 LEASE OBLIGATIONS

Project Celebration Office Building
On October 30, 1997, the owners of the office used by Project Celebration executed an usufruct agreement giving Project Celebration use of the building as long as the Organization is in existence.

Domestic Violence Transitional Home
On February 16, 1996, Project Celebration entered into a five year noncancellable operating lease of a building to use as the domestic violence transitional home. The lease also contains five one year renewal options. During the primary term of the lease, Project Celebration has an option to purchase the building for $70,000.

The following is a schedule by year of future minimum rental payments required under the noncancelable operating lease as of June 30, 1999:

NOTE 6 LEASE OBLIGATIONS (CONTINUED)

Year Ending June 30,	Amount
2000	$ 6,902
2001	4,674
Total minimum payments required	$ 11,576

Project Celebration does not participate in any capital lease arrangements.

NOTE 7 EMPLOYEE RETIREMENT SYSTEM

All employees of the Project Celebration are protected by the Social Security System. All employees contribute 6.2% of their total salary to the system, while Project Celebration contributes a like amount. For the year ending June 30, 1999, total contributions to the system were $12,950, of which Project Celebration contributed $6,475 and employees contributed $6,475. Total payroll covered by this system for the year ended June 30, 1999 was $104,437. Any future deficits in this system will be financed by the Federal government. Project Celebration has no further liability to the system.

NOTE 8 LITIGATION

Project Celebration was not involved in any litigation at June 30, 1999.

NOTE 9 RISK MANAGEMENT

Project Celebration is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Project Celebration maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to Project Celebration.

NOTE 10 CLAIMS AND JUDGEMENTS

Project Celebration participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, Project Celebration may be required to reimburse the grantor government. Management believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on Project Celebration's overall financial position.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Project Celebration, Inc.
Many, Louisiana 71449

We have audited the financial statements of the Project Celebration, Inc., as of and for the year ended June 30, 1999, and have issued our report thereon dated December 13, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance
As part of obtaining reasonable assurance about whether the Project Celebration's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 one instances of noncompliance that is required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting
In planning and performing our audit, we considered the Project Celebration's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Project Celebration's management and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties.

Hines, Jackson & Hines
Natchitoches, Louisiana
December 13, 2000

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
98-1	6/30/1998	Louisiana state statutes require Project Celebration to submit its audit report to the Louisiana Legislative Auditor within six months of its year end. For the year ended June 30, 1999, the audit report was not completed and submitted within the six-month time frame.	No	In July 2000, management engaged an auditing firm to audit the financial statements for the years ended June 30, 1999 and June 30, 2000 to be completed by December 31, 2000.
98-2	6/30/1998	Accounting records are not adequate to produce proper internal control over financial reporting.	Yes	This finding has been resolved.

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 1999

Ref. No.	Description of Finding	Correct Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-1	Louisiana state statutes require Project Celebration to submit its audit report to the Louisiana Legislative Auditor within six months of its year end. For the year ended June 30, 1999, the audit report was not completed and submitted within the six-month time frame.	In July 2000, management engaged an auditing firm to audit the financial statements for the years ended June 30, 1999 and June 30, 2000 to be completed by December 31, 2000.	Margaret Basco Executive Director	12/31/2000

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Board of Directors
Project Celebration, Inc.
Many, Louisiana 71449

We are writing this letter as a follow-up to our recent audit of the financial statements of Project Celebration, Inc. as of and for the year ended June 30, 1999.

We offer the following observations and recommendations, which are intended to help improve record keeping procedures and general operations of Project Celebration and are intended to be constructive in nature:

Existing Conditions

Louisiana state statutes require Project Celebration to submit its audit report to the Louisiana Legislative Auditor within six months of its year end. For the year ended June 30, 1999, the audit report was not completed and submitted within the six-month time frame.

Recommended Action

Management should engaged an auditing firm in a manner that will allow for the audit to be completed on a timely basis.

Management's Response
In July 2000, management engaged an auditing firm to audit the financial statements for the years ended June 30, 1999 and June 30, 2000 to be completed by December 31, 2000.

These comments and recommendations are not intended to be critical of anyone. We would like to thank the management and staff of Project Celebration for their courtesy and cooperation during our engagement.

If you have any questions or concerns, please let us know.

Hines, Jackson & Hines
Natchitoches, Louisiana
December 13, 2000