

PROJECT CELEBRATION, INC.

**ANNUAL FINANCIAL REPORT
JUNE 30, 2020**

Project Celebration, Inc.
Annual Financial Report
June 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Project Celebration, Inc.

Report on the Financial Statements

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, 2020, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Celebration, Inc. as of June 30, 2020, 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 States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, Project Celebration, Inc. adopted Accounting Standards Update No. 2016-14, “*Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*” in the current year related to the presentation of financial statements. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Our opinion is not modified with respect to this matter.

Other Matters*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements of Project Celebration, Inc. taken 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 17, to supplement the financial statements and 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 information is 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 7, 2020, on our consideration of Project Celebration, Inc.’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, Inc.’s internal control over financial reporting and compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

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

December 7, 2020

FINANCIAL STATEMENTS

Project Celebration, Inc.
Statement of Financial Position
Year Ended June 30, 2020

Assets-	
Current Assets-	
Cash	\$ 3,927
Revenue Receivable	<u>465,551</u>
Total Current Assets	\$ 469,478
Non-Current Assets-	
Property and Equipment, Net	<u>941,703</u>
Total Assets	<u>\$1,411,181</u>
Liabilities-	
Current Liabilities-	
Cash Overdraft	\$ 16,409
Accounts Payable and Accruals	46,460
Payroll Liabilities	32,532
Current Portion of Long-Term Debt	<u>208,177</u>
Total Current Liabilities	\$ 303,578
Non-Current Liabilities-	
Long-term Debt, Net of Current Portion	<u>60,998</u>
Total Liabilities	<u>\$ 364,576</u>
Net Assets-	
Without Donor Restrictions	<u>\$1,046,605</u>
Total Liabilities & Net Assets	<u>\$1,411,181</u>

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

Project Celebration, Inc.
Statement of Activities
Year Ended June 30, 2020

REVENUES WITHOUT DONOR RESTRICTIONS:

Support-	
Contributions	\$ 99,102
Contract Services	15,418
Grants and Receipts from other Governments	1,770,326
Other	<u>64,857</u>
Total Revenues without Donor Restrictions	<u>\$1,949,703</u>
Expenses-	
Program Services	\$1,041,543
Fundraising	5,471
Management and General	<u>526,132</u>
Total Expenses	<u>\$1,573,146</u>
Increase in Net Assets	\$ 376,557
Net Assets-Beginning of Year	<u>670,048</u>
Net Assets-End of Year	<u>\$1,046,605</u>

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

Project Celebration, Inc.
Statement of Functional Expenses
Year Ended June 30, 2020

EXPENSES:	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Client Expenses	\$ 38,345	\$ 0	\$ 0	\$ 38,345
Contract Services	29,211	0	0	29,211
Depreciation	0	0	27,766	27,766
Employee Benefits	0	0	27,661	27,661
Insurance	0	0	16,307	16,307
Interest Expense	0	0	16,863	16,863
Legal and Professional	0	0	18,495	18,495
Memberships and Dues	0	0	2,621	2,621
Material and Supplies	88,998	5,471	0	94,469
Office Expense	1,572	0	25,159	26,731
Payroll Taxes	0	0	74,221	74,221
Repairs and Maintenance	0	0	12,142	12,142
Rent	34,105	0	0	34,105
Salaries	814,378	0	207,681	1,022,059
Telephone	0	0	31,118	31,118
Travel & Training	34,934	0	0	34,934
Utilities	0	0	26,765	26,765
Workman's Compensation	0	0	24,201	24,201
Other	<u>0</u>	<u>0</u>	<u>15,132</u>	<u>15,132</u>
Total Expenses	<u>\$1,041,543</u>	<u>\$5,471</u>	<u>\$526,132</u>	<u>\$1,573,146</u>

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

Project Celebration, Inc.
Statement of Cash Flows
Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in Net Assets	\$ 376,557
Adjustments to Reconcile Decreases in Net Assets to Net Cash Provided by (Used by) Operating Activities:	
Depreciation	27,766
(Increase) Decrease in Accounts Receivable	(205,731)
Increase (Decrease) in Accounts Payable and Accruals	<u>(49,868)</u>
Net Cash Provided by Operating Activities	\$ <u>148,724</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Property & Equipment	\$ <u>(88,562)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal Payments on Debt	\$ (41,911)
Loan Proceeds	<u>1,900</u>
Net Cash Used by Financing Activities	\$ <u>(40,011)</u>
Net Increase in Cash	\$ 20,151
Cash at Beginning of Year	<u>(32,633)</u>
Cash at End of Year	\$ <u>(12,482)</u>
Interest paid during current year	\$ <u>18,045</u>

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

NOTES TO FINANCIAL STATEMENTS

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2020

1. Organization:

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’s purpose is to promote a chemical-free lifestyle for the youth of Sabine Parish and the surrounding area. Project Celebration operates a domestic violence shelter for women and children, a sexual assault center, a family resource center, a child’s 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.

2. 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.
- 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. 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 \$267,655 at June 30, 2020.

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2020

- 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 2017, 2018, 2019, and 2020 are subject to examination by the IRS, generally for three years after they were filed.
- 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.

3. 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. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Organization that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Organization's name.

At June 30, 2020, book balances of cash and cash equivalents totaled \$(12,482). Bank balances at June 30, 2020 totaled \$4,588, all of which is secured by FDIC Insurance.

4. Revenue Receivable:

At June 30, 2020, Project Celebration's receivables consisting of the following:

Other	\$ 4,363
Grants and receipts from other governments	<u>461,188</u>
Total	<u>\$465,551</u>

5. Cash Overdraft:

At June 30, 2020, Project Celebration had a cash overdraft of \$16,409 in the operating account. This is primarily due to the cost reimbursement and matching requirements of the grant funds. Project Celebration's grant receivables exceed the correct liabilities, including the cash overdraft.

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2020

6. Fixed Assets:

The following is a summary of changes in fixed assets for Project Celebration for the period ended June 30, 2020:

	<u>Balance</u> <u>6-30-19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-20</u>
Fixed Assets, Not Depreciated-				
Land	\$ 68,000	\$ 0	\$0	\$ 68,000
Construction-in-Progress	<u>98,004</u>	<u>39,715</u>	<u>0</u>	<u>137,719</u>
Total Not Depreciated	\$ 166,004	\$ 39,715	\$0	\$ 205,719
Fixed Assets, Depreciated-				
Buildings	874,996	0	0	874,996
Equipment & Furniture	53,685	48,847	0	102,532
Leasehold Improvements	<u>26,111</u>	<u>0</u>	<u>0</u>	<u>26,111</u>
Total Fixed Assets	\$1,120,796	\$ 88,562	\$0	\$1,209,358
Accumulated Depreciation	<u>(239,889)</u>	<u>(27,766)</u>	<u>0</u>	<u>(267,655)</u>
Total Fixed Assets, Net	\$ <u>880,907</u>	\$ <u>60,796</u>	\$ <u>0</u>	\$ <u>941,703</u>

Depreciation expense was \$27,766 for the year ended June 30, 2020.

7. Accounts Payable and Accruals:

At June 30, 2020, Project Celebration's payables consisted of the following:

Vendors	\$46,225
Salaries and benefits payable	32,532
Interest	<u>235</u>
Total	<u>\$78,992</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.

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2020

As of June 30, 2020, 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	\$ (12,482)
Revenue Receivables	465,551
Fixed Assets, net of accumulated depreciation	<u>941,703</u>
Total financial assets, period end	<u>\$1,394,772</u>
Less, those unavailable for general expenses within one year, due to:	
Fixed Assets, net of accumulated depreciation	<u>941,703</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 453,069</u>

9. Economic Dependency:

Project Celebration receives the majority of its revenue from funds provided through federal and state grants administered by the State of Louisiana. The grants are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Organization receives could be reduced significantly, having an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the next fiscal year.

10. Long-Term Liabilities:

The following is a summary of the long-term obligation transactions for the year ended June 30, 2020.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Bank of Montgomery	\$ 32,061	\$ 0	\$32,061	\$ 0
Sabine State Bank LOC	199,822	1,900	2,220	199,502
Sabine State Bank	<u>77,303</u>	<u>0</u>	<u>7,630</u>	<u>69,673</u>
Total Long-Term Liabilities	<u>\$309,186</u>	<u>\$1,900</u>	<u>\$41,911</u>	<u>\$269,175</u>

Sabine State Bank Note Payable:

On November 3, 2018, a promissory note was signed with Sabine State Bank for \$89,538 at an annual interest rate of 5.75%. The note will be paid in monthly payments of \$1,104 and mature on June 5, 2026. The promissory note is secured by the operations building and real estate. On March 5, 2020, the interest rate decreased to 5.25%. At June 30, 2020, the outstanding balance on the promissory note was \$69,673.

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2020

The future maturities of the note are as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 8,676	\$ 4,570	\$13,246
2022	9,303	3,943	13,246
2023	9,976	3,270	13,246
2024	10,697	2,549	13,246
2025	11,470	1,776	13,246
Thereafter	<u>19,551</u>	<u>947</u>	<u>20,498</u>
Total	<u>\$69,673</u>	<u>\$17,055</u>	<u>\$86,728</u>

Sabine State Bank Line of Credit:

On April 1, 2015, Project Celebration, Inc. signed a loan agreement with Sabine State Bank for a line of credit to assist in paying expenses. The Organization was issued a \$150,000 line of credit by Sabine State Bank at an interest rate of 4.75% with monthly interest payments and a maturity date of March 25, 2016. A change in terms agreement was issued to renew the loan with 5% interest due monthly and to extend the maturity date to March 25, 2020. The line of credit is secured by all accounts receivable of all grants. On September 1, 2018 the limit on the line of credit was increased by \$50,000 to a total of \$200,000. On March 5, 2020, the interest rate decreased to 5.25%. During the year ended June 30, 2020, there was one draw of \$1,900 taken on the line of credit and principal payments of \$2,221 were made on the line of credit. The principal balance was \$199,502 on June 30, 2020.

Bank of Montgomery Line of Credit:

On March 28, 2020, a promissory note was signed with Bank of Montgomery for \$32,500 at an annual interest rate of 9.50%. The note serves as a line of credit to assist in paying expenses. The note was repaid in full by June 30, 2020.

11. Compensation Paid to Board Members:

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

12. Contributions:

Project Celebration, Inc. has adopted FASB Accounting Standard Update 2016-14 “*Not-for-Profit Organizations (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*”. Contributions received are recorded as support with or without donor restrictions depending on the existence or nature of any donor-imposed restrictions. All contributions received in the current year were without donor restrictions.

13. Shelter Rental:

During the previous year, Project Celebration, Inc. expanded the coverage of the Domestic Violence Program, which included an established shelter. The Board agreed to a rent of \$3,000/month until another facility could be located or constructed. For the year ending June 30, 2020, a total of \$34,105 was charged to rental expense.

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2020

14. New Accounting Pronouncements:

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09 *Revenue from Contracts with Customers (Topic 606)*, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. Project Celebration, Inc. adopted this standard effective July 1, 2019 using the modified retrospective approach. The adoption did not have a significant impact on Project Celebration, Inc.'s financial statements and no adjustment was necessary to the beginning balance of net asset.

In January, 2016, FASB issued Accounting standards Update (ASU) No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, as amended by ASU No. 2018-03, *Technical Corrections and Improvements to Financial Instruments - Overall*. These ASU's changed how certain equity investments are measured with changes in fair value recognized in change in net assets, simplified the impairment assessment process for equity investments without readily determinable fair values, eliminated certain fair value disclosure requirements for financial instruments, and changed presentation requirements for certain financial instruments as well as other situational requirements involving recognition. Project Celebration, Inc. adopted these provisions effective July 1, 2019. Changes resulting from this adoption only affected certain disclosures related to the fair value of financial instruments. Net assets as previously reported were not affected by the adoption of this ASU.

In August, 2016, FASB issued Accounting standards Update (ASU) No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* which adds or clarifies guidance on the classification of certain cash receipts and payments in the statement of cash flows. FASB also issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires that a statement of cash flows explain the change during the period in total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Project Celebration, Inc. has elected the nature of the distribution approach and adopted these provisions effective July 1, 2019 on a retrospective basis. The adoption of these ASU's did not have a material impact on the Project Celebration, Inc.'s cash flows.

In June 2018, FASB issued Accounting standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The implementation of this new standard did not have a material impact on the measurement or recognition of revenue.

15. Accounting Pronouncements Issued but Not Yet in Effect:

In February 2016, FASB issued ASU No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842), Targeted Improvements*, to simplify the lease standard's implementation. The amended guidance relieves businesses and other organizations from the requirement to present prior comparative years'

Project Celebration, Inc.
Notes to Financial Statements
June 30, 2020

15. Accounting Pronouncements Issued but Not Yet in Effect (continued):

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, 2021. Project Celebration, Inc. is currently assessing the impact of this pronouncement on its financial statements.

16. Pending Litigation:

Project Celebration, Inc. has no legal action pending at June 30, 2020.

17. Subsequent Events:

Management has evaluated events through December 7, 2020, the date on which the financial statements were available to be issued.

18. Contingencies:

Due to the ongoing restrictions and guidelines related to the COVID-19 (coronavirus) pandemic which began in early 2020, the extent to which the COVID-19 pandemic may directly or indirectly impact Project Celebration, Inc. cannot be reasonably estimated at this time.

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, 2020

Agency Head Name: Mitzi Harris, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 96,000
Benefits - Insurance	4,192
Benefits - Retirement	0
Benefits - SS/Medicare	7,054
Car Allowance	0
Cell Phone	2,400
Dues	0
Vehicle Rental	0
Per Diem	115
Reimbursements	0
Travel	1,557
Housing	0
Unvouchered Expenses	0
Special Meals	307
Other	<u>42</u>
Total	<u>\$111,667</u>

Project Celebration, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor/ Pass-Through Grantor/ <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>State Contract Pass-through Number</u>	<u>Federal Disbursements/ Expenditures</u>
<u>U. S. Department of Health and Human Services</u>			
Passed through State of Louisiana Department of Children and Family Services-			
Promoting Safe and Stable Families	93.556	200306606	\$ 266,166
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	200358573	538,949
Covid-19	93.671		44,004
<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	2018-KF-01-4712	24,956
Sexual Assault Services Formula Program	16.017	2019-KF-01-5325	16,341
Crime Victim Assistance	16.575	2018-VA-02/01/03-5217	273,524
Crime Victim Assistance	16.575	2017-VA-02/01/03-4274	210,303
Violence Against Women Formula Grants	16.588	2018-WF-03-4711	9,703
Violence Against Women Formula Grants	16.588	2019-WF-03-5323	8,812
Violence Against Women Formula Grants	16.588	2018-WF-03-4710	15,644
Violence Against Women Formula Grants	16.588	2019-WF-03-5324	<u>14,203</u>
Total			<u>\$1,422,605</u>

See independent auditors' report.

Project Celebration, Inc.
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

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, 2020. 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 - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Project Celebration, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Project Celebration, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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 7, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Project Celebration, Inc.'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, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Project Celebration, Inc.'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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

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

December 7, 2020

T | C | B | T
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Project Celebration, Inc.

Report on Compliance for Each Major Federal Program

We have audited Project Celebration, Inc.'s compliance with the types of compliance requirements described 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Project Celebration, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Project Celebration, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Project Celebration's compliance.

Opinion on Each Major Federal Program

In our opinion, Project Celebration, Inc. 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, 2020.

Report on Internal Control over Compliance

Management of Project Celebration, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Project Celebration, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Project Celebration, Inc.'s 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 7, 2020

Project Celebration, Inc.
Schedule of Audit Results
June 30, 2020

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, 2020.
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, 2020:
 - Health and Human Services - Family Violence Prevention and Services (CFDA #93.671)
8. \$750,000 was the threshold used to distinguish Type A from Type B programs.
9. Project Celebration, Inc. does qualify as a low risk auditee.