PROJECT CELEBRATION, INC.
MANY, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2003

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
BOARD OF DIRECTORS
JUNE 30, 2003

President	Jim House
First Vice-President	Floyd Giblin
Second Vice-President	Kenneth Ammons
Secretary/Treasurer	Barbara Peterson
Board Members	Ruby Collier Walter Lee Linda Peters J. D. Thorton

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Executive Director	Margaret Basco

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
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JUNE 30, 2003

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1926-1999

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, 2003, 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 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 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, 2003, and the changes in its net assets, cash flows, and functional expenses for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated November 26, 2003, 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.

Our audit was performed for the purpose of forming an opinion on the financial statements of Project Celebration, Inc., taken as a whole. The accompanying supplemental information schedules listed in the table of contents, including the schedule of expenditures of federal awards, are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Hines, Jackson & Hines
Natchitoches, Louisiana
November 26, 2003

EXHIBIT A

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2003

ASSETS		
CURRENT ASSETS		
Cash	$	85,690
Accounts receivables		65,047
Prepaid expenses		4,672
Total Current Assets		155,409
Equipment and leasehold improvements, net		35,543
Total Assets	$	190,952

LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	$	424
Accounts payable		3,947
Total Current Liabilities		4,371
Long-term debt, net of current portion		1,707
Total Liabilities		6,078
NET ASSETS		
Unrestricted		99,715
Temporarily restricted		85,159
Total Net Assets		184,874
Total Liabilities and Net Assets	$	190,952

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, 2003

UNRESTRICTED NET ASSETS	Unrestricted	Temporarily Restricted	Total
Support			
Contributions	$ 4,013	$ 11,448	$ 15,461
Contract services	75,888	0	75,888
Grants and receipts from other governments	305,376	274,417	579,793
Interest	295	283	578
Other	557	164	721
Total Support	386,129	286,312	672,441
EXPENSES			
Program Services	268,503	233,216	501,719
Management and General	83,624	64,556	148,180
Total Expenses	352,127	297,772	649,899
CHANGE IN NET ASSETS	34,002	(11,460)	22,542
NET ASSETS, Beginning of year	65,713	96,619	162,332
NET ASSETS, End of year	$ 99,715	$ 85,159	$ 184,874

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, 2003

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	22,542
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation		10,780
(Increase)/decrease in operating assets		
Accounts receivables		15,777
Prepaid expenses		(2,486)
Increase/(decrease) in operating liabilities		
Accounts payable		(5,533)
Accrued liabilities		(273)
Net Cash Provided By/(Used In) Operating Activities		40,807
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment		(4,218)
Net Cash Provided By/(Used In) Investing Activities		(4,218)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt		(419)
Net Cash Provided By/(Used In) Financing Activities		(419)
NET CHANGE IN CASH		36,170
CASH, Beginning of year		49,520
CASH, End of year	$	85,690

SUPPLEMENTAL DISCLOSURE

Cash paid during the year ended June 30, 2003 for interest was $182.

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, 2003

	Program Services	Management and General	Total
EXPENSES			
Client expenses	$ 13,649	$ 0	$ 13,649
Contract services	140,246	0	140,246
Depreciation	0	10,780	10,780
Insurance	0	4,368	4,368
Interest expense	0	182	182
Legal and professional	0	5,100	5,100
Membership and dues	0	799	799
Material and supplies	42,014	0	42,014
Miscellaneous	0	3,654	3,654
Office expense	0	11,140	11,140
Payroll taxes	17,964	4,979	22,943
Principal’s workshop	26,080	0	26,080
Property taxes	0	747	747
Rent	0	6,600	6,600
Repairs and maintenance	0	5,320	5,320
Salaries	234,828	65,084	299,912
Telephone	0	13,725	13,725
Travel and training	26,938	0	26,938
Utilities	0	14,491	14,491
Workman’s compensation	0	1,211	1,211
Total Functional Expenses	$ 501,719	$ 148,180	$ 649,899

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, 2003

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, 2003, $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, 2003, Project Celebration had cash totaling $85,690, as follows:

Petty cash	$	50
Interest bearing accounts		85,605
Demand deposits		35
Total	$	85,690

At June 30, 2003, Project Celebration had $102,588 in bank deposits. These deposits were secured from risk by $102,588 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, 2003, is presented below:

	Cost	Accumulated Depreciation	Net	Depreciation This Year
Equipment	$ 39,768	$ 20,710	$ 19,058	$ 5,328
Leasehold improvements	55,516	39,031	16,485	5,452
Total	$ 95,284	$ 59,741	$ 35,543	$ 10,780

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.	$ 2,131
Total Debt	2,131
Less: Current portion	(424)
Total Long-term Debt	$ 1,707

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2003, the temporarily restricted net assets balance of $85,159 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 9, 2001, Project Celebration entered into a one year noncancellable operating lease of a building to use as the domestic violence transitional home. The lease also contains unlimited one year renewal options.

Project Celebration was not obligated under any capital lease agreements at June 30, 2003.

NOTE 7 EMPLOYEE RETIREMENT SYSTEM

All employees of Project Celebration are covered by the Social Security System. Employees contribute 6.2 percent of their total salary to the System, while Project Celebration contributes a like amount. For the year ended June 30, 2003, total contributions to the System were $37,190, of which Project Celebration contributed $18,595 and employees contributed $18,595. Total payroll for the year ended June 30, 2003 was $299,912 and total payroll covered by the System was $299,912. Any future deficit in this System will be financed by the United States Government. Project Celebration has no further liability to the system for the year ended June 30, 2003.

NOTE 8 LITIGATION

Project Celebration was not involved in any litigation at June 30, 2003.

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.

SCHEDULE 1

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003

SECTION #1 **SUMMARY OF AUDITORS' RESULTS**

FINANCIAL STATEMENTS

1.	Type of auditors' report issued.	Unqualified
2.	Internal control over financial reporting:	
	a) Material weaknesses identified?	None
	b) Reportable conditions identified not considered to be material weaknesses?	None
	c) Noncompliance material to the financial statements noted?	None

FEDERAL AWARDS

1.	Internal control over major program:	
	a) Material weaknesses identified?	None
	b) Reportable conditions identified not considered to be material weaknesses?	None
2.	Type of auditors report issued on compliance for major programs.	Unqualified
3.	Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510 (a)?	None
4.	Identification of major programs:	

CFDA Number	Name of Federal Program
93.556	Promoting Safe and Stable Families

5.	Dollar threshold used to distinguish between Type A and Type B programs.	$300,000
6.	Auditee qualified as low-risk auditee under OMB Circular A-133, Section 530?	Yes

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported.

SECTION #3

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SCHEDULE 2

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED
JUNE 30, 2003

Federal Grantor/Pass-Through Grantor/Program Name	Pass-through #	CFDA No.	Expenditures
United States Department of Justice			
Passes through Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
Crime Victim Assistance	C01-1-003 C02-1-003 C01-0-004 C02-1-004	16.575	$ 44,984
Violence Against Women Formula Grants	M01-8-013 M02-8-024	16.588	17,010
Total United States Department of Justice			61,994
United States Department of Education			
Passed through Louisiana Department of Education			
Safe and Drug-Free Schools and Communities - State Grants	589078	84.186	20,000
United States Department of Health and Human Services			
Passed through Louisiana Department of Social Services			
Promoting Safe and Stable Families *	575435 587469	93.556	239,562
Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to State and Indian Tribes	576761	93.671	148,793
Total United States Department of Health and Human Services			408,355
TOTAL FEDERAL AWARDS			$ 470,349

Notes to the Schedule of Federal Awards

A. Federal awards are recorded when the reimbursable expenditures have been incurred.

B. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Note: The dollar threshold to distinguish between type A and type B programs was $300,000.

* Denotes a major federal award program.

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1926-1999

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 Project Celebration, Inc., as of and for the year ended June 30, 2003, and have issued our report thereon dated November 26, 2003. 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.

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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting
In planning and performing our audit, we considered 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
November 26, 2003

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Project Celebration, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2003. Project Celebration's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Project Celebration's management. Our responsibility is to express an opinion on Project Celebration's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. Those standards and OMB A-133 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'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. Our audit does not provide a legal determination on Project Celebrations's compliance with those requirements.

In our opinion, Project Celebration complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of Project Celebration is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Project Celebration's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of Project Celebration, federal awarding agencies, pass-through entities, and the Louisiana State Legislative Auditor and is not intended to be, and should not be, used by anyone other than the specified parties.

Hines, Jackson & Hines
Natchitoches, Louisiana
November 26, 2003

SCHEDULE 3

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken

Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE 4

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 2003

Ref. No.	Description of Finding	Correct Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date

Nothing came to our attention that would require disclosure under Government Auditing Standards.