

**Keep Louisiana Beautiful, Inc.**  
**Mandeville, Louisiana**  
**June 30, 2017**

## Table of Contents

Independent Auditor's Report	Page	3
Financial Statements		
Statements of Financial Position	Page	5
Statements of Activities	Page	6
Statements of Functional Expenses	Page	7
Statements of Cash Flows	Page	8
Notes to Financial Statements	Page	9
Supplementary Information		
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	Page	14
Independent Auditor's 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>	Page	15
Schedule of Audit Findings and Responses	Page	17
Schedule of Prior Year Audit Findings and Responses	Page	18



**HAWTHORN  
WAYMOUTH  
& CARROLL, L.L.P.**  
Certified Public Accountants

## **Independent Auditor's Report**

The Officers and Board of Directors  
Keep Louisiana Beautiful, Inc.  
Mandeville, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Keep Louisiana Beautiful, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's 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 Keep Louisiana Beautiful, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

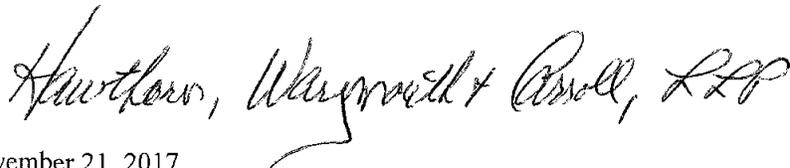
## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is 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 issued our report dated November 21, 2017, on our consideration of Keep Louisiana Beautiful, 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 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 Keep Louisiana Beautiful, Inc.'s internal control over financial reporting and compliance.



November 21, 2017

**Keep Louisiana Beautiful  
Statements of Financial Position  
June 30, 2017 and 2016**

	<b>Assets</b>		<b>2017</b>		<b>2016</b>
<b>Current Assets</b>					
Cash and cash equivalents		\$	188,198	\$	267,129
Accounts receivable			221,229		109,789
Total current assets			409,427		376,918
<b>Property and Equipment, net</b>			2,969		3,898
Total assets		\$	412,396	\$	380,816
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities</b>					
Accrued liabilities		\$	5,166	\$	3,678
Deferred revenue			17,115		-
Total current liabilities			22,281		3,678
<b>Unrestricted Net Assets</b>			390,115		377,138
Total liabilities and net assets		\$	412,396	\$	380,816

The accompanying notes are an integral part of these financial statements.

**Keep Louisiana Beautiful  
Statements of Activities  
Years Ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>Revenue and Other Support</b>		
Cooperative endeavor agreement	\$ 616,936	\$ 617,000
Annual state conference	27,250	17,615
Contributions	6,890	4,977
Interest	181	157
Miscellaneous	11,248	21,495
	662,505	661,244
<b>Expenses</b>		
Program	552,437	571,891
Management and general	50,060	49,184
Fundraising	47,031	25,164
	649,528	646,239
<b>Change in Net Assets</b>	12,977	15,005
<b>Unrestricted Net Assets, beginning of year</b>	377,138	362,133
<b>Unrestricted Net Assets, end of year</b>	\$ 390,115	\$ 377,138

The accompanying notes are an integral part of these financial statements.

**Keep Louisiana Beautiful, Inc.**  
**Statements of Functional Expenses**  
**Years Ended June 30, 2017 and 2016**

	June 30, 2017			June 30, 2016				
	Program	Management and General	Fundraising	Total Expenses	Program	Management and General		Fundraising
Grant programs	\$ 149,646	\$ -	\$ -	\$ 149,646	\$ 183,674	\$ -	\$ -	\$ 183,674
Public awareness and marketing	187,175	-	-	187,175	238,075	-	-	238,075
Programs and public events	34,431	-	35,649	70,080	27,583	-	17,552	45,135
Training, travel, outreach, and affiliate support	10,302	1,931	644	12,877	12,787	1,504	752	15,043
Salaries and wages	141,008	26,439	8,813	176,260	92,000	17,250	5,750	115,000
Employee benefits	1,227	230	76	1,533	-	-	-	-
Payroll taxes	10,788	2,023	674	13,485	7,039	1,320	440	8,799
Operating expenses	16,311	3,059	1,020	20,390	9,944	1,864	621	12,429
Professional services	-	15,913	-	15,913	-	27,098	-	27,098
Depreciation	1,549	465	155	2,169	789	148	49	986
<b>Total expenses</b>	<b>\$ 552,437</b>	<b>\$ 50,060</b>	<b>\$ 47,031</b>	<b>\$ 649,528</b>	<b>\$ 571,891</b>	<b>\$ 49,184</b>	<b>\$ 25,164</b>	<b>\$ 646,239</b>

The accompanying notes are an integral part of these financial statements.

**Keep Louisiana Beautiful, Inc.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 12,977	\$ 15,005
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,169	986
(Increase) Decrease in assets:		
Accounts receivable	(111,440)	189,819
Other receivable	-	2,000
Increase (Decrease) in liabilities:		
Accrued liabilities	1,488	2,709
Deferred revenue	17,115	-
	(77,691)	210,519
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(1,240)	(3,355)
	(1,240)	(3,355)
<b>Net Change in Cash and Cash Equivalents</b>	(78,931)	207,164
<b>Cash and Cash Equivalents, beginning of year</b>	267,129	59,965
<b>Cash and Cash Equivalents, end of year</b>	\$ 188,198	\$ 267,129

The accompanying notes are an integral part of these financial statements.

**Keep Louisiana Beautiful, Inc.**  
**Notes to Financial Statements**  
**June 30, 2017**

**Note 1-Summary of Significant Accounting Policies**

A. Nature of Activities

Keep Louisiana Beautiful, Inc. (the "Organization") is a non-profit organization formed in 2000, whose mission is to promote personal, corporate, and community responsibility for a clean and beautiful Louisiana. Affiliated with Keep America Beautiful, the Organization creates and supports public/private partnerships to address the problems of litter. Areas of work include the following:

- Educate teachers, students, and other residents of Louisiana on the immediate and long-term effects of litter;
- Fund local environmental programs through KLB's grant program;
- Provide training and professional development to increase knowledge and effective policies and programming as it relates to KLB's mission;
- Support enforcement of state and local laws that prohibit littering by providing instructions for training law enforcement officials;
- Support Keep America Beautiful affiliates in Louisiana to strengthen communities, reduce litter, increase recycling, beautify spaces and provide meaningful volunteer opportunities;
- Develop and implement programming that supports KLB's mission;
- Partner with state and local governmental agencies and other like-minded groups for a clean and green Louisiana;
- Communicate the anti-litter message through a comprehensive public campaign and heighten awareness as it pertains to KLB's mission.

B. Basis of Accounting and Presentation

The accompanying financial statements have been presented on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets include those net assets whose use by the Organization is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Temporarily restricted net assets are those assets whose use by the Organization has been limited by donors to (a) later periods of time or other specific dates, or (b) for specified purposes. Permanently restricted net assets are those net assets received with donor-imposed restrictions limiting the Organization's use of the asset. At June 30, 2017 and 2016, the Organization had no temporarily or permanently restricted net assets.

**Keep Louisiana Beautiful, Inc.**  
**Notes to Financial Statements**  
**June 30, 2017**

**Note 1-Summary of Significant Accounting Policies (Continued)**

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 amounts of assets and liabilities and disclosure 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. Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents includes amounts on deposit with financial institutions and highly liquid investments with an original maturity of three months or less.

E. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. The allowance for doubtful accounts is established through provisions charged against expense and is maintained at a level believed adequate by management to absorb bad debts. Accounts are written off from the allowance as they are deemed uncollectable based on periodic review by management. At June 30, 2017 and 2016, management believes all accounts are fully collectible; therefore, no allowance for doubtful accounts was recorded. At June 30, 2017 and 2016, the entire balance of accounts receivable was due from the State of Louisiana, Department of Wildlife and Fisheries.

F. Property and Equipment

Property and equipment are recorded at cost when purchased and fair value when donated with depreciation recorded using the straight-line method over the estimated useful lives of the assets as follows:

Computers	3 - 5 years
Art	15 years

Expenditures for major additions of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

G. Income Taxes

Keep Louisiana Beautiful, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation.

Management has determined that there are no uncertain tax positions that would require recognition in the financial statements. If the Organization were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations, and interpretations thereof as well as other factors.

**Keep Louisiana Beautiful, Inc.**  
**Notes to Financial Statements**  
**June 30, 2017**

**Note 1-Summary of Significant Accounting Policies (Continued)**

H. Contributions

The Organization accounts for contributions in accordance with the requirements of FASB ASC 958, *Not-for-Profit Entities*. In accordance with FASB ASC 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the year received.

I. Functional Classification of Expenses

Expenses specifically identifiable to a particular program are charged directly to the program. Management and general expenses include expenses that are not directly identifiable with a specific program, but provide for the overall support and direction of the Organization.

J. Reclassifications

Certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 presentation. These reclassifications had no effect on previously reported changes in net assets or unrestricted net assets.

**Note 2-Property and Equipment**

Property and equipment is summarized as follows as of June 30:

	<u>2017</u>	<u>2016</u>
Computers	\$ 8,401	\$ 7,161
Art	<u>1,000</u>	<u>1,000</u>
Total cost	9,401	8,161
Accumulated depreciation	<u>(6,432)</u>	<u>(4,263)</u>
Property and equipment	<u>\$ 2,969</u>	<u>\$ 3,898</u>

**Keep Louisiana Beautiful, Inc.**  
**Notes to Financial Statements**  
**June 30, 2017**

**Note 3-Concentrations**

Approximately 93% of the Organization's support came in the form of a contract with the State of Louisiana, Department of Wildlife and Fisheries in the years ended June 30, 2017 and 2016. Loss of this funding could have a significant adverse impact on future 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.

**Note 4-Contingencies - Cooperative Endeavor Agreement**

The Organization is under contract with the State of Louisiana by means of a Cooperative Endeavor Agreement, which is governed by various rules and regulations. If it is determined that the Organization has not complied with the rules and regulations governing the contract, the contract may be terminated immediately at the option of the State. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the contract; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**Note 5-Subsequent Events**

Management has evaluated all subsequent events through November 21, 2017, the date the financial statements were available to be issued. As a result, management noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

**Supplementary Information**

**Keep Louisiana Beautiful, Inc.**  
**Schedule of Compensation, Benefits and Other**  
**Payments to Agency Head or Chief Executive Officer**  
**Year Ended June 30, 2017**

**Agency Head Name: Susan Russell, Executive Director**

<b>Purpose</b>	<b>Amount</b>
Salary	\$86,190
Benefits - insurance	0
Benefits - retirement	0
Car allowance	0
Vehicle provided by agency	0
Per diem	0
Reimbursements	0
Travel	3,801
Registration fees	0
Conference travel	45
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0



**HAWTHORN  
WAYMOUTH  
& CARROLL, L.L.P.**  
Certified Public Accountants

**Independent Auditor's 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***

The Officers and Board of Directors  
Keep Louisiana Beautiful, Inc.  
Mandeville, Louisiana

We have audited, 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, the financial statements of Keep Louisiana Beautiful, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Keep Louisiana Beautiful, 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 Keep Louisiana Beautiful, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Keep Louisiana Beautiful, 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency (2017-001).

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Keep Louisiana Beautiful, 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*.

## **Keep Louisiana Beautiful, Inc.'s Responses to Findings**

Keep Louisiana Beautiful, Inc.'s response to the finding identified in our audit is described in the accompany schedule of findings and responses. Keep Louisiana Beautiful, Inc.'s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **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 purpose.

A handwritten signature in cursive script that reads "Hawthorn, Waymouth & Arsel, LLP". The signature is written in black ink and is positioned above the date.

November 21, 2017

**Keep Louisiana Beautiful, Inc.**  
**Schedule of Audit Findings and Responses**  
**Year Ended June 30, 2017**

**Findings - Financial Statement Audit**

*2017-001 - Segregation of Duties*

Condition:

Due to the small size of the Organization, ideal segregation of duties cannot be achieved.

Criteria:

The Organization should separate responsibilities for authorizing transactions, recording transactions, and the custody of assets.

Cause:

The size of the Organization does not permit proper segregation of duties.

Effect:

The lack of segregation of duties increases the risk of fraud related to misappropriation of assets, financial statement misstatement, or both.

Auditor Recommendation:

While we recognize it may not be cost effective to justify implementing a full segregation of duties for an extensive system of internal control in all areas, we believe it is important that management and those charged with governance are aware that some weaknesses may exist and that they should continue to apply diligent oversight and monitoring activities.

Management's Response:

In addition to requiring two signatures on every check, the original receipt must be present with the check when the second signature is requested. The Board Chair or the Board Treasurer must initial the invoice or receipts showing that they were reviewed. The Board Chair, Board Treasurer, and bookkeeper all have passwords for the Chase on-line bank accounts and the QuickBooks file. The current bookkeeper helps to address the segregation of duties. The bookkeeper assists with check writing, records entries in QuickBooks, prepares deposits and generates all financial reports. The bookkeeper is also accessible to the Board Chair, Board Treasurer and auditors.

**Keep Louisiana Beautiful, Inc.**  
**Schedule of Prior Year Audit Findings and Responses**  
**Year Ended June 30, 2016**

**Findings - Financial Statement Audit**

*2016-001 - Segregation of Duties*

Condition:

Due to the small size of the Organization, ideal segregation of duties cannot be achieved.

Criteria:

The Organization should separate responsibilities for authorizing transactions, recording transactions, and the custody of assets.

Cause:

The size of the Organization does not permit proper segregation of duties.

Effect:

The lack of segregation of duties increases the risk of fraud related to misappropriation of assets, financial statement misstatement, or both.

Auditor Recommendation:

While we recognize it may not be cost effective to justify implementing a full segregation of duties for an extensive system of internal control in all areas, we believe it is important that management and those charged with governance are aware that some weaknesses may exist and that they should continue to apply diligent oversight and monitoring activities.

Management's Response:

In addition to requiring two signatures on every check, the original receipt must be present with the check when the second signature is requested. The Board Chair or the Board Treasurer must initial the invoice or receipts showing that they were reviewed. The Board Chair, Board Treasurer, and bookkeeper all have passwords for the Chase on-line bank accounts and the QuickBooks file. They are able to monitor all transactions at all times. In addition, this year we began working with a new bookkeeper. The main reason for switching was based on the segregation of duties outlined in last year's audit. We wanted a bookkeeper who was local to the KLB office and available to be more hands-on. The previous bookkeeper was in Baton Rouge. The current KLB office is located in Mandeville as is the current bookkeeper. The current bookkeeper assists with check writing, records entries in QuickBooks, prepares deposits and generates all financial reports.

Status:

The finding repeats as 2017-001 in the current year.

**Keep Louisiana Beautiful, Inc.**  
**Agreed-Upon Procedures Report**  
**June 30, 2017**



**HAWTHORN  
WAYMOUTH  
& CARROLL, L.L.P.**  
Certified Public Accountants

### **Independent Accountant's Report On Applying Agreed-Upon Procedures**

To the Board of Directors of  
Keep Louisiana Beautiful, Inc.

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of Keep Louisiana Beautiful, Inc. is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of Keep Louisiana Beautiful, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about Keep Louisiana Beautiful, Inc.'s compliance with certain laws and regulations during the year ended June 30, 2017, in accordance with Act 774 of the 2014 Regular Legislative Session.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### Credit/Debit/Fuel Cards

1. Obtained from management a listing of all active cards for the period July 1, 2016 through June 30, 2017, including the card numbers and the names of the persons who maintained possession of the cards.
2. Noted the entity only maintains one credit card. Selected this card for testing.
3. Obtained the monthly statements for the selected card and selected the monthly statement with the largest dollar activity, which was for the period from May 7, 2017 through June 6, 2017, and:
  - a) Reported whether there was evidence that the monthly statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder. We found no exceptions.
  - b) Reported whether finance charges and/or late fees were assessed on the selected statement.
    - o *We noted a late fee of \$39.00 and purchase interest charge of \$55.74 on the selected statement.*

4. Using the monthly statement selected under #3 above, obtained supporting documentation for all transactions.
  - a) For each transaction, reported whether the transaction was supported by:
    - An original itemized receipt (i.e., identified precisely what was purchased). We found no exceptions.
    - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
      - *There was no documentation of the business/public purpose on any of the 21 transactions that were on the selected statement.*
    - Other documentation that may be required by written policy (e.g., purchase order, written authorization). We found no exceptions.
  - b) For each transaction, compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and found no exceptions.
  - c) For each transaction, compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).
    - *We were unable to compare the entity's business/public purpose for transactions to the Louisiana Constitution since there was no documentation of the business/public purpose on any of the 21 transactions that were on the selected statement.*

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Keep Louisiana Beautiful, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



November 29, 2017