

Keep Louisiana Beautiful, Inc.
Mandeville, Louisiana
June 30, 2022

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Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Keep Louisiana Beautiful, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Keep Louisiana Beautiful, Inc. as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Keep Louisiana Beautiful, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Keep Louisiana Beautiful, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Keep Louisiana Beautiful, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Keep Louisiana Beautiful, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 schedule of compensation, benefits and other payments to agency head or chief executive officer is fairly stated, in all material respects, in relation to the financial statements as a whole.

Summarized Comparative Information

We have previously audited Keep Louisiana Beautiful, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, 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 solely 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 Keep Louisiana Beautiful, Inc.'s 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.

Hawthorn, Waymouth & Carroll, L.L.P.

December 21, 2022

Keep Louisiana Beautiful, Inc.
Statement of Financial Position
June 30, 2022
With Summarized Comparative Totals as of June 30, 2021

Assets		2022	2021
		<u> </u>	<u> </u>
Current Assets			
Cash		\$ 405,993	\$ 346,799
Accounts receivable		<u>327,500</u>	<u>414,500</u>
Total current assets		733,493	761,299
Property and Equipment, net		<u>3,628</u>	<u>5,874</u>
Total assets		<u><u>\$ 737,121</u></u>	<u><u>\$ 767,173</u></u>
 Liabilities and Net Assets 			
Current Liabilities			
Accrued liabilities		\$ 6,680	\$ 6,121
Deferred revenue		<u>135</u>	<u>405</u>
Total current liabilities		<u>6,815</u>	<u>6,526</u>
Net Assets			
Without donor restrictions		430,306	439,647
With donor restrictions		<u>300,000</u>	<u>321,000</u>
Total net assets		<u>730,306</u>	<u>760,647</u>
Total liabilities and net assets		<u><u>\$ 737,121</u></u>	<u><u>\$ 767,173</u></u>

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

Keep Louisiana Beautiful, Inc.
Statement of Activities
Year Ended June 30, 2022
With Summarized Comparative Totals for the Year Ended June 30, 2021

	2022			Total 2021
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue and Other Support				
Cooperative endeavor agreement	\$ 970,000	\$ -	\$ 970,000	\$ 627,000
Annual state conference	12,739	-	12,739	-
Cash contributions and grants	23,605	-	23,605	399,373
Interest	106	-	106	34
Miscellaneous	8,850	-	8,850	785
Net assets released from donor restrictions	<u>21,000</u>	<u>(21,000)</u>	<u>-</u>	<u>-</u>
 Total revenue and other support	 <u>1,036,300</u>	 <u>(21,000)</u>	 <u>1,015,300</u>	 <u>1,027,192</u>
Expenses				
Program services	881,702	-	881,702	554,921
Management and general	105,820	-	105,820	73,542
Fundraising	<u>58,119</u>	<u>-</u>	<u>58,119</u>	<u>61,812</u>
 Total expenses	 <u>1,045,641</u>	 <u>-</u>	 <u>1,045,641</u>	 <u>690,275</u>
 Change in Net Assets	 (9,341)	 (21,000)	 (30,341)	 336,917
 Net Assets, beginning of year	 <u>439,647</u>	 <u>321,000</u>	 <u>760,647</u>	 <u>423,730</u>
 Net Assets, end of year	 <u>\$ 430,306</u>	 <u>\$ 300,000</u>	 <u>\$ 730,306</u>	 <u>\$ 760,647</u>

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

Keep Louisiana Beautiful, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022
With Summarized Comparative Totals for the Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2022</u>	<u>Total 2021</u>
Grant programs	\$ 138,930	\$ -	\$ -	\$ 138,930	\$ 152,997
Public awareness and marketing	483,413	-	-	483,413	200,137
Programs and public events	53,567	571	13,493	67,631	44,212
Training, travel, outreach, & affiliate support	5,586	686	-	6,272	1,977
Salaries and wages	149,936	28,370	33,466	211,772	194,984
Employee benefits	12,907	2,442	2,881	18,230	17,121
Payroll taxes	13,380	2,532	2,986	18,898	14,916
Operating expenses	22,393	10,553	4,938	37,884	28,154
Professional services	-	60,365	-	60,365	34,958
Depreciation	<u>1,590</u>	<u>301</u>	<u>355</u>	<u>2,246</u>	<u>819</u>
 Total expenses	 <u>\$ 881,702</u>	 <u>\$ 105,820</u>	 <u>\$ 58,119</u>	 <u>\$ 1,045,641</u>	 <u>\$ 690,275</u>

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

Keep Louisiana Beautiful, Inc.
Statement of Cash Flows
Year Ended June 30, 2022
With Summarized Comparative Totals for the Year Ended June 30, 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ (30,341)	\$ 336,917
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,246	819
(Increase) Decrease in assets:		
Accounts receivable	87,000	(309,500)
Increase (Decrease) in liabilities:		
Accrued liabilities	559	82
Deferred revenue	(270)	405
	59,194	28,723
Net cash provided by operating activities		
Cash Flows from Investing Activities		
Purchase of property and equipment	-	(5,137)
	-	(5,137)
Net cash used in investing activities		
Net Change in Cash	59,194	23,586
Cash, beginning of year	346,799	323,213
Cash, end of year	\$ 405,993	\$ 346,799

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

Keep Louisiana Beautiful, Inc.
Notes to Financial Statements
June 30, 2022

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. Program services 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 the Organization’s grant program;
- Provide training and professional development to increase knowledge and effective policies and programming as it relates to the Organization’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 the Organization’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 the Organization’s mission.

B. Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis 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 two classes of net assets that are based upon the existence or absence of restrictions on use that are placed on them by donors: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions 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. Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

Keep Louisiana Beautiful, Inc.
Notes to Financial Statements
June 30, 2022

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 statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. As of June 30, 2022, the Organization had no cash equivalents.

E. Accounts Receivable

Accounts receivable are recorded at net realizable value consisting of the carrying amount less an allowance for doubtful accounts. 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 uncollectible based on periodic review by management. At June 30, 2022, management believes all accounts are fully collectible; therefore, no allowance for doubtful accounts was recorded.

F. Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Expenditures for major repairs and improvements that extend the useful lives of fixed assets are capitalized at cost. Expenditures for maintenance and minor repairs are charged to expense as incurred. The estimated useful lives for fixed assets are as follows: computers (3-5 years) and art (15 years).

G. Income Taxes

Keep Louisiana Beautiful, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an entity other than a private foundation within the meaning of Section 509(a).

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, 2022

Note 1—Summary of Significant Accounting Policies (Continued)

L. Accounting Pronouncements Pending Adoption

In February 2016, the FASB issued ASU-2016-02, *Leases*. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous U.S. GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous U.S. GAAP. The amendments in this ASU are effective for fiscal years beginning after December 15, 2021. The Organization is currently assessing the impact of this pronouncement on its financial statements.

M. Prior Period Information

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Note 2—Property and Equipment

Property and equipment are summarized as follows as of June 30, 2022:

Computers	\$ 15,138
Art	<u>1,000</u>
	16,138
Accumulated depreciation	<u>(12,510)</u>
Property and equipment, net	<u>\$ 3,628</u>

Note 3—Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2022 consisted of purpose restrictions in the amount of \$300,000.

Note 4—Operating Lease

The Organization leases office space under an operating lease, which expired on June 30, 2022. Total rent expense for the year ended June 30, 2022 was \$20,100, which is included in operating expenses. The Organization moved offices in the subsequent fiscal year under relatively similar lease terms.

Note 5—Concentrations

Approximately 96% of the Organization's support is from a cooperative endeavor agreement with the State of Louisiana, Department of Education for the year ended June 30, 2022. 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.

From time to time, the Organization maintains its bank balances with one financial institution in excess of federally insured limits. The Organization believes there is no significant risk with respect to such balances.

Keep Louisiana Beautiful, Inc.
Notes to Financial Statements
June 30, 2022

Note 6–Contingencies

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 7–Subsequent Events

Management has evaluated all subsequent events through December 21, 2022, the date the financial statements were available to be issued. As a result, the Organization 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, 2022**

Agency Head Name: Susan Russell, Executive Director

Purpose	Amount
Salary	\$ 86,700
Benefits - insurance	8,916
Benefits - retirement	-
Car allowance	-
Vehicle provided by agency	-
Per diem	-
Reimbursements	-
Travel (mileage)	2,853
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-



**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 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 Keep Louisiana Beautiful, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2022.

Report on 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) as a basis for designing 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 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001, that we consider to be a significant deficiency.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Keep Louisiana Beautiful, Inc.'s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Keep Louisiana Beautiful, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Keep Louisiana Beautiful, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Hawthorn, Waymouth & Carroll, LLP.

December 21, 2022

Keep Louisiana Beautiful, Inc.
Schedule of Findings and Responses
Year Ended June 30, 2022

Part I – Summary of Audit Results

- 1) An unmodified opinion has been expressed on the financial statements of Keep Louisiana Beautiful, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued.

Part II – Financial Statement Findings

2022-001 - 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 apply diligent oversight and monitoring activities.

Keep Louisiana Beautiful, Inc.
Schedule of Findings and Responses
Year Ended June 30, 2022

Part II – Financial Statement Findings (Continued)

2022-001 - Segregation of Duties (Continued)

Management's Response:

Those charged with governance are actively involved in oversight and monitoring activities to help strengthen internal controls. Financial statements and budget-to-actual comparisons are reviewed at the Board meetings. Management reviews monthly bank statements and reconciliations. The Board Chair, Board Secretary, Executive Director, and bookkeeper all have access to the online banking activity, which provides another level of accountability and on-going monitoring from the Organization's top leadership. For vendor payments, 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.

Keep Louisiana Beautiful, Inc.
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022

Part I – Financial Statement Findings

2021-001 - Segregation of Duties

Summary of Prior Year Finding:

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

Status:

This repeats as current year finding 2022-001.

Part II – Management Letter

A management letter was not issued for the year ended June 30, 2021.

Keep Louisiana Beautiful, Inc.
Statewide Agreed-Upon Procedures Report
June 30, 2022



**Independent Accountant's Report
on Applying Statewide Agreed-upon Procedures**

To the Board of Directors of Keep Louisiana Beautiful, Inc. and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 01, 2021 through June 30, 2022. Keep Louisiana Beautiful, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Keep Louisiana Beautiful, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 01, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows. The procedures are stated first, followed by the results of the procedures presented in italics.

Written Policies and Procedures

1. Obtained and inspected the entity's written policies and procedures and observed whether they address each of the following categories and subcategories, if applicable to public funds and the entity's operations:

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

No exceptions were found as a result of this procedure.

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions were found as a result of this procedure.

c) **Disbursements**, including processing, reviewing, and approving.

No exceptions were found as a result of this procedure.

d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine completeness of all collections for each type of revenue or agency fund additions.

No exceptions were found as a result of this procedure.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions were found as a result of this procedure.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions were found as a result of this procedure.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.

No exceptions were found as a result of this procedure.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were found as a result of this procedure.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The Louisiana Code of Ethics is not applicable to this entity.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Debt service policies and procedures are not applicable to this entity.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions were found as a result of this procedure.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Louisiana R.S. 42:342-344 is not applicable to this entity.

Board or Finance Committee

2. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

- b) For those entities reporting on the nonprofit accounting model, observed whether the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

No exceptions were found as a result of this procedure.

- c) For governmental entities, obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The entity does not report on the governmental accounting model; therefore, this procedure is not applicable.

Bank Reconciliations

3. Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected four additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:

- a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date.

No exceptions were found as a result of this procedure.

- b) Bank reconciliations included evidence that a member of management/board member who did not handle cash, post ledgers, or issue checks had reviewed each bank reconciliation; and

No exceptions were found as a result of this procedure.

- c) Management had documentation reflecting it had researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were found as a result of this procedure.

Collections (excluding electronic funds transfers)

4. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) were prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).

No exceptions were found as a result of this procedure.

5. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site, obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that:

- a) Employees responsible for cash collections did not share cash drawers/registers.

No exceptions were found as a result of this procedure.

- b) Each employee responsible for collecting cash was not responsible for preparing/making bank deposits, unless another employee/official was responsible for reconciling collection documentation to the deposit.

No exceptions were found as a result of this procedure.

- c) Each employee responsible for collecting cash was not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official was responsible for reconciling ledger postings to each other and to the deposit.

No exceptions were found as a result of this procedure.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, were not responsible for collecting cash, unless another employee/official verified the reconciliation.

No exceptions were found as a result of this procedure.

6. Obtained from management a copy of the bond or insurance policy for theft covering all employees who had access to cash. Observed the bond or insurance policy for theft was enforced during the fiscal period.

The entity does not have a bond or insurance policy for theft covering all employees who have access to cash.

7. Randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtained supporting documentation for each of the deposits, and:

- a) Observed that receipts were sequentially pre-numbered.

No exceptions were found as a result of this procedure.

- b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions were found as a result of this procedure.

- c) Traced the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

- d) Observed the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions were found as a result of this procedure.

- e) Traced the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

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

- 8. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).

No exceptions were found as a result of this procedure.

- 9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties and observed that job duties were properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions were found as a result of this procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions were found as a result of this procedure.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions were found as a result of this procedure.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who was not responsible for processing payments.

No exceptions were found as a result of this procedure.

- 10. For each location selected under #8 above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population was complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction, and:

- a) Observed whether the disbursement matched the related original itemized invoice and supporting documentation indicated deliverables included on the invoice were received by the entity.

No exceptions were found as a result of this procedure.

- b) Observed whether the disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

No exceptions were found as a result of this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.

No exceptions were found as a result of this procedure.

12. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card, obtained supporting documentation, and:

- a) Observed whether there was evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing (or electronically approved), by someone other than the authorized cardholder.

No exceptions were found as a result of this procedure.

- b) Observed that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of this procedure.

13. Used the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions. For each transaction, observed it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

No exceptions were found as a result of this procedure.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger was complete. Randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions were found as a result of this procedure.

- b) If reimbursed using actual costs, observed the reimbursement is supported by an original itemized receipt that identified precisely what was purchased.

All reimbursements selected were for per diem and not actual costs; therefore, procedure was not applicable.

- c) Observed each reimbursement is supported by documentation of the business/public purpose and other documentation required by written policy (procedure #1h).

No exceptions were found as a result of this procedure.

- d) Observed each reimbursement is reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were found as a result of this procedure.

Contracts

Management represented that the entity has no contracts; therefore, procedures are not applicable.

- 15. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observed whether the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.
 - b) Observed whether the contract was approved by the governing body/board, if required by policy or law.
 - c) If the contract was amended, observed the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.
 - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

- 16. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions were found as a result of this procedure.

- 17. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtained attendance records and leave documentation for the pay period, and:
 - a) Observed all selected employees or officials documented their daily attendance and leave.

No exceptions were found as a result of this procedure.

- b) Observed whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions were found as a result of this procedure.

- c) Observed any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions were found as a result of this procedure.

- d) Observed the rate paid to the employees or officials agreed to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

18. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the listing is complete. Randomly selected two employees or officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee or officials' cumulative leave records, agreed the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.

No exceptions were found as a result of this procedure.

19. Obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of this procedure.

Ethics

These procedures are not applicable to the entity.

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtained ethics documentation from management, and:
 - a) Observed whether the documentation demonstrated each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observed whether the entity maintained documentation which demonstrated each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

These procedures are not applicable to the entity.

21. Obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued.
22. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

Fraud Notice

23. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No exceptions were found as a result of this procedure.

24. Observed the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Performed the following procedures:

- a) Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium, observed evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

These procedures are not applicable to the entity.

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtained sexual harassment training documentation from management, and observed the documentation demonstrated each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observed that the entity had posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it included the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

We were engaged by Keep Louisiana Beautiful, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Keep Louisiana Beautiful, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Hawthorn, Waymouth & Carroll, LLP.

December 21, 2022



December 21, 2022

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

In connection with our engagement of Hawthorn, Waymouth & Carroll, L.L.P. to apply agreed-upon procedures to certain control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-upon Procedures (SAuPs), Keep Louisiana Beautiful has prepared a response for each of the exceptions noted in the SAuPs Report.

The associated exceptions and responses are as follows:

1. Collections: *The entity does not have a bond or insurance policy for theft covering all employees who have access to cash.*

Management will look into the cost and consult with the Board in regards to obtaining a bond or insurance policy for theft that covers employees with access to cash.

Our intention is to comply and implement best practices as is deemed reasonable and realistic for our organization. Please contact me if you have any questions or concerns.

Susan Russell
Executive Director

Executive Director

Susan Russell

Executive Committee

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