

**Keep Louisiana Beautiful, Inc.**  
**Mandeville, Louisiana**  
**June 30, 2020**

## Table of Contents

Independent Auditor's Report	Page	3
Financial Statements		
Statement of Financial Position	Page	5
Statement of Activities	Page	6
Statement of Functional Expenses	Page	7
Statement 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	15
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	16
Schedule of Findings and Responses	Page	18
Summary Schedule of Prior Audit Findings	Page	20



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

Louis C. McKnight, III, CPA  
Charles R. Pevey, Jr., CPA  
David J. Broussard, CPA  
Brittany B. Thames, CPA  
Kevin M. Rodriguez, CPA  
Blaine M. Crochet, CPA

## **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 statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 December 18, 2019, 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.

### **Report on Summarized Comparative Information**

We have previously audited Keep Louisiana Beautiful, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it was derived.

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

December 17, 2020

**Keep Louisiana Beautiful, Inc.**  
**Statement of Financial Position**  
**June 30, 2020**  
**With Summarized Comparative Totals as of June 30, 2019**

<b>Assets</b>		<b>2020</b>	<b>2019</b>
		<u>          </u>	<u>          </u>
<b>Current Assets</b>			
Cash		\$ 323,214	\$ 299,591
Accounts receivable		<u>105,000</u>	<u>98,378</u>
Total current assets		428,214	397,969
<b>Property and Equipment, net</b>		<u>1,556</u>	<u>69</u>
Total assets		<u><u>\$ 429,770</u></u>	<u><u>\$ 398,038</u></u>
 <b>Liabilities and Net Assets</b>  			
<b>Current Liabilities</b>			
Accrued liabilities		\$ 6,039	\$ 5,197
Deferred revenue		<u>-</u>	<u>945</u>
Total current liabilities		6,039	6,142
<b>Net Assets Without Donor Restrictions</b>		<u>423,731</u>	<u>391,896</u>
Total liabilities and net assets		<u><u>\$ 429,770</u></u>	<u><u>\$ 398,038</u></u>

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

**Keep Louisiana Beautiful, Inc.**  
**Statement of Activities**  
**Year Ended June 30, 2020**  
**With Summarized Comparative Totals for the Year Ended June 30, 2019**

	<b>Without Donor Restrictions</b>	
	<b>2020</b>	<b>2019</b>
<b>Revenue and Other Support</b>		
Cooperative endeavor agreement	\$ 630,000	\$ 619,999
Annual state conference	30,548	22,807
Contributions	72,729	16,501
Interest	875	906
Miscellaneous	<u>1,546</u>	<u>1,126</u>
Total revenue and other support	<u>735,698</u>	<u>661,339</u>
<b>Expenses</b>		
Program services	566,665	553,749
Management and general	64,467	59,027
Fundraising	<u>72,731</u>	<u>65,670</u>
Total expenses	<u>703,863</u>	<u>678,446</u>
<b>Change in Net Assets</b>	31,835	(17,107)
<b>Net Assets, beginning of year</b>	<u>391,896</u>	<u>409,003</u>
<b>Net Assets, end of year</b>	<u>\$ 423,731</u>	<u>\$ 391,896</u>

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

**Keep Louisiana Beautiful, Inc.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2020**  
**With Summarized Comparative Totals for the Year Ended June 30, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2020</u>	<u>Total 2019</u>
Grant programs	\$ 122,444	\$ -	\$ -	\$ 122,444	\$ 131,707
Public awareness and marketing	232,172	-	-	232,172	164,445
Programs and public events	20,879	1,876	23,273	46,028	104,905
Training, travel, outreach, & affiliate support	11,551	1,373	-	12,924	16,676
Salaries and wages	136,550	27,333	38,450	202,333	179,662
Employee benefits	14,194	2,841	3,997	21,032	18,555
Payroll taxes	10,446	2,091	2,942	15,479	13,745
Operating expenses	18,352	8,650	4,048	31,050	30,333
Professional services	-	20,288	-	20,288	17,116
Depreciation	<u>77</u>	<u>15</u>	<u>21</u>	<u>113</u>	<u>1,302</u>
 Total expenses	 <u>\$ 566,665</u>	 <u>\$ 64,467</u>	 <u>\$ 72,731</u>	 <u>\$ 703,863</u>	 <u>\$ 678,446</u>

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

**Keep Louisiana Beautiful, Inc.**  
**Statement of Cash Flows**  
**Year Ended June 30, 2020**  
**With Summarized Comparative Totals for the Year Ended June 30, 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 31,835	\$ (17,107)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	113	1,302
(Increase) Decrease in assets:		
Accounts receivable	(6,622)	116,758
Increase (Decrease) in liabilities:		
Accrued liabilities	842	158
Deferred revenue	(945)	540
	<u>25,223</u>	<u>101,651</u>
Net cash provided by operating activities		
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(1,600)	-
	<u>(1,600)</u>	<u>-</u>
Net cash used in investing activities		
<b>Net Change in Cash</b>	23,623	101,651
<b>Cash, beginning of year</b>	<u>299,591</u>	<u>197,940</u>
<b>Cash, end of year</b>	<u>\$ 323,214</u>	<u>\$ 299,591</u>

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



**Keep Louisiana Beautiful, Inc.**  
**Notes to Financial Statements**  
**June 30, 2020**

**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. As of June 30, 2020, there were no net assets with donor restrictions.

**Keep Louisiana Beautiful, Inc.**  
**Notes to Financial Statements**  
**June 30, 2020**

**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, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. As of June 30, 2020, there were 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, 2020, 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, 2020**

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

H. Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

I. Functional Classification of Expenses

Expenses are allocated in the accompanying financial statements to program services, management and general, and fundraising functional expense groups. The methods of allocation are based on several factors such as utilization of office space as well as the Organization's estimates of the relative proportion of various staff members' time and effort between program and administrative functions.

J. Liquidity Management

As of June 30, 2020, the following financial assets could be made readily available within one year of the date of the statement of financial position to meet general expenditures:

Cash	\$ 323,214
Accounts receivable	<u>105,000</u>
Financial assets available to meet cash needs for general expenditures within one year.	<u>\$ 428,214</u>

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

K. Accounting Pronouncements Pending Adoption

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. The ASU is effective for annual reporting periods beginning after December 15, 2020, with certain early adoption provisions available. The Organization is in the process of assessing the effect that the adoption of this standard will have on its financial statements.

**Keep Louisiana Beautiful, Inc.**  
**Notes to Financial Statements**  
**June 30, 2020**

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

K. Accounting Pronouncements Pending Adoption (Continued)

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, 2020. The Organization has not yet implemented this ASU and is in the process of assessing the effect on its financial statements.

L. 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, 2019, from which the summarized information was derived.

**Note 2—Property and Equipment**

Property and equipment are summarized as follows as of June 30, 2020:

Computers	\$ 10,001
Art	<u>1,000</u>
	11,001
Accumulated depreciation	<u>(9,445)</u>
Property and equipment, net	<u><u>\$ 1,556</u></u>

**Note 3—Concentrations**

Approximately 86% 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, 2020. In the prior year, this contract was with the State of Louisiana, Department of Wildlife and Fisheries. 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 on financial institution in excess of federally insured limits. The Organization believes there is no significant risk with respect to such balances.

**Note 4—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.

**Keep Louisiana Beautiful, Inc.**  
**Notes to Financial Statements**  
**June 30, 2020**

**Note 5—Operating Lease**

The Organization leases office space under an operating lease, which expired on June 30, 2020. Total rent expense for the year ended June 30, 2020 was \$16,500, which is included in operating expenses. The lease was subsequently renewed for an additional year under the same terms.

**Note 6—Subsequent Events**

Management has evaluated all subsequent events through December 17, 2020, the date the financial statements were available to be issued.

The Organization's operations have been disrupted by the Coronavirus (COVID-19) pandemic, which adversely impacted the ability to conduct its operations. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated at this time.

## **Supplementary Information**

**Keep Louisiana Beautiful, Inc.**  
**Schedule of Compensation, Benefits, and Other**  
**Payments to Agency Head or Chief Executive Officer**  
**Year Ended June 30, 2020**

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

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 85,000
Benefits - insurance	7,331
Benefits - retirement	-
Car allowance	-
Vehicle provided by agency	-
Per diem	-
Reimbursements	-
Travel and mileage	3,695
Registration fees	1,194
Conference travel	1,154
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-



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

Louis C. McKnight, III, CPA  
Charles R. Pevey, Jr., CPA  
David J. Broussard, CPA  
Brittany B. Thames, CPA  
Kevin M. Rodriguez, CPA  
Blaine M. Crochet, CPA

**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, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 17, 2020.

**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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 (2020-001).



## **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 Response to Finding**

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 response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 17, 2020

**Keep Louisiana Beautiful, Inc.**  
**Summary Schedule of Findings and Responses**  
**For the Year Ended June 30, 2020**

**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, 2020, 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**

*2020-001 - 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.**  
**Summary Schedule of Findings and Responses**  
**For the Year Ended June 30, 2020**

**Part II – Financial Statement Findings** (Continued)

*2020-001 - 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.  
Schedule of Prior Audit Findings  
For the Year Ended June 30, 2020**

**Part I – Financial Statement Findings**

*2019-001 - 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 2020-001.

**Part II – Management Letter**

A management letter was not issued for the year ended June 30, 2019.



Legislative Auditor  
Baton Rouge, Louisiana

In connection with your procedures conducted pursuant to Act 774 of the 2014 Regular Legislative Session, as amended [Louisiana Revised Statute 24:513(J)(1)(v)(aa-bb)], for the year ending June 30, 2020, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of the date that this letter is signed. Any “no” responses have been adequately explained below.

**Executive Director**  
Susan Russell

**Executive Committee**  
Samantha Bonnette  
**Board Chair**

Susan Strain  
**Past Chair**

Ann Vail  
**Vice Chair**

Carla Buchholz  
**Treasurer**

Brian Melancon  
**Secretary**

**Board of Directors**

Dawn Cantrell  
Tom Easterly  
Tricia Farace  
John Gallagher  
Eligha Guillory  
Patrick Hamby

Courtney Hornsby  
Andrew R. Johnson, IV  
Dana Keel  
Katherine King  
Angie Manning  
Courtney Paige  
Gretchen Vanicor

**Advisory Board Members**

Buddy Baker  
Darryl Campbell  
Jessica DeVille  
Patsy Hebert  
Judd Jeansonne  
Jean Kelly  
Jackie Maginnis  
Lt. Nick Manale  
Kelsea McCrary  
Venise Ortego  
Sara Krupa

1. We represent that we have established proper controls over financial reporting, including the establishment of written policies and procedures and proper segregation of duties.

Yes  No

2. We represent that we have complied with all applicable federal and state laws and regulations, including provisions of contracts or grant agreements. We further represent that we have not been contacted by any state or federal agencies regarding possible noncompliance with laws and regulations.

Yes  No

3. We represent that we have not knowingly withheld from you any financial records or related data that in our judgment would be relevant to your procedures.

Yes  No

4. We represent that we are not aware of any fraud or abuse. Further, we acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

Yes  No

5. We represent that we have reported (in writing) any known misappropriations to the Legislative Auditor and the appropriate parish district attorney as required by R.S. 24:523, if applicable.

Yes  No  NA



**Executive Director**  
Susan Russell

**Executive Committee**  
Samantha Bonnette  
**Board Chair**

Susan Strain  
**Past Chair**

Ann Vail  
**Vice Chair**

Carla Buchholz  
**Treasurer**

Brian Melancon  
**Secretary**

**Board of Directors**

Dawn Cantrell  
Tom Easterly  
Tricia Farace  
John Gallagher  
Eligha Guillory  
Patrick Hamby

Courtney Hornsby  
Andrew R. Johnson, IV  
Dana Keel  
Katherine King  
Angie Manning  
Courtney Paige  
Gretchen Vanicor

**Advisory Board Members**

Buddy Baker  
Darryl Campbell  
Jessica DeVille  
Patsy Hebert  
Judd Jeansonne  
Jean Kelly  
Jackie Maginnis  
Lt. Nick Manale  
Kelsea McCrary  
Venise Ortego  
Sara Krupa

6. We represent that critical data in our computer systems is backed up at least weekly, backups are stored/maintained in a separate physical location isolated from the network, and backup restoration is tested at least once every three months.

Yes  No

7. We represent that our computers have active antivirus software and that the antivirus software, operating system, and accounting system software are updated for the most recent patches/versions.

Yes  No

8. We represent that there have been no related party transactions involving sales, purchases, receivables, payables, guarantees, transfers, equipment usage, amounts receivable or payable to related parties, etc.

Yes  No

*The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the non-profit should reply Yes or No to questions 9-11, otherwise please mark questions 9-11 as NA.*

9. We represent that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of R.S. 42:1101-1170 (Louisiana Ethics Laws).

Yes  No  NA

10. We represent that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes  No  NA

11. We represent that all employees, elected officials, and board members employed during the fiscal period have completed one hour of ethics training during the fiscal year.

Yes  No  NA





*Louisiana R.S. 42:342-344 is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If R.S. 42:342-344 is applicable to a non-profit, the non-profit should reply Yes or No to question 12, otherwise please mark question 12 as NA.*

**Executive Director**  
Susan Russell

**Executive Committee**  
Samantha Bonnette  
**Board Chair**

Susan Strain  
**Past Chair**

Ann Vail  
**Vice Chair**

Carla Buchholz  
**Treasurer**

Brian Melancon  
**Secretary**

**Board of Directors**

- Dawn Cantrell
- Tom Easterly
- Tricia Farace
- John Gallagher
- Eligha Guillory
- Patrick Hamby
- Courtney Hornsby
- Andrew R. Johnson, IV
- Dana Keel
- Katherine King
- Angie Manning
- Courtney Paige
- Gretchen Vanicor

**Advisory Board Members**

- Buddy Baker
- Darryl Campbell
- Jessica DeVille
- Patsy Hebert
- Judd Jeansonne
- Jean Kelly
- Jackie Maginnis
- Lt. Nick Manale
- Kelsea McCrary
- Venise Ortego
- Sara Krupa

12. We represent that all employees, elected officials, and board members employed during the fiscal period have completed one hour of education and training on preventing sexual harassment during the fiscal year.

Yes  No  NA

**The previous responses have been made to the best of our belief and knowledge.**

Signature Susan Russell Date 11-18-20

Title Executive Director

Signature \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_