In planning and performing our audit of the consolidated financial statements of Mount Olivet Rolling Acres, Inc. (the Corporation) as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation’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 the Corporation’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation’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 Corporation’s consolidated financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Other deficiencies in internal control and other matters
During our audits, we became aware of certain deficiencies in internal control and other matters that are opportunities for strengthening internal control and operating efficiency. While the nature and magnitude of the other deficiencies in internal control were not considered important enough to merit the attention of the finance committee, it is considered of sufficient importance to merit management’s attention and are included herein to provide a single, comprehensive communication for both those charged with governance and management.

Credit Cards
During our testing, we noted that the Corporation has a policy where receipts should be turned in with credit card statements. We noted while reviewing credit card statements that one of the receipts from the President was missing. Receipts help to validate that expenses incurred on a credit card were for a valid business purpose. We recommend that the Corporation review their credit card policy as it relates to receipts and ensure that it is followed accordingly.
Credit Cards (Continued)

We also noted that the Corporation has a policy where a board member reviews the President’s credit card statements. During our testing, we noted that there was one month where the President reviewed their credit card charges. We recommend that the Corporation evaluate their credit card review process to ensure it is being followed according to their policy.

Emerging Issues

Accounting for Leases

In February 2016, the FASB issued Accounting Standards Update 2016-02 which amended the guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The changes to the recording of leases will require all leases to be carried as assets and liabilities on the statement of financial position. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the Corporation’s leasing activities. The amendments in the guidance are effective for the Corporation for the fiscal year ending December 31, 2020.

Revenue Recognition

The Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard will be effective for the Corporation for the fiscal year ending December 31, 2019. As the implementation date of the standard draws near, we recommend evaluation of revenue streams to ensure that the entities are prepared to report revenue under the new standard and fully understand the impact on the reporting of revenue.

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This communication is intended solely for the information and use of management, audit committee, board of directors, and others within Mount Olivet Rolling Acres, Inc., and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Minneapolis, Minnesota

May 1, 2019