

MAYOR'S HEALTHY CITY INITIATIVE

Baton Rouge, Louisiana

Audited Financial Statements

December 31, 2017 and 2016



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Independent Auditor's Report

To the Board of Directors
Mayor's Healthy City Initiative
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Mayor's Healthy City Initiative (the Organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mayor's Healthy City Initiative as of December 31, 2017 and 2016, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 6 to the financial statements, the 2016 financial statements have been restated to correct an error. Our opinion is not modified with respect to this matter.

Other Matters*Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of compensation, benefits, and other payments to Community Outreach Director, as required by Louisiana Revised Statute (R.S.) 24:513 A. (3) 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 our audits 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 also issued our report dated June 26, 2018, on our consideration of the Mayor's Healthy City Initiative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 the Mayor's Healthy City Initiative's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA
June 26, 2018

MAYOR'S HEALTHY CITY INITIATIVE
Statements of Financial Position
December 31, 2017 and 2016

	2017	(As Restated) 2016
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 78,632	\$ 63,717
Prepaid Expenses	1,279	-
Total Current Assets	79,911	63,717
Other Assets		
Intangible Asset, Net	22,651	45,301
Total Other Assets	22,651	45,301
Total Assets	\$ 102,562	\$ 109,018
Liabilities		
Current Liabilities		
Accounts Payable	\$ -	\$ 602
Total Current Liabilities	-	602
Net Assets		
Unrestricted	79,911	63,115
Temporarily Restricted	22,651	45,301
Total Net Assets	102,562	108,416
Total Liabilities and Net Assets	\$ 102,562	\$ 109,018

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

MAYOR'S HEALTHY CITY INITIATIVE
Statements of Activities
For the Years Ended December 31, 2017 and 2016

	2017	(As Restated) 2016
Changes in Unrestricted Net Assets		
Revenues		
Corporate Contributions	\$ 39,668	\$ 69,637
Contributions, In-Kind	35,710	44,567
Grant Revenue	20,000	20,000
Contract Income	-	2,000
Other Income	103	170
Total Revenues	95,481	136,374
Net Assets Released from Restrictions	22,650	22,649
Total Revenues and Reclassifications	118,131	159,023
Expenses		
Program Services		
Grants Awarded	20,000	20,000
Contract Services	4,200	-
General and Administrative		
Amortization Expense	22,650	103,908
Salaries, In-Kind	35,710	44,567
Event Expense	11,855	15,394
Administrative	5,539	12,678
Insurance	1,382	1,218
Total Expenses	101,336	197,765
Increase (Decrease) in Unrestricted Net Assets	\$ 16,796	\$ (38,741)
Changes in Temporarily Restricted Net Assets		
Net Assets Released from Restrictions	\$ (22,650)	\$ (22,649)
Decrease in Temporarily Restricted Net Assets	\$ (22,650)	\$ (22,649)
Decrease in Total Net Assets	\$ (5,854)	\$ (61,390)

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

MAYOR'S HEALTHY CITY INITIATIVE
Statements of Changes in Net Assets
For the Years Ended December 31, 2017 and 2016

	Unrestricted	Temporarily Restricted	Total
Net Assets, January 1, 2016	\$ 101,856	\$ 67,950	\$ 169,806
Decrease in Net assets, as Restated	(38,741)	(22,649)	(61,390)
Net Assets, December 31, 2016, as Restated	63,115	45,301	108,416
Increase (Decrease) in Net Assets	16,796	(22,650)	(5,854)
Net Assets, December 31, 2017	\$ 79,911	\$ 22,651	\$ 102,562

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

MAYOR'S HEALTHY CITY INITIATIVE
Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	(As Restated) 2016
Cash Flows from Operating Activities		
Decrease in Net Assets	\$ (5,854)	\$ (60,788)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided by Operating Activities		
Amortization	22,650	103,907
Non-Cash Contribution	-	(30,000)
(Increase) Decrease in Prepaid Expenses	(1,279)	1,218
Decrease in Accounts Payable	(602)	-
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	14,915	14,337
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Payments on Website Development	-	(20,137)
Payments on Website Payable	-	(56,715)
	<hr/>	<hr/>
Net Cash Used in Investing Activities	-	(76,852)
	<hr/>	<hr/>
Increase (Decrease) in Cash and Cash Equivalents	14,915	(62,515)
	<hr/>	<hr/>
Cash and Cash Equivalents, Beginning of Year	63,717	126,232
	<hr/>	<hr/>
Cash and Cash Equivalents, End of Year	\$ 78,632	\$ 63,717
	<hr/> <hr/>	<hr/> <hr/>

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

MAYOR'S HEALTHY CITY INITIATIVE

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Business

The Mayor's Healthy City Initiative (the Organization) was formed as a non-profit corporation in May 2010. The mission of the Organization is to identify and coordinate efforts aimed at healthy eating and an active lifestyle into a unifying community commitment to better health. The Organization obtains funding through the City of Baton Rouge and other grants and then awards grants to third parties in order to achieve their goal of a healthier city.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements. These financial statements include only activities and transactions of the Organization.

The Organization reports its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by specific action pursuant to those stipulations. Permanently restricted net assets are those resources whose use is limited to donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by specific action.

The statements of activities presents expenses functionally, as program services and general and administrative.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Revenue Recognition

Contributions and/or grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional or the grant is awarded by the grantor. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets on the financial statements.

MAYOR'S HEALTHY CITY INITIATIVE

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Temporarily and Permanently Restricted Net Assets

At December 31, 2017 and 2016, there was \$22,651 and \$45,301, respectively, in temporarily restricted net assets restricted for the purpose of building a website for the Healthy BR initiative. This website was placed into service in 2016, and is amortized over three years in accordance with accounting standards. The restricted net assets are released as the website is amortized. At December 31, 2017 and 2016, there were no permanently restricted net assets.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Donated Services

Donated services are recorded as contributions, in-kind at their fair market value, provided that there is a measurable and objective basis or determining value. These amounts are included on the statements of activities and identified as in-kind contributions and expenses.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2017 and 2016, totaled \$38 and \$2,564, respectively.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 supersedes the revenue recognition requirements in Accounting Standards Codification (ASC) Topic 605, Revenue Recognition, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entitled expects to be entitled in exchange for those goods or services. FASB has also issued ASU 2016-08, *Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*; ASU 2016-10, *Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing*; ASU 2016-11, *Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF meeting*; and ASU 2016-12, *Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedients*, all of which were issued to improve and clarify the guidance in ASU 2014-09. These ASUs will be effective for the Organization beginning in the year ending December 31, 2019, and will be adopted using either a full or a modified retrospective approach. The Organization is currently assessing the potential effects of these changes to its financial statements.

MAYOR'S HEALTHY CITY INITIATIVE

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements (Continued)

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, net assets with donor restrictions and net assets without donor restrictions, and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 will be effective for the Organization in the year ending December 31, 2018. The Organization is currently evaluating the impact the adoption of this guidance will have on its financial statements.

Note 2. Related Party Transactions

During 2017 and 2016, the Organization received contributions from the Office of the Mayor-President in the amount of \$35,710 and \$44,567, respectively. This amount was received in-kind as salary expense for the time of one employee in the Mayor's office dedicated to this organization. The Office of the Mayor-President holds a seat on the Board of the Organization.

During 2017 and 2016, the Organization received contributions totaling \$15,668 and \$21,667, respectively, from various health organizations that have representation on the Board of Mayor's Healthy City Initiative.

During the 2017 and 2016, the Organization awarded grants totaling \$20,000 to the former Community Outreach Coordinator.

Note 3. Income Taxes

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in general and administrative expenses.

MAYOR'S HEALTHY CITY INITIATIVE

Notes to Financial Statements

Note 4. Commitments

In 2013, the Organization entered into an agreement with Louisiana Public Health Institute (LPHI) to develop a website. The agreement calls for a three year development process with \$100,342 due in year one, \$71,717 due in year two and \$71,715 due in year three. The amounts due for this website are expected to be contributed by the various organizations represented on the Board as well as organizations that do not have an affiliation. The year one payment was made in 2013. However, the year two payment was delayed and no payment was made in 2014 due to LPHI not meeting terms and expectations of the contract. The Organization made the year two payment of \$56,717 in 2015. In February 2016, the Organization made a payment of \$56,715. The remaining \$30,000 was paid directly to LPHI by the East Baton Rouge Parish Library.

Note 5. Intangible Assets

Intangible assets included \$243,774 at December 31, 2016, related to the development and design of the Organization's BR City Key website. The asset was amortized over a useful life of 3 years. The website was placed into service in January 2014. Accumulated amortization totaled \$243,774 at December 31, 2016. Amortization expense for 2016 was \$81,258. In March 2017, the East Baton Rouge Parish Library assumed responsibility for the website. At the time of the contribution, the net book value of the website was \$-0-.

Intangible assets include \$67,951 at December 31, 2017 and 2016, respectively, related to the redesign of the Organization's Healthy BR website. The asset is amortized over a useful life of 3 years. The website was placed into service in January 2016. Accumulated amortization totaled \$45,300 and \$22,649 at December 31, 2017 and 2016, respectively. Amortization expense for 2017 and 2016 was \$22,650 and \$22,649, respectively.

Note 6. Prior Period Adjustment

The financial statements issued for the year ended December 31, 2016 improperly excluded \$602 of expenses and related accounts payable for expenses that occurred during the year ended December 31, 2016. The effect for 2016 has been reflected in the December 31, 2016 financial statements presented and is an increase in current liabilities and decrease in net income of \$602 from amounts previously reported.

Note 7. Subsequent Events

Management has evaluated all subsequent events through June 26, 2018, the date that the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

MAYOR'S HEALTHY CITY INITIATIVE
Schedule of Compensation, Benefits, and Other Payments
to Community Outreach Director
For the Year Ended December 31, 2017

Schedule I

Community Outreach Director:
 Jared Hymowitz

For the Period of June 1, 2017 to December 31, 2017	
Purpose	Amount
Salary	\$27,782
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Taxes	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0

See independent auditor's report.

MAYOR'S HEALTHY CITY INITIATIVE
Schedule of Compensation, Benefits, and Other Payments
to Community Outreach Director (Continued)
For the Year Ended December 31, 2017

Schedule I

Community Outreach Director:
 Andy Allen

For the Period of January 1, 2017 to March 1, 2017	
Purpose	Amount
Salary	\$7,928
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Taxes	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Board of Directors
Mayor's Healthy City Initiative
Baton Rouge, 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 Mayor's Healthy City Initiative (the Organization), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Organization's financial statements, and have issued our report thereon dated June 26, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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. We identified a certain deficiency that we consider to be a significant deficiency which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Responses to Findings

Mayor's Health City Initiative's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Organization's responses, and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Baton Rouge, LA
June 26, 2018

**MAYOR'S HEALTHY CITY INITIATIVE
Schedule of Findings and Responses
For the Year Ended December 31, 2017**

Part I - Summary of Auditor's Results

Financial Statement Section

- | | |
|---|------------|
| 1. Type of Auditor's Report Issued: | Unmodified |
| 2. Internal Control Over Financial Reporting: | |
| a. Material Weakness (es) Identified? | No |
| b. Significant Deficiency (ies) Identified? | Yes |
| 3. Non-compliance Material to Financial Statements Noted? | No |

Federal Awards Section - Not Applicable

MAYOR'S HEALTHY CITY INITIATIVE
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2017

Part II - Financial Statement Findings Section

2017-001 Accrual of Expenses

Criteria: Proper controls over expenses require that invoices received subsequent to year end be evaluated for any necessary accruals.

Condition: During our testing of expenses, we noted that expenses related to the year ended December 31, 2016 were not recorded until the year ended December 31, 2017 when the expenses were paid.

Cause: Controls are not in place to test cut-off of expenses

Effect: Ineffective controls over expenses. Expenses recorded in the incorrect period.

Recommendation: Management should implement a process to review invoices received subsequent to year end to determine if an accrual is needed based on the period in which the expense occurred.

Management's Response: We agree with the finding of timely journal entries. The plan for addressing this issue was developed when this finding was identified. Training for Jared Hymowitz the current MHCI Director took place in June 2018. A review of entries will be conducted quarterly to insure that we are compliant with timely journal entries going forward.

**MAYOR'S HEALTHY CITY INITIATIVE
Schedule of Prior Year Findings and Responses
For the Year Ended December 31, 2017**

None identified.

June 26, 2018

Board of Directors
Mayor's Healthy City Initiative
Baton Rouge, LA

To Management and the Board of Directors of the Mayor's Healthy City Initiative:

In planning and performing our audit of the financial statements of the Mayor's Healthy City Initiative (the Organization) as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

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, misstatement on a timely basis. A material weakness is a deficiency, or 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. The following deficiency in the Organization's internal control is considered to be a significant deficiency.

2017-1 Accrual of Expenses

- Criteria:* Proper controls over expenses require that invoices received subsequent to year end be evaluated for any necessary accruals.
- Condition:* During our testing of expenses, we noted that expenses related to the year ended December 31, 2016 were not recorded until the year ended December 31, 2017 when the expenses were paid.
- Cause:* Controls do not exist to test for accrual of expenses in the proper period.
- Effect:* Ineffective controls over expenses. Expenses recorded in the incorrect period.

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Recommendation: Management implement a process to review invoices received subsequent to year end to determine if an accrual is needed based on the period in which the expense occurred.

Management's Response: We agree with the finding of timely journal entries. The plan for addressing this issue was developed when this finding was identified. Training for Jared Hymowitz the current MHCI Director took place in June 2018. A review of entries will be conducted quarterly to insure that we are compliant with timely journal entries going forward.

This communication is intended solely for the information and use of management, the Board of Directors, and the Louisiana Legislative Auditor and is not intended to be, and should not be, used by anyone other than those specified parties.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA
June 26, 2018