

LONG TERM CARE AUTHORITY OF ENID

ANNUAL FINANCIAL REPORT

JUNE 30, 2015

RALPH OSBORN
CERTIFIED PUBLIC ACCOUNTANT
500 SOUTH CHESTNUT
P.O. BOX 1015
BRISTOW, OKLAHOMA 74010

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Long Term Care Authority of Enid
Enid, Oklahoma

Report on the Financial Statements

I have audited the accompanying financial statements of Long Term Care Authority of Enid, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibilities 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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Long Term Care Authority of Enid as of June 30, 2015, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principals generally accepted in the United States of America require that the management's discussion and analysis pages 3-4 and the notes starting on page 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the organization's basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated January 8, 2016, on my consideration of Long Term Care Authority of Enid's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contract, and grant agreements and other matters. The purpose of that report is to describe the scope of my 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 Long Term Care Authority of Enid's internal control over financial reporting and compliance.



Ralph Osborn
Certified Public Accountant
Bristow, Oklahoma
January 8, 2016

LONG TERM CARE AUTHORITY OF ENID
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015

The discussion and analysis of Long Term Care Authority of Enid's (the Authority) financial performance provides an overview of Long Term Care Authority of Enid's financial statements, which begin on page 5.

FINANCIAL HIGHLIGHTS

- Long Term Care Authority of Enid's cash balance at June 30, 2015 was \$9,577, representing a decrease of \$23,618 from last fiscal year.
- Long Term Care Authority of Enid's accounts receivable from all sources was \$260,099 representing an increase of \$31,410 from the previous year.
- Long Term Care Authority of Enid had total revenues of \$2,001,373 and total expenditures of \$1,935,175 representing an increase of \$872,231 and \$870,642, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the Authority's basic financial statements on an accrual basis of accounting. The basic financial statements include fund financial statements. The Authority also includes in this report additional information to supplement the basic financial statements.

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for Long Term Care Authority of Enid's fund as a whole in a format designed to make the statements easy for the reader to understand. The statements in this section include the Statement of Net Position; the Statements of Revenues, Expenses, and Change in Net Position; and the Statement of Cash Flows.

The Statement of Net Position (Page 5) presents the assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of Long Term Care Authority of Enid is improving or deteriorating.

The Statement of Revenues, Expenditures, and Changes in Net Position (Page 6) presents information showing how Long Term Care Authority of Enid's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transaction occurs. As a result, there are transactions included that would not affect cash until future fiscal periods.

The Statement of Cash Flows (Page 7) presents information showing how Long Term Care Authority of Enid's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating loss to net cash provided by operating activities as required by the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB 34").

FINANCIAL ANALYSIS OF THE ENTITY
CONDENSED STATEMENT OF NET POSITION
JUNE 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>	Increase/ (Decrease)
Current and other assets	\$ 269,676	\$ 261,884	\$ 7,792
Capital assets	6,340	8,552	(2,212)
Total assets	<u>276,016</u>	<u>270,436</u>	<u>\$ 5,580</u>
Accounts payable and accrued expenses	<u>88,914</u>	<u>149,532</u>	<u>(60,618)</u>
Total liabilities	<u>88,914</u>	<u>149,532</u>	<u>(60,618)</u>
Total net position	<u>\$ 187,102</u>	<u>\$ 120,904</u>	<u>\$ 66,198</u>

CONDENSED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>	Increase/ (Decrease)
Grant revenue	\$1,988,935	\$1,128,653	\$ 860,282
Program expenses	<u>1,746,850</u>	<u>1,064,533</u>	<u>682,317</u>
Change in net position from federal/state program activities	<u>\$ 242,085</u>	<u>\$ 64,120</u>	<u>\$ 177,965</u>

The majority of the Long Term Care Authority of Enid's program revenues were received from two major funding sources:

Federal Medicaid Program
Federal and State DHHS Program

Other revenues were from the State Medical Assistance Program, Federal Semi Annual Report Tools Program, or reimbursements for program equipment.

CAPITAL ASSETS

At the end of the June 30, 2014, Long Term Care Authority of Enid's investment in capital assets was \$8,552 (net of accumulated depreciation) as reflected in the following schedule:

Computer equipment	\$ 81,941
Office furniture and equipment	6,525
Less: Accumulated Depreciation	<u>(82,126)</u>
Capital assets, net	<u>\$ 6,340</u>

CURRENT YEAR ACTIVITY

The nature of the Authority's operating activities increased from that of prior years due to the addition of a number of federal and state Area Agency on Aging programs, Medical Assistance programs and SART.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

Long Term Care Authority of Enid is primarily dependent upon federal and state funding of operations; therefore, Long Term Care Authority of Enid is affected by the federal and state budgets. Long Term Care Authority of Enid's board has approved the budget for the 2015-16 fiscal year.

LONG TERM CARE AUTHORITY OF ENID
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 9,577
Accounts Receivable	<u>260,099</u>
Total Current Assets	<u>269,676</u>
Fixed Assets	
Furniture, Fixtures, and Equipment	88,466
Less Depreciation	<u>(82,126)</u>
Total Non-current Assets	<u>6,340</u>
TOTAL ASSETS	<u>\$ 276,016</u>
LIABILITIES AND NET POSITION	
Accounts Payable	\$ 64,264
Payroll Liabilities	12,710
Accrued Annual Leave	<u>11,940</u>
TOTAL LIABILITIES	<u>88,914</u>
NET POSITION	
Invested in capital assets	6,340
Unrestricted	<u>180,762</u>
TOTAL NET POSITION	<u>187,102</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 276,016</u>

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

LONG TERM CARE AUTHORITY OF ENID
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>
REVENUES	
Medicaid Program	\$ 258,801
OAA Income	1,458,724
MAP	51,589
SART	2,500
SMP	9,967
MFP	738
CENA	154,363
Masonic Charity	53,041
Rental Income	<u>11,650</u>
TOTAL REVENUES	<u>2,001,373</u>
EXPENSES	
Payroll	340,681
Taxes and benefits	137,679
Insurance	2,963
Telephone and utilities	12,427
Travel and training	21,759
Miscellaneous	4,555
Other direct costs	346,902
Pass-thru	1,007,852
Office expenses and postage	13,343
Pro fee	18,375
Equipment	4,447
Rent	21,980
Depreciation	<u>2,212</u>
TOTAL EXPENSES	<u>1,935,175</u>
CHANGE IN NET POSITION	66,198
NET POSITION, BEGINNING	<u>120,904</u>
NET POSITION, ENDING	<u><u>\$ 187,102</u></u>

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

LONG TERM CARE AUTHORITY OF ENID
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Position	\$ 66,198
Adjustments to reconcile change in Net Position to cash provided by operating activities:	
Depreciation	2,212
(Increase) decrease in operating assets	
Accounts receivable	(31,410)
Increase (Decrease) in operating liabilities	
Accounts Payable	(79,067)
Payroll Liabilities	12,710
Accrued Annual Leave	<u>5,739</u>
Net Cash Provided (Used) by Operating Activities	<u>(23,618)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(23,618)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>33,195</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 9,577</u></u>

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

LONG TERM CARE AUTHORITY OF ENID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Long Term Care Authority of Enid (the Corporation) is a public trust established on January 17, 1995 under the Oklahoma Public Trust Act, for the benefit of the City of Enid, Oklahoma. The purpose of the Authority is to assure the accessibility and quality of care and cost effectiveness of long-term care services in the greater Enid area and Western Oklahoma.

The basic financial statements of the Authority have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies follow.

Basis of Accounting

The Authority accounts for its activities within a proprietary fund. The Authority's activities meet the definition of a proprietary fund because it is the intent to recover the costs of providing services through grant revenue.

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position. Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The accrual basis of accounting is utilized by the proprietary fund. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As required by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority has elected to apply all applicable GASB pronouncements as well as Financial Accounting Board Standards (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, unless FASB and/or APB pronouncements conflict with or contradict GASB pronouncements. In addition, the Authority applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

The accounts of the Authority are organized on the basis of grants. There operations of each grant are accounted for with a separate set of self-balancing accounts that comprise of assets, liabilities, net position, revenues, and expenditures. The following fund is used by the Authority.

LONG TERM CARE AUTHORITY OF ENID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

General Fund - The general operating fund of the Authority. It is used to account for all financial resources that are not required to be reported for in another fund. The general revenues, which are not restricted or designated as to use by outside sources, are recorded in the General Fund. The revenue in this fund comes from federal and state grants, other grants, membership dues, administration fees, interest income, and donations.

The grants and programs in the proprietary financial statements include:

- Medicaid
- Area Agency on Aging (AAA)
- Oklahoma Medical Assistance Program (MAP)
- Semi Annual Reporting Tool (SART)
- Senior Medicare Patrol (SMP)
- Money Follows the Person (MFP)
- Centers with Community Enhanced Nutrition (CENA)
- Masonic Charities

Certain contracts require the Authority to provide revenues from other sources to help defray costs of operating their programs. The Authority may provide matching funds over and above the required amount at its discretion. These discretionary matching funds are referred to as transfers-in and transfers-out in the accompanying financial statements. State grants and membership dues provide most of the matching funds and are recognized when received.

Cost Allocation Plan

The Authority allocated certain costs using one cost pool. The costs are allocated on a monthly rate based on occupancy per program. Rent/utilities are allocated at \$100.00 per month for each of the programs personnel. Phone is allocated at \$50.00 per month on the same basis.

Cash and Restricted Cash

The Authority pools the cash resources of its various funds to facilitate the management of cash, unless required to maintain separate accounts by the grantor. Cash applicable to a particular fund is readily identifiable. Cash restricted by grant contracts is identified as restricted cash.

ASSETS, LIABILITIES, AND NET POSITION

Cash and Cash Equivalent

For the purpose of the Statement of Cash Flows, the Authority considers all cash on hand, demand deposit accounts, interest bearing checking accounts and time deposit accounts, including certificates of deposit with maturities of three months or less, to be cash and cash equivalent.

LONG TERM CARE AUTHORITY OF ENID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Notes Payable

Notes payable to be repaid from the Authority resources are reported as liabilities in the balance sheet. At June 30, 2015, the Authority did not report any notes payable.

Net Position

Net Position is divided into two components:

- a. *Invested in Capital Assets* - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings, if any, that are attributed to the acquisition, construction, or improvement of those assets.
- b. *Unrestricted Net Position* - All other net assets that do not meet the definition of "restricted" or "net investment in capital assets".

It is the Authority's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purpose for which both restricted and unrestricted net position are available.

Capital Assets

Furniture and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the assets, generally three to seven years. The Authority's policy is to capitalize fixed asset purchases exceeding \$2,500. The Authority records impairments to its furniture and equipment when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated lives. Impairments are recorded to reduce the carrying value of the assets to their estimated fair value determined by the Authority based on facts and circumstances in existence at the time of the determination, estimates of probable future economic conditions and other information. No impairments were recorded in 2015.

Grant Revenue

The Authority relies on a government agency which supplies all a majority of the Authority's revenues. The Authority records income from grants in the period in which the grant expenditures are earned and become measurable.

Income Taxes

The Authority is a public trust under the laws of the State of Oklahoma and is also exempt from income taxes under Title 60, Oklahoma Statutes, 1981, Sections 176 et. seq. Accordingly, no provision for federal or state income taxes is necessary.

LONG TERM CARE AUTHORITY OF ENID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Estimates

The preparation of financial statements in conformity with generally accepted principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE B: DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of failure of counterparty, the Corporation will not be able to recover the value of its deposits or investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the Corporation, and are held by counterparty or the counterparty's trust department but not in the name of the Corporation. The Corporation's policy requires that all deposits and investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits or investments.

Deposits

The Corporation had deposits at financial institutions with a carrying amount of approximately \$9,577 at June 30, 2015. The bank balance of the deposits at June 30, 2015 was approximately \$136,126.

Credit Risk

Fixed-income securities are subject to credit risk. However, the Corporation did not have fixed income securities at June 30, 2015.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Board of Directors monitor's the investment performance on an ongoing basis to limit the Corporation's interest rate risk. As of June 30, 2015, the Corporation's deposits consisted of demand deposits.

NOTE C: CHANGES IN FIXED ASSETS

Furniture, fixtures, and Equipment is made up of the following:

	<u>Balance</u> <u>June 30, 2014</u>	<u>Addition</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>
Computer equipment	\$ 81,941	\$ -	\$ -	\$ 81,941
Furniture and Equip.	6,525	-	-	6,525
Total Fixed Assets	88,466	-	-	88,466
Less: Acc. Dep.	(79,914)	(2,212)	-	(82,126)
Net Fixed Assets	<u>\$ 8,552</u>	<u>\$ (2,212)</u>	<u>\$ -</u>	<u>\$ 6,340</u>

LONG TERM CARE AUTHORITY OF ENID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE D: FUNDING CONTRACTS

The Authority acts as a pass-thru agent on behalf of the Oklahoma Health and Human Services for services such as nutrition, transportation, and health services provided to the elderly provided by contracted service agencies. This contract provides state and federal funding through Title III, Title VII, and other sources. The Authority charges a fee for administration and assessment services to the pass-thru sub-grantees. Loss of the contracts to provide these services could have an adverse affect on the Authority's financial stability.

NOTE E: PENSION PLAN

The Authority participates in a Simplified Employee Pension Plan (the Plan). Eligible employees are those who have worked at least 90 days and who are expected to earn an annual minimum of \$5,000 during the Plan year. Employees do not make contributions to the Plan. The employer contributes 6% of the employee's gross compensation. Assets of the Plan are held in trust by American Funds Service Company. The Authority contributed \$19,822, \$13,725, and 11,430 to the Plan for the fiscal years 2015, 2014, and 2013, respectively.

NOTE F: RISK MANAGEMENT

The Corporation's risk management of loss consists of commercial insurance for property and liability losses, professional liability, and worker's compensation. There have been no significant reductions in insurance coverage during the year ended June 30, 2015. There were no claims filed against the insurance during the year.

NOTE G: ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE H: CONTINUED FUNDING

The Corporation has received notice of continued funding under the contracts referred to in Note D.

NOTE I: SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through January 8, 2016, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in these financial statements.

LONG TERM CARE AUTHORITY OF ENID
SCHEDULE OF FEDERAL AND STATE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2015

STATE GRANTOR/ PROGRAM TITLE <u>FEDERAL</u>	CONTRACT NUMBER	CONTRACT PERIOD	CONTRACT AMOUNT	SUPPORT RECOGNIZED	CURRENT YEAR DISB
Oklahoma Department of Human Services					
Medicaid	1000004577	07/01/14 to 06/30/15	\$ 262,196	\$ 258,801	\$ 257,741
Area Agency on Aging Services					
Title III C1	14004956	07/01/14	227,344	227,344	227,344
Title III C2	14004956	to 06/30/15	108,510	108,510	108,510
Title III B	14004956		188,034	188,036	188,036
Title III D	14004956		10,425	10,199	10,199
Title III E	14004956		77,266	77,266	77,266
Title III Total			<u>611,579</u>	<u>611,355</u>	<u>611,355</u>
Title VII	14004956	07/01/14 to 06/30/15	2,723	2,368	979
NSIP	14004956	07/01/14 to 06/30/15	123,011	123,011	123,013
MIPPA		07/01/14 to 06/30/15	-	24,925	933
Total OAA			<u>737,313</u>	<u>761,659</u>	<u>736,280</u>
Oklahoma Insurance Department					
Senior Medicare Patrol		7/1/14 to 6/30/15	-	9,967	1,304
Ok. Health Ins. Asst. Program	90SA00070101	04/01/14 to 3/31/15	26,000	25,876	15,424
Total Ok. Insurance Dept.			<u>26,000</u>	<u>35,843</u>	<u>16,728</u>
TOTAL FEDERAL			<u>\$1,025,509</u>	<u>\$1,056,303</u>	<u>\$1,010,749</u>
<u>STATE</u>					
Oklahoma Department of Commerce					
CENA	16095-15	07/01/14 to 06/30/15	\$ 154,631	\$ 154,363	\$ 154,363
Oklahoma Association of Area Agencies on Aging					
Masonic Charity		01/1/15 to 12/31/15	53,041	53,041	-
Oklahoma Department of Human Services					
Title III C1	14004956	07/01/14	305,845	356,815	318,090
Title III C2	14004956	to 06/30/15	196,909	234,958	232,902
Title III B	14004956		145,112	110,777	49,376
Title III D	14004956		2,449	1,800	2,504
Title III E	14004956		29,460	17,222	8,996
Title III Total			<u>679,775</u>	<u>721,572</u>	<u>611,868</u>
Title VII	14004956	07/01/14 to 06/30/15	480	418	-
Provider Fee-Ombudsman	14004956	07/01/14 to 06/30/15	54,630	-	-
Semi-Annual Reporting Tools		04/01/14 to 09/29/14	5,000	2,500	-
MFP	14019644	04/01/15 to 09/29/15	10,506	738	3,109
TOTAL STATE			<u>\$ 958,063</u>	<u>\$ 932,632</u>	<u>\$ 769,340</u>
TOTAL FEDERAL AND STATE			<u>\$1,983,572</u>	<u>\$1,988,935</u>	<u>\$1,780,089</u>

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

LONG TERM CARE AUTHORITY OF ENID
SCHEDULE OF FEDERAL AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2015

FEDERAL AGENCY NAME	PASS THROUGH AGENCY	FEDERAL PROGRAM TITLE	CFDA NUMBER	OTHER IDENTIFICATION NUMBER	FROM DIRECT AWARDS	FROM PASS THROUGH AWARDS	TOTAL
Department of Health and Human Services	OK DHS	Medical Assistance Program(Medicaid)	93.778	100004577	\$ -	\$ 257,741	\$ 257,741
	Area Agency On Aging Services	Grants to Supportive Services and Sr. Centers	93.044	Title III B	-	188,036*	188,036*
		Nutrition Services	93.045	Title III C-1	-	227,344*	227,344*
		Nutrition Services	93.045	Title III C-2	-	108,510*	108,510*
		In-Home Services for Frail Older Individuals	93.043	Title III D	-	10,199*	10,199*
		Disease Prevention and Health Promotion Services	93.052	Title III E	-	77,266*	77,266*
		Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	Title VII	-	979	979
		Food Distribution	93.053	NSIP	-	123,013	123,013
		Medicare Improvements for Patients and Providers	93.518	MIPPA	-	933	933
		Total Agency			<u>-</u>	<u>736,280</u>	<u>736,280</u>
Admin for Community Living	Oklahoma Insurance Department	Senior Medicare Patrol	93.324	SMP	-	1,304	1,304
		Oklahoma State Health Insurance Assistance Program	93.324	SHIP	-	15,424	15,424
		Total Agency			<u>-</u>	<u>16,728</u>	<u>16,728</u>
		TOTAL FEDERAL ASSISTANCE			<u>\$ -</u>	<u>\$1,010,749</u>	<u>\$1,010,749</u>

Note 1 - * Represents federal share of expenditures only.

Note 2 - This schedule was prepared on the accrual basis of accounting.

The accompanying notes are an integral part of this statement.

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*

To the Board of Directors
Long Term Care Authority of Enid
Enid, Oklahoma

I 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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Long Term Care Authority of Enid, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 8, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Long Term Care Authority of Enid's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Long Term Care Authority of Enid's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal controls.

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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Long Term Care Authority of Enid's, financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The result of my tests disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

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 *Governmental Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Ralph Osborn
Certified Public Accountant
Bristow, Oklahoma
January 8, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Long Term Care Authority of Enid
Enid, Oklahoma

Report on Compliance for Each Major Federal Program

I have audited Long Term Care Authority of Enid, Oklahoma (Agency) compliance with the types of compliance requirements described in OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2015. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned cost.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstance.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Agency's compliance.

Opinion on Each Major Federal Program

In my opinion, Long Term Care Authority of Enid complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Long Term Care Authority of Enid is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Long Term Care Authority of Enid's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Ralph Osborn
Certified Public Accountant
Bristow, Oklahoma
January 8, 2016

Long Term Care Authority of Enid
STATUS OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Section I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No
Significant deficiency identified that is not considered to be material weakness(es)? ___ Yes X None Reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal control over major programs:

Material Weakness(es) identified? ___ Yes X No
Significant deficiency identified that is not considered to be material weakness(es)? ___ Yes X None Reported

Type of auditor's report issued on compliance to major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133

___ Yes X No

Programs tested as Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>93.044</u>	<u>Supportive Servs & Sr. Citizens</u>
<u>93.045</u>	<u>Nutritional Services</u>
<u>93.053</u>	<u>DHS Food Distribution</u>

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee? ___ Yes X No

Section II - Financial Statement Findings

No matters were noted.

Section III - Federal Award Findings and Questioned Cost

No matters were noted.

Long Term Care Authority of Enid
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED SEPTEMBER 30, 2014

The Authority's 2013-14 audit report was not completed and filed on a timely basis.
The 2014-15 audit report is filed within federal time limits.