

LONG TERM CARE AUTHORITY OF ENID

FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

BY

PATRICK W. CARROLL  
CERTIFIED PUBLIC ACCOUNTANT

CERTIFICATE #4081

LONG TERM CARE AUTHORITY OF ENID  
JULY 1, 2012 TO JUNE 30, 2013

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Long Term Care Authority of Enid  
Enid, Oklahoma

I have audited the accompanying financial statements of the Long-Term Care Management Authority of Enid (the "Authority") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 audits 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 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, I 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 I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

**Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position the Authority, as of June 30, 2013, and the respective changes in financial position and cash flow for the year then ended in accordance with the accounting principles generally accepted in the United states of America.

**Disclaimer of Opinion on Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis information on pages 3-5 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to my 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 me with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, I have also issued a report dated June 30, 2014 on my consideration of the Authority's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Authority's internal control over financial reporting and compliance.

Sincerely,



Chas. W. Carroll, P.A.

Chas. W. Carroll, P.A.  
June 30, 2014

**LONG TERM CARE AUTHORITY OF ENID  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2013**

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 financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the financial statements, which begin on page 5.

**FINANCIAL HIGHLIGHTS**

- Long Term Care Authority of Enid's balance at June 30, 2013 was \$33,199.86 representing an increase of \$10,318 from last fiscal year.
- Long Term Care Authority of Enid's accounts receivable from was \$29,524.14
- representing a decrease of \$19,479.80 from the previous year.
- Long Term Care Authority of Enid had total revenues of \$314,833 and total expenditures of \$334,869 representing a increases of \$20,705 and \$29,667.

**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 and notes to the 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 funds 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 Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (page 5) presents the assets and liabilities separately. The difference between total assets and total liabilities is net assets 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, Expenses and Changes in Net Assets (page 6) presents information showing how Long Term Care Authority of Enid's net assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will 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 Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* ("GASB 34").

(continued on next page)

FINANCIAL ANALYSIS OF THE ENTITY

**CONDENSED STATEMENT OF NET ASSETS  
JUNE 30, 2013 AND 2012**

|                                       | <u>2013</u>    | <u>2012</u>      | Increase<br>(Decrease) |
|---------------------------------------|----------------|------------------|------------------------|
| Current and other assets              | \$ 62,724      | \$ 77,010        | \$ (14,286)            |
| Capital assets                        | <u>2,669</u>   | <u>12,555</u>    | <u>(9,886)</u>         |
| Total assets                          | <u>65,393</u>  | <u>89,565</u>    | <u>(24,172)</u>        |
| Accounts payable and accrued expenses | 21,773         | 22,231           | 458                    |
| Due to funding source                 | <u>34,847</u>  | <u>34,847</u>    | <u>0</u>               |
| Total current liabilities             | <u>56,620</u>  | <u>57,078</u>    | <u>458</u>             |
| Total net assets                      | <u>\$8,773</u> | <u>\$ 32,487</u> | ** \$(23,714)          |

\*\*amount includes reduction in balance for expense not included in accruals in 2011-12. (3,678.87)

Net assets of Long Term Care Authority of Enid increased by \$938 as a result of the net gain for the year ending 2012. Total assets were greater than last year's assets by \$3,418. Total liabilities increased by \$2,480.

**CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 2013 AND 2012**

|  | <u>2013</u>       | <u>2012</u>      | Increase<br>(Decrease) |
|--|-------------------|------------------|------------------------|
| Grant revenue  | \$314,221         | \$293,190        | \$ 21,031              |
| Program expenses   | <u>334,869</u>    | <u>301,524</u>   | <u>33,345</u>          |
| Change in net assets from federal/state program activities | <u>\$(20,648)</u> | <u>\$(8,334)</u> | <u>\$(4,987)</u>       |

All of Long Term Care Authority of Enid's program revenues were received from one major funding source or refunds.

CAPITAL ASSETS

At the end of June 30, 2013, Long Term Care Authority of Enid's investment in capital assets was \$2,669 (net of accumulated depreciation) as reflected in the following schedule:

|                                |                 |
|--------------------------------|-----------------|
| Computer equipment             | \$ 74,992       |
| Office furniture and equipment | 6,525           |
| Less accumulated depreciation  | <u>(78,848)</u> |
| Total                          | <u>\$ 2,669</u> |

(continued on next page)

**CURRENT YEAR ACTIVITY**

The nature of the Authority's operating activities was consistent with that of prior years. However, overall expenses and revenue reimbursed for expenses decreased due to a decrease in allocations.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES**

Long Term Care Authority of Enid is primarily dependent upon federal and state sources for the 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 approved the budget for the 2013-15 fiscal year on March 28, 2013.

**Long Term Care Authority of Enid**  
**STATEMENT OF NET POSITION**  
As of June 30, 2013

|  | <b>Fiscal Year<br/>2012-13</b> |
|--|--------------------------------|
| <b><u>ASSETS</u></b>                           |                                |
| <b>CURRENT ASSETS</b>                          |                                |
| Cash and cash equivalents                      | \$33,199.86                    |
| Accounts receivable                            | 29,524.19                      |
|  | 62,724.05                      |
| Total current assets                           | 62,724.05                      |
| <b>FIXED ASSETS</b>                            |                                |
| Furniture and equipment                        | 74,992.20                      |
| Computer equipment                             | 6,525.00                       |
|  | 81,517.20                      |
| Total capital assets                           | 81,517.20                      |
| Less accumulated depreciation                  | 78,848.59                      |
|  | 2,668.61                       |
| Net capital assets                             | 2,668.61                       |
|  | 2,668.61                       |
| Total assets                                   | \$65,392.66                    |
| <br><b><u>LIABILITIES AND NET POSITION</u></b> |                                |
| <b>CURRENT LIABILITIES</b>                     |                                |
| Accounts payable                               | \$15,571.66                    |
| Accrued compensation                           | 6,201.24                       |
| Due to funding sources                         | 34,847.00                      |
|  | 56,619.90                      |
| Total Current Liabilities                      | 56,619.90                      |
| <b>NET POSITION</b>                            |                                |
| Investment in capital assets                   | 2,668.61                       |
| Unrestricted                                   | 26,140.16                      |
| Net Income                                     | (20,036.01)                    |
|  | 8,772.76                       |
| Total net position                             | 8,772.76                       |
|  | 8,772.76                       |
| Total liabilities and net position             | \$65,392.66                    |

The notes to financial statements are an integral part of this statement

**Long Term Care Authority of Enid**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**July 2012 through June 2013**

|  | <b>Fiscal Year<br/>2012-13</b> |
|--|--------------------------------|
| <b>REVENUE</b>                                   |                                |
| 2013 Grants                                      | 314,220.91                     |
| Other Income                                     | 612.50                         |
| Refunds  | 0.01                           |
| Total revenue                                    | 314,833.42                     |
| <b>EXPENSES</b>                                  |                                |
| Payroll  | 192,149.78                     |
| Payroll taxes and benefits                       | 82,597.76                      |
| Insurance  | 2,906.00                       |
| Telephone and utilities                          | 6,599.48                       |
| Travel and training                              | 1,611.76                       |
| Miscellaneous                                    | 3,195.86                       |
| Office expense and postage                       | 2,957.79                       |
| Professional fees                                | 20,420.00                      |
| Equipment lease and purchase                     | 665.00                         |
| Rent   | 11,880.00                      |
| Depreciation                                     | 9,886.00                       |
| Total expense                                    | 334,869.43                     |
| <b>INCREASE/(DECREASE) IN NET POSITION</b>       | (20,036.01)                    |
| <b>NET POSITION, BEGINNING OF YEAR</b>           | 32,487.64                      |
| Adjustments: Reduction in beginning net position |                                |
| Prior Year Accts Payable not accrued             | (3,678.87)                     |
| <b>NET POSITION, END OF YEAR</b>                 | <b>\$8,772.76</b>              |

The notes to financial statements are an integral part of this statement

**Long Term Care Authority of Enid  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2013**

|   | <b>Fiscal Year<br/>2012-13</b> |
|---|--------------------------------|
| Cash flows from operating activities:   |                                |
| Cash from federal grants  | \$332,700.71                   |
| Cash paid to employees  | (271,697.53)                   |
| Cash paid to others   | (56,459.67)                    |
|   | 4,543.51                       |
| Net cash from operations  | 4,543.51                       |
| Non-operating income  |                                |
| Refund  | 650.03                         |
|   | 5,193.54                       |
| Net increase (decrease) in cash   | 5,193.54                       |
| Beginning Cash and Cash Equivalents   | 28,006.32                      |
| Ending Cash and Cash Equivalents  | \$33,199.86                    |
| <br>  |                                |
| Reconciliation of change in net position<br>to net cash provided by operating activities: |                                |
| Change in net position  | (\$20,036.01)                  |
| Net Adjustments to position   | (3,678.87)                     |
| Adjustments to reconcile change in net<br>position to net cash from operations:           |                                |
| Purchase of Equipment   | 0.00                           |
| Depreciation  | 9,886.00                       |
| Change in assets and liabilities:   |                                |
| (Increase) decrease in accounts receivable  | 19,479.80                      |
| Increase (decrease) in accounts payable   | 667.01                         |
| Increase (decrease) in accrued compensation   | (1,124.39)                     |
|   | \$5,193.54                     |
| Net cash from operating activities  | \$5,193.54                     |

The notes to financial statements are an integral part of this statement

LONG TERM CARE AUTHORITY OF ENID  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Organization*

Long Term Care Authority of Enid (the "Authority") 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 Boards (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 assets. Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. 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 the 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 Standards Board (FASB) pronouncements and Accounting Principles 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.

**ASSETS, LIABILITIES AND NET POSITION**

*Cash and Cash Equivalents*

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 equivalents.

*Notes Payable*

Notes payable to be repaid from the Authority resources are reported as liabilities in the balance sheet.

(Continued on next page)

## NOTES TO FINANCIAL STATEMENTS

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### *Net Position*

Net Position is divided into two components:

- a. *Net Investment in Capital Assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings 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 purposes for which both restricted and unrestricted net position are available.

### *Allowance for Bad Debt*

An allowance for doubtful accounts is established by management based on past experience and analysis of current receivable collectability.

### *Capital Assets*

Furniture and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives 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 values 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 2013.

### *Grant Revenue*

The Authority relies on a government agency which supplies all of the Authority's revenues. The Authority records income from grants in the period in which 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.

### *Estimates*

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 -CAPITAL ASSET ACTIVITY

Summary by category of changes in capital assets:

|                                  | <u>Beginning Balance</u> | <u>Adjustments<br/>to Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Deletions</u> | <u>Ending Balance</u> |
|----------------------------------|--------------------------|---|-------------------|------------------|-----------------------|
| Capital assets being depreciated |                          |   |                   |                  |                       |
| Computer equipment               | \$ 74,992                | \$ -  | \$ -              | \$ -             | \$ 74,992             |
| Office Furniture & equipment     | 6,525                    | -   | -                 | -                | 6,525                 |
| Total Capital Assets             | <u>\$ 81,517</u>         | <u>-</u>  | <u>-</u>          | <u>-</u>         | <u>81,517</u>         |
| Less accumulated depreciation    |                          |   |                   |                  |                       |
| Computer equipment               | (62,572)                 | -   | (9,751)           | -                | (72,323)              |
| Office furniture & equipment     | ( 6,390)                 | -   | ( 135)            | -                | (6,525)               |
| Total accumulated depreciation   | <u>(68,962)</u>          | <u>-</u>  | <u>(9,886)</u>    | <u>-</u>         | <u>(78,848)</u>       |
| Total capital assets, net        | <u>\$ 12,555</u>         | <u>\$ -</u>                                     | <u>\$ (9,886)</u> | <u>\$ -</u>      | <u>\$ ( 2,669)</u>    |

### NOTE 3- ECONOMIC DEPENDENCY

The Authority receives all support from federal grants. The loss of these sources of support could have an adverse effect on the Authority's financial stability.

### NOTE 4- EMPLOYEE RETIREMENT 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 \$11,430, \$12,383 and \$11,348, to the Plan for the fiscal years 2013, 2012 and 2011, respectively.

### NOTE 5- OPERATING LEASES

The Authority occupies office space under a lease agreement which expires June 30, 2013. Total rent expense for the year ended June 30, 2013 was \$10,500. The future minimum lease commitment for the year ended June 30, 2014 is \$10,500.

The Authority utilizes parking (5 spaces) under a lease agreement which expires June 30, 2013. The annual rent for the year ended June 30, 2013 was \$1,500. The future minimum lease commitment for the year ended June 30, 2014 is \$1,500.

### NOTE 6- CONCENTRATION OF CREDIT RISK

The Authority's financial instruments that are exposed to concentrations of credit risk consist of cash equivalents. The Authority maintains its cash balances at one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.

### NOTE 7- SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 30, 2014, which is the date the financial statements were available to be issued and has determined that no additional information needs to be added to the financial statements.

**LONG TERM CARE  
AUTHORITY OF ENID**

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Long Term Care Authority Of Enid  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 ALLOCATIONS & EXPENDITURES  
 JULY 1, 2012 TO JUNE 30, 2013

| FEDERAL GRANTOR/PASS THROUGH<br>GRANTOR/PROGRAM TITLE                               | FEDERAL<br>CFDA<br>NUMBER | PASS-<br>THROUGH<br>GRANTOR'S<br>NUMBER | PROGRAM<br>OR AWARD<br>AMOUNT | CASH/ACCRUED<br>OR (DEFERRED)<br>REVENUE AT<br>JULY 1, 2012 | RECEIPTS<br>OR REVENUE<br>RECOGNIZED | DISBURSEMENTS/<br>EXPENDITURES | CASH/ACCRUED<br>OR (DEFERRED)<br>REVENUE AT<br>JUNE 30, 2013 |
|---|---------------------------|---|-------------------------------|---|--------------------------------------|--------------------------------|--|
| Pass Through Awards -<br>Department of Human Services<br>Medical Assistance Program | 93.778                    | 10000111                                | \$320,209.00                  | \$49,003.99   | \$332,700.71                         | \$313,220.91                   | \$29,524.19  |

NOTE 1: The Schedule of Expenditures of Federal Awards was prepared using the same accounting policies used in preparing the Authority's financial statements. The Authority's policy is to recognize expenditures when encumbered (contracted for) rather than at the time the related fund liability is incurred.

See Independent Auditor's Report

# Chas. W. Carroll, P.A.

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## 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 Board of Trustees  
Long Term Care Authority of Enid  
Enid, Oklahoma

I have audited the basic financial statements of the Long-Term Care Management Authority of Enid (the "Authority") as of and for the year ended June 30, 2013, and have issued our report thereon dated June 30, 2014. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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.

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 deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority'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 results of my tests disclosed one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards, and is described in the accompanying schedule of Audit Findings as item 13-1.

The Authority's response to findings identified in my audit are described in the accompanying schedule of findings and responses. I did not audit the Authority's response and accordingly, I express no opinion on them.

This report is intended solely for the information and use of the board of trustees, management, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than the specified parties.

Sincerely,



Chas. W. Carroll, P.A.

June 30, 2014

LONG TERM CARE AUTHORITY OF ENID  
JULY 1, 2012 TO JUNE 30, 2013

DISPOSITION OF PRIOR YEAR REPORTABLE CONDITIONS AND  
MATERIAL INSTANCES OF NON-COMPLIANCE  
JUNE 30, 2013

12-1 Annual Audit Report – Completion and Filing Requirements

The Authority's 2011-12 audit report was not completed and filed on a timely basis. This occurred again for the 2012-13 fiscal year.

LONG TERM CARE AUTHORITY OF ENID  
JULY 1, 2012 TO JUNE 30, 2013

SCHEDULE OF FINDINGS

Section 1 – Summary of Auditor's Results

The audit disclosed one reportable condition on compliance, which is not considered to be a material weakness.

Section 2 – Findings related to the financial statements required to be reported in accordance with GAGAS.

13-1 Condition/Criteria: Oklahoma Statutes require that every trust created for the benefit and furtherance of any public function with the State of Oklahoma or any county or municipality as the beneficiary thereof must cause an audit to be made no later than six (6) months following the close of each fiscal year. A copy of the audit shall be filed with the State Auditor and Inspector and one copy with each beneficiary of the trust.

Recommendation: The Authority file all reports as required by statute or contract agreement.

Response: The management of Long Term Care Authority of Enid is in agreement as to the need to file required reports on a timely basis.