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American Institute
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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Trustees of the Seiling Municipal Hospital Authority
Seiling, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have performed the procedures enumerated within Appendix A which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Seiling Municipal Hospital Authority (the Authority) in meeting its financial accountability requirements as prescribed by such state laws and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2012 for the Authority. Management of the Seiling Municipal Hospital Authority is responsible for the Authority's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes §11.17.105-.107 and §60.180.1-.3. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in Appendix A, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on financial accountability and compliance with contractual requirements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



RSMeacham CPAs & Advisors
October 29, 2012

**Seiling Municipal Hospital Authority
Procedures and Findings
For the Year Ended June 30, 2012**

As to the Seiling Municipal Hospital Authority as of and for the fiscal year ended June 30, 2012:

- I. Prepare a schedule of revenues, expenditures and changes in fund balance for each fund from the Authority's trial balance and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. Agree the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances of noncompliance noted.

- III. Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted.

- IV. Compare the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- V. Compare the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. Compare the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

Exhibit I

**SEILING MUNICIPAL HOSPITAL AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Nursing Center</u>	<u>Hospital Fund</u>	<u>Total Hospital Authority</u>
Patient service revenue	\$ 955,224	\$ -	\$ 955,224
Sales tax income	140,494	136,939	277,433
Other revenue	19,660	-	19,660
Total revenue	<u>\$ 1,115,378</u>	<u>\$ 136,939</u>	<u>\$ 1,252,317</u>
Operating expense	\$ 1,090,315	\$ 63,960	\$ 1,154,275
Depreciation	22,914	-	22,914
Total expense	<u>\$ 1,113,229</u>	<u>\$ 63,960</u>	<u>\$ 1,177,189</u>
Operating income	\$ 2,149	\$ 72,979	\$ 75,128
Interest income	<u>660</u>	<u>704</u>	<u>1,364</u>
Net income	\$ 2,809	\$ 73,683	\$ 76,492
Beginning fund balance	237,165	105,449	342,614
Ending fund balance	<u>\$ 239,974</u>	<u>\$ 179,132</u>	<u>\$ 419,106</u>