

Memorandum

To: Finance Committee
From: Jonny F. Hipp, Administrator
Date: January 18, 2013
Re: Audit of Financial Statements for Fiscal Year Ended September 30, 2012

RECOMMENDATION:

Accept independent auditor's report from Collier, Johnson & Woods, P.C., Certified Public Accountants, on Hospital District's financial statements for fiscal year ended September 30, 2102.

BACKGROUND:

Texas Health and Safety Code, §281.092 relates to an Administrator's Report: §281.092(a) requires that after the close of the fiscal year, the Administrator shall make a report to the Board, Commissioners Court, Texas Board of Health, and Comptroller. §281.092(b)(1) Holds that the report must consist of a sworn statement of all money and choses in action received by the Administrator and their disposition; and §281.092(b)(2) Holds that the report shall show in detail all operations of the Hospital District for the fiscal year.

Texas Health and Safety Code, §281.094 specifically relates to the use of funds by the Nueces County Hospital District: §281.094 (a) provides that with approval of Commissioners Court, the Board may use non-tax levy funds to fund health care services, including public health services, mental health and mental retardation services, emergency medical services, health services provided to persons confined in jail facilities, and for other health related purposes; and §281.094(b) provides that the Board may use funds from any source to fund indigent health care.

The Nueces County Hospital District has outstanding long-term debt through fiscal year 2015 entitled "Nueces County Hospital District Limited Tax Refunding Bonds, Series 2003" which refunded the "Nueces County Hospital District Combination Tax and Subordinate Lien Revenue Refunding Bonds, Series 1993".

DISCUSSION:

The annual financial audit is undertaken to satisfy the above statutory requirements and to provide our citizens, taxpayers, elected officials, investors, bond rating agencies, creditors, and others with audited information about the Nueces County Hospital District's financial position and results of operations to demonstrate the Hospital District's accountability for the tax and other funds it receives, and show uses of the District's expenditures.

The Independent Auditor's Report indicates, in their opinion, the audited financial statements fairly represent, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining information of the Nueces County Hospital District as of September 30, 2012 and the respective changes in financial position and budgetary comparisons for the general fund and indigent care fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. The Auditor's did not identify any deficiencies in internal control over financial reporting that were considered to be material weaknesses.

John F. Wipp