

ADAIR COUNTY TREASURER

APRIL 30, 2009

STATUTORY REPORT



Oklahoma State Auditor
& Inspector

**JANICE BREWER, COUNTY TREASURER
ADAIR COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 30, 2009**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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September 1, 2009

BOARD OF COUNTY COMMISSIONERS
ADAIR COUNTY COURTHOUSE
STILWELL, OKLAHOMA 74960

Transmitted herewith is the Adair County Treasurer Statutory Report for April 30, 2009. The engagement was conducted in accordance with 74 O.S. § 212.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads 'Steve Burrage'.

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

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Janice Brewer, County Treasurer
Adair County Courthouse
Stilwell, Oklahoma 74960

Dear Ms. Brewer:

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for April 30, 2009:

- Review bank reconciliations, visually verify certificates of deposit, and confirm investments.
- Determine whether subsidiary records reconcile to the general ledger.
- Review pledged collateral securing deposits and invested funds.

All information included in the bank reconciliations, the investment ledger, the subsidiary ledgers, and the general ledger is the representation of the County Treasurer.

Our county treasurer statutory engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an opinion on any general-purpose financial statements of Adair County.

Based on the above reconciliations, visual verification, and confirmation procedures performed, the cash and investments of the County are supported by accounting and bank records. With respect to pledged collateral, our finding is included in the accompanying schedule of findings and responses.

This report is intended for the information and use of the management of the County. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

June 2, 2009

**JANICE BREWER, COUNTY TREASURER
ADAIR COUNTY, OKLAHOMA
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2009-1 – Fair Market Value of Collateral

Criteria: Title 62 O.S. § 517.4.C states, “Securities eligible for collateral shall be valued at market value. The treasurer shall review and determine the market value of collateral pledged for security not less than quarterly. The market value of pledged securities shall be provided to the treasurer by either the financial institution holding the deposit or the financial institution holding the collateral securities, which market value must have been obtained from an independent, recognized and documented source.”

Condition: Based on test work performed, it was noted that pledged securities are not being recorded at fair market value on their general ledger.

Effect: This condition could result in the County being under-collateralized and the possible loss of county funds.

Recommendation: OSAI recommends the County Treasurer obtain from the financial institutions that are authorized as the County’s depository banks a pledge report which lists the market value of all collateral securities. OSAI would further recommend the County Treasurer request these reports from their banks on a monthly basis, in order to ensure that the County’s deposits are properly secured and that the amount as listed on the general ledger is current.

Views of responsible officials and planned corrective actions: To correct the findings on the statutory report of Adair County Treasurer, the office will request a monthly report of pledged/collateral securities and their fair market value from our banks holding depository accounts. These will be reported in the General Ledger.



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