

**CAROLYN STANDS, COUNTY TREASURER
ALFALFA COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
FEBRUARY 14, 2008**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan
State Auditor and Inspector

April 1, 2008

BOARD OF COUNTY COMMISSIONERS
ALFALFA COUNTY COURTHOUSE
CHEROKEE, OKLAHOMA 73728

Transmitted herewith is the Alfalfa County Treasurer Statutory Report for February 14, 2008. 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,

Michelle R. Day

MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan
State Auditor and Inspector

Carolyn Stands, County Treasurer
Alfalfa County Courthouse
Cherokee, Oklahoma 73728

Dear Ms. Stands:

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for February 14, 2008:

- 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 Alfalfa County.

Based on the above reconciliations, visual verification, and confirmation procedures performed, the cash and investments of the County were supported by accounting and bank records; however, the cash and investments were not adequately secured. Our finding is included in the 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,

MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector

February 15, 2008

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2008-1 – Pledged Collateral for Deposits

Criteria: In accordance with 19 O.S. § 121 which states in part, "... before the deposit of any such funds, the county treasurer shall take from each of such banks security in a sum equal to the largest approximate amount that may be deposited in each bank respectively at any one time. Such security is required to be pledged, taken, approved, held and withdrawn under the provisions of the Security for Local Public Deposits Act..."

Condition: The County did not have adequate pledged securities on February 14, 2008.

General Ledger Amount	\$521,389
Amount Pledged	\$400,000
FDIC	<u>\$100,000</u>
Under Pledged by	<u>\$ 21,389</u>

Effect: The County would not have recovered the full amount in the bank if the bank had failed at that time.

Recommendation: We recommend the County Treasurer comply with 19 O.S. § 121 and ensure that the County's funds deposited in each bank is adequately secured by implementing policies and procedures to closely monitor the market value of the pledged collateral.

Views of responsible officials and planned corrective actions: As of February 22, 2008, the County Treasurer has insured adequate collateral for County funds.



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