



# BEAVER COUNTY

## Financial Report

For the fiscal year ended June 30, 2021

**Cindy Byrd, CPA**  
State Auditor & Inspector

**BEAVER COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 171, has not been printed, but is available on the agency's website ([www.sai.ok.gov](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



January 22, 2024

TO THE CITIZENS OF  
BEAVER COUNTY, OKLAHOMA

Transmitted herewith is the audit of Beaver County, Oklahoma for the fiscal year ended June 30, 2021. The audit was conducted in accordance with 19 O.S. § 171.

A report of this type can be critical in nature. Failure to report commendable features in the accounting and operating procedures of the entity should not be interpreted to mean that they do not exist.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

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

This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.) and shall be open to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

**BEAVER COUNTY OFFICIALS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**Board of County Commissioners**

District 1 – Roy Fleming  
District 2 – C.J. Rose  
District 3 – Kerry Regier

**County Assessor**

Lesa Slatten

**County Clerk**

Kelly Yeomans

**County Sheriff**

Reuben Parker, Jr.

**County Treasurer**

Albert Rodriguez

**Court Clerk**

Tammie Patzkowsky

**District Attorney**

Mike Boring

**BEAVER COUNTY, OKLAHOMA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**FINANCIAL SECTION**



## **Independent Auditor's Report**

TO THE OFFICERS OF  
BEAVER COUNTY, OKLAHOMA

### ***Report on the Financial Statement***

We have audited the total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Beaver County, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise the County's basic financial statement as listed in the table of contents.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the regulatory basis of accounting described in Note 1, and for determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for 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***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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, we 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 statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1, the financial statement is prepared by Beaver County using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Beaver County as of June 30, 2021, or changes in financial position for the year then ended.

### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the total receipts, disbursements, and changes in cash balances for all county funds of Beaver County, as of and for the year ended June 30, 2021, in accordance with the basis of accounting described in Note 1.

### ***Other Matters***

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the total of all county funds on the financial statement. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statement.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statement.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023, on our consideration of Beaver County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s 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 Beaver County's internal control over financial reporting and compliance.



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

November 13, 2023

**REGULATORY BASIS FINANCIAL STATEMENT**

**BEAVER COUNTY, OKLAHOMA**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN CASH BALANCES—REGULATORY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Beginning Cash Balances July 1, 2020	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2021
County Funds:						
County General	\$ 866,125	\$ 2,529,549	\$ -	\$ -	\$ 2,192,904	\$ 1,202,770
County Highway Unrestricted	1,418,182	5,336,948	-	-	4,071,352	2,683,778
Resale Property	101,193	40,187	-	-	33,715	107,665
Treasurer Mortgage Certification	9,610	1,220	-	-	-	10,830
County Clerk Lien Fee	51,124	6,513	-	-	585	57,052
County Clerk Records Management and Preservation	33,229	21,943	-	-	4,983	50,189
Assessor Revolving Fee	5,303	2,154	-	-	750	6,707
Emergency Management	9,475	5,140	-	-	2,773	11,842
Hospital-ST	32,360	396,426	-	-	402,515	26,271
Health	5,896	43	-	-	2,975	2,964
State Aid	4,499	14,080	-	-	15,587	2,992
County Bridge and Road Improvement	878,861	413,816	-	-	302,476	990,201
Reward Fund	300	-	-	-	-	300
Sheriff Commissary	25,800	15,739	-	-	9,869	31,670
911 Phone Fees	665,556	98,975	-	-	424,241	340,290
Use Tax-ST	757,167	378,291	-	-	468,266	667,192
Sales Tax Revolving Fund	19,759	-	-	19,759	-	-
Courthouse Maintenance-ST	112,709	46,032	9,879	-	28,889	139,731
Sheriff Service Fee	162,562	94,414	-	-	58,962	198,014
County Donations	126	5,000	-	-	5,000	126
Courthouse Improvement-ST	427,060	70,083	9,880	-	35,539	471,484
Library-ST	52,471	39,630	-	-	56,385	35,716
Economic Development-ST	3,181	3,972	-	-	3,224	3,929
Fair-ST	72,377	61,241	-	-	64,159	69,459
Health-ST	91,957	60,573	-	-	50,747	101,783
Museum-ST	2,708	3,984	-	-	4,793	1,899
Extension-ST	618,190	43,593	-	-	98,579	563,204
Public Transportation-ST	48,055	5,152	-	-	9,203	44,004
Rural Fire-ST	289,070	72,248	-	-	68,141	293,177
Sheriff Forfeiture	4,719	-	-	-	-	4,719
Senior Citizens-ST	204,125	23,930	-	-	27,622	200,433
American Rescue Plan Act 2021	-	515,800	-	-	-	515,800
Rural Economic Action Plan Revolving Fund	-	85,796	-	-	73,582	12,214
COVID Aid and Relief	-	6,000	-	-	6,000	-
<b>Total - All County Funds</b>	<b>\$ 6,973,749</b>	<b>\$ 10,398,472</b>	<b>\$ 19,759</b>	<b>\$ 19,759</b>	<b>\$ 8,523,816</b>	<b>\$ 8,848,405</b>

The notes to the financial statement are an integral part of this statement.

**BEAVER COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

Beaver County is a subdivision of the State of Oklahoma created by the Oklahoma Constitution and regulated by Oklahoma Statutes.

The accompanying financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds under the control of the primary government. The general fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund, where its use is restricted for a specified purpose. Other funds established by statute and under the control of the primary government are also presented.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, school districts, and cities and towns. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement; those funds play no part in the County's operations. Any trust or agency funds maintained by the County are not included in this presentation.

**B. Fund Accounting**

The County uses funds to report on receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Following are descriptions of the county funds included within the financial statement:

County General – accounts for the general operations of the government.

County Highway Unrestricted – accounts for state, local, and miscellaneous receipts, and disbursements are for the purpose of constructing and maintaining county roads and bridges.

Resale Property – accounts for the collection of interest and penalties on delinquent taxes and the disposition of same as restricted by state statute.

Treasurer Mortgage Certification – accounts for the collection of fees of Treasurer mortgage tax certificates and the disbursement of the funds as restricted by state statute.

County Clerk Lien Fee – accounts for fees for copies and lien collections and disbursements as restricted by state statute.

County Clerk Records Management and Preservation – accounts for fees collected for instruments filed with the County Clerk's office and disbursements as restricted by state statute.

**BEAVER COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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Assessor Revolving Fee – accounts for the collection of fees for copies and disbursements as restricted by state statute.

Emergency Management – accounts for the collection of grant funds to be disbursed for the purpose of homeland security by Beaver County.

Hospital–ST – accounts for the collection of sales tax and the disbursement of funds are used for general operations of the county hospital.

Health – accounts for interest collected on behalf of the county health facility to fund the operations of the county health facility.

State Aid – accounts for grant monies to be used to improve library service.

County Bridge and Road Improvement – accounts for state receipts and disbursements are for the purpose of maintaining bridges and roads.

Reward Fund – accounts for a percentage of fines imposed for littering in accordance with Title 21 O.S. § 1753.3 and § 1761.1 of the Oklahoma Statutes. The money is used to pay rewards for the arrest and conviction or for evidence leading to the arrest and conviction of any person who violates the provisions of the afore mentioned sections and to offset the cost of any special enforcement programs originated by any law enforcement agency responsible for the arrest or prosecution of any person.

Sheriff Commissary – accounts for the collection of the sale of items to inmates and disbursement of funds as restricted by state statute.

911 Phone Fees – accounts for monies received from the telephone companies for operation of the emergency 911 services.

Use Tax–ST – accounts for the taxes collected to be disbursed for future capital improvements.

Sales Tax Revolving Fund – accounts for sales tax monies collected in prior years.

Courthouse Maintenance–ST – accounts for the collection of sales tax and disbursements of funds are used for courthouse maintenance.

Sheriff Service Fee – accounts for the collection and disbursements of Sheriff process service fees as restricted by state statute.

County Donations – accounts for donations to the County for specified projects as restricted by resolutions approved by the Board of County Commissioners.

**BEAVER COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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Courthouse Improvement-ST – accounts for the collection of sales tax and disbursement of funds are used for courthouse improvements.

Library-ST – accounts for the collection of sales tax and disbursement of funds are used for general operations of the county library.

Economic Development-ST – accounts for the collection of sales tax and disbursement of funds are used for economic development within Beaver County.

Fair-ST – accounts for the collection of sales tax and disbursement of funds are used for general operations of the County fair.

Health-ST – accounts for the collection of sales tax and disbursement of funds are used for the health and well-being of Beaver County citizens.

Museum-ST – accounts for the collection of sales tax and disbursement of funds are used for general operations of the county museum.

Extension-ST – accounts for the collection of sales tax and disbursement of funds are used for general operations of the OSU Extension.

Public Transportation-ST – accounts for the collection of sales tax and disbursement of funds are used for public transportation for citizens of the County.

Rural Fire-ST – accounts for the collection of sales tax and disbursement of funds are for the general operations of the seven (7) active rural fire departments located within the County.

Sheriff Forfeiture – accounts for monies received from forfeitures and disbursed for law enforcement.

Senior Citizens-ST – accounts for the collection of sales tax and the disbursement of funds are used for the general operations of the three (3) Senior Citizen Centers of Beaver County.

American Rescue Plan Act 2021 – accounts for monies received from the United States Department of Treasury and disbursed for responding to the COVID-19 public health emergency and its negative economic impact, premium pay to eligible workers, the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, and investments in water, sewer, and broadband infrastructure as restricted by federal requirements.

Rural Economic Action Plan Revolving Fund – accounts for the collections of state grant monies to be disbursed in accordance with grant agreements.

**BEAVER COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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COVID Aid and Relief – accounts for federal grant monies received from the Coronavirus Relief Fund for the reimbursement of COVID related expenditures. Disbursements are for any lawful purpose of the County as directed by Board of County Commissioners’ resolution.

**C. Basis of Accounting**

The financial statement is prepared on a basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred. This regulatory basis financial presentation is not a comprehensive measure of economic condition or changes therein.

Title 19 O.S. § 171 allows Oklahoma counties to present their financial statement in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) or on a regulatory basis. The County has elected to present their financial statement on a regulatory basis in conformity with Title 19 O.S. § 171, which specifies the format and presentation of such regulatory basis financial statements: county governments (primary only) are required to present their financial statements on a fund basis format with, at a minimum, the general fund and all other county funds, which represent ten percent or greater of total county revenue with all other funds included in the audit presented in the aggregate in a combining statement. However, the County has elected to present all funds included in the audit in the Statement of Receipts, Disbursements, and Changes in Cash Balances—Regulatory Basis.

**D. Budget**

Under current Oklahoma Statutes, a general fund and a county health department fund are the only funds required to adopt a formal budget. On or before the first Monday in July of each year, each officer or department head submits an estimate of needs to the governing body. The budget is approved for the respective fund by office, or department and object. The County Board of Commissioners may approve changes of appropriations within the fund by office or department and object. To increase or decrease the budget by fund requires approval by the County Excise Board.

**E. Cash and Investments**

For the purposes of financial reporting, “Ending Cash Balances, June 30” includes cash and cash equivalents and investments as allowed by statutes. The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County’s books. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County’s deposits. The amount of collateral securities to be

**BEAVER COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

The County Treasurer has been authorized by the County's governing board to make investments. Allowable investments are outlined in statutes 62 O.S. § 348.1 and § 348.3.

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured. All investments as classified by state statute are nonnegotiable certificates of deposit. Nonnegotiable certificates of deposit are not subject to interest rate risk or credit risk.

**2. Ad Valorem Tax**

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the County Assessor within the prescribed guidelines established by the Oklahoma Tax Commission and the State Equalization Board. Title 68 O.S. § 2820.A. states, ". . . Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the individual visual inspection of all taxable property within the county at least once each four (4) years."

Taxes are due on November 1 following the levy date, although they may be paid in two equal installments. If the first half is paid prior to January 1, the second half is not delinquent until April 1. The County Treasurer, according to the law, shall give notice of delinquent taxes and special assessments by publication once a week for two consecutive weeks at any time after April 1, but prior to the end of September following the year the taxes were first due and payable. Unpaid real property taxes become a lien upon said property after the treasurer has perfected the lien by public notice.

Unpaid delinquent personal property taxes are usually published in May. If the taxes are not paid within 30 days from publication, they shall be placed on the personal tax lien docket.

**3. Other Information**

**A. Pension Plan**

Plan Description. The County contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes



**BEAVER COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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the provisions of the Plan. OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73105 or by calling 1-800-733-9008.

Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates.

**B. Other Post Employment Benefits (OPEB)**

In addition to the pension benefits described in the Pension Plan note, OPERS provides post-retirement health care benefits of up to \$105 each for retirees who are members of an eligible group plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the County is not available nor can it be reasonably estimated.

**C. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the County expects such amounts, if any, to be immaterial.

As of the end of the fiscal year, there were no claims or judgments that would have a material adverse effect on the financial condition of the County; however, the outcome of any lawsuit would not be determinable.

**D. Sales Tax**

**Sales Tax of November 4, 2014**

The voters of Beaver County approved a one percent (1%) sales tax to begin April 1, 2015. This sales tax will expire April 1, 2021. The sales tax is distributed among the following entities: OSU Extension Office (11%), Free Fair (15%), Health Department (15%), County Library (10%), City Transit Bus (1.3%), seven (7) active County Fire departments (10.4%), General Use (19.3%), Rural Economic Development (1%), Jones and Plummer Trail Museum (1%), Courthouse Maintenance and Operation (10%), and three (3) active Senior Citizens Centers (6%). This sales tax is a continuation of the sales tax of November 4, 2008. This sales tax is accounted for in the following funds: Extension-ST fund, Fair-ST fund, Health-ST fund, Library-ST fund, Public Transportation-ST fund, Rural Fire-ST fund, Courthouse Improvement-ST fund, Economic Development-ST fund, Museum-ST fund, Courthouse Maintenance-ST fund and Senior Citizens-ST fund.

**BEAVER COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**Sales Tax of November 8, 2016**

The voters of Beaver County approved a continuation of a one percent (1%) sales tax for the general support of Beaver County Memorial Hospital Authority to begin April 1, 2017. This sales tax will expire after 84 months. This sales tax is accounted for in the Hospital–ST fund.

**Sales Tax of November 3, 2020**

The voters of Beaver County approved a one percent (1%) sales tax to begin April 1, 2021. This sales tax will expire after 72 months. The sales tax is distributed among the following entities: Maintenance and Operation for Courthouse (19.3%), Beaver County Library (10%), Beaver County Rural Economic Development of Beaver Chamber of Commerce (1%), Beaver County Free Fair (15%), Beaver County Health Department (15%), Jones and Plummer Trail Museum (1%), Beaver County OSU Extension Office (11%), Beaver City Transit Bus (1.3%), Seven (7) active Beaver County Fire Departments (10.4%), and Three (3) active Beaver County Senior Citizens Centers (6%), and General Use (10%). This sales tax is accounted for in the following funds: Courthouse Maintenance–ST fund, Library–ST fund, Economic Development–ST fund, Fair–ST fund, Health–ST fund, Museum–ST fund, Extension–ST fund, Public Transportation–ST fund, Rural Fire–ST fund, Senior Citizens–ST fund, and Courthouse Improvement–ST fund.

**E. Tax Abatements**

The County is subject to ad valorem tax abatements granted by the State of Oklahoma in accordance with the Oklahoma Constitution, Article 10 Section 6B for qualifying manufacturing concern—ad valorem tax exemption.

Under this program, a five-year ad valorem tax exemption exempts all real and personal property that is necessary for the manufacturing of a product and facilities engaged in research and development which meet the requirements set by the Oklahoma Constitution and statutes. Under Title 68 O.S. § 2902, in exchange for the five-year exemption, qualifying manufacturing concerns must meet certain minimum investment requirements for construction, acquisition, or expansion of a manufacturing facility. In addition, there are general minimum payroll requirements that must be met and the qualifying manufacturing concern must offer basic health benefit plans to all full-time employees within 180 days of employment.

The County had \$769,533 of ad valorem taxes abated under this program for the fiscal year ended June 30, 2021.

The State has an Ad Valorem Reimbursement Fund in accordance with Title 62 O.S. § 193 that is used to reimburse the County for the loss of revenue. Monies apportioned to this fund by the State also may be transferred to other state funds or otherwise expended as directed by the Legislature. In the event monies apportioned to the Fund are insufficient to pay all claims for reimbursement, claims for reimbursement for loss of revenue due to manufacturing exemptions of ad valorem taxes

**BEAVER COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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shall be paid first, and any remaining funds shall be distributed proportionally among the counties making claims for reimbursement for loss of revenue for school district exemptions.

**F. Interfund Transfers**

During the fiscal year, the County made the following transfers between cash funds:

- \$9,879 was transferred from the Sales Tax Revolving Fund to the Courthouse Maintenance–ST fund by the Board of County Commissioners’ (BOCC) resolution to close out the fund.
- \$9,880 was transferred from the Sales Tax Revolving Fund to the Courthouse Improvement–ST fund by BOCC resolution to close out the fund.

**SUPPLEMENTARY INFORMATION**

**BEAVER COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—**  
**BUDGETARY BASIS—GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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	General Fund		
	Budget	Actual	Variance
District Attorney	\$ 100	\$ -	\$ 100
District Attorney - County	590	-	590
County Sheriff	590,615	585,848	4,767
County Treasurer	99,641	93,242	6,399
County Commissioners	15,004	6,201	8,803
County Clerk	176,103	174,596	1,507
Court Clerk	154,115	152,615	1,500
County Assessor	110,115	97,643	12,472
Revaluation of Real Property	99,094	82,693	16,401
General Government	1,188,227	818,075	370,152
Excise Equalization Board	3,900	3,375	525
County Election Expense	63,027	53,999	9,028
Emergency Management	47,732	42,741	4,991
Charity	5,000	-	5,000
County Audit Budget Account	46,010	41,420	4,590
Library - General Government	28,002	16,946	11,056
County Hospital Budget Account	49,565	49,565	-
Total Expenditures, Budgetary Basis	\$ 2,676,840	\$ 2,218,959	\$ 457,881

**BEAVER COUNTY, OKLAHOMA  
NOTE TO SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**1. Budgetary Schedules**

The Comparative Schedule of Expenditures—Budget and Actual—Budgetary Basis for the General Fund present comparison of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Statement of Receipts, Disbursements, and Changes in Cash Balances because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in these funds. At the end of the year unencumbered appropriations lapse.

**INTERNAL CONTROL AND COMPLIANCE SECTION**



**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***

TO THE OFFICERS OF  
BEAVER COUNTY, OKLAHOMA

We have audited, 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, the total—all county funds of the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances of Beaver County, Oklahoma, as of and for the year ended June 30, 2021 and the related notes to the financial statement, which collectively comprise Beaver County’s basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated November 13, 2023.

Our report included an adverse opinion on the financial statement because the statement is prepared using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. However, our report also included our opinion that the financial statement does present fairly, in all material respects, the receipts, disbursements, and changes in cash balances – regulatory basis of the County as of and for the year ended June 30, 2021, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered Beaver County’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Beaver County’s internal control. Accordingly, we do not express an opinion on the effectiveness of Beaver County’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*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 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. We consider the



deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: 2021-001, 2021-002, and 2021-004.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency: 2021-003.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Beaver County's financial statement is free from material misstatement, we 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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2021-004.

### **Beaver County's Response to Findings**

Beaver County's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Beaver County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

November 13, 2023

**BEAVER COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**SECTION 1—Findings related to the 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***

**Finding 2021-001 – Lack of Internal Controls Over the County’s Financial Statement Presentation (Repeat Finding – 2020-002)**

**Condition:** The County has not designed and implemented internal controls to ensure the accurate presentation of the County’s financial statement. During the review and reconciliation of the financial statement as initially prepared by the County, we determined that the beginning balance was overstated by \$820, the apportionments were understated by \$494,079, and the ending balance was understated by \$493,259.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure the County’s financial statement is accurately presented.

**Effect of Condition:** This condition resulted in the beginning balance, apportionments, and ending balance being inaccurately reported on the County financial statement.

**Recommendation:** The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends the County design and implement policies and procedures to ensure the County’s financial statement is accurately presented.

**Management Response:**

**County Treasurer:** This was due to the American Rescue Plan Act of 2021 (ARPA) funds not receipted until the following fiscal year. The limbo period between was due to the County Commissioners not being sure what they wanted to do with the money (keep it or return it due to unsure written language/regulations for uses).

**Criteria:** The United States Government Accountability Office’s *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities. The County is required to present a financial statement for each fiscal year ended June 30.

Title 19 O.S. § 171 states in part, “Unless the county elects to prepare its financial statement in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board, the county shall present their financial statements in a regulatory basis of accounting.”

The limitations of the auditor are described in the American Institute of Certified Public Accountants Clarified Statements on Auditing Standards AU-C § 210, which states, in part: “The concept of an

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independent audit requires that the auditor's role does not involve assuming management's responsibility for the preparation and fair presentation of the financial statements or assuming responsibility for the entity's related internal control and that the auditor has a reasonable expectation of obtaining the information necessary for the audit insofar as management is able to provide or procure it. Accordingly, the premise is fundamental to the conduct of an independent audit.”

**Finding 2021-002 – Lack of County–Wide Internal Controls**

**Condition:** Through the process of gaining an understanding of the County’s internal control structure, it was noted that county-wide controls regarding Control Environment, Risk Assessment, and Monitoring have not been designed.

**Cause of Condition:** Policies and procedures have not been designed and implemented to address the risks of the County.

**Effect of Condition:** Without an adequate system of county-wide controls, there is greater risk of a breakdown in control activities which could result in unrecorded transactions, undetected errors, or misappropriation of funds.

**Recommendation:** OSAI recommends that the County design and implement a system of county-wide procedures to identify and address risks related to financial reporting and to ensure that information is communicated effectively. OSAI also recommends that the County design and implement monitoring procedures to assess the quality of performance over time. These procedures should be written policies and procedures and could be included in the County’s policies and procedures handbook.

**Management Response:**

**Chairman of the Board of County Commissioners:** We concur with the auditors’ comments and have implemented the following changes: I will communicate with the other Elected Officials and will download topics from the SAI website to discuss at our officer meetings.

**County Clerk:** I will discuss with other officers concerning risks and what we can do to improve and download the County–Wide Control Checklist.

**County Treasurer:** I will work with the other County Officials to better understand county-wide internal controls and what ways to better implement them.

**Criteria:** The GAO Standards – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

*Definition of Internal Control*

Internal control is a process effected by an entity’s oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

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Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.04 states in part:

*Components, Principles, and Attributes*

Control Environment - The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.

Risk Assessment - Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

Information and Communication - The quality information management and personnel communicate and use to support the internal control system.

Monitoring - Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

**Finding 2021-003 – Lack of Internal Controls and Noncompliance Over Discrete Presentation of Sales Tax Activity**

**Condition:** Upon inquiry, observation, and review of sales tax collections and disbursements, it was noted that sales tax revenues that are apportioned to the Rural Fire-ST fund are co-mingled with other revenue sources in the amount of \$28,802.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure compliance with 68 O.S. § 1370(I) and Attorney General Opinion 2014 OK AG 15.

**Effect of Condition:** This condition resulted in noncompliance with state statute and nonconformity with the AG Opinion and could result in unrecorded transactions, misstated financial reports, undetected errors, and misappropriation of funds.

**Recommendation:** OSAI recommends the County design and implement policies and procedures that would allow for the sales tax balances and activity to be distinguished from other revenue sources activity within a separate fund in accordance with the Chart of Accounts, the AG Opinion, and 68 O.S. § 1370(I).

**Management Response:**

**Chairman of the Board of County Commissioners:** We concur with the auditors' comments and have implemented the following changes: The County Clerk will set up a separate fund.

**County Clerk:** I have already created donation accounts for the sales tax entities and will continue to do so for any other office or entity that receives donations.

**County Treasurer:** I will work with the County Clerk to deposit further donations into appropriate donation accounts for the Rural Fire Departments.

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**Criteria:** The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

*Appropriate documentation of transactions and internal control*

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

Title 68 O.S. § 1370(I) states in part, “... Each such revolving fund shall be designated for a particular purpose and shall consist of all monies generated by such sales tax which are designated for such purpose. Monies in such funds shall only be expended for the purposes specifically designated as required by this section. A county sales tax revolving fund shall be a continuing fund not subject to fiscal year limitations.”

Additionally, AG opinion 2014 OK AG 15 dated 10/31/2014 states:

4. C. As the fiscal agent responsible for superintending the funds of Canadian County, the board of county commissioners is responsible to ensure that the sales tax proceeds are not intermingled and are used exclusively for the purpose expressed in the ballot measure and resolution. The board can direct that the funds be deposited in a dedicated revolving fund and not intermingled with other revenues. Okla. Const. art. X, § 19; 68 O.S. 2011, §1370; 19 O.S. Supp. 2013, § 339; 19 O.S. 2011, § 345; *Cavin v. Bd. of County Comm'rs*, 1934 OK 245 ¶ 11, 33 P.2d 477, 479.

**Finding 2021-004 – Lack of Internal Controls and Noncompliance Over Disbursements (Repeat Finding – 2011-008, 2012-008, 2017-001, 2018-001, 2019-002, 2020-003)**

**Condition:** Upon inquiry of county personnel, observation of the County’s disbursement process and a test of sixty-three (63) purchase orders and payroll expenditures, the following weaknesses were noted:

- Five (5) expenditures totaling \$224,230 were not encumbered prior to receiving goods or services and were not supported by adequate documentation.

**Cause of Condition:** Policies and procedures have not been designed and implemented with regard to the disbursement process to ensure adequate internal controls and compliance with state statute.

**Effect of Condition:** These conditions resulted in noncompliance with state statute and could result in unrecorded transactions, misstated financial reports, undetected errors, and misappropriation of funds.

**Recommendation:** OSAI recommends the County design and implement a system of internal controls over the disbursement process. Such controls should include ensuring that funds are encumbered prior to the receipt of goods and/or services and be supported by adequate documentation.

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**Management Response:**

**Chairman of the Board of County Commissioners:** We concur with the auditors' comments and have implemented the following changes: We will communicate with the different entities that they need to make sure receiving reports are filled out and filled out correctly. We will discuss with the Health Department the need to start initialing all their bills. We will encumber ACCO insurance the first week of July instead of end of July.

**County Commissioner District 3:** We will work to make sure that we encumber all purchases before they are invoiced. We will also work on improving our County's internal control structure.

**County Sheriff:** We will make sure a purchase order is in place before purchasing and a receiving report is included for all purchase orders.

**Criteria:** The GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.23 states in part:

*Objectives of an Entity – Compliance Objectives*

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Additionally, GAO Standards – Principle 6 – Define Objectives and Risk Tolerances – 6.05 states:

*Definitions of Objectives*

Management considers external requirements and internal expectations when defining objectives to enable the design of internal control. Legislators, regulators, and standard-setting bodies set external requirements by establishing the laws, regulations, and standards with which the entity is required to comply. Management identifies, understands, and incorporates these requirements into the entity's objectives. Management sets internal expectations and requirements through the established standards of conduct, oversight structure, organizational structure, and expectations of competence as part of the control environment.

The GAO Standards – Principal 10 – Design Control Activities – 10.03 states in part:

*Appropriate documentation of transactions and internal control*

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

Further, effective internal controls require that management properly implement procedures to ensure that expenditures comply with 19 O.S. § 1505.

O·K·L·A·H·O·M·A  
S·A·I  
STATE AUDITOR & INSPECTOR



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