

COUNTY AUDIT

# CADDO COUNTY

For the fiscal year ended June 30, 2011



*Independently serving the citizens of  
Oklahoma by promoting the  
accountability and fiscal integrity of  
governmental funds.*



Oklahoma State  
Auditor & Inspector  
Gary A. Jones, CPA, CFE

**CADDO COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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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 Collection, pursuant to 74 O.S. § 3105.B.



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

June 27, 2012

TO THE CITIZENS OF  
CADDO COUNTY, OKLAHOMA

Transmitted herewith is the audit of Caddo County, Oklahoma for the fiscal year ended June 30, 2011. 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.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones".

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

**CADDO COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**CADDO COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

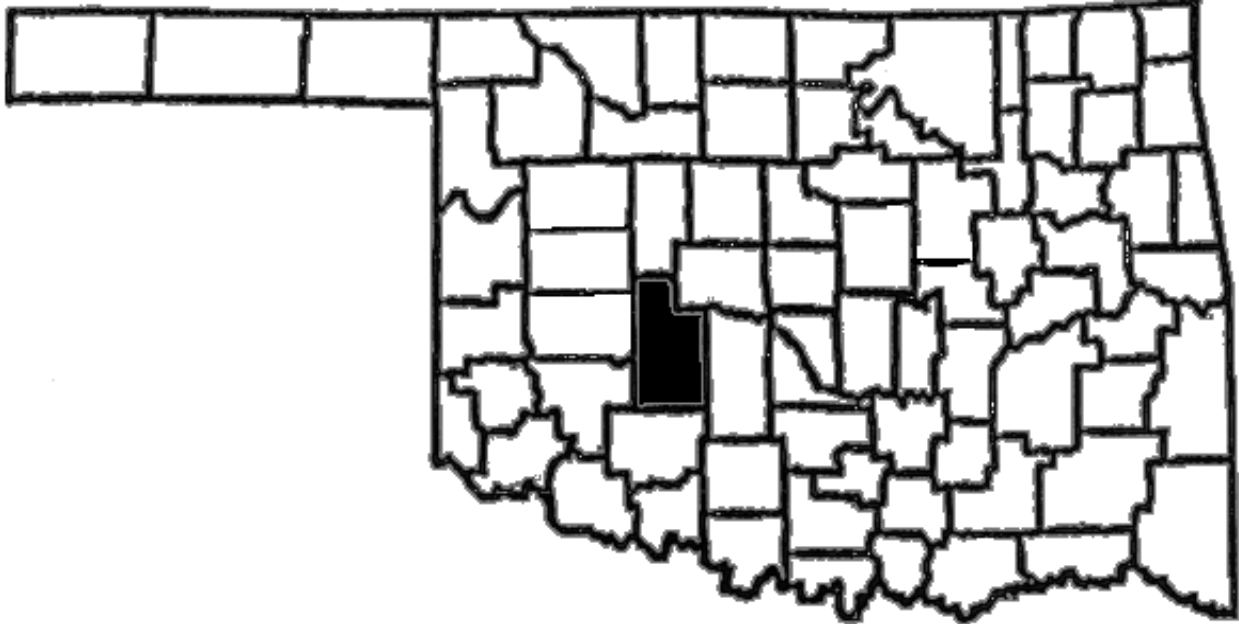
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**REPORT TO THE CITIZENS  
OF  
CADDO COUNTY, OKLAHOMA**

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Caddo County was organized on August 6, 1901, when much of southwestern Oklahoma was opened by land lottery. Caddo comes from an Indian word, *Kaddi*, meaning “life” or “chief.” The county is primarily agricultural and produces much of Oklahoma’s peanuts, alfalfa, and wheat.

The American Indian Exposition, the largest event of its kind in the world, is held annually in Anadarko, as are the Southern Plains Indian Rendezvous Art Show and the Autumn Festival.

County Seat – Anadarko

Area – 1,290.31 Square Miles

County Population – 30,393  
(2009 est.)

Farms – 1,584

Land in Farms – 749,918 Acres

Primary Source: Oklahoma Almanac 2011-2012

See independent auditor’s report.

**CADDO COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**COUNTY ASSESSOR**

Edward Whitworth

The County Assessor has the responsibility to appraise and assess the real and personal property within the county for the purpose of ad valorem taxation. Also, the County Assessor is required to compute the ad valorem taxes due on all taxable property. The County Assessor appraises all the taxable real and personal property according to its fair cash value for which the property is actually being used as of January 1 of the taxable year at the percentages provided for in Article 10, § 8 of the Oklahoma Constitution.

The County Assessor is required to build and maintain permanent records of the taxable real property and tax exempt real property within the county. Information entered on each record includes the property's legal description, owner's name and address, and the homestead exemption status of the owner.

**COUNTY CLERK**

Patrice Dolch

The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

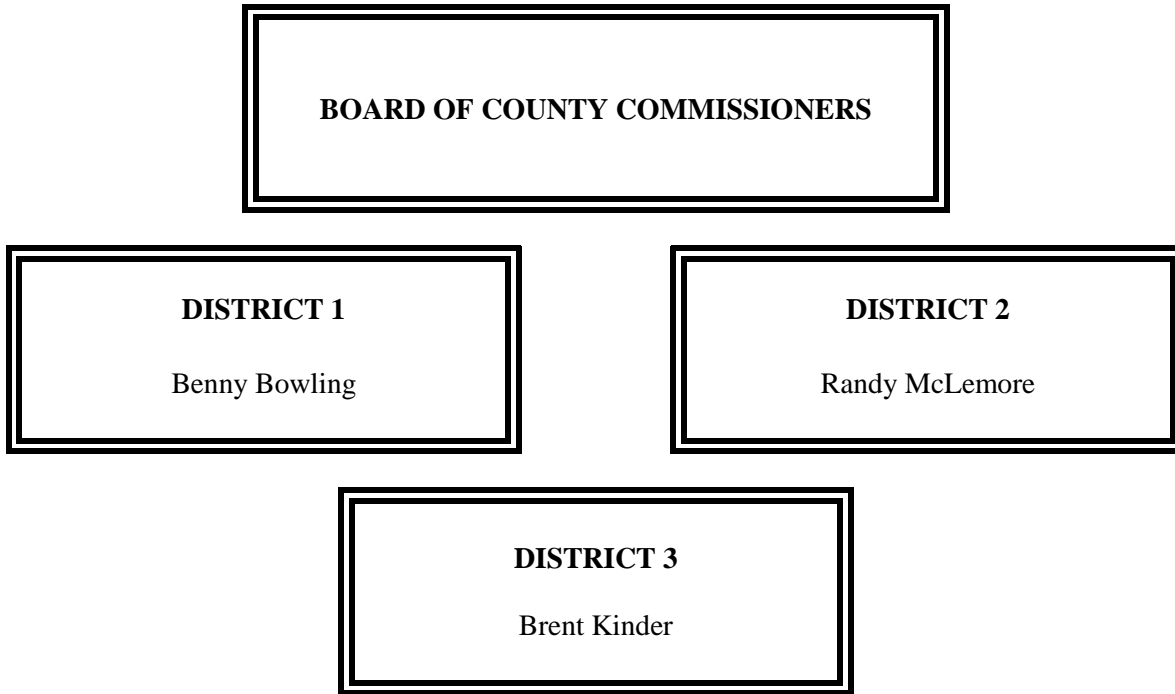
The County Clerk reviews all the claims for payment of goods and services purchased or contracted by the county, and prepares the proper warrants for payment of those goods and services and the county payroll. The County Clerk, or his or her designated deputy, serves as the purchasing agent for the county. This system is a means to ensure the public that tax dollars are being spent appropriately.

Various records within the different county offices are classified as "open records." As such, they can be reviewed and mechanically copied by the public.

See independent auditor's report.

**CADDO COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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The Board of County Commissioners is the chief administrative body for the county. County Commissioners are also responsible for maintaining and constructing the county roads and bridges.

The Commissioners must act as a Board when entering into contracts or other agreements affecting the county's welfare. Thus, actions taken by the Board are voted on and approved by a majority of the Commissioners. The Board of County Commissioners' business meetings are open to the public.

As the county's chief administrative body, the three County Commissioners must make major financial decisions and transactions. The Board has the official duty to ensure the fiscal responsibility of the other county officers who handle county funds. The review and approval procedures empowered to the Board of County Commissioners are a means to provide the public with a fiscally efficient system of county government.

See independent auditor's report.



**CADDO COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**COUNTY SHERIFF**

Gene Cain

The County Sheriff is responsible for preserving the peace and protecting life and property within the county's jurisdiction. As the county's chief law enforcement officer, the Sheriff has the power and authority to suppress all unlawful disturbances, to apprehend and secure persons charged with felony or breach of peace, and to operate the county jail.

The County Sheriff has the responsibility of serving warrants and processing papers ordered by the District Court.

**COUNTY TREASURER**

Stan Jennings

All collections by county government from ad valorem taxes and other sources are deposited with the County Treasurer. The County Treasurer collects ad valorem taxes for the county and its political subdivisions. The County Treasurer is authorized to issue delinquent personal property tax warrants and to impose tax liens on real property for delinquent taxes.

To account for county collections and disbursements, the County Treasurer is required to maintain an accurate record of all the monies received and disbursed.

See independent auditor's report.

**CADDO COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**COURT CLERK**

Opal Finch

The Court Clerk has the primary responsibility to record, file, and maintain as permanent records the proceedings of the District Court.

Court proceedings are recorded in the appropriate journal or record docket. All the court proceedings are public information except those related to juvenile, guardianship, adoption, and mental health cases.

The Court Clerk issues marriage licenses, passports, notary certificates, beer and pool hall licenses, and private process server licenses.

Monies from the court fund are identified for distribution by the Court Clerk to the appropriate units of county and state government.

**DISTRICT ATTORNEY**

Jason Hicks

As the chief attorney for county government, the District Attorney acts as the legal advisor to the county officers on matters related to their duties. The District Attorney represents the county in civil litigation. County officials may call upon the District Attorney to clarify a law or request an official interpretation from the Attorney General.

See independent auditor's report.

**CADDO COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**ELECTION BOARD SECRETARY**

Sue Hobbs

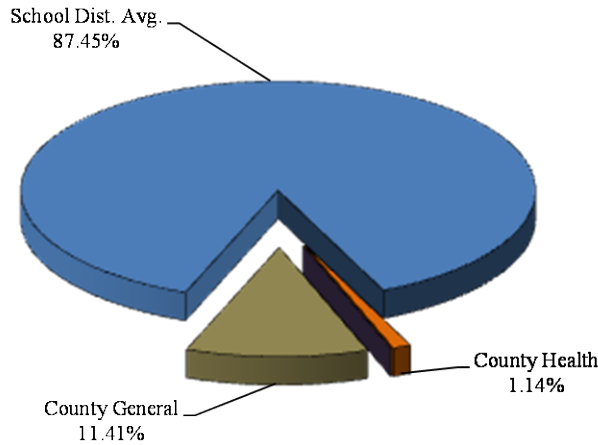
The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within the county.

To finance the operation of the County Election Board, the County Excise Board must appropriate sufficient funds annually. The state and counties split the election costs, but counties must pay for any county elections not held concurrently with state elections.

See independent auditor's report.

**CADDO COUNTY, OKLAHOMA  
AD VALOREM TAX DISTRIBUTION  
SHARE OF THE AVERAGE MILLAGE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Property taxes are calculated by applying a millage rate to the assessed valuation of property. Millage rates are established by the Oklahoma Constitution. One mill equals one-thousandth of a dollar. For example, if the assessed value of a property is \$1,000.00 and the millage rate is 1.00, then the tax on that property is \$1.00. This chart shows the different entities of the County and their share of the various millages as authorized by the Constitution.



County-Wide Millages		School District Millages								City		Total
		Gen.	Bldg.	Skg.	Career Tech	Common	EMS	Sinking				
County General	10.24											
County Health	1.02											
		Anadarko	I-20	35.57	5.08	18.39	11.26	4.10	-	-	74.40	
		Hydro-Eakly	I-11	36.01	5.14	28.73	11.26	4.10	-	-	85.24	
		Boone-Apache	I-56	35.86	5.12	9.89	11.26	4.10	-	-	66.23	
		Ft. Cobb-Broxtton	I-167	36.26	5.18	14.99	11.26	4.10	-	-	71.79	
		Lookeba-Sickles	I-12	36.32	5.19	9.85	11.26	4.10	3.08	-	69.80	
		Binger-Oney	I-168	35.98	5.14	7.60	11.26	4.10	3.08	-	67.16	
		Binger	I-168V6	35.98	5.14	7.60	15.36	4.10	3.08	-	71.26	
		Carnegie	I-33	36.03	5.15	13.42	11.26	4.10	-	-	69.96	
		Cyril	I-64	35.62	5.09	20.91	11.26	4.10	-	-	76.98	
		Gracemont	I-86	36.94	5.28	-	11.26	4.10	-	-	57.58	
		Cement	I-160	35.67	5.10	12.93	11.26	4.10	-	-	69.06	
		Hinton	I-161V2	35.59	5.08	21.23	11.26	4.10	3.08	-	80.34	
		Hinton (Can)	I-161V6	35.59	5.08	21.23	15.36	4.10	3.08	-	84.44	
		Grady	Jt 2 V6	35.97	5.14	19.36	15.36	4.10	-	-	79.93	
		Corn	Jt 11/9V9	35.50	5.07	33.11	14.15	4.10	-	-	91.93	
		Washita	Jt 9	36.48	5.21	13.14	-	4.10	-	-	58.93	
		Grady	JT 99V2	35.66	5.09	13.95	11.26	4.10	-	-	70.06	
		Grady	Jt 131	35.02	5.00	13.49	15.36	4.10	-	-	72.97	
		City of Anadarko		35.57	5.08	18.39	11.26	4.10	-	20.84	95.24	

See independent auditor's report.

**CADDO COUNTY, OKLAHOMA  
COMPUTATION OF LEGAL DEBT MARGIN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

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Total net assessed value as of January 1, 2010		<u>\$ 146,135,073</u>
Debt limit - 5% of total assessed value		7,306,754
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	-	<u>-</u>
Legal debt margin		<u>\$ 7,306,754</u>

See independent auditor's report.

**CADDO COUNTY, OKLAHOMA  
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED  
VALUE AND NET BONDED DEBT PER CAPITA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

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	2011
Estimated population	30,393
Net assessed value as of January 1, 2010	\$ 146,135,073
Gross bonded debt	-
Less available sinking fund cash balance	-
Net bonded debt	\$ -
Ratio of net bonded debt to assessed value	0.00%
Net bonded debt per capita	\$ -

See independent auditor's report.

**CADDO COUNTY, OKLAHOMA  
ASSESSED VALUE OF PROPERTY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

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Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2010	\$ 48,041,855	\$ 35,836,271	\$ 68,937,670	\$ 6,680,723	\$ 146,135,073	\$ 1,168,057,416

See independent auditor's report.

**FINANCIAL SECTION**





# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

## Independent Auditor's Report

TO THE OFFICERS OF  
CADDO COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Caddo County, Oklahoma, as of and for the year ended June 30, 2011, listed in the table of contents as the basic financial statement. This financial statement is the responsibility of Caddo County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement was prepared using accounting practices prescribed or permitted by Oklahoma state law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Caddo County as of June 30, 2011, or changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined total of receipts, disbursements, and changes in cash of Caddo County, for the year ended June 30, 2011, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2012, on our consideration of Caddo 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the combined total of all funds within the basic financial statement taken as a whole. The combining information is presented for purposes of additional analysis rather than to present the receipts, disbursements, and cash balances of the individual funds. Also, the other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis, and is not a required part of the basic financial statement. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statement. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole. The information listed in the table of contents under Introductory Section has not been audited by us, and accordingly, we express no opinion on it.

A handwritten signature in blue ink, appearing to read "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

June 11, 2012

## **Basic Financial Statement**

**CADDO COUNTY, OKLAHOMA  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
(WITH COMBINING INFORMATION)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Beginning Cash Balances July 1, 2010	Receipts Apportioned	Disbursements	Transfer In/ Transfer (Out)	Ending Cash Balances June 30, 2011
Combining Information:					
County General Fund	\$ 603,708	\$ 2,640,298	\$ 2,785,786	\$ -	\$ 458,220
Credit Card Tax Payments	1	17			18
Caddo County Education Facilities	7,369	3,052			10,421
Resale Property	75,075	130,977	114,978	9,571	100,645
County Highway Cash	3,126,157	11,173,381	12,048,912		2,250,626
County Highway County Road	662,962	571,292	856,900		377,354
County Bridge and Road Improvements		905,258			905,258
CDBG REAP 09 Baldwin		18,500	18,500		
County Use Tax	156,941	198,167	139,777		215,331
Trash Cop Grant	5,000				5,000
Local Environmental Planning Commission	3,355				3,355
Caddo County Health Department	109,851	146,151	79,712		176,290
Cash County Treasurer	35,511	4,044	3,310		36,245
Community Service Sentencing Program	152				152
Cash County Clerk	141,656	37,529	52,756		126,429
Cash County Assessor	205	200	200		205
Assessor Revolving	1,649	4,465	2,505		3,609
Sheriff Cash	164,984	196,449	239,456		121,977
Sheriff Recovery Justice Assistance Grant	30,546		30,546		
Sheriff Department of Corrections	100,331	106,245	106,269		100,307
Sheriff Reserve	6				6
Sheriff COP in School	25				25
Sheriff Gang Resistance Education and Training Grant (GREAT)	1				1
Sheriff Southwestern Bell Corporation	484				484
Sheriff State Criminal Alien Assistance Program (SCAAP) Grant	4,678	843	2,217		3,304
Sheriff Drug Enforcement	5,161	7,000	1,100		11,061
Homeland Courthouse Security	7				7
Sheriff Courthouse Security	28,315	14,769	21,162		21,922
County Sheriff COPS	947				947
County Sheriff Special Response Team	10,774	750	950		10,574
E-911 Account	21,129		351		20,778
E-911 Association of Southern Central Oklahoma Governments Cellular Phones		76,045			76,045
County Clerk Records Preservation	114,767	45,008	37,666		122,109
Sales Tax Jail/Courthouse Renovation	662,148	2,105,300		(2,608,695)	158,753

continued on next page

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

**CADDO COUNTY, OKLAHOMA  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
(WITH COMBINING INFORMATION)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Beginning Cash Balances July 1, 2010	Receipts Apportioned	Disbursements	Transfer In Transfer (Out)	Ending Cash Balances June 30, 2011
Combining Information:					
OSU Extension Support Fund		7,625			7,625
Caddo County Governmental Building Authority Capital Improvement Bond			606,915	1,308,316	701,401
Caddo County Governmental Building Authority Operations and Expenses		60,000	98,954	1,309,219	1,270,265
Caddo County Governmental Building Authority Bond Interest Maintenance and Operations		22,467			22,467
OSU Extension	356,338	300,611	389,971		266,978
OSU Extension Sales Tax	62,383	141,609	96,677		107,315
Sheriff Sales Tax	213,898	170,095	171,475		212,518
Capital Improvements Sales Tax	195,706	134,528	206,439		123,795
Grandstand Sales Tax	5,345		890		4,455
Free Fair Sales Tax	81,188	139,011	163,214		56,985
Township Fair Sales Tax	52,099	99,126	91,770		59,455
Rural Fire Sales Tax	66,177	141,609	140,446		67,340
Fairgrounds/Facilities Sales Tax	15,673	38,351	12,426		41,598
Anadarko Senior Citizen	1,504	12,391	10,741		3,154
Apache Senior Citizen	47,129	12,391	11,707		47,813
Binger Senior Citizen	4,887	12,391	9,428		7,850
Carnegie Senior Citizen	9,032	12,391	9,117		12,306
Cement Senior Citizen	29,146	12,391	20,160		21,377
Cyril Senior Citizen	10,634	12,390	18,349		4,675
Fort Cobb Senior Citizen	1,358	12,391	11,384		2,365
Hinton Senior Citizen	9,271	12,391	11,633		10,029
Health Sales Tax	5,475	14,163	17,635		2,003
Emergency Transportation	99,271	207,700	306,971		
Ambulance Service Fund	42,234	421,060	431,544		31,750
Ambulance Run Fund	47,369	280,707	283,865		44,211
Civil Emergency	1,261		266		995
E-911-5	542,499	234,863	137,340		640,022
Veterans Statue	1,671		920		751
Bridgeport CIP CDBG	450		450		
Cogar CDBG	9,852		9,852		
Emergency Management SLA	18,514	20,000	27,965		10,549
Cimarex Settlement	12,200	28,232			40,432
CED Circuit Engineering	23,729		3,519		20,210
Reward Fund	200				200
Emergency Reserve Fund	60,000				60,000
County Farm Lease		5,025			5,025
<b>Combined Total--All County Funds</b>	<b>\$ 8,100,388</b>	<b>\$ 20,951,649</b>	<b>\$ 19,845,076</b>	<b>\$ 18,411</b>	<b>\$ 9,225,372</b>

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

**CADDO COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

Counties were created by the Constitution of Oklahoma. One county officer is appointed; however, most county officers are locally elected by their constituents. All county powers are delegated by the state.

The accompanying basic financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds of Caddo County, Oklahoma. The financial statement referred to includes only the primary government of Caddo County, Oklahoma, and does not include financial information for any of the primary government's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the primary government. The funds presented as line items are not a part of the basic financial statement, but have been included as supplementary information within the basic financial statement. These separate funds are established by statute, and their operations are under the control of the County officials. 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. The other funds presented account for financial resources whose use is restricted for specified purposes.

**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 funds included as supplementary information within the financial statement:

County General Fund - accounts for the general operations of the government.

Credit Card Tax Payments - accounts for collections for tax payments made by credit cards. The account had no activity for the fiscal year but maintains a \$1 balance.

Caddo County Educational Facilities – accounts for collections from school districts to be disbursed for the operations of the Caddo County Educational Facilities Authority.

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

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

**CADDO COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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County Highway County Road– accounts for state receipts and disbursements for the purpose of maintaining roads.

County Bridge and Road Improvements – accounts for state receipts and disbursements for the purpose of county bridge and road improvements.

CDBG Reap 09 Baldwin – accounts for state grant funds for the capital improvement for the Baldwin Building located at the Fairgrounds destroyed by the tornado.

County Use Tax – accounts for tax collected and disbursed for the purpose of maintenance and operation of the Sheriff’s department.

Trash Cop Grant – accounts for federal funds collected and disbursed for the purpose of trash patrol.

Local Environmental Planning Commission – accounts for federal funds collected and disbursed for environmental control.

Caddo County Health Department - accounts for monies collected on behalf of the County Health Department from state and local revenues and accounts for ad valorem taxes collected by the County for the health department.

Cash County Treasurer - accounts for the collection of fees by the Treasurer for mortgage tax certificates and the disbursement of the funds as restricted by statute.

Community Service Sentencing Program – accounts for the collection of funding through the State Department of Corrections for administrative expenses and supervision of offenders.

Cash County Clerk - accounts for lien collections and disbursements as restricted by statute.

Cash County Assessor - accounts for the collection and disbursement of monies by the Assessor as restricted by state statute for the visual inspection program.

Assessor Revolving – accounts for the collection of fees for copies restricted by state statute.

Sheriff Cash - accounts for the collection and disbursement of sheriff process service fees as restricted by statute.

Sheriff Recovery Justice Assistance Grant - accounts for the collection of grant monies to be distributed by the Sheriff’s office in deterring gang related activities.

Sheriff Department of Corrections - accounts for collections of funding through the State Department of Corrections for maintaining prisoners.

**CADDO COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Sheriff Reserve - accounts for donations and disbursements for equipment for the reserve deputies.

Sheriff COP in School – accounts for grants funds for the purpose of school deputy’s salary.

Sheriff Gang Resistance Education and Training Grant – accounts for federal grant funds for salaries and expenses for the Gang Resistance and Education Training.

Sheriff Southwestern Bell Corporation – accounts for fees for calling from inmates and collected by Southwestern Bell Corporation.

Sheriff State Criminal Alien Assistance Program (SCAAP) Grant – accounts for federal grant funds for the purpose of housing illegal alien criminals in the county jail.

Sheriff Drug Enforcement - accounts for forfeitures and disbursements for drug enforcement.

Homeland Courthouse Security – accounts for federal grant fund for the purpose of a security camera system for the courthouse.

Sheriff Courthouse Security – accounts for the collection of fees from court cost and disbursed for surveillance equipment.

County Sheriff COPS – accounts for all grants for the purpose of deputy’s salary.

County Sheriff Special Response Team – accounts for all federal grants collected and disbursed for the purpose of the Special Response Team.

E-911 Account – accounts for the collection of fees imposed on the residents within the boundaries of Caddo County from the phone company and disbursements are made to maintain an emergency telephone system.

E-911 Association of Southern Central Oklahoma Governments Cellular Phones – accounts for the collection of pre-paid 911 fees from the State of Oklahoma to be disbursed for operations of E-911.

County Clerk Records Preservation - accounts for fees collected for instruments filed in the County Clerk's office as restricted by statute for preservation of records.

Sales Tax Jail/Courthouse Renovation - accounts for county sales tax collected and disbursed 50% to the Capital Improvement Bond fund and the Operations and Expense fund.

OSU Extension Support Fund – accounts for collections from donations to be disbursed for operations of the OSU Extension office.



**CADDO COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Caddo County Governmental Building Authority Capital Improvement Bond – accounts for 50% of county sales tax collected and disbursed for bond payments.

Caddo County Governmental Building Authority Operations and Expenses – accounts for 50% of the county sales tax collected and disbursed for operations and expenses of the courthouse and jail while under renovation.

Caddo County Governmental Building Authority Bond Interest Maintenance and Operations – accounts for the collection of an authority acceptance fee from the Bank of Oklahoma. Disbursements are for equipment for the County Clerk’s office for maintenance of supporting documentation regarding the Caddo County Governmental Building Authority.

OSU Extension - accounts for the collection of sales tax and interest on investments. Disbursements are for the maintenance and operation of the OSU Extension.

OSU Extension Sales Tax – the account was established for county sales tax collected and disbursed for OSU Extension services. This account has been subsequently established to be used solely for sales tax collections.

Sheriff Sales Tax – accounts for county sales tax collected and disbursed for the Sheriff’s office.

Capital Improvement Sales Tax – accounts for county sales tax collected and disbursed for improvements of the courthouse.

Grandstand Sales Tax – accounts for county sales tax collected and disbursed for improvements of the County grandstands.

Free Fair Sales Tax – accounts for county sales tax collected and disbursed for improvements of the County fairgrounds.

Township Fair Sales Tax – accounts for county sales tax collected and disbursed for operation of the township fairs.

Rural Fire Sales Tax – accounts for county sales tax collected and disbursed for maintenance and operation of the rural fire districts in the County.

Fairgrounds/Facilities Sales Tax – accounts for county sales tax collected and disbursed for maintenance of the Fairground Facilities.

Anadarko Senior Citizen – accounts for county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center.

Apache Senior Citizen – accounts for county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center.

**CADDO COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Binger Senior Citizen – accounts for county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center.

Carnegie Senior Citizen – accounts for county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center.

Cement Senior Citizen – accounts for county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center.

Cyril Senior Citizen – accounts for county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center.

Fort Cobb Senior Citizen – accounts for county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center.

Hinton Senior Citizen – accounts for county sales tax collected and disbursed for the maintenance and operation of the Senior Citizen Center.

Health Sales Tax – accounts for county sales tax collected and disbursed for the maintenance and operation of the County Health Department.

Emergency Transportation – accounts for the collection of funds from the State Department of Transportation to be disbursed for road and bridge projects.

Ambulance Service Fund – county sales tax collected and disbursed for maintenance and operation of the County Ambulance.

Ambulance Run Fund – county sales tax collected and disbursed for maintenance and operation of the County Ambulance.

Civil Emergency – accounts for funds received from state and local governments to be disbursed for civil emergency purposes.

E-911-5 – accounts for monies received from telephone companies to maintain an emergency telephone system.

Veterans Statue – accounts for donations received to restore and repair the veteran’s memorial statue.

Bridgeport CIP CDBG – accounts for federal grant funds for the capital improvement plan for the town of Bridgeport.

Cogar CDBG – accounts for federal grant funds for the capital improvement plan for the town of Cogar.

**CADDO COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Emergency Management SLA – accounts for federal funds for the purpose of the County’s emergency management program.

Cimarex Settlement – accounts for the collection from a court order to be disbursed for maintenance and operations of the Caddo County Court System.

CED Circuit Engineering – accounts for collections from the CED District to be disbursed for road and bridge projects.

Reward Fund – accounts for the monies collected and disbursed to citizens involved in the reporting of littering offenses.

Emergency Reserve Fund – accounts for the collection of sales tax to be disbursed for lawsuits awarded against the County. The account must maintain a balance of \$60,000.

County Farm Lease – accounts for the collection of a lease-rental from county-owned property.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including 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.

**C. Basis of Accounting**

The basic 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 cash basis financial presentation is not a comprehensive measure of economic condition or changes therein.

**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.

**CADDO COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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For the highway funds and other funds, which are not required to adopt a formal budget, appropriations are made on a monthly basis, according to the funds then available.

**E. Cash**

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 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).

**F. Investments**

The County Treasurer has been authorized by the County's governing board to make investments. By statute (62 O.S. § 348.1 and § 348.3), the following types of investments are allowed:

- U.S. Government obligations
- Certificates of deposit
- Savings accounts
- G.O. bonds issued by counties, municipalities or school districts
- Money judgments against counties, municipalities or school districts
- Bonds and revenue notes issued by a public trust when the beneficiary of the trust is a county, municipality or school district
- Negotiable certificates of deposit
- Prime bankers acceptance which are eligible for purchase by the Federal Reserve System
- Prime commercial paper with a maturity of 180 days or less
- Repurchase agreements
- Money market funds regulated by the Securities and Exchange Commission and which investments consist of the above-mentioned types of investments

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.

**G. Compensated Absences**

All full-time employees are entitled to vacation leave that is accrued on an annual basis and may not be accumulated. Vacation leave is paid upon the employee's separation of employment with the County. Accrual rates are as follows:

**CADDO COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Years of Service	Vacation Leave based on 7 hour workday / 8 hour workday
1-2 Years	35 hours / 40 hours per year
3-9 Years	70 hours / 80 hours per year
10-15 Years	105 hours / 120 hours per year
16 Years	112 hours / 128 hours per year
17 Years	119 hours / 136 hours per year
18 Years	126 hours / 144 hours per year
19 Years	133 hours / 152 hours per year
Over 20 Years	140 hours / 160 hours per year

The County does not record any liability for sick leave. Courthouse employees may accumulate up to 630 hours and law enforcement and highway employees may accumulate up to 720 hours of sick leave. Accrued sick leave is not paid upon employee's separation of employment with the County.

**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."

The assessed property value as of January 1, 2010, was approximately \$146,135,073.

Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10.24 mills (the legal maximum) for general fund operations and 1.02 mills for county health department. In addition, the County collects the ad valorem taxes assessed by school districts and remits the ad valorem taxes collected to the appropriate taxing units.

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. Unpaid real property taxes become a lien upon said property on October 1 of each year.

Current year tax collections for the year ended June 30, 2011, were approximately 91.92 percent of the tax levy.

**CADDO COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**3. Fuel Tax**

The County receives major funding for roads and highways from a state imposed fuel tax. Taxes are collected by the Oklahoma Tax Commission. Taxes are imposed on all gasoline, diesel, and special fuel sales statewide. The County's share is determined on formulas based on the County population, road miles, and land area and is remitted to the County monthly. These funds are earmarked for roads and highways only and are accounted for in the county highway fund.

**4. Risk Management**

ACCO-SIG – The County is exposed to the various risks of loss related to torts; theft, damage, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The County participates in a public entity risk pool: Association of County Commissioners of Oklahoma-Self-Insurance Group (ACCO-SIG). If claims exceed the authorized deductibles, the County could have to pay its share of any pool deficit. A judgment could be assessed for claims in excess of the pool's limits.

**5. Long-term Obligations**

**Capital Leases**

The County acquires road machinery and equipment through lease-purchase agreements financed by the Oklahoma Department of Transportation and/or the equipment vendors or their assignees pursuant to the provisions of 69 O.S. § 636.1 through § 636.7. Lease agreements entered into with the Oklahoma Department of Transportation (ODOT) are interest free, but have a one-time fee of 3% on all pieces of machinery acquired.

**6. 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 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. County employees are required to contribute between 3.5%

**CADDO COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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and 8.5% of earned compensation. The County contributes between 11.5% and 16.5% of earned compensation. Elected officials could contribute between 4.5% and 10% of their entire compensation. The County contributes 16.5% of earned compensation for elected officials. The County's contributions to the Plan for the years ending June 30, 2011, 2010, and 2009, were \$594,810, \$595,786, and \$538,665, respectively, equal to the required contributions for each year.

2.5% Step-Up. Members have the option to elect to increase the benefit computation factor for all future service from 2.0% to 2.5%. The election is irrevocable, binding for all future employment under OPERS, and applies only to full years of service.

**7. 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.

**8. 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; although, 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.

**9. Sales Tax**

Caddo County voters approved a .50% sales tax effective January 1, 2009. This sales tax expires January 1, 2014. The sales tax was established to provide revenue in the following manner:

Caddo County General Fund	34.00%
OSU Extension and 4-H Office	10.00%
Caddo County Free Fair and Caddo County Livestock Show	7.00%
Caddo County Free Township Fairs	7.00%
Capital Improvements for Caddo County Courthouse including Repair and Maintenance thereof	9.50%

**CADDO COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Office of the Sheriff, Caddo County	12.00%
Rural and Volunteer Firefighting Programs	10.00%
Caddo County Health Department	1.00%
Senior Citizen Nutrition Centers	7.00%
To Pay for the Collection of Said Tax	1.00%
Caddo County Fairgrounds Facilities	1.50%

Caddo County voters also approved a one-quarter on one percent sales tax for the Ambulance, effective the first day of June 2007. This sales tax will expire May 31, 2012.

Caddo County voters approved a three-quarter on one percent sales tax effective January 1, 2010, to be deposited with the County Treasurer, pledged toward the retirement of indebtedness incurred therefore; payment of operations and maintenance expenses related thereto; and to be used specifically for the renovation, expansion, construction, and equipping the Caddo County Detention Facility, Courthouse improvements, including additional space in the courthouse to provide for a 911 dispatch center. With \$200,000 of bond proceeds to go toward construction of a new Oklahoma State University Extension Center for Caddo County and operating and maintaining the Caddo County Detention Facility and county-wide dispatch center and other public safety expenses.

**10. Transfers**

The County transferred \$9,571 from the Excess Resale Fund to the Resale Property Fund in accordance with 68 O.S. § 3131 (C). Additionally, \$2,608,695 was transferred out of the Sales Tax Jail/Courthouse Renovation Fund to the Caddo County Governmental Building Authority Capital Improvement Bond Fund to make bond payments in the amount of \$1,308,316 and to the Caddo County Governmental Building Authority Operations and Expenses Fund for the operation of the jail. Total transfers do not balance because the Excess Resale Fund is not included on the financial statements and the amount transferred from the Sales Tax Jail/Courthouse Renovation is a monthly estimate to cover bond payments and operation costs.



**OTHER SUPPLEMENTARY INFORMATION**

**CADDO COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 603,708	\$ 603,708	\$ 603,708	\$ -
Less: Prior Year Outstanding Warrants	(88,650)	(88,650)	(88,650)	
Less: Prior Year Encumbrances	(8,568)	(8,568)	(5,415)	3,153
Beginning Cash Balances, Budgetary Basis	<u>506,490</u>	<u>506,490</u>	<u>509,643</u>	<u>3,153</u>
Receipts:				
Ad Valorem Taxes	1,360,385	1,360,385	1,405,731	45,346
Sales Tax	410,000	410,000	483,074	73,074
Charges for Services	163,000	163,000	367,698	204,698
Intergovernmental Revenues	300,000	377,731	287,596	(90,135)
Miscellaneous Revenues	79,168	79,168	96,199	17,031
Total Receipts, Budgetary Basis	<u>2,312,553</u>	<u>2,390,284</u>	<u>2,640,298</u>	<u>250,014</u>
Expenditures:				
County Sheriff	891,484	875,449	873,247	2,202
County Treasurer	162,700	178,091	177,637	454
County Clerk	190,749	186,909	169,195	17,714
Court Clerk	187,850	190,213	188,640	1,573
County Assessor	195,528	191,734	190,490	1,244
Revaluation of Real Property	268,732	218,172	213,852	4,320
Juvenile Shelter Bureau	52,812	52,172	42,300	9,872
General Government	796,934	928,893	830,301	98,592
Excise-Equalization Board	3,100	3,100	2,482	618

continued on next page

The accompanying note to the other supplementary information is an integral part of this schedule.  
See independent auditor's report.

**CADDO COUNTY, OKLAHOMA  
COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND  
CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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continued from previous page

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
County Election Board	56,994	59,881	59,226	655
County Audit Budget Account	14,614	14,614		14,614
Total Expenditures, Budgetary Basis	<u>2,821,497</u>	<u>2,899,228</u>	<u>2,747,370</u>	<u>151,858</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ (2,454)</u>	<u>\$ (2,454)</u>	402,571	<u>\$ 405,025</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			8,925	
Add: Current Year Outstanding Warrants			<u>46,724</u>	
Ending Cash Balance			<u>\$ 458,220</u>	

The accompanying note to the other supplementary information is an integral part of this schedule.  
See independent auditor's report.

**CADDO COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**COUNTY HEALTH DEPARTMENT FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	County Health Department Fund			
	Original	Final	Actual	Variance
	Budget	Budget		
Beginning Cash Balances	\$ 109,851	\$ 109,851	\$ 109,851	\$ -
Less: Prior Year Outstanding Warrants	(1,602)	(1,602)	(1,602)	
Less: Prior Year Encumbrances	(23,486)	(23,486)	(11,930)	11,556
Beginning Cash Balances, Budgetary Basis	<u>84,763</u>	<u>84,763</u>	<u>96,319</u>	<u>11,556</u>
Receipts:				
Ad Valorem Taxes	135,508	135,508	140,025	4,517
Charges for Services			5,708	5,708
Intergovernmental		1,873		(1,873)
Miscellaneous Revenues			418	418
Total Receipts, Budgetary Basis	<u>135,508</u>	<u>137,381</u>	<u>146,151</u>	<u>8,770</u>
Expenditures:				
Health and Welfare	220,271	222,144	87,769	134,375
Total Expenditures, Budgetary Basis	<u>220,271</u>	<u>222,144</u>	<u>87,769</u>	<u>134,375</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	154,701	<u>\$ 154,701</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			12,280	
Add: Current Year Outstanding Warrants			9,309	
Ending Cash Balance			<u>\$ 176,290</u>	

The accompanying note to the other supplementary information is an integral part of this schedule. See independent auditor's report.

**CADDO COUNTY, OKLAHOMA  
NOTE TO OTHER SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**Budgetary Schedules**

The Comparative Schedules of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis for the General Fund and the County Health Department Fund present comparisons 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 Combined Statement of Receipts, Disbursements, and Changes in Cash Balances with Combining Information 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 will lapse.

See independent auditor's report.

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<b>U.S. DEPARTMENT OF INTERIOR</b>			
Direct Grant:			
Payments in Lieu of Taxes	15.226	N/A	\$ 41,914
Total U.S. Department of Interior			<u>41,914</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Direct Grants:			
State Criminal Alien Assistance Program (SCAAP)	16.606	N/A	2,217
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738		30,546
Total U.S. Department of Justice			<u>32,763</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through Bureau of Indian Affairs:			
Highway Planning and Construction	20.205	N/A	3,097,305
Total U.S. Department of Transportation			<u>3,097,305</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through State Department of Emergency Management:			
Emergency Management Performance Grants (EMPG)	97.042	76968	27,503
Fire Management Assistance Grant	97.046	769.68	739
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-1678	163,161
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-1712	6,769
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-1718	71,564
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-1883	503,858
Total CFDA #97.036			<u>745,352</u>
Total U.S. Department of Homeland Security			<u>773,594</u>
Total Expenditures of Federal Awards			<u>\$ 3,945,576</u>

The accompanying note is an integral part of this schedule.  
See independent auditor's report.

**CADDO COUNTY, OKLAHOMA  
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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1. Summary of Significant Accounting Principles

The accompanying schedule of expenditures of federal awards has been prepared in conformity with the requirements set forth in the Single Audit Act of 1984, Public Law 98-502, the Single Audit Act Amendments of 1996, Public Law 104-156 and the Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*.

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. The reporting entity is the primary government of Caddo County as presented in the basic financial statement.

B. Basis of Presentation

The accompany schedule of expenditures of federal awards includes the federal grant activity of the primary government of Caddo County and is presented on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles, except as noted below:

1. The amount reported as “expenditures” for Payments in Lieu of Taxes is the amount received by the County “in lieu” of property taxes for federally owned property within the County.

**INTERNAL CONTROL AND COMPLIANCE SECTION**





# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

## **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  
CADDO COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Caddo County, Oklahoma, as of and for the year ended June 30, 2011, which comprises Caddo County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated June 11, 2012. Our report on the basic financial statement was adverse because the statement is not a presentation in conformity with accounting principles generally accepted in the United States of America. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caddo County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Caddo County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be 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 in internal control described in the accompanying schedule of findings and questioned costs to be material weaknesses in internal control over financial reporting. 2011-1, 2011-2, 2011-3, 2011-8

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 deficiencies in internal control described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. 2011-4, 2011-5, 2011-6, 2011-9

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caddo County's financial statement is free of 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 determination of financial statement amounts. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Caddo County, which are included in Section 4 of the schedule of findings and questioned costs contained in this report.

Caddo County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Caddo County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, those charged with governance, others within the entity, and is not intended to be and should not be used by anyone other than the specified parties. This report is also 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.



GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

June 11, 2012



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

## **Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133**

TO THE OFFICERS OF  
CADDO COUNTY, OKLAHOMA

### Compliance

We have audited the compliance of Caddo County, Oklahoma, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on Caddo County's major federal programs for the year ended June 30, 2011. Caddo County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of Caddo County's management. Our responsibility is to express an opinion on Caddo County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caddo County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Caddo County's compliance with those requirements.

In our opinion, Caddo County, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2011.

### Internal Control Over Compliance

Management of Caddo County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Caddo County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the

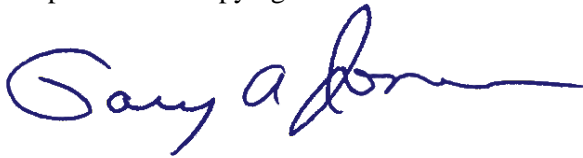
purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Caddo County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-10, 2011-11, 2011-12, 2011-13, 2011-14, and 2011-15 to be material weaknesses.

Caddo County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Caddo County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, those charged with governance, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. This report is also 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.



GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

June 11, 2012

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**SECTION 1—Summary of Auditor’s Results**

Financial Statements

Type of auditor's report issued:.....Adverse as to GAAP; unqualified as to statutory presentation

Internal control over financial reporting:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? ..... Yes

Noncompliance material to financial statements noted?..... No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? ..... No

Type of auditor's report issued on  
compliance for major programs: ..... Unqualified

Any audit findings disclosed that are required to be reported  
in accordance with section 510(a) of Circular A-133?..... Yes

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
20.205	Highway Planning and Construction (BIA)

Dollar threshold used to distinguish between  
Type A and Type B programs: ..... \$300,000

Auditee qualified as low-risk auditee?..... No

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**SECTION 2—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 2011-1—Footnote Disclosures (Repeat Finding)**

Condition: Internal controls have not been developed to ensure all required disclosures are presented with the financial statement.

Cause of Condition: Procedures have not been designed to prepare the accompanying notes to the financial statements.

Effect of Condition: The potential exists for misstatements to go undetected, specifically for the completeness of financial statement disclosures.

Recommendation: OSAI recommends the County consider one or more of the following controls:

- Having at least one staff member with sufficient skills necessary to understand the application of accounting principles in regards to the preparation of footnote disclosures.
- Contract an outside firm or individual to review or prepare the accompanying notes to the financial statements to ensure appropriate disclosures are presented.

Management Response: We have begun preparing and documenting each and every footnote disclosure, regarding the financial statements.

Criteria: The County's management is responsible for establishing internal control procedures to prevent or detect misstatements in a timely manner. Statement on Auditing Standards (SAS) No. 115 indicates that a control deficiency exists when management does not have adequate expertise to apply accounting principles to the financial statements or to review financial statements prepared on their behalf by others, to ensure they are prepared in accordance with these principles. Professional audit standards preclude the external financial statement auditor from performing any part of management's control activities or be a component of the internal controls over financial reporting as this would impair their independence.

**Finding 2011-2 — Lack of Internal Controls over Payroll Process (Repeat Finding)**

Condition: The payroll clerk enters new hires, posts withholdings, maintains personnel files, initiates the payment of payroll, prints payroll, posts to accounting records, and distributes payroll checks.

Cause of Condition: Procedures have not been designed to adequately segregate the duties within the payroll department.

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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Effect of Condition: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner

Recommendation: OSAI recommends management be aware of these conditions and determine if duties can be properly segregated. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating procedures to mitigate the risks involved with a concentration of duties. Compensating procedures would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

The following key accounting functions of the payroll process should be adequately segregated:

- Enrolling new employees and maintaining personnel files.
- Reviewing time records and preparing payroll.
- Distributing payroll warrants to individual.

Management Response: We are working diligently to correct the inadequacy of segregation of duties within the payroll department.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Procedures should be designed to analyze and check accuracy, completeness, and authorization of payroll calculations and/or transactions. To help ensure a proper accounting of funds, the duties of processing, authorizing, and payroll distribution should be segregated.

**Finding 2011-3—Lack of Internal Controls over Receipting and Balancing Processes (Repeat Finding)**

Condition: Upon inquiry and observation of the receipting and balancing process of the County Treasurer's office, the following was noted:

The County Treasurer and five full-time deputies work from one cash drawer. While the County Treasurer has implemented some controls, employees that issue receipts also prepare the deposit and/or take the deposit to the bank, as well as balance cash drawers and perform daily bank reconciliations.

Cause of Condition: Procedures have not been designed to adequately segregate the duties over the receipting and balancing process within the office of the County Treasurer.

Effect of Condition: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Recommendation: OSAI recommends management be aware of these conditions and realize that a concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective procedures lie in management's overseeing of office operations and a periodic review of operations. OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating procedures to mitigate the risks involved with a concentration of duties. Compensating procedures would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Management Response: We have made it our goal to achieve a fair and equal segregation of duties, so one deputy or official will not be totally responsible for several duties. Management will oversee each operation of the office, to reduce the risk of any one employee being responsible for one area of transactions.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be segregated.

**Finding 2011-4—Monthly Reconciliation of the Appropriation Ledger to the General Ledger (Repeat Finding)**

Condition: Upon inquiry of the reconciliation process between the County Treasurer and County Clerk regarding monthly reconciliations, we noted that reconciliations of the Appropriation Ledger to the General Ledger are not being performed.

Cause of Condition: Procedures have not been designed to reconcile monthly the Clerk's Appropriation Ledger to the Treasurer's General Ledger.

Effect of Condition: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends that the County Treasurer and County Clerk implement procedures to accurately reconcile on a monthly basis and maintain supporting documentation of the reconciliations.

Management Response:

Treasurer: The Caddo County Clerk and Caddo County Treasurer offices have met with the County Budget Maker and Accountant to reconcile the Clerks Appropriation Ledger and the Treasurer's General Ledger. Time is limited to bring all three together. However, after reconciliation, it is our goal to reconcile monthly and continue to be in balance.

County Clerk: The Budget Maker is currently reconciling and setting up an excel spreadsheet for the County Clerk and the Treasurer's Office.



**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of procedures is the safeguarding of assets. Procedures over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation.

**Finding 2011-5—Inadequate Internal Control Procedures over the Apportionment of Sales Tax (Repeat Finding)**

Condition: Upon inquiry and observation of the recordkeeping process of apportioning sales tax collections, the following was noted:

- There is no independent oversight of the calculation of sales tax collections that is presented for appropriation by the County Treasurer to the County Clerk.
- A sales tax was passed with the provision of earmarking one half of one percent of the sales tax collections for administrative purposes. However, this amount was not set aside for this purpose. Instead, the County distributed the sales tax collections among all entities receiving this sales tax using the percentage designated for those entities by the sales tax ballot.

Cause of Condition: Procedures have not been designed to have someone review the calculation of sales tax apportionments for accuracy and compliance with the sales tax ballot. Further, management stated that this was not the intent of the sales tax and that the ballot was worded incorrectly.

Effect of Condition: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends an employee recalculate the apportionment of sales tax collections that is presented for appropriation by the County Treasurer to the County Clerk. The employee should initial and date the recalculation. Sales tax collections should be earmarked as approved by the voters of the County.

Management Response: The sales tax ballot was worded incorrectly, creating a difficulty in calculating the sales tax apportionment to the proper funds. You cannot earmark sales tax collections correctly, when the ballot does not designate specific apportionments, so management designated those funds as the State Auditor's Office suggested. Those funds are now being recalculated by management on a monthly basis.

The excess percentage collected has been divided between ten (10) accounts equally per one auditor, and as of the meeting, we have the choice to divide the percentage or hold the excess as a special account on the General Ledger and use these funds for administrative fees toward the next election to correct the ballot.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of procedures is the safeguarding of assets. Procedures over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation.

**Finding 2011-6—Segregation of Duties – Official Depository (Repeat Finding)**

Condition: Based upon inquiry and observation of the receipting process for each office, the following was noted:

County Treasurer's Office: All employees issue official depository receipts; however, only one employee receives deposits from other officials. The same employee balances cash and checks to the deposits and prepares the deposit ticket for the official depository bank account.

County Clerk's Office: The County Clerk has two deputies that work from the same cash drawer. Both deputies issue receipts, balance the cash drawer, and prepare the deposit to the County Treasurer.

County Assessor's Office: The County Assessor has five full-time deputies that work from one cash drawer. The deputies alternate duties; however, one deputy may perform the duties of issuing receipts, balancing the cash drawer, preparing and delivering the deposit to the County Treasurer.

County Sheriff's Office: The County Sheriff has two full-time deputies that work from one cash drawer and any employee of the Sheriff's office may issue a receipt. The two full-time deputies not only issue receipts, but balance the cash drawer and prepare the deposit to the County Treasurer.

Free Fair: The employee of the Safety Director performs the duties of receipting, balancing, and depositing for the Caddo County Free Fair.

County Commissioner's Rental: The employee of the Safety Director performs the duties of receipting, balancing, and depositing for the County Commissioners.

Cause of Condition: Procedures have not been designed to adequately segregate the duties of the receipting and depositing process of official depository accounts.

Effect of Condition: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

Recommendation: OSAI recommends management be aware of these conditions and determine how to properly segregate duties. OSAI further recommends implementing compensating procedures to mitigate the risks involved with a concentration of duties. Compensating procedures would include separating key processes and/or critical functions of the office, and having management review and approve the accounting functions.

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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Further, employees should not all work from the same cash drawer. The duties of issuing receipts, balancing the cash drawer, preparing the daily deposit, and delivering the deposit to the Treasurer's offices should be performed by separate individuals.

**Management Response:**

Treasurer: Procedures have begun for all employees to receive deposits, issue depository receipts, and balance cash and checks to the depository ticket taken to the bank daily.

County Clerk: Procedures are being implemented to correct this issue with receipting, balancing and depositing in the real estate department.

Board of County Commissioners: From this point forward, the Safety Office & Fair Board employee will do the receipting and balancing and the Commissioner's Secretary will do the depositing.

County Assessor: Procedures are being implemented to correct this issue with receipting, balancing, depositing cash from the Assessor's Office.

County Sheriff: Caddo County Sheriff's office will implement a new procedure on taking cash. One of the employees will take the cash and the other employee will prepare the deposit for the County Treasurer. The employee collecting the cash or another employee will take the deposit to the County Treasurer.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be segregated.

**Finding 2011-8—County-Wide Internal Controls (Repeat Finding)**

Condition: County-wide controls regarding Risk Management and Monitoring have not been designed.

Cause of Condition: Procedures have not been designed to address risks of the County.

Effect of Condition: This condition could result in unrecorded transactions, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends that the County design procedures to identify and address risks. OSAI also recommends that the County design 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.

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Examples of risks and procedures to address risk management:

<b>Risks</b>	<b>Procedures</b>
Fraudulent activity	Segregation of duties
Information lost to computer crashes	Daily backups of information
Noncompliance with laws	Attend workshops
Natural disasters	Written disaster recovery plans
New employee errors	Training, attending workshops, monitoring

Examples of activities and procedures to address monitoring:

<b>Monitoring</b>	<b>Procedures</b>
Communication between officers	Periodic meetings to address items that should be included in the handbook and to determine if the County is meeting its goals and objectives.
Annual Financial Statement	Review the financial statement of the County for accuracy and completeness.
Schedule of Expenditures of Federal Awards (SEFA)	Review the SEFA of the County for accuracy and to determine all federal awards are presented.
Audit findings	Determine audit findings are corrected.
Financial status	Periodically review budgeted amounts to actual amounts and resolve unexplained variances.
Policies and procedures	Ensure employees understand expectations in meeting the goals of the County.
Following up on complaints	Determine source of complaint and course of action for resolution.
Estimate of needs	Work together to ensure this financial document is accurate and complete.

Management Response: We are taking steps in the direction to monitor the items that are listed. We have assessed the risk and feel that we have adequate control on the risk management.

Criteria: Internal control is an integral component of an organization's management that provides reasonable assurance that the objectives of effectiveness and efficiency of operations, reliability of financial reporting and compliance with laws and regulations are being made. Internal control comprises the plans, methods, and procedures used to meet missions, goals, and objectives. Internal control also serves as the first line of defense in safeguarding assets and preventing and detecting errors and fraud. County management is responsible for designing a county-wide internal control system comprised of Risk Assessment and Monitoring for the achievement of these goals.

Risk Assessment is a component of internal control which should provide for an assessment of the risks the county faces from both internal and external sources. Once risks have been identified, they should be analyzed for their possible effect. Management then has to formulate an approach for risk management and decide upon the internal control activities required to mitigate those risks and achieve the internal

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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control objectives of efficient and effective operations, reliable financial reporting, and compliance with laws and regulations.

Monitoring is a component of internal control which should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved. Ongoing monitoring occurs during normal operations and includes regular management and supervisory activities, comparisons, reconciliations, and other actions people take in performing their duties. It includes ensuring that management know their responsibilities for internal control and the need to make control monitoring part of their regular operating process.

**Finding 2011-9—Inadequate Internal Control Procedures over Pledged Collateral (Repeat Finding)**

Condition: The County Treasurer has not properly designed and implemented procedures related to pledged collateral due to the following:

- The County Treasurer does not monitor pledged collateral amounts to daily bank balances to ensure that county funds are adequately secured.

Cause of Condition: Procedures have not been designed to monitor daily bank balances to pledged collateral amounts.

Effect of Condition: Failure to monitor pledged collateral amounts could result in unsecured county funds and possible loss of county funds.

Recommendation: OSAI recommends that the County Treasurer implement a system of procedures to provide reasonable assurance that county funds are adequately secured.

Further, OSAI recommends the County Treasurer monitor pledged collateral amounts to bank balances on a daily basis to ensure that County funds are adequately secured.

Management Response: Our depository bank monitors our accounts daily, as well as the Treasurer and First Deputy. After the daily General Ledger is run, comparisons are made to assure that County funds are adequately secured, confirming the pledges with the bank official or bank president.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of procedures is the safeguarding of assets. Procedures over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation.

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**SECTION 3—Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133**

**Finding 2011-10—Schedule of Expenditures of Federal Awards FEMA (Repeat Finding)**

**PASS THROUGH GRANTOR:** Oklahoma Department of Emergency Management

**FEDERAL AGENCY:** United States Department of Homeland Security

**CFDA NO:** 97.036

**FEDERAL PROGRAM NAME:** Disaster Grants - Public Assistance (Presidentially Declared Disasters)

**FEDERAL AWARD NUMBER:** 1678, 1718, and 1883

**FEDERAL AWARD YEAR:** 2008, 2009, 2010, and 2011

**CONTROL CATEGORY:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions

**QUESTIONED COSTS:** \$-0-

Condition: The County has not designed and implemented formal procedures for the reporting of its major federal program for Disaster Grants – Public Assistance as required by OMB Circular A-133.

Cause of Condition: Procedures have not been designed to accurately report federal expenditures on the Schedule of Expenditures of Federal Awards.

Effect of Condition: This condition could result in a misstatement of the Schedule of Expenditures of Federal Awards.

Recommendation: OSAI recommends Caddo County have a policy for handling all federal grants awarded to the County. These policies could incorporate by reference applicable federal regulations to be followed, as well as the appropriate policy for the application, receipt, and expenditure of federal funds. OSAI also recommends that amounts reported on the Schedule of Expenditures of Federal Awards be reconciled to accounting records.

Management Response: All FEMA and BIA procedures have been implemented.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, an accurate record of federal expenditures should be maintained.

*OMB A-133, Subpart C, §\_\_\_.300 reads as follows:*

Subpart C—Auditees

§\_\_\_.300 Auditee responsibilities.

The auditee shall:

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

(d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §\_\_\_.310.

Additionally, FEMA Public Assistance Guide; Chapter 5, page 137, Project Management, Record Keeping states in part:

It is critical that the applicant establish and maintain accurate records of events and expenditures related to disaster recovery work...This information should include the completed PW; completed Special Considerations Questions form; estimated and actual costs; force account labor; force account equipment, materials, and purchases; photographs of damage, work underway, and work completed; insurance information; environmental and/or historic alternatives and hazard mitigation opportunities considered; environmental review documents; receipt and disbursement documents; and records of donated goods and services, if any.

**Finding 2011-11—Procedures over Major Programs – FEMA (Repeat Finding)**

**PASS THROUGH GRANTOR:** Oklahoma Department of Emergency Management

**FEDERAL AGENCY:** United States Department of Homeland Security

**CFDA NO:** 97.036

**FEDERAL PROGRAM NAME:** Disaster Grants - Public Assistance (Presidentially Declared Disasters)

**FEDERAL AWARD NUMBER:** 1678, 1718, and 1883

**FEDERAL AWARD YEAR:** 2009, 2010, and 2011

**CONTROL CATEGORY:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions

**QUESTIONED COSTS:** \$-0-

Condition: During the process of documenting the County's internal controls regarding federal disbursements, we noted the County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Period of Availability of Federal Funds; and Special Tests and Provisions.

Cause of Condition: Procedures have not been designed to ensure federal expenditures are made in accordance with federal compliance requirements.

Effect of Condition: This condition could result in noncompliance with grant requirements and loss of Federal funds to the County.

**CADDO COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Recommendation: OSAI recommends the County gain an understanding of requirements for these programs and implement internal control procedures to ensure compliance with requirements.

Management Response: All FEMA and BIA procedures have been implemented.

Criteria: *OMB A-133, Subpart C, §\_\_\_.300* reads as follows:

Subpart C—Auditees

§\_\_\_.300 Auditee responsibilities.

The auditee shall:

(b) Maintain internal controls over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have material effect on each of its Federal programs.

Further, accountability and stewardship should be overall goals in management's accounting of federal funds. Internal controls should be designed to monitor compliance with laws and regulations pertaining to grant contracts.

**Finding 2011-12— County-Wide Procedures over Major Programs FEMA (Repeat Finding)**

**PASS THROUGH GRANTOR:** Oklahoma Department of Emergency Management

**FEDERAL AGENCY:** United States Department of Homeland Security

**CFDA NO:** 97.036

**FEDERAL PROGRAM NAME:** Disaster Grants - Public Assistance (Presidentially Declared Disasters)

**FEDERAL AWARD NUMBER:** 1678, 1718, and 1883

**FEDERAL AWARD YEAR:** 2009, 2010, and 2011

**CONTROL CATEGORY:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions

**QUESTIONED COSTS:** \$-0-

Condition: County-wide controls regarding Risk Management and Monitoring have not been designed.

Cause of Condition: Procedures have not been designed to ensure the County is in compliance with grant requirements.

Effect of Condition: This condition could result in noncompliance with grant requirements and loss of Federal funds to the County.

Recommendation: OSAI recommends that the County implement a system of internal controls to ensure compliance with grant requirements.



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Examples of risks and procedures to address risk management for federal programs:

<b>Risks</b>	<b>Procedures</b>
Errors and misstatements in reporting	Independent review by another employee
Fraudulent activity	Segregation of duties
Information lost to computer crashes	Daily backups of information
Noncompliance with laws and grant requirements	Attend workshops, ensure employees receive current compliance supplements
New employee errors	Training, attending workshops, monitoring

Examples of activities and procedures to address monitoring of federal programs:

<b>Monitoring</b>	<b>Procedures</b>
Communication between officers	Discussion in BOCC meetings to monitor progress of grant and compliance with grant requirements.
Schedule of Expenditures of Federal Awards (SEFA)	Review the SEFA of the County for accuracy and to determine all federal awards are presented.
Audit findings	Determine audit findings are timely corrected.
Financial status	Periodically review budgeted amounts to actual amounts and resolve unexplained variances.
Compliance with grant requirements	Ensure employees understand grant requirements for federal program and are provided with the latest version of the compliance supplement.

Management Response: All FEMA and BIA procedures have been implemented.

Criteria: Internal control is an integral component of an organization's management that provides reasonable assurance that the objectives of effectiveness and efficiency of operations, reliability of financial reporting and compliance with laws and regulations are being made. Internal control comprises the plans, methods, and procedures used to meet missions, goals, and objectives. Internal control also serves as the first line of defense in safeguarding assets and preventing and detecting errors and fraud. County management is responsible for designing a county-wide internal control system comprised of Risk Assessment and Monitoring for the achievement of these goals.

Risk Assessment is a component of internal control which should provide for an assessment of the risks the county faces from both internal and external sources. Once risks have been identified, they should be analyzed for their possible effect. Management then has to formulate an approach for risk management and decide upon the internal control activities required to mitigate those risks and achieve the internal control objectives of efficient and effective operations, reliable financial reporting, and compliance with laws and regulations.

Monitoring is a component of internal control which should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved. Ongoing monitoring

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occurs during normal operations and includes regular management and supervisory activities, comparisons, reconciliations, and other actions people take in performing their duties. It includes ensuring that management know their responsibilities for internal control and the need to make control monitoring part of their regular operating process.

**Finding 2011-13— Schedule of Expenditures of Federal Awards – BIA (Repeat Finding)**

**PASS THROUGH GRANTOR:** Bureau of Indian Affairs

**FEDERAL AGENCY:** United States Department of Transportation

**CFDA NO:** 20.205

**FEDERAL PROGRAM NAME:** Highway Planning and Construction

**FEDERAL AWARD YEAR:** All

**CONTROL CATEGORY:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Davis-Bacon Act; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; Program Income; and Special Tests and Provisions

**QUESTIONED COSTS:** \$-0-

Condition: The County has not designed and implemented formal procedures for the reporting of its major federal program for Highway Planning and Construction as required by OMB Circular A-133.

Cause of Condition: Procedures have not been designed to accurately report federal expenditures on the Schedule of Expenditures of Federal Awards.

Effect of Condition: This condition could result in a misstatement of the Schedule of Expenditures of Federal Awards.

Recommendation: OSAI recommends Caddo County have a policy for handling all federal grants awarded to the County. These policies could incorporate by reference applicable federal regulations to be followed, as well as the appropriate policy for the application, receipt, and expenditure of federal funds. OSAI also recommends that amounts reported on the Schedule of Expenditures of Federal Awards be reconciled to accounting records.

Management Response: All FEMA and BIA procedures have been implemented.

Criteria: *OMB A-133, Subpart C, §\_\_\_.300* reads as follows:

Subpart C—Auditees

§\_\_\_.300 Auditee responsibilities.

The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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(d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § \_\_\_\_.310.

Further, accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, an accurate record of federal expenditures should be maintained.

**Finding 2011-14—Procedures over Major Programs – BIA (Repeat Finding)**

**PASS THROUGH GRANTOR:** Bureau of Indian Affairs

**FEDERAL AGENCY:** United States Department of Transportation

**CFDA NO:** 20.205

**FEDERAL PROGRAM NAME:** Highway Planning and Construction

**FEDERAL AWARD YEAR:** All

**CONTROL CATEGORY:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Davis-Bacon Act; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; Program Income; and Special Tests and Provisions

**QUESTIONED COSTS:** \$-0-

Condition: During the process of documenting the County's internal control procedures regarding federal disbursements, we noted the County has not established procedures to ensure compliance with the compliance requirements regarding Highway Planning and Construction.

Cause of Condition: Procedures have not been designed to ensure compliance requirements of federal grants are met by the County.

Effect of Condition: This condition could result in noncompliance to grant requirements.

Recommendation: OSAI recommends the County gain an understanding of requirements for federal programs and implement internal controls to ensure compliance with requirements.

Management Response: All FEMA and BIA procedures have been implemented.

Criteria: *OMB A-133, Subpart C, § \_\_\_\_.300* reads as follows:

Subpart C—Auditees

§ \_\_\_\_.300 Auditee responsibilities.

The auditee shall:

(b) Maintain internal controls over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have material effect on each of its Federal programs.

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Further, accountability and stewardship should be overall goals in management's accounting of federal funds. Procedures should be designed to monitor compliance with laws and regulations pertaining to grant contracts.

**Finding 2011-15—County Wide Procedures over Major Programs – BIA (Repeat Finding)**

**PASS THROUGH GRANTOR:** Bureau of Indian Affairs

**FEDERAL AGENCY:** United States Department of Transportation

**CFDA NO:** 20.205

**FEDERAL PROGRAM NAME:** Highway Planning and Construction

**FEDERAL AWARD YEAR:** All

**CONTROL CATEGORY:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Davis-Bacon Act; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; Program Income; and Special Tests and Provisions

**QUESTIONED COSTS:** \$-0-

Condition: County-wide procedures regarding Control Environment, Risk Management, Information and Communication, and Monitoring have not been designed.

Cause of Condition: Procedures have not been designed to ensure the County is in compliance with grant requirements.

Effect of Condition: This condition could result in noncompliance to grant requirements and loss of Federal funds to the County.

Recommendation: OSAI recommends that the County implement a system of internal controls to ensure compliance grant requirements.

Examples of risks and procedures to address risk management for federal programs:

<b>Risks</b>	<b>Procedures</b>
Errors and misstatements in reporting	Independent review by another employee
Fraudulent activity	Segregation of duties
Information lost to computer crashes	Daily backups of information
Noncompliance with laws and grant requirements	Attend workshops, ensure employees receive current compliance supplements
New employee errors	Training, attending workshops, monitoring

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Examples of activities and procedures to address monitoring of federal programs:

<b>Monitoring</b>	<b>Procedures</b>
Communication between officers	Discussion in BOCC meetings to monitor progress of grant and compliance with grant requirements.
Schedule of Expenditures of Federal Awards (SEFA)	Review the SEFA of the County for accuracy and to determine all federal awards are presented.
Audit findings	Determine audit findings are timely corrected.
Financial status	Periodically review budgeted amounts to actual amounts and resolve unexplained variances.
Compliance with grant requirements	Ensure employees understand grant requirements for federal program and are provided with the latest version of the compliance supplement.

Management Response: All FEMA and BIA procedures have been implemented.

Criteria: Internal control is an integral component of an organization's management that provides reasonable assurance that the objectives of effectiveness and efficiency of operations, reliability of financial reporting and compliance with laws and regulations are being made. Internal control comprises the plans, methods, and procedures used to meet missions, goals, and objectives. Internal control also serves as the first line of defense in safeguarding assets and preventing and detecting errors and fraud. County management is responsible for designing a county-wide internal control system comprised of Risk Assessment and Monitoring for the achievement of these goals.

Risk Assessment is a component of internal control which should provide for an assessment of the risks the county faces from both internal and external sources. Once risks have been identified, they should be analyzed for their possible effect. Management then has to formulate an approach for risk management and decide upon the internal control activities required to mitigate those risks and achieve the internal control objectives of efficient and effective operations, reliable financial reporting, and compliance with laws and regulations.

Monitoring is a component of internal control which should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved. Ongoing monitoring occurs during normal operations and includes regular management and supervisory activities, comparisons, reconciliations, and other actions people take in performing their duties. It includes ensuring that management know their responsibilities for internal control and the need to make control monitoring part of their regular operating process.

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**SECTION 4—This section contains certain matters not required to be reported in accordance with *Government Auditing Standards*. However, we believe these matters are significant enough to bring to management’s attention. We recommend that management consider these matters and take appropriate corrective action.**

**Finding 2011-7—Inmate Trust Fund Checking Account (Repeat Finding)**

**Condition:** The County Sheriff has not established an Inmate Trust Fund Checking Account. Cash held for an inmate, at booking or received for the benefit of the inmate, is placed in a sealed bag for said inmate and maintained in a lockbox.

**Cause of Condition:** Procedures have not been designed to comply with state statutes which require the Sheriff to establish an Inmate Trust Fund Checking Account for the purpose of maintaining inmate funds.

**Effect of Condition:** The County Sheriff not establishing an Inmate Trust Fund Checking Account could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds and noncompliance with state law.

**Recommendation:** OSAI recommends the County Sheriff establish an Inmate Trust Fund Checking Account in accordance with 19 O.S. §531A and implement a system of procedures to provide reasonable assurance that inmate money is accurately accounted for and maintained.

**Management Response:** Caddo County Sheriff Detention Center does not have an Inmate Trust Fund Checking Account. We do not allow money to be brought in for inmates. We have no programs where an inmate can purchase anything. What little money they have when booked in is usually released to whom they sign it out to.

**Criteria:** Title 19 O.S. § 531A states:

Notwithstanding any other provisions of law, the county sheriff may establish a checking account, to be designated the “Inmate Trust Fund Checking Account”, to be managed by the county sheriff and maintained separately from regular county funds. The checking account shall be subject to audit by the State Auditor and Inspector. The county sheriff shall deposit all monies collected from inmates incarcerated in the county jail into this checking account and may write checks to the Sheriff’s Commissary Account for purchases made by the inmate during his or her incarceration and to the inmate from unencumbered balances due the inmate upon his or her discharge.

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**Finding 2011-17—Estimate of Needs – General Fund Expenditures Budgeted in Excess of Estimated Revenues**

Condition: On the County’s Comparative Schedule of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis for the General Fund, budgeted expenditures exceeded budgeted revenues in the amount of (\$2,454).

Cause of Condition: Procedures have not been designed to ensure compliance with state statutes that prohibit budgeting expenditures in excess of expected revenues for the fiscal year.

Effect of Condition: The County violated state statutes regarding the budgeting process. The County budgeted \$2,454 for General Fund expenditures in excess of expected collections for the fiscal year.

Recommendation: OSAI recommends that county management review the Estimate of Needs prior to approval to ensure that disbursements, budgetary basis, are not in excess of receipts and the beginning fund balance and also ensure that all funds are accurately presented.

Management Response: The Budget Maker completed the SA&I form. Schedule 7 presents a calculation of prior year taxes “in the process of collection”. The calculation came to \$2,454. This amount in the SA&I spreadsheet was automatically carried to “Exhibit Y” as “Estimated Value of Surplus Tax in Process”. Therefore, it is an additional estimated revenue source. This was an unusual situation, because tax collections were so low. If SA&I concludes this should not be budgeted, then we will comply in the future.

Criteria: Title 68 O.S. § 3007(5) states:

As to each budget, original or supplemental, the county excise board shall proceed in the following order:

If the total of the several items of estimated needs for lawful purposes as heretofore ascertained is within the income and revenue lawfully available, the excise board shall approve the same by items and compute the levy required. If said total exceeds the means provided to finance the same, the excise board will proceed to revise the same by reducing items, in whole or in part, in the following order: (a) first apply such revision by reduction of items for governmental functions merely authorized but not required; (b) if further reduction be necessary, second, by reduction of items required by the Legislature but not within Constitutional requirement; (c) if still further reduction be necessary and no other items remain, third, by reduction of items for Constitutional governmental functions until the total thereof be within the income and revenue provided. At the option of the excise board, the governing board may collaborate in such reductions; but the final order shall be that of the county excise board.

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**Finding 2010-10 – Schedule of Expenditures of Federal Awards (Repeat Finding)**

**Pass-Through Grantor:** Oklahoma Department of Emergency Management

**Federal Agency:** United States Department of Homeland Security

**CFDA No:** 97.036

**Federal Program Name:** Disaster Grants - Public Assistance

**Federal Award Year:** 2008, 2009, 2010

**Control Category:** All

**Finding Summary:** The County has not designed and implemented formal procedures for the reporting of its major federal program for Disaster Grants – Public Assistance, as required by OMB Circular A-133.

**Status:** Finding 2010-10 was not corrected in fiscal year 2011, and resulted in Repeat Finding 2011-10.

**Finding 2010-11 – Procedures over Major Programs – FEMA (Repeat Finding)**

**Pass-Through Grantor:** Oklahoma Department of Emergency Management

**Federal Agency:** United States Department of Homeland Security

**CFDA No:** 97.036

**Federal Program Name:** Disaster Grants - Public Assistance

**Federal Award Year:** 2009 and 2010

**Control Category:** All

**Finding Summary:** During the process of documenting the County's internal controls regarding federal disbursements, we noted the County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Period of Availability of Federal Funds; and Special Tests and Provisions.

**Status:** Finding 2010-11 was not corrected in fiscal year 2011, and resulted in Repeat Finding 2011-11.

**Finding 2010-12 – County-Wide Procedures over Major Programs FEMA (Repeat Finding)**

**Pass-Through Grantor:** Oklahoma Department of Emergency Management

**Federal Agency:** United States Department of Homeland Security

**CFDA No:** 97.036

**Federal Program Name:** Disaster Grants - Public Assistance

**Federal Award Year:** 2009

**Control Category:** All

**Finding Summary:** County-wide procedures regarding Control Environment, Risk Management, Information and Communication, and Monitoring have not been designed.

**Status:** Finding 2010-12 was not corrected in fiscal year 2011, and resulted in Repeat Finding 2011-12.

**Finding 2010-13— Schedule of Expenditures of Federal Awards – BIA (Repeat Finding)**

**Pass-Through Grantor:** Bureau of Indian Affairs

**Federal Agency:** United States Department of Transportation

**CFDA No:** 20.205

**Federal Program Name:** Highway Planning and Construction

**Federal Award Year:** 2009



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**Control Category:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Davis-Bacon Act; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; Program Income; and Special Tests and Provisions

**Finding Summary:** The County has not designed and implemented formal procedures for the reporting of its major federal program for Highway Planning and Construction as required by OMB Circular A-133.

**Status:** Finding 2010-13 was not corrected in fiscal year 2011, and resulted in Repeat Finding 2011-13.

**Finding 2010-14— Lack of Internal Control over Major Programs – BIA (Repeat Finding)**

**Pass-Through Grantor:** Bureau of Indian Affairs

**Federal Agency:** United States Department of Transportation

**CFDA No:** 20.205

**Federal Program Name:** Highway Planning and Construction

**Federal Award Year:** 2009

**Control Category:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Davis-Bacon Act; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; Program Income; and Special Tests and Provisions

**Finding Summary:** During the process of documenting the County's internal controls regarding federal disbursements, we noted the County has not established procedures to ensure compliance with the compliance requirements regarding Highway Planning and Construction.

**Status:** Finding 2010-14 was not corrected in fiscal year 2011, and resulted in Repeat Finding 2011-14.

**Finding 2010-15—County-Wide Procedures over Major Programs – BIA (Repeat Finding)**

**Pass-Through Grantor:** Bureau of Indian Affairs

**Federal Agency:** United States Department of Transportation

**CFDA No:** 20.205

**Federal Program Name:** Highway Planning and Construction

**Federal Award Year:** 2009

**Control Category:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Davis-Bacon Act; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; Program Income; and Special Tests and Provisions

**Finding Summary:** County-wide procedures regarding Control Environment, Risk Management, Information and Communication, and Monitoring have not been designed.

**Status:** Finding 2010-15 was not corrected in fiscal year 2011, and resulted in Repeat Finding 2011-15.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

[WWW.SAI.OK.GOV](http://WWW.SAI.OK.GOV)