

**CADDO COUNTY, OKLAHOMA
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2004**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

April 27, 2005

TO THE CITIZENS OF
CADDO COUNTY, OKLAHOMA

Transmitted herewith is the audit of Caddo County, Oklahoma, for the fiscal year ended June 30, 2004. A report of this type is critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

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

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

Sincerely,

A handwritten signature in cursive script that reads "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

**CADDO COUNTY, OKLAHOMA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

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**CADDO COUNTY, OKLAHOMA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

STATISTICAL SECTION (Unaudited)

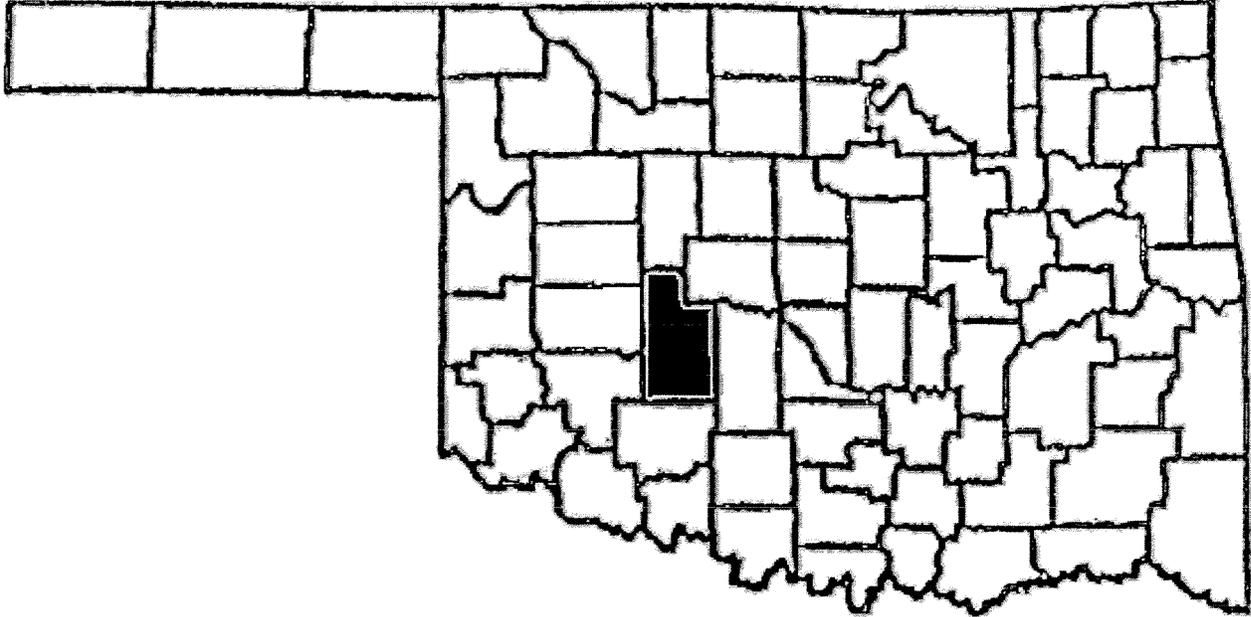
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REPORT TO THE CITIZENS
OF
CADDO COUNTY, OKLAHOMA



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 – 1278.4 Square Miles

County Population – 30,150
(2000 est.)

Farms – 1,496

Land in Farms – 726,629 Acres

Source: Oklahoma Almanac 2003-2004

See independent auditor’s report.

**CADDO COUNTY OFFICIALS
AND RESPONSIBILITIES**

COUNTY ASSESSOR

Vernon Crumm
(D) Anadarko

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
(D) Anadarko

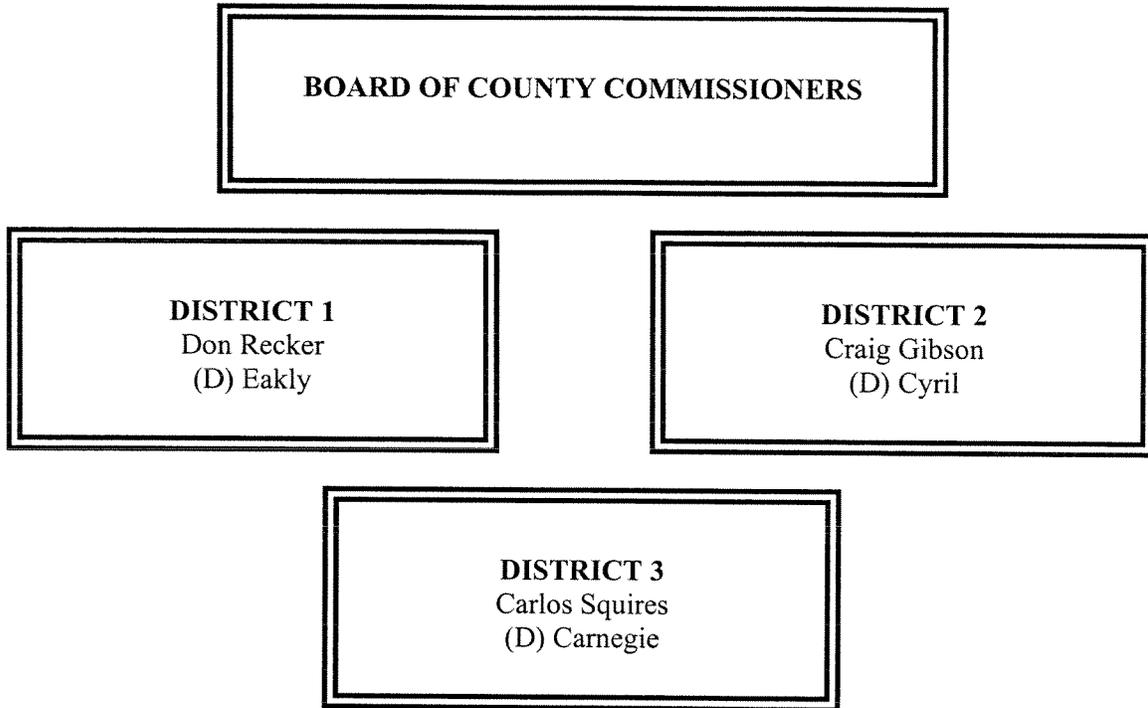
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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**



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**

COUNTY SHERIFF
Gene Cain
(D) Anadarko

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
(D) Gracemont

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. The State Auditor and Inspector's Office prescribes all the forms used by the County Treasurer, and at least twice a year inspects the County Treasurer's accounts.

See independent auditor's report.

**CADDO COUNTY OFFICIALS
AND RESPONSIBILITIES**

COURT CLERK
Judy Cain
(D) Anadarko

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. Court Clerks use forms and follow procedures prescribed by the Court Administrator's Office, the Oklahoma Supreme Court, and the State Auditor and Inspector.

DISTRICT ATTORNEY
Gene Christian
(D) Duncan

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.

ELECTION BOARD SECRETARY

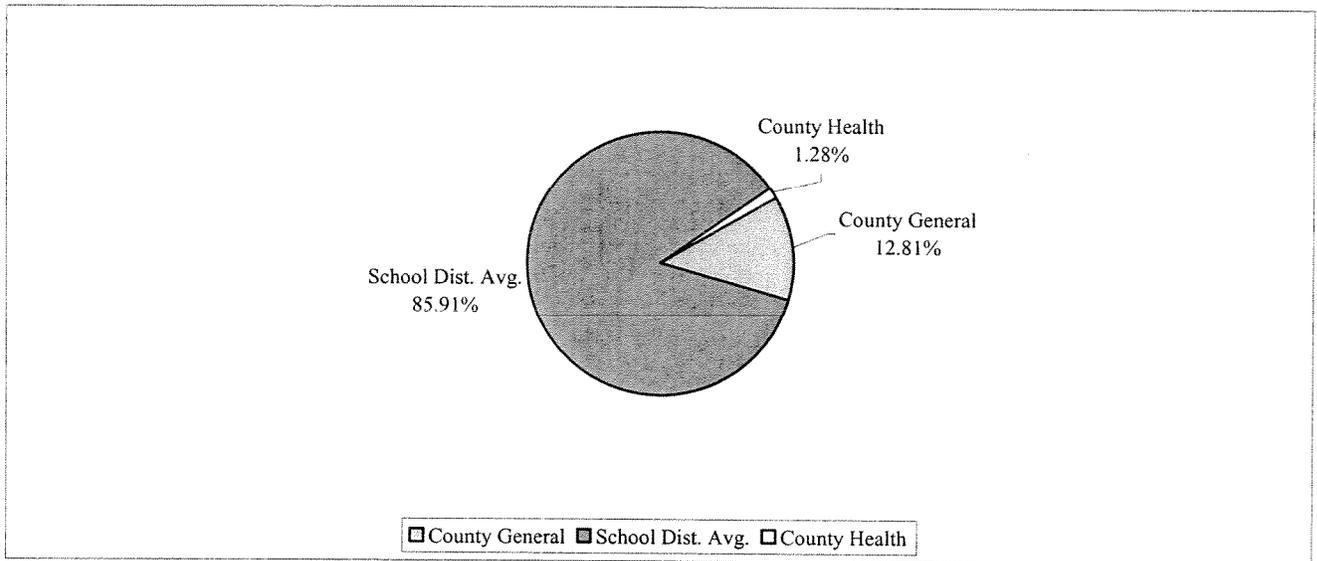
Jean Anne McKee
(D) Anadarko

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.

**CADDO COUNTY, OKLAHOMA
AD VALOREM TAX DISTRIBUTION
SHARE OF THE AVERAGE MILLAGE**

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								
Co. General	10.00			Gen.	Bldg.	Skg.	Tech Cntr.	EMS	Common	Total
County Health	1.00	Anadarko	I-20	35.00	5.00	20.95	11.00		4.00	75.95
		Hydro-Eakly	I-11	35.00	5.00	22.81	11.00		4.00	77.81
		Apache-Boone	I-56	35.00	5.00	23.72	11.00		4.00	78.72
		Ft. Cobb-Broxton	I-167	35.00	5.00	5.86	11.00		4.00	60.86
		Lookeba-Sickles	I-12	35.00	5.00	8.64	11.00	3.00	4.00	66.64
		Binger-Oney	I-168	35.00	5.00	10.66	11.00	3.00	4.00	68.66
		Binger	I-168V6	35.00	5.00	10.66	15.00	3.00	4.00	72.66
		Carnegie	I-33	35.00	5.00	13.56	11.00		4.00	68.56
		Cyril	I-64	35.00	5.00	18.30	11.00		4.00	73.30
		Gracemont	I-86	35.00	5.00	12.35	11.00		4.00	67.35
		Cement	I-160	35.00	5.00	19.60	11.00		4.00	74.60
		Hinton	I-161V2	35.00	5.00	16.74	11.00	3.00	4.00	74.74
		Hinton (Can)	I-161V6	35.00	5.00	16.74	15.00	3.00	4.00	78.74
		Grady	Jt 2 V6	35.00	5.00	20.16	15.00		4.00	79.16
		Com	Jt 11/6/9V9	35.00	5.00	18.40	11.00		4.00	73.40
		Washita	Jt 9	35.00	5.00	4.93			4.00	48.93
		Grady	Jt 99V2	35.00	5.00	16.08	11.00		4.00	71.08
		Grady	Jt 131	35.00	5.00	14.66	15.00		4.00	73.66

See independent auditor's report.

Financial Section



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

Independent Auditor's Report

TO THE OFFICERS OF
CADDO COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Caddo County, Oklahoma, as of and for the year ended June 30, 2004, as listed in the table of contents. These special-purpose financial statements are the responsibility of Caddo County's management. Our responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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. Oklahoma Statutes, in addition to audit responsibilities, assign other responsibilities to the State Auditor and Inspector's Office. Those responsibilities include providing various information technology (IT) support for county government.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of all funds of Caddo County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general and county health department funds of the County, and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Caddo County in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of all funds of Caddo County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund and county health department fund of the County, as of and for the year ended June 30, 2004, in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2005, 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.

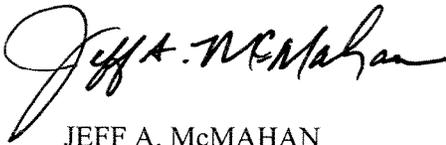
Our audit was performed for the purpose of forming an opinion on the special-purpose financial statements of Caddo County, Oklahoma, taken as a whole. The information listed in the table of contents under *Introductory Section* and *Statistical Section* has not been audited by us, and accordingly, we express no opinion on such information.

The American Institute of Certified Public Accountants' Statement on Auditing Standards No. 87 requires the inclusion of the following paragraph in this report:

This report is intended solely for the information and use of the management of the County and is not intended to be and should not be used by anyone other than these specified parties.

However, the Oklahoma Open Records Act states that all records of public bodies and public officials shall be open to any person, except as specifically exempted. The purpose of this Act is to ensure and facilitate the public's right of access to and review of government records so they may efficiently and intelligently exercise their inherent political power. Therefore, this report is a matter of public record and its distribution is in no way limited or restricted.

Sincerely,



JEFF A. McMAHAN
State Auditor and Inspector

April 11, 2005

Special-Purpose Financial Statements

**CADDO COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004**

All County Funds	Beginning Cash Balances July 1, 2003	Receipts Apportioned	Disbursements	Transfers Out	Cancelled Vouchers	Ending Cash Balances June 30, 2004
General Fund	\$ 607,157	\$ 2,199,142	\$ 2,362,321	\$ 2,829	\$	\$ 443,978
Resale Property	155,686	94,461	149,848			100,299
County Highway	2,916,801	6,001,863	4,763,796			4,154,868
County Road Fund	743,673	551,052	515,399			779,326
County Use Tax	93,730	57,520	74,653			76,597
Trash Cop Grant	454	5,000				5,454
Local Environmental Planning Commission	3,355					3,355
County Health Department	72,706	134,978	84,866			122,818
Treasurer's Mortgage Tax Certification Fee	24,076	6,481	4,006			26,551
Community Service Sentencing Program	2,648	13,889	7,126			9,411
County Clerk Lien Fee	57,897	31,014	17,721	(2,829)		68,361
Assessor Visual Inspection	8,635	162	8,423			374
Assessor Revolving	5,079	5,427				10,506
Sheriff Service Fee	37,774	87,283	76,238			48,819
Sheriff Board of Prisoner	74,901	346,400	322,547			98,754
Sheriff Reserve Deputy	130		124			6
Sheriff COP Grant	1,916	41,476	31,953			11,439
Sheriff SRT	1,576	301	1,190			687
REAP Grant		9,083	17,118			(8,035)
County Clerk Records Preservation Fee	31,745	55,229	41,959			45,015
OSU Sales Tax	393,832	169,046	154,292			408,586
Sheriff Sales Tax	21,333	102,383	69,018			54,698
Capital Improvement Sales Tax	537,899	111,770	46,289			603,380
Grandstand Sales Tax	30,077	16,290	6,327			40,040
Free Fair Sales Tax	53,925	118,588	66,354			106,159
Township Fair Sales Tax	25,048	70,606	55,445			40,209
Rural Fire Sales Tax	30,887	83,267	63,828			50,326
Senior Nutrition Sales Tax	140,217	126,660	110,505			156,372
Civil Emergency	13,926		10,640			3,286
Emergency Management Director	8,720		8,720			
Caddo County Industrial Authority Sinking	242	2,966	3,186			22
Court Fund Trust	42,919	443				43,362
Court Clerk Estate	30,418	137	30,555			
Official Depository	869,125	4,443,336	3,998,650		60,356	1,374,167
Individual Redemption		12,658	12,658			
Law Library	9,450	18,778	23,594			4,634
Excess Resale	1,179	238				1,417
Schools	93,509	8,324,813	8,345,563			72,759
Cities and Towns	15,584	229,249	226,653			18,180
Sugar Creek Ambulance	8,980	78,135	85,297			1,818
Tax Refunds		3,096	2,679			417
Total County Funds	\$ 7,167,209	\$ 23,553,220	\$ 21,799,541	\$ -	\$ 60,356	\$ 8,978,415

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

CADDO COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 607,157	\$ 607,157	\$ 607,157	\$ -
Less: Prior Year Outstanding Warrants	(52,304)	(52,304)	(52,304)	
Less: Prior Year Encumbrances	(17,327)	(17,327)	(17,499)	(172)
Beginning Cash Balances, Budgetary Basis	<u>537,526</u>	<u>537,526</u>	<u>537,354</u>	<u>(172)</u>
Receipts:				
Ad Valorem Taxes	1,049,460	1,049,460	1,141,116	91,656
Sales Tax	124,068	124,068	327,948	203,880
Charges for Services	165,864	165,864	460,153	294,289
Intergovernmental Revenues	326,030	692,328	159,356	(532,972)
Miscellaneous Revenues	107,303	107,303	110,569	3,266
Total Receipts, Budgetary Basis	<u>1,772,725</u>	<u>2,139,023</u>	<u>2,199,142</u>	<u>60,119</u>
Expenditures:				
District Attorney		1,963	1,963	
Capital Outlay				
Total District Attorney		<u>1,963</u>	<u>1,963</u>	<u>-</u>
County Sheriff	565,833	613,451	612,340	1,111
Capital Outlay				
Total County Sheriff	<u>565,833</u>	<u>613,451</u>	<u>612,340</u>	<u>1,111</u>
County Treasurer	140,320	144,081	143,371	710
Capital Outlay				
Total County Treasurer	<u>140,320</u>	<u>144,081</u>	<u>143,371</u>	<u>710</u>
County Clerk	208,727	200,365	196,186	4,179
Capital Outlay		1,057	1,057	
Total County Clerk	<u>208,727</u>	<u>201,422</u>	<u>197,243</u>	<u>4,179</u>
Court Clerk	161,120	161,120	160,477	643
Capital Outlay				
Total Court Clerk	<u>161,120</u>	<u>161,120</u>	<u>160,477</u>	<u>643</u>
County Assessor	117,606	117,706	117,607	99
Capital Outlay				
Total County Assessor	<u>117,606</u>	<u>117,706</u>	<u>117,607</u>	<u>99</u>
Revaluation of Real Property	416,579	587,309	385,841	201,468
Capital Outlay	2,000			
Total Revaluation of Real Property	<u>418,579</u>	<u>587,309</u>	<u>385,841</u>	<u>201,468</u>
Juvenile	49,222	49,222	44,916	4,306
Capital Outlay				
Total Juvenile	<u>49,222</u>	<u>49,222</u>	<u>44,916</u>	<u>4,306</u>
General Government	391,814	524,754	422,642	102,112
Capital Outlay	189,000	203,744	193,244	10,500
Total General Government	<u>580,814</u>	<u>728,498</u>	<u>615,886</u>	<u>112,612</u>
Excise Equalization Board	2,621	2,621	2,583	38
Capital Outlay				
Total Excise Equalization Board	<u>2,621</u>	<u>2,621</u>	<u>2,583</u>	<u>38</u>

continued on next page

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

**CADDO COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004**

continued from previous page

	Original Budget	Final Budget	Actual	Variance
County Election Board	52,865	56,117	53,765	2,352
Capital Outlay	1,000	1,495	1,495	
Total County Election Board	<u>53,865</u>	<u>57,612</u>	<u>55,260</u>	<u>2,352</u>
County Audit Budget	11,544	11,544	11,543	
Total County Audit Budget	<u>11,544</u>	<u>11,544</u>	<u>11,543</u>	<u>-</u>
 Total Expenditures, Budgetary Basis	 <u>2,310,251</u>	 <u>2,676,549</u>	 <u>2,349,030</u>	 <u>327,519</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	 <u>\$ -</u>	 <u>\$ -</u>	 387,466	 <u>\$ 387,466</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			5,714	
Add: Current Year Outstanding Warrants			47,969	
Transfer In			2,829	
Ending Cash Balance			<u>\$ 443,978</u>	

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

**CADDO COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
COUNTY HEALTH DEPARTMENT FUND
FOR THE YEAR ENDED JUNE 30, 2004**

	County Health Department			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 72,706	\$ 72,706	\$ 72,706	\$ -
Less: Prior Year Outstanding Warrants	(640)	(640)	(640)	
Less: Prior Year Encumbrances	(6,366)	(6,366)	(2,216)	4,150
Beginning Cash Balances, Budgetary Basis	<u>65,700</u>	<u>65,700</u>	<u>69,850</u>	<u>4,150</u>
Receipts:				
Ad Valorem Taxes	104,946	104,946	113,996	9,050
Sales Tax			11,314	11,314
Miscellaneous Revenues		10,517	9,668	(849)
Total Receipts, Budgetary Basis	<u>104,946</u>	<u>115,463</u>	<u>134,978</u>	<u>19,515</u>
Expenditures:				
Health and Welfare	165,646	178,663	84,976	93,687
Capital Outlay	5,000	2,500	1,646	854
Total Expenditures Budgetary Basis	<u>170,646</u>	<u>181,163</u>	<u>86,622</u>	<u>94,541</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	118,206	<u>\$ 118,206</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			2,109	
Add: Current Year Outstanding Warrants			2,503	
Ending Cash Balance			<u>\$ 122,818</u>	

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

**CADDO COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BALANCES - SINKING FUND
FOR THE YEAR ENDED JUNE 30, 2004**

Beginning Cash Balance	<u>\$ 242</u>
Receipts:	
Ad Valorem Tax	<u>2,966</u>
Total Receipts	<u>2,966</u>
Disbursements:	
Transfer to Caddo County Industrial Authority	<u>3,186</u>
Total Disbursements	<u>3,186</u>
Ending Cash Balance	<u><u>\$ 22</u></u>

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

CADDO COUNTY, OKLAHOMA
DETAILED STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BALANCES - OFFICIAL DEPOSITORY ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2004

Official Depository Accounts	Beginning Cash Balances July 1, 2003	Receipts	Disbursements	Cancelled Vouchers	Ending Cash Balances June 30, 2004
Solid Waste Enforcement	\$ 416	\$ 314	\$ 384	\$	\$ 346
Sheriff		341,043	341,059	16	
District Attorney Bogus Check	48,081	149,091	165,132		32,040
Caddo County Meth Grant	3,636	125,500	131,297	5,000	2,839
District Attorney Community Service	17,148	340	88		17,400
District Attorney Incarceration Fee	726	368	451		643
District Attorney Drug Fund	13,486	10,512	10,474	2,100	15,624
District Attorney Merchant Restitution	19,390	296,815	295,039	754	21,920
District Attorney State Witness	441	2,324	2,503		262
District Attorney Graduated Sanction	16,792	5,299	8,350		13,741
District Attorney Domestic Violence		4,690	1,110		3,580
District Attorney Trust Fund		32,128	7,723		24,405
District Attorney Probate		2,282			2,282
County Election Board	1,919	35,495	37,127	1,740	2,027
Free Fair	2,300	41,955	38,926	372	5,701
Court Clerk	247,137	1,514,324	1,360,413	4,112	405,160
Court Fund	114,884	704,148	685,549	1,472	134,955
Court Revolving	30,053	46,243			76,296
County Health Department	849	14,755	14,678		926
County Clerk		280,542	314,315	33,913	140
County Clerk Lien Fee	5,909	11	5,870		50
Grand Stand Project	180				180
Forestry Program	935		893		42
Rental	2,283	4,467	3,963	225	3,012
Shelter Home	413	4,989	4,989		413
Solid Waste Reward	3,354	314			3,668
Trust	29,565	261,627	269,382	9,602	31,412
Mobile Home	14,693	20,126	17,997		16,822
Protest	294,535	528,559	264,813		558,281
Vehicle Stamps		9,762	10,812	1,050	
Assessor Revolving		5,313	5,313		
Total Official Depository Accounts	<u>\$ 869,125</u>	<u>\$ 4,443,336</u>	<u>\$ 3,998,650</u>	<u>\$ 60,356</u>	<u>\$ 1,374,167</u>

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

CADDO COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

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 special-purpose financial statements present the receipts, disbursements, and changes in cash balances of all funds of Caddo County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund and county health department fund of the County. 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. Funds presented are established by statute, and their operations are under the control of the County officials.

B. Fund Accounting

A government entity 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.

C. Basis of Accounting

The financial statements are 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.

D. Budgetary Policies

Under current Oklahoma Statutes, the general fund and the county health department fund are required to adopt a formal budget. The budget presented for the general fund and county health department fund includes the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. Appropriations for the highway funds and other funds are made on a monthly basis, according to the funds then available.

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 the general fund and county health department fund.

Summary of Significant Accounting Policies (continued)

Any encumbrances outstanding at year-end are included as reservations of cash balances, budgetary basis, since they do not constitute expenditures or liabilities. At the end of the year, unencumbered appropriations are lapsed.

The Comparative Statements of Receipts, Expenditures, and Changes in Fund Balances - Budget and Actual - 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 Statement of Receipts, Disbursements, and Changes in Fund Balances - All Funds because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year. The County Health Department remains inactive because it no longer is funded by Caddo County ad valorem taxes or fees for services.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, county or city-county health departments, school districts and cities and towns. These other budgetary entities produce and file their own financial statements and estimates of needs (budgets). These related receipts and disbursements of other budgetary entities are not included in the County's Estimate of Needs.

E. Cash and Investments

The County pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Investments are carried at cost, which approximates market value. All funds were fully invested or deposited in interest-bearing demand accounts at June 30, 2004.

F. Risk Management

The County is exposed to various risks of loss as follows:

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
General Liability	The County participates in a public entity risk pool; Association of County Commissioners of Oklahoma-Self-Insurance Group. (See 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.
- Torts		
- Errors and Omissions		
- Law Enforcement Officers Liability		
- Vehicle		
Physical Plant		
- Theft		
- Damage to Assets		
- Natural Disasters		

Summary of Significant Accounting Policies (continued)

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
Worker's Compensation - Employees' Injuries	The County carries commercial insurance for these types of risk.	A judgment could be assessed for claims in excess of coverage.
Employee - Medical - Disability - Dental - Life	The County carries commercial insurance for these types of risk.	None

ACCO-SIG - The pool operates as a common risk management and insurance program and is to be self-sustaining through member premiums. Each participating county chooses a \$10,000, \$25,000, or a \$50,000 deductible amount. The County has chosen a \$10,000 deductible for each insured event as stated in the County's "Certificate of Participation." The risk pool will pay legitimate claims in excess of the deductible amount for replacement value up to \$100,000 for property, and up to \$500,000 for general liability. The pool has acquired commercial reinsurance in the amount of \$1,000,000 to cover claims that exceed the pool's risk retention limits. Settled claims have not exceeded insurance coverage for each of the past three fiscal years. There have been no significant reductions in coverage from the prior fiscal year.

Commercial Insurance - The County obtains commercial insurance coverage to pay legitimate worker's compensation claims. Settled claims have not exceeded insurance coverage for each of the past three fiscal years. There have been no significant reductions in coverage from the prior fiscal year.

Management believes coverage is sufficient to preclude any significant losses to the County.

G. Compensated Absences

All full-time employees are entitled to annual leave that is accrued on a monthly basis. After 1 year of service, the employee is entitled to 10 days of vacation (80 hours). Employees with 10 years of service are entitled to an additional 5 days (120 hours).

The County does not record any liability for sick leave. An employee earns up to 12 days per year and may accumulate up to 45 days (360 hours).

2. Stewardship, Compliance, and Accountability

Budgetary Compliance

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 by fund, 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.

3. Detailed Notes on Funds and Account Balances

A. Deposits

At year-end, the reported amount of the County's deposits was \$8,978,415 and the bank balance was \$9,043,101. Of the bank balance, all funds were covered by federal depository insurance or collateral held by the County's agent in the County's name.

Title 62 O.S. § 348.1 and § 348.3 allow the following types of investments:

- 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

B. Description of Funds

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

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

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

County Road Fund - accounts for state receipts and disbursements for the purpose of constructing bridges.

Detailed Notes on Funds and Account Balances (continued)

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.

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

Treasurer's Mortgage Tax Certification Fee - 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.

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

Assessor Visual Inspection - accounts for the collection and expenditure 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 Service Fee - accounts for the collection and disbursement of sheriff process service fees as restricted by statute.

Sheriff Board of Prisoner - accounts for the collection of funding through the State Department of Corrections for maintaining prisoners.

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

Sheriff COP Grant - accounts for all grants for the purpose of deputy's salaries.

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

REAP Grant - accounts for state grants for the purpose of fire equipment.

CADDO COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Detailed Notes on Funds and Account Balances (continued)

County Clerk Records Preservation Fee – accounts for fees collected for instruments filed with the Registrar of Deeds as restricted by statute for preservation of records.

OSU Sales Tax – accounts for county sales tax collected and disbursed for OSU Extension services.

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 improvement for the County grandstands.

Free Fair Sales Tax – accounts for county sales tax collected and disbursed for improvement for the County fair grounds.

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 the maintenance and operation of the rural fire districts in the County.

Senior Nutrition Sales Tax – accounts for county sales tax collected and disbursed for maintenance and operation of county senior nutrition centers.

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

Emergency Management Director – accounts for the receipt and disbursement of funds from state and local governments for emergency managements director's salary.

Caddo County Industrial Authority Sinking – accounts for the payment of interest and principal on the matured portion of any long-term bonded debt. Debt service receipts are derived generally from a special ad valorem tax levy and from interest earned on investments of cash not immediately required for debt service payments.

Court Fund Trust – accounts for money held in trust and disbursed for the purchase of computer hardware and software.

Court Clerk Estate – accounts for money held in trust to be disbursed through the court.

Detailed Notes on Funds and Account Balances (continued)

Official Depository - accounts for the collection and distribution of officer and board fees held in trust until the end of the month.

Individual Redemption - accounts for the monies collected and due to individuals from property tax sales on delinquent taxes.

Law Library - accounts for monies received for disbursement from the state for the Law Library Board.

Excess Resale – accounts for the proceeds of sale of property in excess of tax against property to be held in trust for a two-year period.

Schools - accounts for monies collected on behalf of the public schools in Caddo County from ad valorem taxes, state and local revenues, and remitted to them monthly.

Cities and Towns – accounts for monies collected on behalf of the cities and towns from state and local revenues and remitted to them monthly.

Sugar Creek Ambulance - accounts for monies collected on behalf of the ambulance service from ad valorem taxes and remitted to them monthly.

Tax Refunds – accounts for ad valorem taxes held and refunded to the taxpayer.

The accounts within the Official Depository Fund are described as follows:

Solid Waste Enforcement – accounts for the collection of fees from illegal dumping of trash within the County.

Sheriff – accounts for the collection of fees, tax warrants and copies. Disbursements are made to transfer funds collected to the County Treasurer for apportionment to the Sheriff's Service Fee Account or the Sheriff Board of Prisoner Account. Disbursements are also made to the Oklahoma Tax Commission or other state agencies.

District Attorney Bogus Check – accounts for the collection of bogus checks and District Attorney fees to be disbursed to the merchants and District Attorney Fee Account.

Caddo County Meth Grant – accounts for monies received from the state for detecting meth labs within the County.

District Attorney Community Service – accounts for the collection of prisoner sentencing fees received from the state.

Detailed Notes on Funds and Account Balances (continued)

District Attorney Incarceration Fee – accounts for fees collected by court order for incarceration in the County jail.

District Attorney Drug Fund - accounts for the collection of money on drug forfeitures. Disbursements are made to defray the cost of the drug control enforcement act.

District Attorney Merchant Restitution – accounts for the collection of bogus checks and fees for writing bogus checks and disbursed to the merchant.

District Attorney State Witness – accounts for state receipts to reimburse the County for witness expenses.

District Attorney Graduated Sanction - accounts for the collection of fees charged for juveniles in which prosecution was deferred and the juvenile appears before a board and reimbursements for services performed for juvenile boot camps and salaries.

District Attorney Domestic Violence – accounts for fees collected from violators on probation for domestic violence offenses and disbursed for equipment, travel and training.

District Attorney Probate - accounts for misdemeanor probation fees for supervision of defendants to complete community service and drug alcohol evaluations and disbursements are for office supplies.

District Attorney Trust Fund – accounts for collections of drug forfeitures and restitution held until cases are settled. Disbursements are transferred to the defendant or District Attorney Drug Fund after the case is settled.

County Election Board – accounts for the reimbursements of election and is disbursed for refunds of election fees and maintenance and operations of the office.

Free Fair – accounts for the collection of renting the fair building. Disbursements are made for maintenance and operation of the fair building and refunding deposits.

Court Clerk – accounts for the collection of fees, fines, and forfeitures and disbursements are made in accordance with state statutes and court orders.

Court Fund – accounts for fees transferred from the Court Clerk Account and interest. Money is disbursed in accordance with state statutes and court orders.

Court Revolving – accounts for the collection of service fees for each warrant issued. Disbursements are made in accordance with state statutes to defray the expense of the court.

Detailed Notes on Funds and Account Balances (continued)

County Health Department – accounts for money collected for services provided and disbursed to the State Health Department.

County Clerk – accounts for the collection of filing fees and disbursed to OTC and the County Clerk Lien Fee Fund.

County Clerk Lien Fee – accounts for interest monies earned on filed mechanic's lien. Disbursements are made for the transfers to the County Clerk Fee Cash Account.

Grand Stand Project – accounts for monies collected from private donations for the remodeling and updating of the grandstand.

Forestry Program – accounts for monies received from the state to enhance forest projects.

Rental – accounts for monies collected on the rental of the fair buildings. Disbursements are for reimbursements of deposits and maintenance of the buildings.

Shelter Home – accounts for reimbursements from the state for the housing of juveniles.

Solid Waste Reward – accounts for monies offered for information of people improperly disposing of trash along roads and other areas of the County.

Trust – accounts for deposits made by the Treasurer for advance payments on real and property taxes. Disbursements are made to transfer funds to the general fund.

Mobile Home – accounts for deposits made by the Treasurer for advance payments of mobile home taxes.

Protest – accounts for deposits made by the Treasurer for taxes paid under protest by the taxpayer. Disbursements are made to transfer the funds to general or as a refund to the taxpayer.

Vehicle Stamps – accounts for the collection for the sale of Motor Vehicle Stamps. Disbursements are made to the Oklahoma Tax Commission and to the Treasurer's Mortgage Certification Fee Account.

Assessor Revolving – accounts for the collection of copy fees and disbursed to the County Assessor Revolving Fund Account.

Detailed Notes on Funds and Account Balances (continued)

C. 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, 2003, was approximately \$115,440,554.

Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10 mills (the legal maximum) for general fund operations and 1.00 mill for the county health department. In addition, the County also collects the ad valorem taxes assessed by cities and towns and 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.

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

Current year tax collections for the year ended June 30, 2004, were approximately 92 percent of the tax levy.

D. 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.

Detailed Notes on Funds and Account Balances (continued)

E. 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. However, starting in January 1997, ODOT began charging a one-time fee of 3 percent on all subsequent pieces of machinery acquired.

F. 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. 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 government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in management's opinion, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

5. Sales Tax

The voters of Caddo County approved a .50% sales tax effective January 1, 1999. This sales tax expired December 31, 2003. The sales tax was established to provide revenue in the following manner:

CADDO COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Sales Tax (continued)

Caddo County General Fund	32.00%
Caddo County O.S.U. Extension and 4-H Office	16.00%
Caddo County Free Fair and Caddo County Livestock Show	6.50%
Caddo County Free Township Fairs	6.50%
Capital Improvements for Caddo County Courthouse including:	
Repair and Maintenance thereof	16.00%
Office of the Sheriff, Caddo County	5.50%
Rural and Volunteer Firefighting Programs	7.00%
Improvements to and for Caddo County Grandstand Arena and Surrounding Area including Repair and Maintenance thereof	3.00%
Senior Citizens Nutrition Centers	6.50%

The voters of Caddo County approved a .50% sales tax effective January 1, 2004. This sales tax will expire December 31, 2008. The sales tax was established to provide revenue in the following manner:

Caddo County General Fund	34.00%
Caddo County O.S.U. 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	5.50%
Office of the Sheriff, Caddo County	16.00%
Rural and Volunteer Firefighting Programs	10.00%
Caddo County Health Department	2.50%
Senior Citizens Nutrition Centers	7.00%

The County distributed a total of \$985,670 to the above named funds for fiscal year 2003-2004.

Internal Control and Compliance Section



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

**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 special-purpose financial statements of Caddo County, Oklahoma, as of and for the year ended June 30, 2004, and have issued our report thereon dated April 11, 2005. Our report contains an explanatory paragraph discussing that the financial statements are not a complete presentation, and describes certain responsibilities of the State Auditor and Inspector's Office other than audit responsibilities. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caddo County's special-purpose financial statements are 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*. However, we noted certain matters that we reported to management of Caddo County and are included in the schedule of findings, contained within this report.

The American Institute of Certified Public Accountants' Statement on Auditing Standards No. 87 requires the inclusion of the following paragraph in this report:

This report is intended solely for the information and use of the management of the County and is not intended to be and should not be used by anyone other than these specified parties.

However, the Oklahoma Open Records Act states that all records of public bodies and public officials shall be open to any person, except as specifically exempted. The purpose of this Act is to ensure and facilitate the public's right of access to and review of government records so they may efficiently and intelligently exercise their inherent political power. Therefore, this report is a matter of public record and its distribution is in no way limited or restricted.

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMahon". The signature is written in a cursive, flowing style.

JEFF A. McMAHAN
State Auditor and Inspector

April 11, 2005

This schedule contains findings not required to be reported in 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*, but which we believed were significant enough to bring to the County's attention. We recommend that the County consider these matters and take appropriate corrective action.

Finding 2003-3 - Encumbrance of Funds (Repeat Finding)

Criteria: Title 62 O.S. 2001, § 310.1 states in part, “The purchasing officer, having authority to purchase or contract against all budget appropriation accounts as authorized by law shall submit all purchase orders and contracts prior to the time the commitment is made to the officer charged with keeping the appropriation and expenditure records.”

Condition: The test of 42 purchase orders revealed that 6 purchase orders were not requisitioned prior to the ordering of the goods and services, and therefore the funds necessary to pay for the purchases were not encumbered in accordance with procedures prescribed by statute.

Effect: This condition results in noncompliance with state statutes. It can result in the unavailability of funds to satisfy obligations of the County and it can result in increased costs to the County in form of interest charged on delinquent accounts. Additional increased costs to the County could result from defending against court proceedings brought to collect delinquent amounts owed by the County.

Recommendation: We recommend that all purchases of goods or services be initiated by a requisition by the requesting department and that funds be encumbered for all purchases prior to ordering in accordance with Title 62 O.S. 2001, § 310.1.

Management Response: The County will endeavor to encumber funds prior to receiving goods and/or services.

Finding 2004-1 - Farm Lease Contract

Criteria: Title 19 O.S. 2001, § 347.B. states in part, “It shall be unlawful for the board of county commissioners to issue any certificate of indebtedness, in any form, in payment of or representing or acknowledging any account, claim, or indebtedness against the county, or to make any contracts for or incur any indebtedness against the county in excess of the amount then unexpended and unencumbered of the sum appropriated for the specific item of estimated needs for such purposes therefore to made, submitted and approved for such purpose by a bond issue.”

Condition: The County entered into a farm lease contract, through a bid process, to farm 132 acres from January 1, 2004 through December 31, 2007.

**CADDO COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS
JUNE 30, 2004**

Recommendation: We recommend the Board of County Commissioners consult their legal advisor about their authority to lease county owned property for farmland. Additionally, we recommend the Board of County Commissioners adhere to Title 19 O.S. 2001, § 347.B. and not contract for longer than one year.

Management Response: The Board of County Commissioners will seek advise of the District Attorney to determine if an amendment is necessary to obligate funds for more than one fiscal year.

**Statistical Section
(Unaudited)**

**CADDO COUNTY, OKLAHOMA
TOP TEN TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2004
(UNAUDITED)**

TAXPAYER	JANUARY 1, 2003 NET ASSESSED VALUATION	% OF TOTAL NET VALUATION
Public Service Co. of Ok	\$ 8,433,011	7.31%
Enogex Inc.	6,574,594	5.69%
Enogex Gas Gathering LLC	6,033,065	5.23%
WFEC Genco LLC	5,360,755	4.64%
Unit Drilling Co.	2,458,770	2.13%
Nabors Drilling USA LLP	2,350,950	2.04%
Southwestern Bell Telephone	2,112,167	1.83%
Oneok Gas Transportation	1,801,095	1.56%
Centerpoint Energy Gas Trans	1,287,463	1.12%
Centerpoint Energy Field Serv	1,009,495	0.87%
Total	<u>\$ 37,421,365</u>	<u>32.42%</u>

Source: (Provided by Oklahoma Tax Commission - Ad Valorem Division)

**CADDO COUNTY, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE YEAR ENDED JUNE 30, 2004
(UNAUDITED)**

Total net assessed value as of January 1, 2003		<u>\$ 115,440,554</u>
Debt limit - 5% of total assessed value		\$ 5,772,028
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	<u>22</u>	<u>-</u>
Legal debt margin		<u>\$ 5,772,028</u>

**CADDO COUNTY, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
FOR THE YEAR ENDED JUNE 30, 2004
(UNAUDITED)**

	2004
Estimated population	30,150
Net assessed value as of January 1, 2003	\$ 115,440,554
Gross bonded debt	-
Less available sinking fund cash balance	22
Net bonded debt	\$ -
Ratio of net bonded debt to assessed value	0.00%
Net bonded debt per capita	\$ -

**CADDO COUNTY, OKLAHOMA
 ASSESSED VALUE OF PROPERTY
 FOR THE YEAR ENDED JUNE 30, 2004
 (UNAUDITED)**

Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2003	\$31,557,415	\$29,634,792	\$60,423,180	\$6,174,833	\$115,440,554	\$16,556,632