

**CHEROKEE 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

August 19, 2005

TO THE CITIZENS OF  
CHEROKEE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Cherokee 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 black ink that reads "Jeff A. McMahan".

JEFF A. McMAHAN  
State Auditor and Inspector

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

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

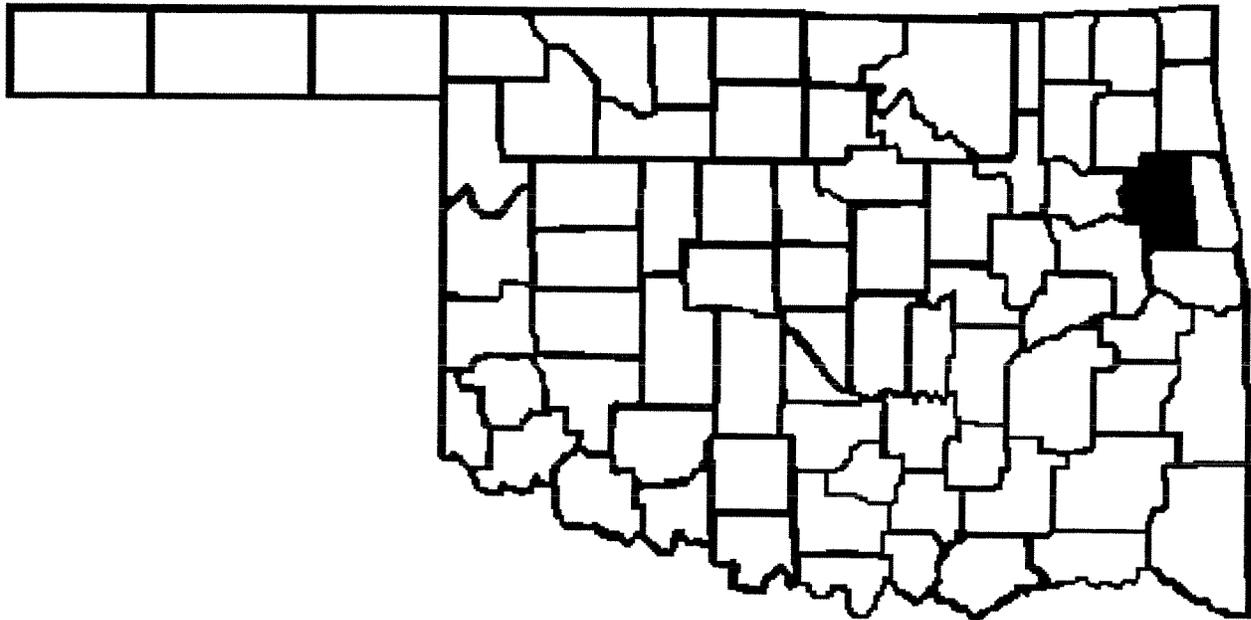
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REPORT TO THE CITIZENS  
OF  
CHEROKEE COUNTY, OKLAHOMA

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Cherokee County, created at statehood and named for the Cherokee Nation, is part of the area settled by the Cherokee Indians after the Trail of Tears. Tahlequah, the county seat, is the site of the Cherokee Heritage Center; *Tsa-La-Gi* Ancient Cherokee Village; and the Cherokee National Museum. Lake Tenkiller and Tenkiller Wildlife Management Area, as well as the Illinois River, provide additional recreational opportunities in Cherokee County.

County Seat – Tahlequah

Area – 751.1 Square Miles

County Population – 42,521  
(2000 est.)

Farms – 1,154

Land in Farms – 237,558 Acres

Primary Source: Oklahoma Almanac 2003-2004

See independent auditor's report.

**CHEROKEE COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COUNTY ASSESSOR**  
Judy Rousey  
(D) Hulbert

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**  
Marshel Bennett  
(D) Tahlequah

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.

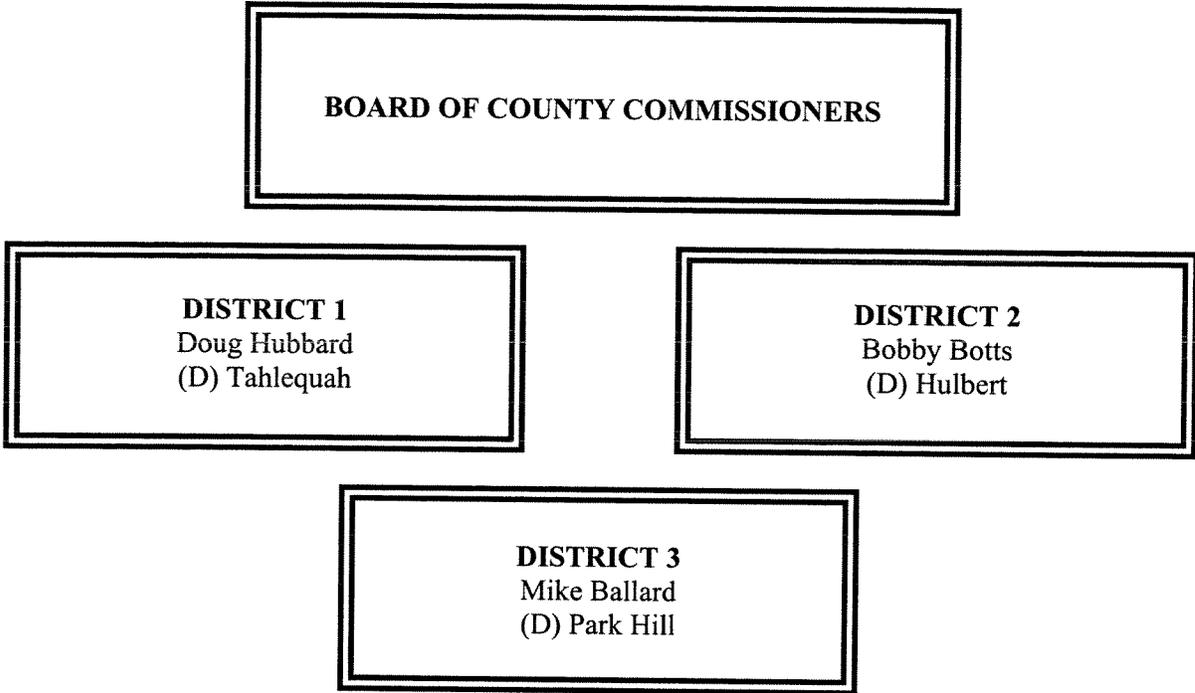
The County Clerk reviews all the claims for payment of goods and services purchased or contracted by the county, and prepares the proper warrants for payment of those goods and services and the county payroll. The County Clerk, or his or her designated deputy, serves as the purchasing agent for the county. 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.

**CHEROKEE COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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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.

**CHEROKEE COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COUNTY SHERIFF**

Delena Goss  
(D) Tahlequah

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**

Inez Peace  
(D) Tahlequah

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.

**CHEROKEE COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COURT CLERK**  
Shirley Glory  
(D) Tahlequah

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**  
Richard Gray  
(D) Wagoner

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.

**CHEROKEE COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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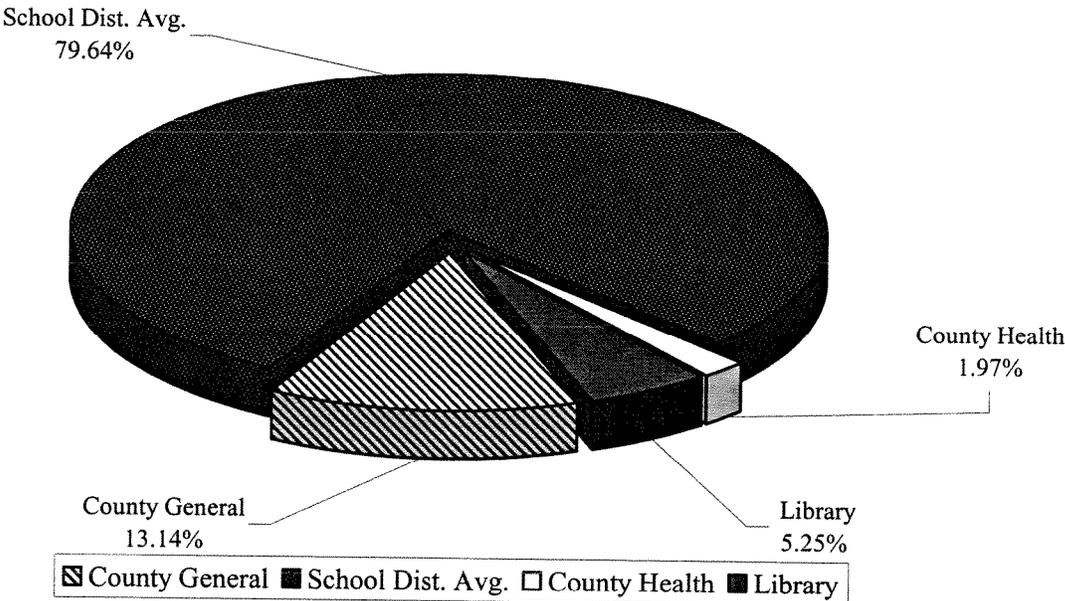
**ELECTION BOARD SECRETARY**  
Connie Parnell  
(D) Tahlequah

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.

**CHEROKEE 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						
			Gen.	Bldg.	Skg.	Career Tech	Common	Total	
Co. General	10.00								
County Health	1.50	Keys	6	35.00	5.00	17.93	10.00	4.00	71.93
Multi-County Library	4.00	Lowrey	10	35.00	5.00		10.00	4.00	54.00
		Norwood	14	35.00	5.00	10.07	10.00	4.00	64.07
		Hulbert	16	35.00	5.00		10.00	4.00	54.00
		Lost City	17	35.00	5.00		10.00	4.00	54.00
		Woodall	21	35.00	5.00		10.00	4.00	54.00
		Shady Grove	26	35.00	5.00		10.00	4.00	54.00
		Peggs	31	35.00	5.00		10.00	4.00	54.00
		Grandview	34	35.00	5.00	8.80	10.00	4.00	62.80
		Briggs	44	35.00	5.00		10.00	4.00	54.00
		Tenkiller	66	35.00	5.00		10.00	4.00	54.00
		Tahlequah	I-35	35.00	5.00	18.83	10.00	4.00	72.83
		Kansas	I-3	35.00	5.00	26.02	10.00	4.00	80.02
		Oaks	I-5	35.00	5.00		10.00	4.00	54.00
		Ft Gibson	JT-17	35.00	5.00	13.17	10.00	4.00	67.17
		Skelly	JT-1	35.00	5.00		10.00	4.00	54.00
Locust Grove	JT-17	35.00	5.00	17.85	10.00	4.00	71.85		

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  
CHEROKEE COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Cherokee 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 Cherokee 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 Cherokee County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund and county health department fund 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 Cherokee 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 Cherokee County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund and the 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 October 28, 2004, on our consideration of Cherokee 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.

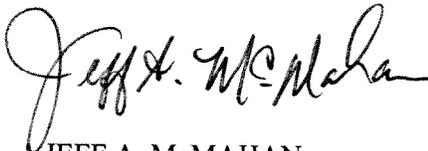
Our audit was performed for the purpose of forming an opinion on the special-purpose financial statements of Cherokee County, Oklahoma, taken as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the special-purpose financial statements. 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 it.

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

October 28, 2004

## **Special-Purpose Financial Statements**

**CHEROKEE 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	Cancelled Vouchers	Ending Cash Balances June 30, 2004
General Fund	\$ 276,352	\$ 2,902,955	\$ 2,779,845	\$	\$ 399,462
Highway Cash	1,184,894	3,004,690	2,774,361		1,415,223
County Health	154,376	196,310	190,224		160,462
Resale Property	100,947	163,995	154,802		110,140
Sales Tax	819,405	2,196,749	2,232,331		783,823
Sheriff Service Fee	63,803	216,528	188,323		92,008
County Clerk's Records Preservation	45,159	57,545	50,506		52,198
County Clerk Lien Fee	10,950	7,607	880		17,677
Assessor's Visual Inspection	126				126
Fire Department Sales Tax	667,733	689,808	710,387		647,154
Mortgage Certification Fee	26,989	13,205	18,314		21,880
Corps of Engineers	20,503	20,216	19,451		21,268
Assessor Revolving	5,738	1,713	6,565		886
Court Clerk Revolving	58				58
Court Clerk Trust Fund	55,350	582			55,932
Department of Corrections	52,152	76,066	68,547		59,671
Eastern Oklahoma Development	7,616		7,616		
Fairgrounds	877	7,749	2,738		5,888
Juvenile Detention	642	200	200		642
Drug Forfeiture	244	2,534	116		2,662
Sheriff Grant	8,964	2,700	7,844		3,820
Sheriff Training Fund	27				27
Success Grant	2,228	1,695	3,923		
Trash Cop	1,345				1,345
Truancy Officer	265	15,493	15,218		540
Cities and Towns	13,344	203,570	201,477		15,437
Official Depository	703,812	6,879,723	6,838,980	265,289	1,009,844
E-911	66,279	201,992	197,936		70,335
Boot Camp	1,701	7,000	1,404		7,297
Floodplain	4,735	1,375	2,907		3,203
County Clerk Lien Fee	12,560	2,014			14,574
Cash Drawer	500				500
Community Building	1,683	10,010	8,737		2,956

continued on next page

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

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

continued from previous page

All County Funds	Beginning Cash Balances July 1, 2003	Receipts Apportioned	Disbursements	Cancelled Vouchers	Ending Cash Balances June 30, 2004
Community Service	28,700	8,386	8,247		28,839
Courthouse Security	61,779	140,180	107,275		94,684
Court Fund Investment	14,358	20,063			34,421
CSSP	6,828		6,745		83
Individual Redemption	16,479	86,188	90,255		12,412
CDBG		67,705	3,750		63,955
Law Library	10,497	31,550	32,321		9,726
Multi-County Library	6,887	449,598	448,749		7,736
Protest Tax	222,571	761	223,332		
Refunds	9,182	12,236	13,936		7,482
Schools	135,775	7,712,728	7,684,213		164,290
Solid Waste	67,854	193,220	217,720		43,354
Terry Fund MML	12,287	62	12,349		
Trust Fund-Mfg	1,044				1,044
Welfare Joint Operation N1	16,251	13,231	28,159		1,323
CFC 91-584	42				42
CPC 92-56	225	2			227
<b>Total County Funds</b>	<b>\$ 4,922,116</b>	<b>\$ 25,619,934</b>	<b>\$ 25,360,683</b>	<b>\$ 265,289</b>	<b>\$ 5,446,656</b>

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

**CHEROKEE 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	\$ 276,352	\$ 276,352	\$ 276,352	\$ -
Less: Prior Year Outstanding Warrants	(53,874)	(53,874)	(53,874)	
Less: Prior Year Encumbrances	(65,025)	(65,025)	(62,547)	2,478
Beginning Cash Balances, Budgetary Basis	<u>157,453</u>	<u>157,453</u>	<u>159,931</u>	<u>2,478</u>
Receipts:				
Ad Valorem Taxes	1,076,745	1,076,745	1,120,993	44,248
Sales Tax	588,143	678,552	686,557	8,005
Charges for Services	300,232	649,888	649,888	
Intergovernmental Revenues	349,386	349,386	383,850	34,464
Miscellaneous Revenues	63,981	63,981	61,667	(2,314)
Total Receipts, Budgetary Basis	<u>2,378,487</u>	<u>2,818,552</u>	<u>2,902,955</u>	<u>84,403</u>
Expenditures:				
District Attorney	5,000	5,000	5,000	
Total District Attorney	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
County Sheriff	374,900	348,588	348,088	500
Total County Sheriff	<u>374,900</u>	<u>348,588</u>	<u>348,088</u>	<u>500</u>
County Treasurer	151,800	149,611	149,520	91
Total County Treasurer	<u>151,800</u>	<u>149,611</u>	<u>149,520</u>	<u>91</u>
County Commissioners	232,419	228,373	225,486	2,887
Total County Commissioners	<u>232,419</u>	<u>228,373</u>	<u>225,486</u>	<u>2,887</u>
OSU Extension	75,650	75,650	53,192	22,458
Total OSU Extension	<u>75,650</u>	<u>75,650</u>	<u>53,192</u>	<u>22,458</u>
County Clerk	276,993	301,618	301,517	101
Total County Clerk	<u>276,993</u>	<u>301,618</u>	<u>301,517</u>	<u>101</u>
Court Clerk	145,540	459,502	459,184	318
Total Court Clerk	<u>145,540</u>	<u>459,502</u>	<u>459,184</u>	<u>318</u>
County Assessor	118,222	116,870	114,616	2,254
Total County Assessor	<u>118,222</u>	<u>116,870</u>	<u>114,616</u>	<u>2,254</u>

continued on next page

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

**CHEROKEE 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
Revaluation of Real Property	266,748	266,276	261,620	4,656
Capital Outlay	2,900	2,626	2,626	
Total Revaluation of Real Property	<u>269,648</u>	<u>268,902</u>	<u>264,246</u>	<u>4,656</u>
General Government	426,020	562,800	479,328	83,472
Capital Outlay	121,089	84,886	32,127	52,759
Total General Government	<u>547,109</u>	<u>647,686</u>	<u>511,455</u>	<u>136,231</u>
Excise-Equalization Board	14,000	14,000	11,006	2,994
Total Excise-Equalization Board	<u>14,000</u>	<u>14,000</u>	<u>11,006</u>	<u>2,994</u>
County Election Board	110,653	121,348	121,206	142
Total County Election Board	<u>110,653</u>	<u>121,348</u>	<u>121,206</u>	<u>142</u>
Welfare Agencies	55,000	64,000	63,720	280
Total Welfare Agencies	<u>55,000</u>	<u>64,000</u>	<u>63,720</u>	<u>280</u>
Charity	24,000	39,289	39,252	37
Total Charity	<u>24,000</u>	<u>39,289</u>	<u>39,252</u>	<u>37</u>
Emergency Management	9,700	9,138	8,663	475
Total Emergency Management	<u>9,700</u>	<u>9,138</u>	<u>8,663</u>	<u>475</u>
Solid Waste	100,000	100,000	99,961	39
Total Solid Waste	<u>100,000</u>	<u>100,000</u>	<u>99,961</u>	<u>39</u>
County Audit Budget	11,306	11,306		11,306
Total County Audit Budget	<u>11,306</u>	<u>11,306</u>	-	<u>11,306</u>
Free Fair Budget	14,000	14,000	12,930	1,070
Total Free Fair Budget	<u>14,000</u>	<u>14,000</u>	<u>12,930</u>	<u>1,070</u>
Provision for Interest on Warrants		1,124	4,980	
Total Expenditures, Budgetary Basis	<u>2,535,940</u>	<u>2,976,005</u>	<u>2,789,022</u>	<u>186,983</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	273,864	<u>\$ 273,864</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			35,068	
Add: Current Year Outstanding Warrants			90,530	
Ending Cash Balance			<u>\$ 399,462</u>	

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

**CHEROKEE 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 Fund			
	Original	Final	Actual	Variance
	Budget	Budget		
Beginning Cash Balances	\$ 154,376	\$ 154,376	\$ 154,376	\$ -
Less: Prior Year Outstanding Warrants	(1,416)	(1,416)	(1,416)	
Less: Prior Year Encumbrances	(3,799)	(3,799)	(3,500)	299
Beginning Cash Balances, Budgetary Basis	<u>149,161</u>	<u>149,161</u>	<u>149,460</u>	<u>299</u>
Receipts:				
Ad Valorem Taxes	165,439	165,439	167,695	2,256
Miscellaneous Revenues		23,582	28,615	5,033
Total Receipts, Budgetary Basis	<u>165,439</u>	<u>189,021</u>	<u>196,310</u>	<u>7,289</u>
Expenditures:				
Health and Welfare	275,000	299,508	193,508	106,000
Capital Outlay	39,600	38,674	7,769	30,905
Total Expenditures, Budgetary Basis	<u>314,600</u>	<u>338,182</u>	<u>201,277</u>	<u>136,905</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	144,493	<u>\$ 144,493</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			6,750	
Add: Current Year Outstanding Warrants			9,219	
Ending Cash Balance			<u>\$ 160,462</u>	

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

**CHEROKEE 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
County Clerk	\$ 35,346	\$ 333,646	\$ 337,612	\$	\$ 31,380
County Assessor		1,775	1,713		62
Court Clerk	288,593	2,106,283	2,229,504	180,774	346,146
Court Fund	74,760	935,269	911,393	1,648	100,284
Court Clerk Revolving	48,111	45,254	44,673	60	48,752
County Health Department		33,631	37,472	3,841	
County Treasurer	35,102	1,037,456	1,075,699	40,503	37,362
County Sheriff		137,201	150,367	14,901	1,735
County Election Board	4,079	39,691	37,253	404	6,921
District Attorney	215,673	2,195,670	2,002,757	23,158	431,744
Community Sentencing	2,148	13,847	10,537		5,458
<b>Total Official Depository Accounts</b>	<b>\$ 703,812</b>	<b>\$ 6,879,723</b>	<b>\$ 6,838,980</b>	<b>\$ 265,289</b>	<b>\$ 1,009,844</b>

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

**CHEROKEE COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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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 special-purpose financial statements present the receipts, disbursements, and changes in cash balances of all funds of Cherokee 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 funds presented 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 government 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 the only funds 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 Cash 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 Cash 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 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 cash 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 - Torts - Errors and Omissions - Law Enforcement Officers Liability - Vehicle Physical Plant - Theft - Damage to Assets - Natural Disasters	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.

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 coverage.	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 \$50,000 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 and employees' insurance. 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 uninsured losses to the County.

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 \$5,446,656 and the bank balance was \$5,570,557. 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 – revenues are from ad valorem taxes, sales tax, officers' fees, interest earnings and miscellaneous collections of the County. Disbursements are for the general operations of the County.

Highway Cash – revenues are from state imposed fuel taxes and disbursements are for the maintenance and construction of county roads and bridges.

County Health – revenues are from ad valorem taxes, miscellaneous fees charged by the health department and state and federal funds. Disbursements are for the operation of the county health department.

Resale Property – revenues are from interest and penalties on ad valorem tax collections. Disbursements are to offset the expense of collecting delinquent ad valorem taxes.

Sales Tax – revenues are from a county sales tax. Disbursements are as described in footnote 5.

Sheriff Service Fee – revenues are from fees charged for serving summons and notices. Disbursements are for any lawful expense of the Sheriff's office.

**CHEROKEE COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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Detailed Notes on Funds and Account Balances (continued)

County Clerk's Records Preservation – revenues are from a fee charged by the County Clerk for recording instruments. Disbursements are for the maintenance and preservation of public records.

County Clerk Lien Fee – revenues are from a fee charged by the County Clerk for filing liens. Disbursements are for any lawful expense of the County Clerk's office.

Assessor's Visual Inspection – revenues are from fees charged to all entities receiving ad valorem taxes. Disbursements are for the re-valuation of all county property for ad valorem purposes.

Fire Department Sales Tax – revenues are from a county sales tax. Disbursements are for local fire departments.

Mortgage Certification Fee – revenues are from a fee for certifying mortgages. Disbursements are for any lawful expense of the Treasurer's office.

Corps of Engineers – revenues are from the Corps of Engineers. Disbursements are for the expense of a sheriff's patrol on Corps land.

Assessor Revolving – revenues are from fees charged by the County Assessor (copies, etc.). Disbursements are for any legal expenditure of the Assessor's office.

Court Clerk Revolving – accounts for the charge of \$5 for each warrant. Money is disbursed in the same manner as the Court Fund.

Court Clerk Trust Fund – revenues are from the state court system to be used to purchase equipment.

Department of Corrections – receipts are from State Department of Corrections for having state inmates. Disbursements are for feeding and housing state inmates.

Eastern Oklahoma Development – accounts for grants received from Eastern Oklahoma Development District.

Fairgrounds – revenues are from rental of the fairgrounds for various events. Disbursements are for maintaining the fairgrounds.

Juvenile Detention – revenues are from the State Office of Juvenile Affairs. Disbursements are for expenses relating to transporting juveniles.

**CHEROKEE COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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Detailed Notes on Funds and Account Balances (continued)

Drug Forfeiture – revenues are from the sale of seized and forfeited property. Disbursements are for the enforcement of controlled dangerous substance laws.

Sheriff Grant – revenues are from the sale of seized and forfeited property sold at auction. Disbursements are for the enforcement of controlled dangerous substance laws.

Sheriff Training Fund – revenues are from the sale of property forfeited in drug cases. Disbursements are for officer training, equipment, and crime prevention

Success Grant – accounts for state collections.

Trash Cop – accounts for grant collections. Disbursements are to enforce trash dumping laws.

Tuancy Officer – revenues are from local schools. Disbursements are for the salary of one Sheriff's deputy to assist in reducing school truancy.

Cities and Towns – all funds collected on behalf of cities and towns are recorded in this fund and remitted to the individual cities and towns monthly.

Official Depository – all officers and agencies collecting fees deposit those fees to this account daily. At the end of each month the fees are distributed to the appropriate fund or agency.

E-911 – revenues are from a tariff charged to telephone customers. Disbursements are to offset the expense of the 911 emergency services.

Boot Camp – revenues are from a state grant. Disbursements are for salaries to run the boot camp.

Floodplain – revenues are from development permits. Disbursements are for travel expenses.

County Clerk Lien Fee – accounts for funds deposited to be paid over to lien holders for the release of materialman and mechanics liens.

Cash Drawer – accounts for change funds held by County officers.

Community Building – revenues are from rental of the County Community Building. Disbursements are to maintain the building.

Community Service – revenues are from court ordered urine analysis fees. Disbursements are for testing of urine analysis.

**CHEROKEE COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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Detailed Notes on Funds and Account Balances (continued)

Courthouse Security – accounts for monies collected from the court funds for services related to courtroom and judicial security.

Court Fund Investment - accounts for fees transferred from the Court Clerk account and interest earnings and is disbursed for the purpose of fees for various entities, salaries and operation of the Court Clerk's office.

CSSP – revenues are from the State Department of Corrections to reimburse the County for the expense of administering the Community Service Sentencing Program.

Individual Redemption – revenues are from taxpayers who redeem tax certificates previously sold on their property. Disbursements are to reimburse the certificate holders for taxes paid, interest, penalties and cost.

CDBG – revenues are from a federal Community Development Block Grant. Disbursements are for water district improvements.

Law Library – revenues are from an annual payment from the courts. Disbursements are for the operation of the County law library.

Multi-County Library – revenues are from ad valorem taxes. Disbursements are to support the Multi-County Library.

Protest Tax – ad valorem taxes paid under protest are held in this account pending the outcome of the protest.

Refunds – deposits are from overpayments of ad valorem taxes. Disbursements are made to refund these amounts to the payers.

Schools – all funds collected on behalf of the County schools are recorded in this fund and remitted to the individual schools monthly.

Solid Waste – revenues are from collections for rural trash collection service. Disbursements are for maintenance and operation of the trash service.

Terry Fund MML – holding account for materials and mechanics liens.

Trust Fund - Mfg – accounts for mobile home permits.

Welfare Joint Operation N1 – revenues are from state welfare agencies to distribute food stamps for indigents. Disbursements are for part-time employees.

Detailed Notes on Funds and Account Balances (continued)

CFC-91-584 – accounts for court ordered investments pending result of litigation.

CPC-92-56 – accounts for court ordered investments pending result of litigation.

The following narrative details the official depository accounts.

County Clerk – accounts for the collection of filing fees and is transferred to the appropriate entity monthly.

County Assessor – accounts for fees charged by the County Assessor and remitted to the Assessor's Revolving Fund monthly.

Court Clerk – accounts for the collection of bonds, fines, and fees. Money is disbursed for fees and restitution.

Court Fund – accounts for fees transferred from the Court Clerk account and interest earnings and is disbursed for the purpose of fees for various entities, salaries and operation of the Court Clerk's office.

Court Clerk Revolving – accounts for the charge of \$5 for each warrant. Money is disbursed in the same manner as the Court Fund.

County Health Department – accounts for fees charged by the county health department. Disbursements are to the county health department budget account monthly.

County Treasurer – accounts for all collections of pre-paid ad valorem taxes, pre-paid mobile homes, and the sale of motor vehicle tax stamps. Disbursements are for the purpose of refunds, tax payments, Oklahoma Tax Commission and Treasurer's Mortgage Tax Certification Fees.

County Sheriff – accounts for all collections of foreign service fees and bonds. Monies are disbursed to the Sheriff's Service Fee Fund and the District Court.

County Election Board – accounts for reimbursements for election cost and is disbursed for election board operations.

District Attorney – accounts for monies received from DOC for Community Service Program, restitution, child support, grants, state witness fees, property forfeiture, donations, copies and bogus check fees. Disbursements are for various district attorney expenses as restricted by statute.

Community Sentencing – revenues are from the State Department of Corrections to reimburse the County for the expense of administering the Community Service Sentencing Program.

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 \$113,058,200.

The County levied 10.00 mills (the legal maximum) for general fund operations, 1.50 mills for the county health department, and 4.00 mills for the multi-county library. 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 95 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% 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

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

In 1984, Cherokee County voters approved a sales tax of one-cent to be effective for a period of five years. In 1989, 1994, 1999, and 2004, this tax was approved for additional five-year periods. The sales tax revenues received are designated for the following uses:

50%	County Roads
15%	Law Enforcement
25%	General County Operations
10%	Grant Matching

The current tax is due to expire on January 31, 2009. In 1998, County voters also approved a permanent sales tax of .25% for fire protection.

**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  
CHEROKEE COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Cherokee County, Oklahoma, as of and for the year ended June 30, 2004, and have issued our report thereon dated October 28, 2004. 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 Cherokee 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements. The reportable condition is described in the accompanying schedule of findings as item 1998-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 1998-1 to be a material weakness.

Compliance and Other Matters

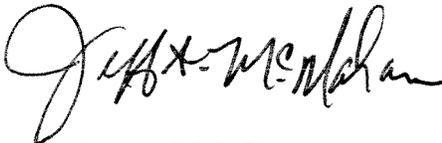
As part of obtaining reasonable assurance about whether Cherokee County's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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*.

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

October 28, 2004

**CHEROKEE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2004**

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**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 1998-1 - Segregation of Duties (Repeat Finding)**

Criteria: Segregation of duties over asset custody, transaction authorization, bookkeeping and reconciliation is an important element of effective internal control over government assets and resources.

Condition: The limited number of office personnel within several County offices prevents a proper segregation of accounting functions, which is necessary to assure adequate internal control structure.

Recommendation: We recommend management be aware of this condition and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's knowledge of office operations and a periodic review of operations.

Views of responsible officials and planned corrective actions: We concur with the auditor's findings. Management does have knowledge of office operations and will perform a periodic review of these operations.

**STATISTICAL SECTION**  
**(Unaudited)**

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

<u>TAXPAYER NAME</u>	<u>ASSESSED VALUE</u>	<u>% OF TOTAL NET VALUATION</u>
Southwestern Bell	\$ 4,647,733	4.11%
Southwestern Electric Power Co.	1,666,254	1.47%
Wal-Mart	1,388,087	1.23%
American Woodmark Corp.	1,202,998	1.06%
Cobb-Vantress, Inc	812,979	0.72%
RUM, Inc	723,556	0.64%
Cherokee Nation of Oklahoma	673,441	0.60%
Greenleaf Nursery Co.	513,690	0.45%
American Cellular Wireless	480,030	0.43%
APAC Arkansas	354,329	0.31%
Total	<u>\$ 12,463,097</u>	<u>11.02%</u>

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

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

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Total net assessed value as of January 1, 2003		<u>\$ 113,058,200</u>
Debt limit - 5% of total assessed value		5,652,910
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	-	<u>-</u>
Legal debt margin		<u>\$ 5,652,910</u>

**CHEROKEE 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)**

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	2004
Estimated population	42,521
Net assessed value as of January 1, 2003	\$ 113,058,200
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	\$ -

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

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<u>Valuation Date</u>	<u>Personal</u>	<u>Public Service</u>	<u>Real Estate</u>	<u>Homestead Exemption</u>	<u>Net Value</u>	<u>Estimated Fair Market Value</u>
1/1/2003	\$13,861,496	\$10,713,952	\$96,323,720	\$7,840,968	\$113,058,200	\$1,011,635,355