

STATUTORY REPORT

# COTTON COUNTY TREASURER

December 31, 2011



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



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

**TAMMY SPENCE, COUNTY TREASURER  
COTTON COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
DECEMBER 31, 2011**

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This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 74 O.S. § 212, has not been printed, but is available on the agency's website ([www.sai.ok.gov](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



# Oklahoma State Auditor & Inspector

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

March 14, 2012

BOARD OF COUNTY COMMISSIONERS  
COTTON COUNTY COURTHOUSE  
WALTERS, OKLAHOMA 73572

Transmitted herewith is the Cotton County Treasurer Statutory Report for December 31, 2011. The engagement was conducted in accordance with 74 O.S. § 212.

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

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

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

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



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Tammy Spence, Cotton County Treasurer  
Cotton County Courthouse  
Walters, Oklahoma 73572

Dear Ms. Spence:

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

- Determine whether bank reconciliations are properly performed, visually verify the certificates of deposit, and confirm the investments.
- Determine whether subsidiary records are reconciled to the general ledger.
- Determine whether deposits and invested funds are secured by pledged collateral.

All information included in the bank reconciliations, the investment ledger, the subsidiary ledgers, and the general ledger is the representation of the County Treasurer.

Our county treasurer statutory engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an opinion on any general-purpose financial statements of the County.

Based on our procedures performed, we have presented our findings in the accompanying schedule.

This report is intended for the information and use of the management of the County. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in blue ink, reading "Gary A. Jones".

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

March 13, 2012

**TAMMY SPENCE, COUNTY TREASURER  
COTTON COUNTY, OKLAHOMA  
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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2012-1 - Pledged Securities**

Condition: The County's bank account balances and investments at Walters Bank and Trust were under-pledged in the amount of \$604,679.03 on December 31, 2011.

Effect of Condition: Failure to maintain a ledger to monitor pledged securities on a daily basis could result in loss of county funds, and noncompliance with state statutes.

Cause of Condition: County Treasurer did not maintain a daily ledger to monitor pledged securities.

Recommendation: OSAI recommends the County Treasurer maintain a daily ledger to monitor county pledges to ensure that deposits are adequately secured at all times.

Management Response: The County Treasurer will ensure that County funds are properly secured and a ledger to monitor pledged securities on a daily basis will be maintained.

Criteria: Title 62 O.S. § 517.4.A states in part: "A treasurer of a public entity shall require that financial institutions deposit collateral securities or instruments to secure the deposits of the public entity in each such institution..." To help ensure that County funds are properly secured, the County Treasurer should maintain a daily ledger to monitor pledged securities.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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