

**GARFIELD 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

June 9, 2005

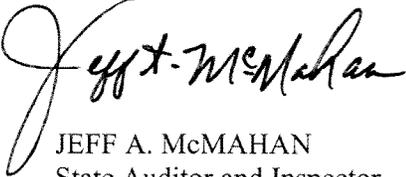
TO THE CITIZENS OF
GARFIELD COUNTY, OKLAHOMA

Transmitted herewith is the audit of Garfield 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,


JEFF A. McMAHAN
State Auditor and Inspector

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

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

STATISTICAL SECTION (Unaudited)

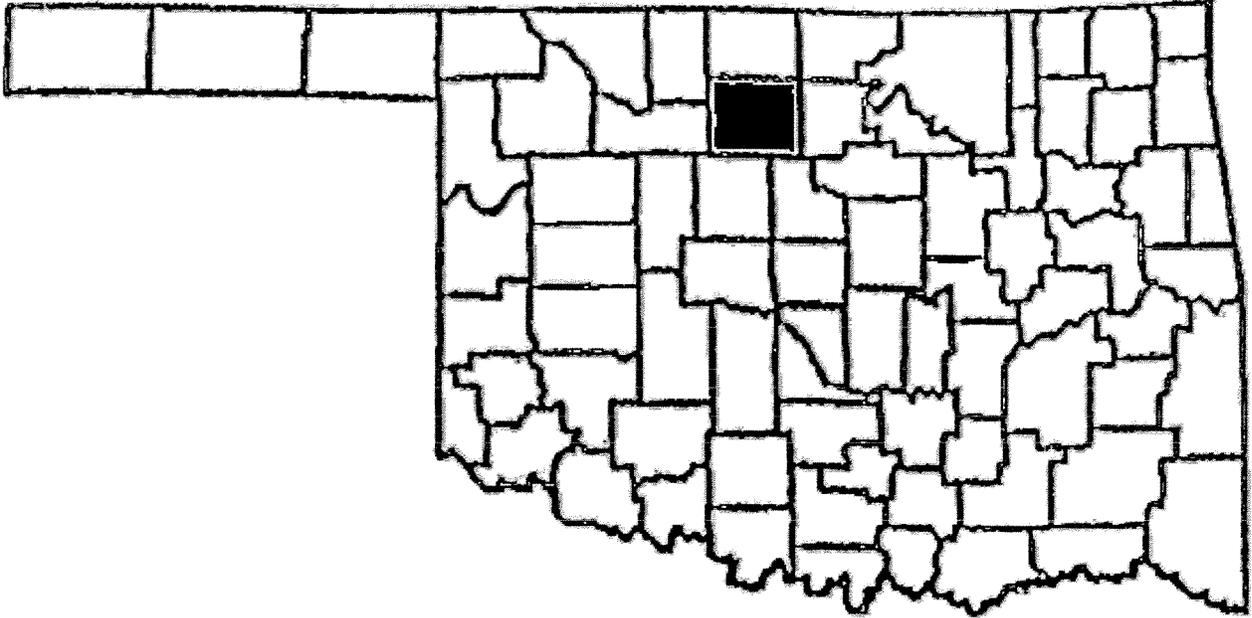
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REPORT TO THE CITIZENS
OF
GARFIELD COUNTY, OKLAHOMA



Garfield County was originally a part of the Cherokee Outlet opened for settlement during the Land Run of September 16, 1893. Garfield County, Oklahoma Territory, was named for President James A. Garfield.

Enid, the county seat, has two major employers – Vance Air Force Base and Northrop-Grumman Technical Services, Inc. Local businesses manufacture such products as anhydrous ammonia, petroleum coke, drilling rigs, steel fabricators, dairy goods and processed meats. Although oil has provided a great deal of revenue, Garfield County is best known for its wheat production.

County Seat – Enid

Area – 1058.5 Square Miles

County Population – 57,813
(2000 est.)

Farms – 1,069

Land in Farms - 614,690 Acres

Source: Oklahoma Almanac 2003-2004

See independent auditor's report.

**GARFIELD COUNTY OFFICIALS
AND RESPONSIBILITIES**

COUNTY ASSESSOR
Wade Patterson
(R) Enid

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
Kathy Hughes
(R) Breckinridge

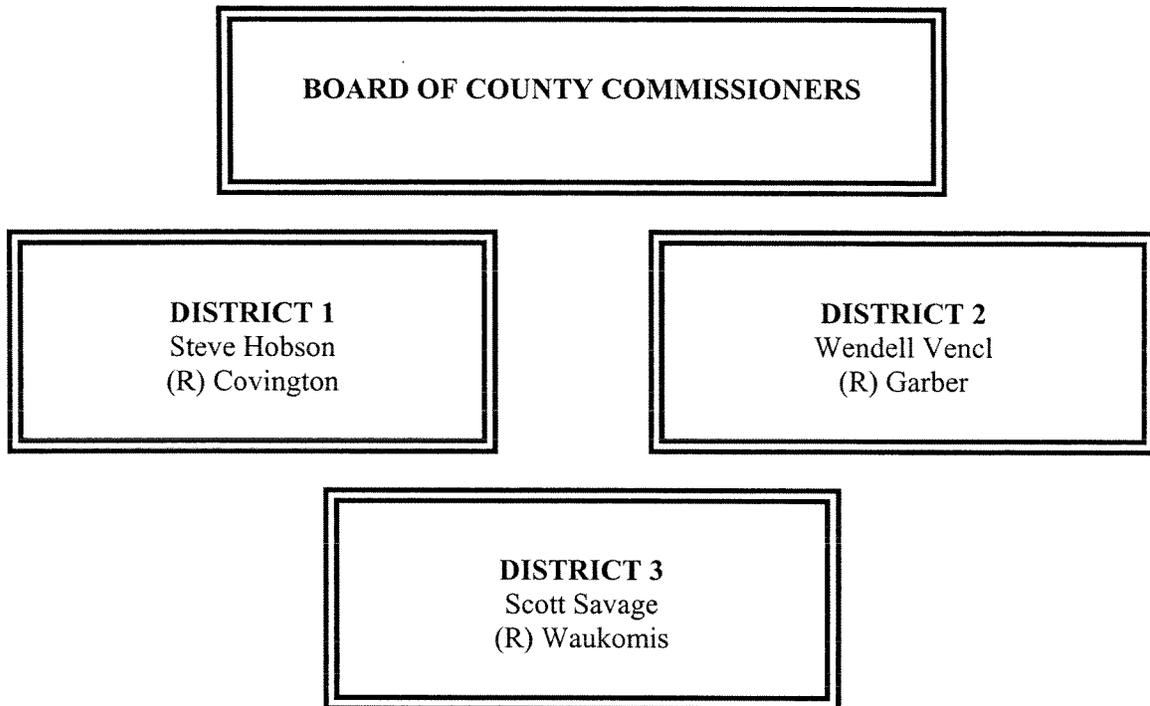
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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.

**GARFIELD 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.

**GARFIELD COUNTY OFFICIALS
AND RESPONSIBILITIES**

COUNTY SHERIFF
Bill Winchester
(R) Enid

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
Kevin Postier
(R) Breckinridge

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.

**GARFIELD COUNTY OFFICIALS
AND RESPONSIBILITIES**

COURT CLERK
Sharon Melrose
(R) Enid

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
Cathy Stocker
(R) Enid

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.

**GARFIELD COUNTY OFFICIALS
AND RESPONSIBILITIES**

ELECTION BOARD SECRETARY

Wenona R. Marshall
(R) Enid

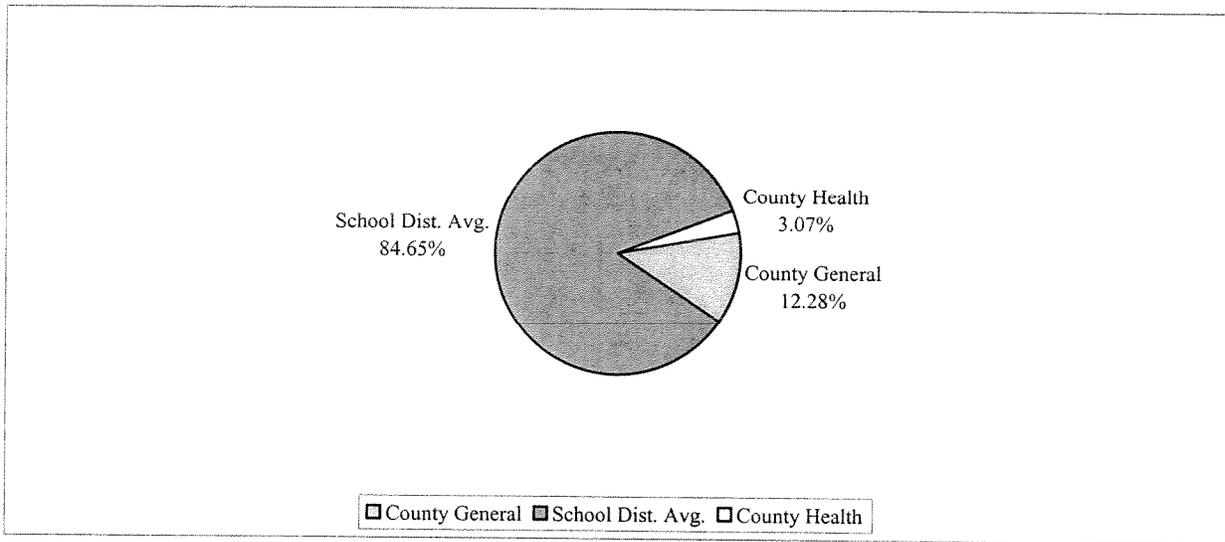
The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within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

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

See independent auditor's report.

**GARFIELD 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				Gen.	Bldg.	Skg.	Tech Cntr.	Tech Cntr. Bldg.	Common	Total
County Health	2.64	Waukomis	SD1	36.70	5.38	14.88	10.54	5.16	4.22	76.88
		Kremlin-Hillsdale	SD18	37.91	5.42	13.27	10.54	5.16	4.22	76.52
		Chisholm	SD42	37.07	5.30	6.54	10.54	5.16	4.22	68.83
		Garber	SD47	36.70	5.24	13.20	10.54	5.16	4.22	75.06
		Pioneer-Pleasant Vale	SD56	36.06	5.15	3.49	10.54	5.16	4.22	64.62
		Enid	SD57	36.86	5.27	13.34	10.54	5.16	4.22	75.39
		Drummond	SD85	37.27	5.32	9.56	10.54	5.16	4.22	72.07
		Covington-Douglas	SD94	37.03	5.29	9.83	10.54	5.16	4.22	72.07

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
GARFIELD COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Garfield 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 Garfield 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 Garfield 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 Garfield 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 Garfield 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 May 2, 2005, on our consideration of Garfield 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.

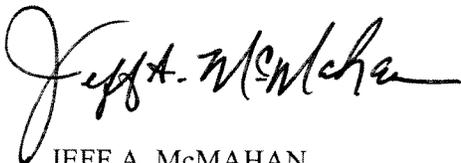
Our audit was performed for the purpose of forming an opinion on the special-purpose financial statements of Garfield County, Oklahoma, taken as a whole. The information listed in the table of contents under *Introductory Section* and *Statistical Section* has not been audited by us, and accordingly, 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,

A handwritten signature in black ink, appearing to read "Jeff A. McMahana". The signature is written in a cursive, flowing style.

JEFF A. McMAHAN
State Auditor and Inspector

May 2, 2005

Special-Purpose Financial Statements

GARFIELD 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
County General Fund	\$ 1,147,273	\$ 3,975,259	\$ 4,292,673	\$	\$ 829,859
County Highway Fund	1,996,484	3,833,975	4,138,533		1,691,926
County Health Department	645,671	798,084	675,257		768,498
Resale Property	127,003	103,068	82,281		147,790
Sheriff Service Fee	48,692	239,960	228,642		60,010
Sheriff Training	3,843	2,915	5,517		1,241
Sheriff County Prisoner	49,761	200,815	204,040		46,536
Sheriff Reserve	16				16
Sheriff Drug	1,614	9,257	4,426		6,445
Sheriff Juvenile Justice Grant	69,068	16,030	83,344		1,754
Sheriff Environmental Control	176		176		
Sheriff DARE	582	3,448	2,443		1,587
Sheriff Confidential Purchase	500				500
Sheriff Estray Cattle	183		183		
Sheriff Community Service	29,456		29,456		
County Clerk Lien Fee	6,885	10,911	6,326		11,470
County Clerk Records Preservation Fee	46,524	74,510	88,001		33,033
Treasurer's Mortgage Tax Certification Fee	15,115	17,335	24,549		7,901
County Assessor Visual Inspection	72,597	848			73,445
County Assessor Fee	15,290	18,075	21,405		11,960
Special Insurance	5,938	403	1,998		4,343
Rural Fire	1,437,126	600,803	678,176		1,359,753
Jail Sales Tax	137,613	1,452,059	998,285		591,387
County Use Tax	44,309	111,205	126,355		29,159
CDBG Funds		3,250	3,250		
County Sinking		39,705			39,705
Garfield County Economic Development Authority	23,977	4,662	22,244		6,395
Safe Room Program	1,080				1,080
Local Emergency Planning		4,120	38		4,082
Garfield County Emergency Management Program	1,790	262	779		1,273
County Building	5,335				5,335
County Insurance	2,304,130	17,319	171,172		2,150,277
Schools	4,038,993	30,375,849	30,342,943		4,071,899
Cities and Towns	44,670	794,835	795,655		43,850
Law Library	8,678	36,485	35,627		9,536
Excess Resale	1,246				1,246
Court Funded Payroll	7,881	189,439	188,200		9,120
Conservancy Remit	69	4,816	4,796		89
Individual Redemption	2,994	47,946	44,917		6,023
Official Depository	351,045	9,928,027	9,263,755	71,533	1,086,850
Protest Tax	407,331	384	294,078		113,637
District Attorney Drug Enforcement	19,722	24,911	21,126		23,507
District Attorney Court Grant	12,510	40,458	41,632		11,336
District Attorney Victim/Witness	590				590
Total County Funds	<u>\$ 13,133,760</u>	<u>\$ 52,981,428</u>	<u>\$ 52,922,278</u>	<u>\$ 71,533</u>	<u>\$ 13,264,443</u>

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

GARFIELD 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	Final	Actual	Variance
	Budget	Budget		
Beginning Cash Balances	\$ 1,147,273	\$ 1,147,273	\$ 1,147,273	\$ -
Less: Prior Year Outstanding Warrants	(89,205)	(89,205)	(89,205)	
Less: Prior Year Encumbrances	(86,968)	(86,968)	(78,925)	8,043
Beginning Cash Balances, Budgetary Basis	<u>971,100</u>	<u>971,100</u>	<u>979,143</u>	<u>8,043</u>
Receipts:				
Ad Valorem Taxes	2,795,585	2,795,585	3,057,226	261,641
Charges for Services	252,252	252,434	280,188	27,754
Intergovernmental Revenues	386,970	386,970	423,571	36,601
Miscellaneous Revenues	172,533	172,533	214,274	41,741
Total Receipts, Budgetary Basis	<u>3,607,340</u>	<u>3,607,522</u>	<u>3,975,259</u>	<u>367,737</u>
Expenditures:				
District Attorney	29,246	23,651	21,829	1,822
Capital Outlay	2,000	3,370	3,124	246
Total District Attorney	<u>31,246</u>	<u>27,021</u>	<u>24,953</u>	<u>2,068</u>
County Sheriff	976,226	976,408	975,356	1,052
Capital Outlay	100	100		100
Total County Sheriff	<u>976,326</u>	<u>976,508</u>	<u>975,356</u>	<u>1,152</u>
County Treasurer	166,885	166,885	165,643	1,242
Capital Outlay				
Total County Treasurer	<u>166,885</u>	<u>166,885</u>	<u>165,643</u>	<u>1,242</u>
County Commissioners	85,589	85,589	70,599	14,990
Capital Outlay	1,000	1,000	190	810
Total County Commissioners	<u>86,589</u>	<u>86,589</u>	<u>70,789</u>	<u>15,800</u>
OSU Extension	93,430	93,405	61,124	32,281
Capital Outlay	500	525	525	
Total OSU Extension	<u>93,930</u>	<u>93,930</u>	<u>61,649</u>	<u>32,281</u>
County Clerk	202,366	202,366	191,910	10,456
Capital Outlay	1,000	1,000		1,000
Total County Clerk	<u>203,366</u>	<u>203,366</u>	<u>191,910</u>	<u>11,456</u>
Court Clerk	266,560	266,560	266,132	428
Capital Outlay				
Total Court Clerk	<u>266,560</u>	<u>266,560</u>	<u>266,132</u>	<u>428</u>
County Assessor	251,408	251,408	237,493	13,915
Capital Outlay	5,850	5,850	5,105	745
Total County Assessor	<u>257,258</u>	<u>257,258</u>	<u>242,598</u>	<u>14,660</u>
Revaluation of Real Property	205,430	205,430	181,429	24,001
Capital Outlay	2,800	2,800	594	2,206
Total Revaluation of Real Property	<u>208,230</u>	<u>208,230</u>	<u>182,023</u>	<u>26,207</u>
Juvenile Shelter Bureau	83,017	85,775	85,648	127
Capital Outlay	2,000	2,000	1,845	155
Total Juvenile Shelter Bureau	<u>85,017</u>	<u>87,775</u>	<u>87,493</u>	<u>282</u>
District Court	1	1		1
Capital Outlay	3,250	3,250	3,250	
Total District Court	<u>3,251</u>	<u>3,251</u>	<u>3,250</u>	<u>1</u>

continued on next page

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

**GARFIELD 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
General Government	709,085	737,372	733,501	3,871
Capital Outlay	237,223	210,403	202,959	7,444
Total General Government	946,308	947,775	936,460	11,315
Excise-Equalization Board	9,100	9,100	8,550	550
Capital Outlay				
Total Excise-Equalization Board	9,100	9,100	8,550	550
County Election Board	96,607	94,757	90,486	4,271
Capital Outlay	2,000	3,850	3,811	39
Total County Election Board	98,607	98,607	94,297	4,310
Insurance	894,925	894,925	869,357	25,568
Capital Outlay				
Total Insurance	894,925	894,925	869,357	25,568
Data Processing	16,321	16,321	12,987	3,334
Capital Outlay	5,000	5,000	4,895	105
Total Data Processing	21,321	21,321	17,882	3,439
Charity	1,300	1,300		1,300
Capital Outlay				
Total Charity	1,300	1,300		1,300
Recording Account	19,450	19,450	19,290	160
Capital Outlay				
Total Recording Account	19,450	19,450	19,290	160
Civil Defense	5,719	4,719	4,315	404
Capital Outlay	6,736	7,736	7,519	217
Total Civil Defense	12,455	12,455	11,834	621
Planning Commission	1,000	1,000		1,000
Total Planning Commission	1,000	1,000	-	1,000
Courthouse Security	19,290	19,290	19,290	
Total Courthouse Security	19,290	19,290	19,290	-
Juvenile Detention	45,000	45,000	26,272	18,728
Total Juvenile Detention	45,000	45,000	26,272	18,728
County Audit Budget	29,176	29,176	26,176	3,000
Total County Audit Budget	29,176	29,176	26,176	3,000
Free Fair Budget	40,000	40,000	40,000	
Total Free Fair Budget	40,000	40,000	40,000	-
Library Budget	24,250	24,250	24,250	
Total Library Budget	24,250	24,250	24,250	-
Postage Meter	37,600	37,600	33,731	3,869
Total Postage Meter	37,600	37,600	33,731	3,869
Total Expenditures, Budgetary Basis	4,578,440	4,578,622	4,399,185	179,437
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ -	555,217	\$ 555,217
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			250,366	
Add: Current Year Outstanding Warrants			24,276	
Ending Cash Balance			\$ 829,859	

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

**GARFIELD 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	Final	Actual	Variance
	Budget	Budget		
Beginning Cash Balances	\$ 645,671	\$ 645,671	\$ 645,671	\$ -
Less: Prior Year Outstanding Warrants	(2,300)	(2,300)	(2,300)	
Less: Prior Year Encumbrances	(67,483)	(67,483)	(47,012)	20,471
Beginning Cash Balances, Budgetary Basis	<u>575,888</u>	<u>575,888</u>	<u>596,359</u>	<u>20,471</u>
Receipts:				
Ad Valorem Taxes	700,222	700,222	764,238	64,016
Charges for Services		29,031	29,031	
Intergovernmental Revenues			3,545	3,545
Miscellaneous Revenues			1,270	1,270
Total Receipts, Budgetary Basis	<u>700,222</u>	<u>729,253</u>	<u>798,084</u>	<u>68,831</u>
Expenditures:				
Health and Welfare	1,080,000	1,109,031	713,144	395,887
Capital Outlay	196,110	196,110	6,389	189,721
Total Expenditures, Budgetary Basis	<u>1,276,110</u>	<u>1,305,141</u>	<u>719,533</u>	<u>585,608</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	674,910	<u>\$ 674,910</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			62,013	
Add: Current Year Outstanding Warrants			<u>31,575</u>	
Ending Cash Balance			<u>\$ 768,498</u>	

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

**GARFIELD 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			Cancelled Vouchers	Ending Cash Balances June 30, 2004
	July 1, 2003	Receipts	Disbursements		
District Court Clerk	\$ 225,381	\$ 3,059,153	\$ 2,536,746	\$ 54,850	\$ 802,638
District Court Fund	18,327	988,437	845,859	850	161,755
District Court Revolving	21,832	39,470	37,351	450	24,401
County Sheriff	2,769	72,899	71,848		3,820
County Clerk	40,813	495,672	507,718	14,626	43,393
County Treasurer	20,502	4,947,696	4,948,119	197	20,276
County Election Board	1,568	29,256	20,928	306	10,202
County Health Department	4,443	43,840	41,411		6,872
Fair Association	520	199,900	199,635	19	804
County Assessor	991	17,507	17,790		708
Juvenile Office	12,625	14,042	15,966		10,701
District Attorney	1,274	20,155	20,384	235	1,280
Total Official Depository Accounts	<u>\$ 351,045</u>	<u>\$ 9,928,027</u>	<u>\$ 9,263,755</u>	<u>\$ 71,533</u>	<u>\$ 1,086,850</u>

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

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 Garfield 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 Garfield 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	If claims exceed
- Torts	in a public entity risk	the authorized
- Errors and Omissions	pool; Association of	deductibles, the
- Law Enforcement	County Commissioners of	County could have to
Officers Liability	Oklahoma-Self-Insurance	pay its share of any
- Vehicle	Group. (See ACCO-SIG.)	pool deficit. A
Physical Plant		judgment could be
- Theft		assessed for claims in
- Damage to Assets		excess of the pool's
- Natural Disasters		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.
Employees - Medical - Disability - Dental - Life	The County participates in the Oklahoma Public Employees Health and Welfare Plan. (See OPEH&WP.)	If claims exceed pool assets, the members would have surcharges assessed to pay the excess claims.

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.

OPEH&WP - The County has entered into an interlocal agreement with other governmental entities to participate in a pooled self-insurance fund to provide insurance coverage. The pool provides for surcharges to be assessed for claims in excess of pool assets to offset pool deficits. 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.

G. Compensated Absences

Vacation benefits are earned by the employee during the year based on the length of service and may accumulate up to a maximum of 30 days. Employees earn 1 day of sick leave per month employed. Employees may accumulate up to 60 days of sick leave but will not collect pay for the accrued sick leave.

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 \$13,264,443 and the bank balance was \$13,158,182. 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

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

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

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

Detailed Notes on Funds and Account Balances (continued)

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

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

Sheriff Training - accounts for the proceeds from sheriff auctions and/or donations used for training purposes.

Sheriff County Prisoner - accounts for the Department of Corrections and Commissary sales receipts and doctor visits for prisoners.

Sheriff Reserve - accounts for the receipt of donations and general expenditures of the Sheriff's office.

Sheriff Drug - accounts for the collection and disbursement of forfeited property from drug cases.

Sheriff Juvenile Justice Grant - accounts for the receipt of federal grants for the use of juvenile detention.

Sheriff Environmental Control - accounts for the receipt of state funds for the use of patrolling and trash pick up.

Sheriff DARE - accounts for the donation and disbursements for the DARE program.

Sheriff Confidential Purchase - accounts for the undercover drug purchases and the reimbursement of those funds.

Sheriff Estray Cattle - accounts for the collection of selling found and unclaimed cattle. Disbursements are made for the general operation of the Sheriff's office.

Sheriff Community Service - 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.

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

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.

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

Detailed Notes on Funds and Account Balances (continued)

County Assessor Visual Inspection - accounts for the collection and expenditure of monies by the Assessor as restricted by state statute for the visual inspection program.

County Assessor Fee - accounts for the collection of fees for copies restricted by state statute.

Special Insurance - established to administer the County's self-insurance and accounts for insurance receipts and disbursements.

Rural Fire - accounts for the sales tax received for the use of the Breckenridge, Covington, Douglas, Drummond, Fairmont, Garber, Hillsdale, Hunter, Kremlin, Lahoma, and Waukomis Rural Fire Departments.

Jail Sales Tax - accounts for the sales tax received for erecting, furnishing, equipping, operating, and maintaining a new county jail.

County Use Tax - accounts for the receipts of Oklahoma Tax Commission collections of county use tax, to be spent as directed by the Board of County Commissioners.

CDBG Funds - accounts for the federal grant used for community improvement.

County Sinking - accounts for the money collected from tax levy to expend on county lawsuits.

Garfield County Economic Development Authority - accounts for the funds received for the Garfield County Economic Development Authority and remitted to the Authority.

Safe Room Program - accounts for the funds received for the safe room rebate program funded through the Oklahoma Department of Civil Emergency Management.

Local Emergency Planning - accounts for grant money for hazardous material. The Enid Fire Department also collects a \$20.00 fee from various companies for reimbursement of the expense for classes for the Fire Department, etc.

Garfield County Emergency Management Program - accounts for the receipt and disbursement of funds from state and local governments for civil defense purposes.

County Building - accounts for the funds remaining from county building projects.

County Insurance - accounts for the interest earned on designated investments for county insurance and disbursements made for workers compensation and property insurance premiums.

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

Detailed Notes on Funds and Account Balances (continued)

Cities and Towns – accounts for Oklahoma Tax Commission collections distributed to the cities of the County and for cemetery investments.

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.

Court Funded Payroll – accounts for funds received from the Court Fund on a quarterly basis and from the Revolving Fund when needed to pay salaries.

Conservancy Remittance – accounts for the collection and distribution of special assessment taxes on behalf of other entities.

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

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

Protest Tax - accounts for the collection and distribution of taxes protested until distribution is determined by the courts.

District Attorney Drug Enforcement - accounts for forfeited property from drug cases.

District Attorney Court Grant - accounts for state aid and fees collected from drug testing.

District Attorney Victim Witness – accounts for state aid received and money recovered through the Court Clerk's office.

Additionally, the following official depository accounts are described as follows:

District Court Clerk – accounts for the collection of bond money, court fines and fees. Money is disbursed for fees and restitution.

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

District Court Revolving – accounts for the charge of \$5.00 for each warrant. Money is disbursed in the same manner as the Court Fund.

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

Detailed Notes on Funds and Account Balances (continued)

County Sheriff – accounts for all collections of foreign service fees, bond monies, and concealed weapons fees. Monies are disbursed to the Sheriff Service Fee Account and to the District Court Clerk.

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

County Treasurer – accounts for all collections of pre-paid ad valorem, pre-paid mobile homes, and the sale of motor vehicle stamps. Disbursements are for the purpose of refunds and vehicle collections, remits to OTC, schools, and the County Treasurer Mortgage Certification Fee Account.

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

County Health Department – accounts for the collection of charges for services performed by the health department. Disbursements are made to the health department fund for budgeting purposes.

Fair Association – transfers are made from the Fair Association Account to this account so that the County can prepare payroll for the fair employees.

County Assessor – accounts for monies received from copies made. Disbursements are made to the County Assessor's Revolving Fund.

Juvenile Office – funds are received from the State of Oklahoma and then disbursed to the Garfield County Sheriff and the Garfield County Detention Center to reimburse these entities for the care of juveniles.

District Attorney – collections are from the State of Oklahoma for state witness fees. Disbursements are for payments of fees paid to state witnesses. There were payments to vendors in the amount of \$436.96 for bogus checks. A transfer of remaining bogus check funds was made to Canadian County, who handles all bogus checks for the district.

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

Detailed Notes on Funds and Account Balances (continued)

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 \$291,759,295.

Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10.54 mills (the legal maximum) for general fund operations and 2.64 mills 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 98 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.

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.

Detailed Notes on Funds and Account Balances (continued)

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 County began collecting a .25 cent county sales tax on January 1, 1997, which expired December 31, 2000. The County residents voted to renew the sales tax at a reduced rate of .10 cents, effective January 1, 2001, and continuing for five years. This sales tax is dedicated to ten county rural fire departments to be distributed equally. The County appropriates these funds and serves as the purchasing agent for the fire departments.

The County also began a .25 cent county sales tax on January 1, 2003, and continuing until January 1, 2018. The sales tax is administered by the Garfield County Criminal Justice Authority for the purpose of erecting, furnishing, equipping, operating, and maintaining a new county jail and acquiring a site therefore owned or operated by Garfield County.

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
GARFIELD COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Garfield County, Oklahoma, as of and for the year ended June 30, 2004, and have issued our report thereon dated May 2, 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 Garfield 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 financial statements. The reportable condition is described in the accompanying schedule of findings as item 2000-2.

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 2000-2 to be a material weakness.

Compliance and Other Matters

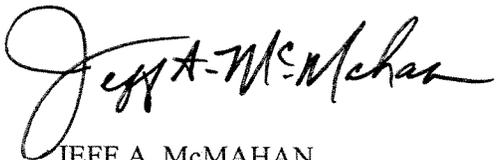
As part of obtaining reasonable assurance about whether Garfield County's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 a certain matter that we reported to management of Garfield County and is included in Section 2 of 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,



JEFF A. McMAHAN
State Auditor and Inspector

May 2, 2005

SECTION 1 - Findings related to the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Finding 2000-2 - Segregation of Duties

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

Condition: The limited number of office personnel within the County Sheriff's office and the Election Board office prevents a proper segregation of accounting functions, which is necessary to assure an adequate internal control structure.

Cause: This lack of segregation of duties is caused by the limited number of employees.

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

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

Views of responsible officials and planned corrective actions: We concur with the auditor's comments and will conduct periodic reviews of office operations.

SECTION 2 - Other Matters- This section contains matters 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 2002-4 - Self-Insurance Fund (Repeat Finding)

Criteria: Title 68 O.S. 2001, § 3017, provides for the procedure in which the County shall compute appropriations for the county general fund. In part, § 3017, states, "The rates of levy for the general fund, authorized by law shall be separately made and stated, and the revenue accrued there from respectively, when collected, shall be credited to the proper fund accounts." Title 68 O.S. 2001, §3010 further provides for items of appropriation to be described as "personal services", "maintenance and operations", and "capital outlay".

GARFIELD COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS
JUNE 30, 2004

Title 51 O.S. 2001, § 169.B. states, “Any insurance authorized by law to be purchased, obtained or provided by a county may be provided by: 1. Self-insurance, which may be, but is not required to be, funded by appropriations to establish or maintain reserves for self-insurance purposes. Any self-insurance reserve fund shall be nonfiscal and shall not be considered in computing any levy when the county makes its annual estimate for needed appropriations...”

Condition: The County established a “self-insurance fund” in fiscal year 1992-1993, by transferring funds from the general fund. Since that time, the County has maintained this fund separate from the general fund, apportioning interest earned on the balance of the fund annually.

For the fiscal year 2003-2004, the County paid the worker’s compensation premium of \$52,501 and property insurance premium of \$9,424 from the “self-insurance fund”. The premiums may be paid from the County general fund. Also expended from the self-insurance fund was \$109,247 in judgments. The County has levied against the tax roll in order to reimburse the self-insurance fund. The County opted to pay the judgment from the self-insurance fund in an effort to minimize the amount of interest paid.

Effect: The County has not budgeted all appropriations of the general fund and has paid the premiums from the self-insurance fund rather than the general fund.

Recommendation: We recommend the County transfer the remaining balance for the “self-insurance fund” into the general fund and appropriate funds to pay the expense of premiums and other related insurance charges for the general fund.

Views of responsible officials and planned corrective actions: Management chose not to respond.

**STATISTICAL SECTION
(Unaudited)**

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

<u>TAXPAYER</u>	<u>JANUARY 1, 2003 NET ASSESSED VALUATION</u>	<u>% OF TOTAL NET VALUATION</u>
OG&E	\$ 12,205,141	4.18%
Southwestern Bell Telephone	8,634,319	2.96%
Mustang	4,755,109	1.63%
Advance Food	4,344,772	1.49%
Western Gas Resources	3,838,550	1.32%
Farmland	3,479,339	1.19%
A D M Milling	3,393,772	1.16%
Exxon Mobil Corp.	3,158,599	1.08%
Oklahoma Natural Gas	2,929,220	1.01%
U H S of Oklahoma	2,482,153	0.85%
Total	<u>\$ 49,220,974</u>	<u>16.87%</u>

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

**GARFIELD 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>\$ 291,759,295</u>
Debt limit - 5% of total assessed value		\$ 14,587,965
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	-	<u>-</u>
Legal debt margin		<u>\$ 14,587,965</u>

**GARFIELD 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	57,813
Net assessed value as of January 1, 2003	\$ 291,759,295
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	\$ -

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

<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	\$61,227,667	\$39,420,741	\$205,262,068	\$14,151,181	\$291,759,295	\$2,109,591,197