

# GARFIELD COUNTY

FOR THE YEAR ENDED  
JUNE 30, 2007

# COUNTY AUDIT



Oklahoma State Auditor  
& Inspector

**GARFIELD COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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**STATE OF OKLAHOMA**  
**OFFICE OF THE AUDITOR AND INSPECTOR**

Steve Burrage, CPA  
State Auditor and Inspector

August 1, 2008

TO THE CITIZENS OF  
GARFIELD COUNTY, OKLAHOMA

Transmitted herewith is the audit of Garfield County, Oklahoma, for the fiscal year ended June 30, 2007. 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 serving the public interest by providing independent oversight and by issuing 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 blue ink that reads "Michelle R. Day".

MICHELLE R. DAY, Esq.  
Deputy State Auditor and Inspector

**GARFIELD COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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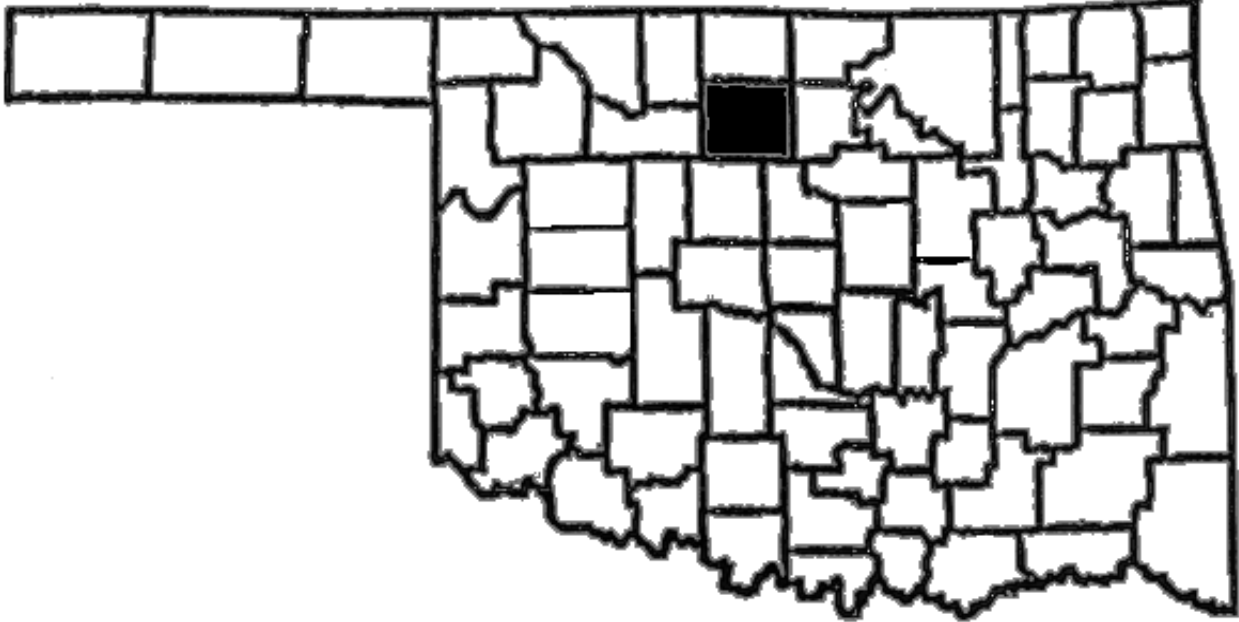
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**REPORT TO THE CITIZENS  
OF  
GARFIELD COUNTY, OKLAHOMA**

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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 – 1059.94 Square Miles

County Population – 56,958  
(2005 est.)

Farms – 1,083

Land in Farms – 613,939 Acres

Primary Source: Oklahoma Almanac 2007-2008

See independent auditor's report.

**GARFIELD COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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**COUNTY ASSESSOR**  
Wade Patterson

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

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.

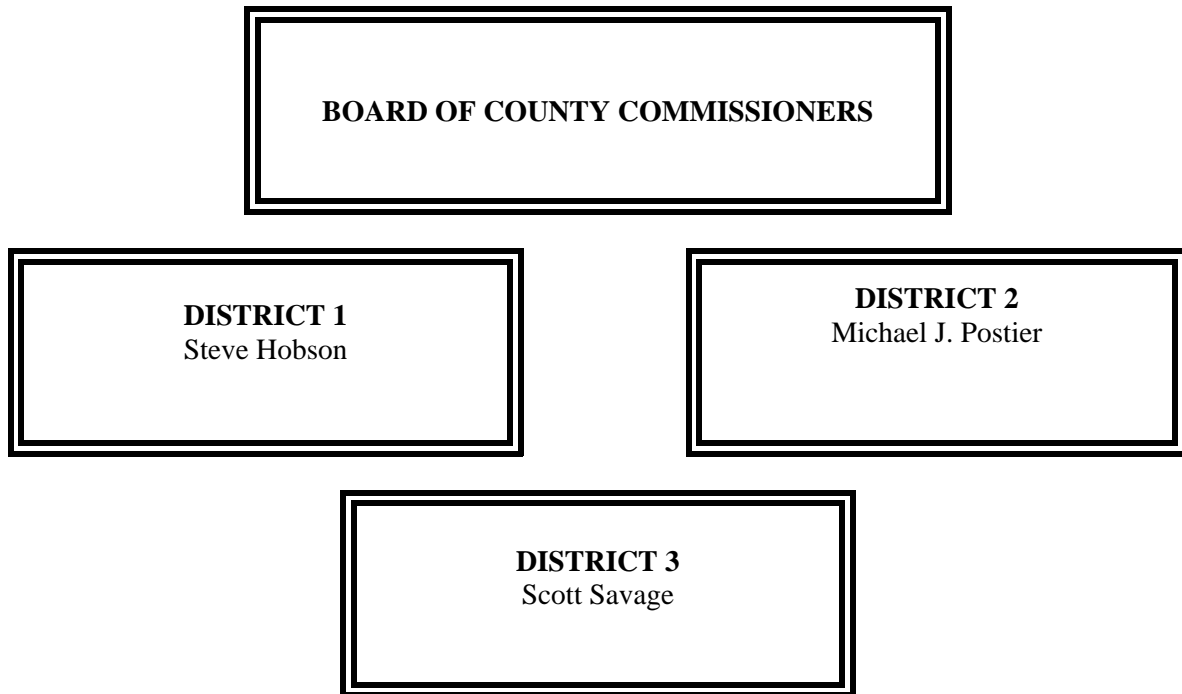
The County Clerk reviews all the claims for payment of goods and services purchased or contracted by the county, and prepares the proper warrants for payment of those goods and services and the county payroll. The County Clerk, or his or her designated deputy, serves as the purchasing agent for the county. 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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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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.

**GARFIELD COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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**COUNTY SHERIFF**  
Bill Winchester

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

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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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**COURT CLERK**  
Margaret F. Jones

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

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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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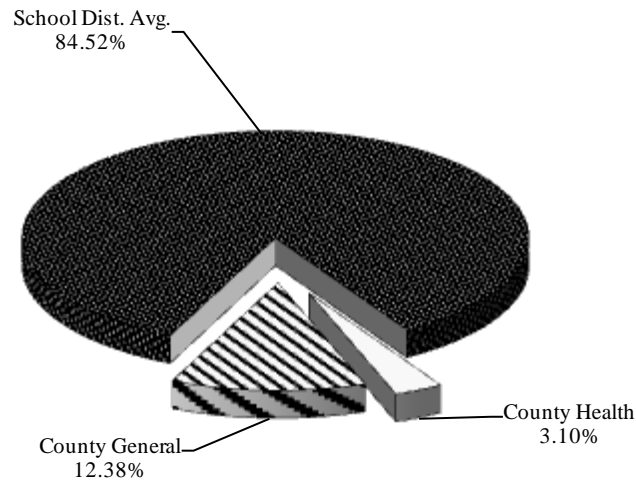
<b>ELECTION BOARD SECRETARY</b> Wenona R. Marshall
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The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all 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.

**GARFIELD COUNTY, OKLAHOMA  
AD VALOREM TAX DISTRIBUTION  
SHARE OF THE AVERAGE MILLAGE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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
County General	10.54								
County Health	2.64	Waukomis	SD1	37.66	5.38	12.74	15.70	4.22	75.70
		Kremlin-Hillsdale	SD18	37.91	5.42	11.18	15.70	4.22	74.43
		Chisholm	SD42	37.07	5.30		15.70	4.22	62.29
		Garber	SD47	36.70	5.24	21.88	15.70	4.22	83.74
		Pioneer-Pleasant Vale	SD56	36.06	5.15	4.52	15.70	4.22	65.65
		Enid	SD57	36.86	5.27	15.47	15.70	4.22	77.52
		Drummond	SD85	37.27	5.32		15.70	4.22	62.51
		Covington-Douglas	SD94	37.03	5.29	11.81	15.70	4.22	74.05

See independent auditor's report.

**GARFIELD COUNTY, OKLAHOMA  
COMPUTATION OF LEGAL DEBT MARGIN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)**

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Total net assessed value as of January 1, 2006		<u>\$ 328,815,536</u>
Debt limit - 5% of total assessed value		16,440,777
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	<u>622</u>	<u>-</u>
Legal debt margin		<u>\$ 16,440,777</u>

See independent auditor's report.

**GARFIELD COUNTY, OKLAHOMA  
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED  
VALUE AND NET BONDED DEBT PER CAPITA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)**

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	<u>2007</u>
Estimated population	<u>56,958</u>
Net assessed value as of January 1, 2006	<u>\$ 328,815,536</u>
Gross bonded debt	-
Less available sinking fund cash balance	<u>622</u>
Net bonded debt	<u>\$ -</u>
Ratio of net bonded debt to assessed value	<u>0.00%</u>
Net bonded debt per capita	<u>\$ -</u>

See independent auditor's report.

**GARFIELD COUNTY, OKLAHOMA  
ASSESSED VALUE OF PROPERTY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)**

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Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2006	\$70,706,839	\$40,531,372	\$231,310,631	\$13,733,306	\$328,815,536	\$2,499,244,158

See independent auditor's report.

## **FINANCIAL SECTION**



**STATE OF OKLAHOMA**  
**OFFICE OF THE AUDITOR AND INSPECTOR**

Steve Burrage, CPA  
State Auditor and Inspector

**Independent Auditor's Report**

TO THE OFFICERS OF  
GARFIELD COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Garfield County, Oklahoma, as of and for the year ended June 30, 2007, listed in the table of contents as the basic financial statement. This financial statement is the responsibility of Garfield County's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. 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.

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

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Garfield County as of June 30, 2007, or changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined total of receipts, disbursements, and changes in cash of Garfield County, for the year ended June 30, 2007, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2008, 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 conducted for the purpose of forming an opinion on the combined total of all funds within the basic financial statement taken as a whole. The combining information is presented for purposes of additional analysis rather than to present the receipts, disbursements, and cash balances of the individual funds. Also, the other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis, and is not a required part of the basic financial statement. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole. The information listed in the table of contents under Introductory Section has not been audited by us, and accordingly, we express no opinion on it.



MICHELLE R. DAY, Esq.  
Deputy State Auditor and Inspector

June 23, 2008

## **Basic Financial Statement**

**GARFIELD COUNTY, OKLAHOMA**  
**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN CASH BALANCES**  
**(WITH COMBINING INFORMATION)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Beginning Cash Balances July 1, 2006	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2007
Combining Information:						
County General Fund	\$ 930,508	\$ 4,570,779	\$	\$	\$ 4,184,214	1,317,073
County Highway Fund	1,135,254	4,270,607		96,236	4,314,607	995,018
Resale Property	173,055	115,833			89,556	199,332
County Health Department	629,139	893,089			877,650	644,578
Assessor Visual Inspection	63,383	2,003			3,321	62,065
Sheriff Service Fee	79,579	327,362			250,268	156,673
County Clerk Records Preservation Fee	18,741	78,215			76,506	20,450
County Clerk Lien Fee	10,753	24,389			1,945	33,197
Treasurer Mortgage Tax Certification Fee	5,032	14,785			18,034	1,783
County Sinking	1,047	622		1,047		622
Sheriff Training	50					50
Sheriff Estray Animal	3,870					3,870
Sheriff Prisoner	117,028	473,515			414,750	175,793
County Assessor Fee	19,140	24,140			15,275	28,005
Sheriff Reserve	16					16
Sheriff Drug	86	4,181			3,400	867
Sheriff Confidential Purchase	500					500
Sheriff Juvenile Justice	2,209	5,836			3,983	4,062
Sheriff DARE	286	2,000			1,188	1,098
Sheriff Unclaimed Property	9,021				7,607	1,414
Special Insurance	3,622				31	3,591
Jail Sales Tax & Detention Facility	1,288,246	1,923,935		23,568	1,573,432	1,615,181
County Use Tax	109,859	149,092			3,464	255,487
Rural Fire Sales Tax	1,107,953	754,172		11,780	562,769	1,287,576
Local Emergency Planning	8,457	3,628			6,858	5,227
County Building	5,335					5,335
County Insurance	2,178,550	94,097	132,631		417,156	1,988,122
Garfield Co. Economic Dev. Auth.	37,511				11,040	26,471
Safe Room Program	1,080					1,080
Garfield Co. Emergency Mgmt Prog.	2					2
<b>Combined Total--All County Funds</b>	<b>\$ 7,939,312</b>	<b>\$ 13,732,280</b>	<b>\$132,631</b>	<b>\$ 132,631</b>	<b>\$ 12,837,054</b>	<b>\$ 8,834,538</b>

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

**GARFIELD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

The accompanying basic financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds of Garfield County, Oklahoma. The funds presented as line items are not a part of the basic financial statement, but have been included as supplementary information within the basic financial statement. These separate funds are established by statute, and their operations are under the control of the County officials. The general fund is the County's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

**B. Fund Accounting**

The County uses funds to report on receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Following are descriptions of the funds included as supplementary information within the financial statement:

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

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

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

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

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

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

**GARFIELD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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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.

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

Treasurer 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.

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

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

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

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

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

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

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

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

Sheriff Unclaimed Property – accounts for the receipt of unclaimed property that is court ordered as property of the Sheriff's office.

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

**GARFIELD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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Jail Sales Tax and Detention Facility - accounts for the sales tax received for erecting, furnishing, equipping the Garfield County Detention Center and repaying the debt acquired in the process, and is used to defray the cost of maintaining the detention facility.

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.

Rural Fire Sales Tax - 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.

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.

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.

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.

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

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. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement; those funds play no part in the County's operations.

**C. Basis of Accounting**

The basic financial statement is prepared on a basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred. This cash

**GARFIELD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

**D. Budget**

Under current Oklahoma Statutes, the general fund and the county health department fund are the only funds required to adopt a formal budget. On or before the first Monday in July of each year, each officer or department head submits an estimate of needs to the governing body. The budget is approved for the respective fund by office, or department and object. The County Board of Commissioners may approve changes of appropriations within the fund by office or department and object. To increase or decrease the budget by fund requires approval by the County Excise Board.

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

**E. Cash**

The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County's books. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County's deposits. The amount of collateral securities to be pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

**F. Investments**

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

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

**GARFIELD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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- Money market funds regulated by the Securities and Exchange Commission and which investments consist of the above-mentioned types of investments

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured.

**G. Compensated Absences**

All full-time employees are entitled to annual leave that is accrued on a monthly basis after one year of service. Employees can earn from one week of vacation up to four weeks of vacation depending on the number of years of service. Employees may not carry over vacation time from one year to the next based on the employee's anniversary date of employment.

Sick leave shall accumulate at the rate of 1 day for each calendar month of service to the county. Sick leave may be accrued up to a maximum of 960 hours. When terminating employment with the county, an employee may not collect pay for the accrued sick leave.

**2. Ad Valorem Tax**

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the County Assessor within the prescribed guidelines established by the Oklahoma Tax Commission and the State Equalization Board. Title 68 O.S. § 2820.A. states, ". . . Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the individual visual inspection of all taxable property within the county at least once each four (4) years."

The assessed property value as of January 1, 2006, was approximately \$328,815,536.

Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10.54 mills for general fund operations and 2.64 mills for county health department. In addition, the County 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.

**GARFIELD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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Current year tax collections for the year ended June 30, 2007, were approximately 97.62 percent of the tax levy.

**3. Fuel Tax**

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

**4. Risk Management**

The County is exposed to the various risks of loss shown in the following table:

<b>Types of Loss</b>	<b>Method of Management</b>	<b>Risk of Loss Retained</b>
General Liability <ul style="list-style-type: none"> <li>• Torts</li> <li>• Errors and Omissions</li> <li>• Law Enforcement Officers Liability</li> <li>• Vehicle</li> </ul>	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.
Physical Plant <ul style="list-style-type: none"> <li>• Theft</li> <li>• Damage to Assets</li> <li>• Natural Disasters</li> </ul>		
Workers' Compensation <ul style="list-style-type: none"> <li>• Employees' Injuries</li> </ul>	The County carries commercial insurance.	A judgment could be assessed for claims in excess of coverage.
Employee <ul style="list-style-type: none"> <li>• Medical</li> <li>• Disability</li> <li>• Dental</li> <li>• Life</li> </ul>	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,

**GARFIELD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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\$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 workers' 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.

**5. Long-term Obligations**

**Capital Leases**

The County acquires road machinery and equipment through lease-purchase agreements financed by the Oklahoma Department of Transportation and/or the equipment vendors or their assignees pursuant to the provisions of 69 O.S. § 636.1 through § 636.7. Lease agreements entered into with the Oklahoma Department of Transportation (ODOT) are interest free. However, starting in January 1997, ODOT began charging a one-time fee of 3% on all pieces of machinery subsequently acquired.

**6. Pension Plan**

Plan Description. The County contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes the provisions of the Plan. OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73105 or by calling 1-800-733-9008.

**GARFIELD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates. County employees are required to contribute between 3.5% and 8.5% of earned compensation. The County contributes between 7.5% and 12.5% of earned compensation. Elected officials could contribute between 4.5% and 10% of their entire compensation. The County contributes 12.5% of earned compensation for elected officials. The County's contributions to the Plan for the years ending June 30, 2007, 2006, and 2005, were \$528,842 \$463,279, and \$384,442, respectively, equal to the required contributions for each year.

**7. Other Post Employment Benefits (OPEB)**

In addition to the pension benefits described in the Pension Plan note, OPERS provides post-retirement health care benefits of up to \$105 each for retirees who are members of an eligible group plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the County is not available nor can it be reasonably estimated.

**8. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; although, the County expects such amounts, if any, to be immaterial.

The County 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 County.

**9. Sales Tax**

The County began collecting a .25 percent (.0025) county sales tax on January 1, 1997, which expired December 31, 2000. The County residents voted to renew the sales tax at .10 percent (.0010) effective January 1, 2001 and continued for five years. The sales tax was dedicated to 10 county rural fire departments to be distributed equally. The County appropriates these funds and serves as the purchasing agent for the fire departments.

On November 1, 2005, the voters of Garfield County voted to renew the above sales tax at .10 percent (.0010) effective from January 1, 2006 through December 31, 2014. The sales tax is dedicated to the now 12 county rural fire departments.

**GARFIELD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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The County also began a .25 percent (.0025) 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.

**10. Inter-fund Transfers**

Inter-fund transfers consist of a transfer of funds to the County Insurance Fund from County Highway, County Sinking, County Jail, and Rural Fire Departments in the amount of \$132,631 to pay premiums for workers' compensation and general liability insurance.

<u>Fund</u>	<u>Transfer Out Amount</u>
County Highway	\$ 96,236
County Sinking	1,047
Jail Sales Tax	23,568
Rural Fire Sales Tax	<u>11,780</u>
Total Transfer Out	<u><u>\$132,631</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

**GARFIELD COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 930,508	\$ 930,508	\$ 930,508	\$ -
Less: Prior Year Outstanding Warrants	(9,515)	(9,515)	(9,515)	
Less: Prior Year Encumbrances	(102,613)	(102,613)	(72,104)	30,509
Beginning Cash Balances, Budgetary Basis	818,380	818,380	848,889	30,509
Receipts:				
Ad Valorem Taxes	3,150,651	3,150,651	3,368,853	218,202
Charges for Services	213,355	213,355	304,423	91,068
Intergovernmental Revenues	424,630	424,630	507,884	83,254
Miscellaneous Revenues	139,669	140,480	389,619	249,139
Total Receipts, Budgetary Basis	3,928,305	3,929,116	4,570,779	641,663
Expenditures:				
District Attorney	29,469	25,244	21,881	3,363
County Sheriff	1,130,936	1,130,693	976,987	153,706
County Treasurer	170,461	170,461	170,214	247
County Commissioners	57,780	57,780	43,461	14,319
OSU Extension	99,053	99,053	97,544	1,509
County Clerk	224,261	224,261	212,507	11,754
Court Clerk	273,522	273,022	272,820	202
County Assessor	227,541	227,541	221,004	6,537
Revaluation of Real Property	232,691	230,741	212,507	18,234
Juvenile Shelter	101,440	101,440	101,404	36
District Court	3,551	4,051	4,041	10
General Government	748,127	732,594	568,191	164,403
Excise-Equalization Board	9,850	9,850	9,331	519

continued on next page

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

**GARFIELD COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

continued from previous page

	Original Budget	Final Budget	Actual	Variance
County Election	113,716	114,528	98,172	16,356
Insurance	1,078,354	1,078,354	958,391	119,963
Data Processing	29,101	29,101	23,208	5,893
Charity	1,500	1,500	600	900
Recording Account	20,400	20,400	20,400	-
Civil Defense	13,618	13,618	13,201	417
Courthouse Security	20,400	20,400	19,494	906
Juvenile Detention	40,000	60,000	53,262	6,738
County Audit Budget Account	32,882	32,882	32,882	-
Free Fair Budget	20,000	20,000	20,000	-
Library	25,800	25,800	15,838	9,962
Postage	52,232	44,182	42,893	1,289
Total Expenditures, Budgetary Basis	4,746,685	4,747,496	4,210,233	537,263
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ -	1,209,435	\$ 1,209,435
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			64,081	
Add: Current Year Outstanding Warrants			43,557	
Ending Cash Balance			\$ 1,317,073	

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

**GARFIELD COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**COUNTY HEALTH DEPARTMENT FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	County Health Department Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 629,139	\$ 629,139	\$ 629,139	\$ -
Less: Prior Year Outstanding Warrants	(334)	(334)	(334)	
Less: Prior Year Encumbrances	(136,387)	(136,387)	(121,215)	15,172
Beginning Cash Balances, Budgetary Basis	492,418	492,418	507,590	15,172
Receipts:				
Ad Valorem Taxes	789,158	789,158	846,782	57,624
Miscellaneous		28,714	46,307	17,593
Total Receipts, Budgetary Basis	789,158	817,872	893,089	75,217
Expenditures:				
Health and Welfare	1,165,002	1,193,716	979,261	214,455
Capital Outlay	116,574	116,574	19,283	97,291
Total Expenditures, Budgetary Basis	1,281,576	1,310,290	998,544	311,746
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ -	402,135	\$ 402,135
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			242,228	
Add: Current Year Outstanding Warrants			215	
Ending Cash Balance			\$ 644,578	

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

**GARFIELD COUNTY, OKLAHOMA  
DETAILED SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BALANCES – SINKING FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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Beginning Cash Balance	<u>\$ 1,047</u>
Receipts:	<u>622</u>
Total Receipts	<u>622</u>
Disbursements:	
Total Disbursements	<u>1,047</u>
Ending Cash Balance	<u>\$ 622</u>

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

**GARFIELD COUNTY, OKLAHOMA  
NOTES TO OTHER SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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**1. Budgetary Schedules**

The Comparative Schedules of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis, for the General Fund and the County Health Department Fund present comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Combined Statement of Receipts, Disbursements, and Changes in Cash Balances with Combining Information because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in these funds. At the end of the year, unencumbered appropriations lapse.

**2. Sinking Fund Schedule**

Debt service receipts are derived generally from a special ad valorem tax levy and from interest earned on investments of cash not immediately required for debt service payments.

## **INTERNAL CONTROL AND COMPLIANCE SECTION**



**STATE OF OKLAHOMA**  
**OFFICE OF THE AUDITOR AND INSPECTOR**

Steve Burrage, CPA  
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 combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Garfield County, Oklahoma, as of and for the year ended June 30, 2007, which comprises Garfield County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated June 23, 2008. Our report on the basic financial statement was adverse because the statement is not a presentation in conformity with accounting principles generally accepted in the United States of America. Also, our report 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies 2007-1, 2007-4 and 2007-5 as described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider 2007-1 to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Garfield County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as items 2007-2 and 2007-3.

Garfield County's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Garfield County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Garfield County and should not be used for any other purpose. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S., section 24A.1 et seq.), and shall be open to any person for inspection and copying.



MICHELLE R. DAY, Esq.  
Deputy State Auditor and Inspector

June 23, 2008

**GARFIELD COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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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 2007-1 – Cash Bond Receipts (County Sheriff)**

Criteria: Statutory control requirements have been established for county government for cash bond receipts. In accordance with 28 O.S. § 9, “Every officer charging fees shall give a receipt therefore.”

Title 19 O.S. § 441 states, “All treasurers, sheriffs, clerks, constables, and other officers chargeable with money belonging to the county shall render their accounts to and settle with the county commissioners at the time required by law, and pay into the county treasury any balance which may be due the county, take duplicate receipts therefore, and deposit one of the same with the clerk of the county within five days thereafter.”

Condition: The audit of 100% of all cash bonds receipted for the fiscal year revealed the following discrepancies:

1. Seven receipts were written out of chronological date order.
2. Two instances were noted where the original voided receipt was not attached to the copy.
3. Six instances were noted where a deposit was made, but no receipts were written.
4. One instance was noted where there was no name written on the receipt.
5. One instance was noted where a cash bond was deposited in the inmate trust fund.

Effect: Lack of effective internal controls over cash bond receipts could result in misappropriation of funds.

Recommendation: We recommend the Sheriff implement policies and procedures to comply with 28 O.S. § 9 and ensure that all monies received under color of office are properly receipted showing date received, amount received, indicate whether cash, check, money order, or cashier’s check was received, and the purpose for the money received. Additionally, if a receipt is incorrect, the receipt should be voided with the original attached and a new receipt issued for the correct amount.

Views of responsible officials and planned corrective actions: The jail will make sure that for all cash bonds a receipt is written for the correct bond amount. I have recently started placing the receipt number on the report that is given to the treasurer when money is brought over. I will train my assistant jail administrator and the jail supervisors to check these receipts and make sure that they are in chronological order when written. I will talk to my staff about the importance of the receipts being done correctly.

**GARFIELD COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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**Finding 2007-2 – Monthly Official Depository Reports**

Criteria: According to 19 O.S. § 684, it shall be the further duty of all such officers, boards, commissions and the members and employees of either thereof, to make and file with the county clerk on or before the second Monday of each month, a verified report in writing showing the several sources, classes and amounts of money received by virtue or under color of office during the preceding calendar month, together with an itemized statement of the amount and purpose of ALL vouchers issued in disbursement, distribution and transfer thereof.

Condition: The County Adult Drug Court, County Juvenile Drug Court, the Fair Association, and the Juvenile Office, did not submit monthly reports to the Board of County Commissioners detailing account activity within the official depository account.

Effect: This condition results in unaccounted for receipts and disbursements, and could result in misappropriation of funds.

Recommendation: We recommend that all officers collecting monies submit a monthly report to the Board of County Commissioners to comply with 19 O.S. § 684 and ensure that the monthly reports submitted show the collections and disbursements for the month and that the ending balance agrees with the Treasurer's official depository ending balance for their office.

Views of responsible officials and planned corrective actions: Efforts are being made to address this issue by using the same program that the county clerk uses for daily and monthly reports. This will ensure that drug court is using the same reports that are being used at the county level.

**Finding 2007-3 – Cash Bond Deposits**

Criteria: Title 19 O.S. § 682 states, "It shall be the duty of each and every county officer, county board, county commission and all members and employees of either thereof, to deposit daily in the official depository designated in Section 381 of this title, all monies, checks, drafts, orders, vouchers, funds, rentals, penalties, costs, proceeds of sale of property, fees, fines, forfeitures and public charges of every kind received or collected by virtue or under color of office..."

Condition: While testing 100% of the Sheriff's cash bond receipts, it was noted that seven cash bond receipts totaling \$3,175.00 were not deposited with the County Treasurer, and two cash bond receipts totaling \$1,220.20 were deposited, but not daily (or timely), by the County Sheriff's office with the County Treasurer as required by 19 O.S. § 682.

**GARFIELD COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

<b>CASH BOND RECEIPTS - NOT DEPOSITED WITH COUNTY TREASURER</b>			
Rect No.	Date	Cash	Deposit With:
7540	8/25/2006	\$ 650.00	North Enid
7549	10/7/2006	\$ 500.00	Waukomis Bond
7554	10/29/2006		No \$ amount listed on receipt/Waukomis PD-Bonded Not voided
7568	12/8/2006	\$ 325.00	Waukomis
4582	2/5/2007	\$ 525.00	Waukomis
7583	2/15/2007	\$ 650.00	North Enid
4599	3/25/2007	\$ 525.00	Waukomis Police Department
		<u>\$ 3,175.00</u>	
<b>CASH BOND RECEIPTS - NOT DEPOSITED TIMELY</b>			
Rect No.	Date	Cash	
7569	12/5/2006	\$ 1,040.80	
7719	5/5/2007	\$ 179.40	
		<u>\$ 1,220.20</u>	

Effect: Cash bond fund receipts are not adequately safeguarded from theft.

Recommendation: We recommend the Garfield County Sheriff implement policies and procedures to comply with 19 O.S. § 682 and deposit daily, all monies received under color of office. We further recommend the County Sheriff implement policies and procedures to forego the collection of cash bonds and allow the Court Clerk's office the task of collecting all cash bonds.

Views of responsible officials and planned corrective actions: The office is now using receipt books. The receipts are marked as to which account it goes to. Separate deposits are made for each program.

**Finding 2007-4 – Segregation of Duties – Drug Court**

Criteria: Accountability and stewardship are overall goals in evaluating management's accounting of funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, and depositing cash and checks should be segregated. Additionally, someone other than the person reconciling bank statements should review and approve the reconciliation.

Condition: Based upon inquiries of County personnel and test work performed, it was noted that the duties of receiving, receipting, recording, and depositing collections were not adequately separated.

Effect: This lack of separation of duties could result in unrecorded transactions, misstated reconciliations, undetected errors, or misappropriation of cash.

**GARFIELD COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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Recommendation: We recommend management be aware of these conditions and realize 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: The drug court consists of one full-time and one part-time employee. The part-time employee will receipt all monies and then give to the full-time employee to make the deposit. At times when the part-time employee is gone and the full-time employee receipts money, the full-time employee will go over with the part-time employee the actions taken on the receipts before a deposit is made.

Additionally, there are times that the drug court does not collect any money. The days that drug court has staffing or court if money is taken in, the office is not through with the business for the day before the County Treasurer has closed for the day, the deposit will be made the next business day.

Only the full-time employee will be making the deposits daily and also filling out any daily/monthly reports that are needed for the County.

**Finding 2007-5 – Receipting and Depositing Adult Drug Court**

Criteria: Statutory control requirements have been established for county government for receipting and depositing. Title 19 O.S. § 684 states, "All monies that shall be received during any calendar month by any county officer, county board, county commission or the members or employees of either, thereof, accruing as a part of the funds of the county or municipal subdivision thereof, shall be paid into the county treasury, that is transferred from the official account of the officer, board, commission or employee of either thereof depositing the same, to the fund or funds of the county or municipal subdivision thereof to which the same belongs..."

Condition: The test of 100% of the receipts issued for the Adult Drug Court (\$10,160.00) compared to the deposits made to the Official Depository, revealed that \$3,140.00 was deposited with the County Treasurer's office, leaving \$7,020.00 receipted but not deposited. However, \$6,880.00 of the amount receipted was traced to a Security National Bank, separate account (Sobriety, Inc. – not a county account – used by the County Drug Court for deposits of donations and emergency expenditures).

The following receipts were not deposited:

4588	12-06-06	\$ 25.00
545728	03-01-07	\$ 20.00
545736	05-10-07	\$ 25.00
545741	04-10-07	\$ 20.00
545750	05-23-07	\$ 30.00
545759	06-12-07	<u>\$ 20.00</u>
	Total	<u>\$140.00</u>

**GARFIELD COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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Effect: Lack of effective internal controls over the receipting and depositing of funds could result in misappropriation of funds.

Recommendation: We recommend all funds collected for Adult Drug Court be receipted and deposited into the County Official Depository account in a timely manner, to provide compliance with 19 O.S. §684.

Views of responsible officials and planned corrective actions: The executive board has completed its audit of Sobriety Inc., and is taking appropriate actions on the prior coordinator for the indiscretions and the findings of the audit.

The Sobriety Inc. account was opened for donated monies, which are only used for donated money and emergency expenditures. This account is a not-profit organization that runs alongside with the drug court program, and is governed by an executive board.



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