

**GRANT COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

October 5, 2006

TO THE CITIZENS OF
GRANT COUNTY, OKLAHOMA

Transmitted herewith is the audit of Grant County, Oklahoma, for the fiscal year ended June 30, 2005. 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 black ink that reads "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

**GRANT COUNTY, OKLAHOMA
FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2005**

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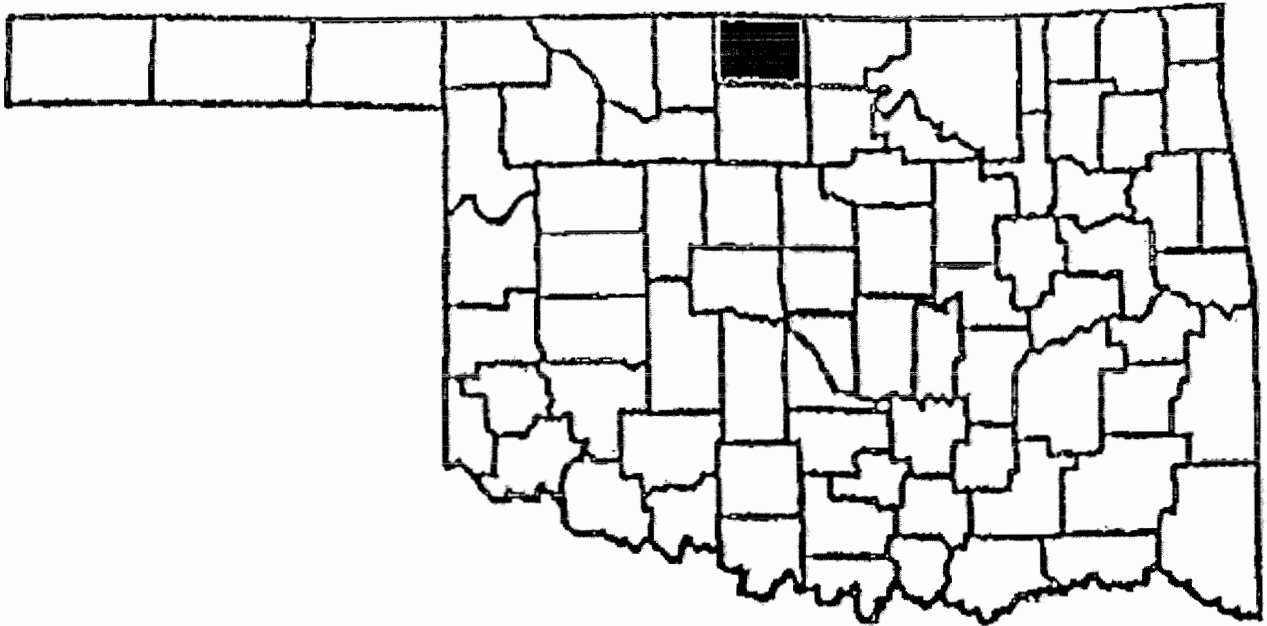
**GRANT COUNTY, OKLAHOMA
FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2005**

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



Located in north central Oklahoma, Grant County was named for President Ulysses S. Grant. Originally "L" county, this area was organized as part of Oklahoma Territory. The economy of Grant County is basically agricultural, with Clyde Co-op Association's general offices in Medford, the county seat. Conoco and Koch Hydrocarbon Company are two major businesses in the county. Lamont is home to one of five world Atmospheric Radiation Measurement Program sites, part of the Department of Energy's Global Climate Change Research Project of 1992.

County Seat – Medford

Area – 1,003.61 Square Miles

County Population – 4,824
(2004 est.)

Farms – 744

Land in Farms – 594,809 Acres

Primary Source: Oklahoma Almanac 2005-2006

See independent auditor's report.

**GRANT COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

COUNTY ASSESSOR
Stephen Spleth
(R.) Medford

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
Debbie Kretchmar
(R.) Medford

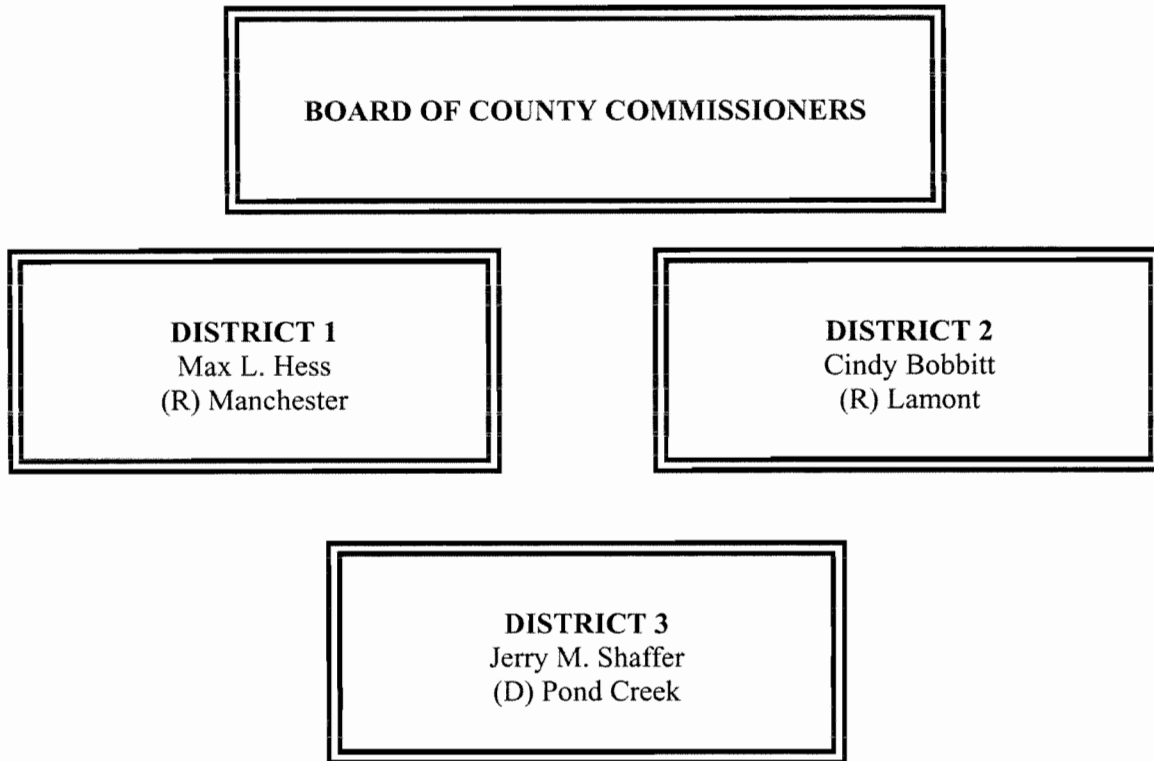
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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.

**GRANT COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**



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.

**GRANT COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

COUNTY SHERIFF
Roland Hula
(R) Medford

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
Elaine Webster
(D) Deer Creek

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.

**GRANT COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

COURT CLERK
Deana Kilian
(D) Medford

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) El Reno

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.

**GRANT COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

ELECTION BOARD SECRETARY

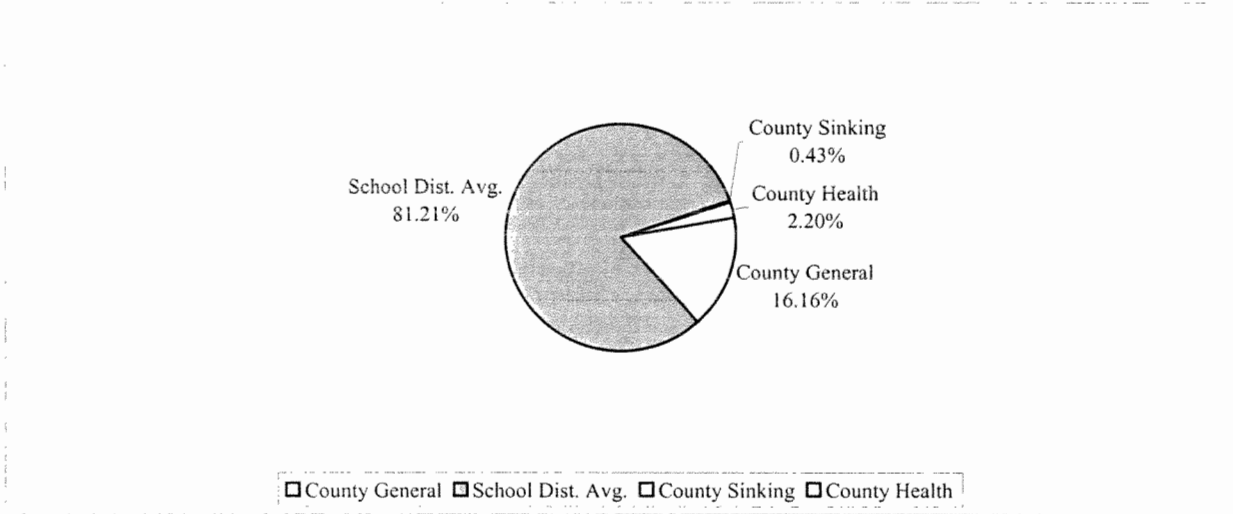
Harvey J. Bush
(D) Medford

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.

**GRANT COUNTY, OKLAHOMA
AD VALOREM TAX DISTRIBUTION
SHARE OF THE AVERAGE MILLAGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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.	Sk.	Common	Total
Co. General	10.00							
County Health	1.36	Medford	I-54	35.00	5.00	2.92	4.00	46.92
County Sinking	0.27	Pond Creek	I-90	35.00	5.00	4.35	4.00	48.35
		Wakita	I-33	35.00	5.00	0.00	4.00	44.00
		Deer Creek - Lamont	I-95	35.00	5.00	10.34	4.00	54.34
<u>City-Wide Millages</u>								
Nash	9.07	Nash	I-93	35.00	5.00	10.17	4.00	54.17
		Billings	JT-2	35.00	5.00	6.02	4.00	50.02
		Kremlin-Hillsdale	JT-18	35.00	5.00	10.00	4.00	54.00

See independent auditor's report.

**GRANT COUNTY, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(UNAUDITED)**

Total net assessed value as of January 1, 2004		<u>\$ 84,233,779</u>
Debt limit - 5% of total assessed value		4,211,689
Total bonds outstanding	80,000	
Total judgments outstanding	-	
Less cash in sinking fund	<u>23,536</u>	<u>56,464</u>
Legal debt margin		<u>\$ 4,155,255</u>

See independent auditor's report.

**GRANT COUNTY, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(UNAUDITED)**

	2005
Estimated population	4,824
Net assessed value as of January 1, 2004	\$ 84,233,779
Gross bonded debt	80,000
Less available sinking fund cash balance	23,536
Net bonded debt	\$ 56,464
Ratio of net bonded debt to assessed value	0.07%
Net bonded debt per capita	\$ 11.70

See independent auditor's report.

**GRANT COUNTY, OKLAHOMA
 ASSESSED VALUE OF PROPERTY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005
 (UNAUDITED)**

Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2004	\$35,388,070	\$13,075,489	\$37,134,795	\$1,364,575	\$84,233,779	\$626,489,467

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
GRANT COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Grant County, Oklahoma, as of and for the year ended June 30, 2005, listed in the table of contents as the basic financial statement. This financial statement is the responsibility of Grant 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.

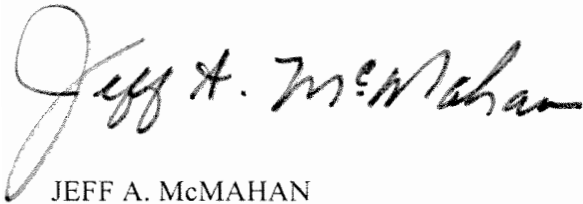
As described in Note 1, this financial statement was prepared using accounting practices prescribed or permitted by Oklahoma state law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between 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 Grant County as of June 30, 2005, 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 Grant County, for the year ended June 30, 2005, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2006, on our consideration of Grant 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.

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

JEFF A. McMAHAN
State Auditor and Inspector

August 28, 2006

Basic Financial Statement

**GRANT COUNTY, OKLAHOMA
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
(WITH COMBINING INFORMATION)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	Beginning Cash Balances July 1, 2004	Receipts Apportioned	Transfer In	Transfer Out	Disbursements	Ending Cash Balances June 30, 2005
Combining Information:						
County General Fund	\$ 251,076	\$ 1,058,015	\$	\$	\$ 1,071,872	\$ 237,219
Highway Cash	430,662	3,039,762	20,403		3,039,382	451,445
County Health Department	163,677	152,158			122,491	193,344
Resale Property	28,141	56,175			27,268	57,048
Treasurer Mortgage Tax Certification Fee	880	1,415				2,295
Sheriff Service Fee	38,156	23,222			22,004	39,374
Sheriff Teletype	9,795	3,600			4,200	9,195
Sheriff Local Law Enforcement	120				104	16
Community Service Sentencing Program	8,763					8,763
COPS	653					653
Juvenile Detention	1,094	699			631	1,162
Department of Corrections	62,865	76,375			90,851	48,389
Sheriff Jail Fund		650				650
County Clerk Lien Fee	3,900	3,510			4,685	2,725
County Clerk Records Preservation Fee	19,040	11,743			9,930	20,853
County Assessor Revolving	8,373	4,866			2,701	10,538
County Assessor Visual Inspection	2,600				826	1,774
Bank Interest	539	1,973			2,512	
Courthouse Improvement	473					473
Grant County Property	105					105
Communication Tower	9,347	5				9,352
Local Emergency Planning Committee	695	1,505			949	1,251
ARM-REAP Grant	28,373	147		14,642	9,996	3,882
Fire Equipment Grant	86					86
REAP Grant	17					17
ARM - Muegge	16,752	58		5,761	11,049	
Health Department Grant	780				239	541
CEM-OP Plan Grant	2,865					2,865
HAZMAT		5,800				5,800
Industrial Authority Sinking	23,109	26,272			25,845	23,536
Civil Emergency Management		7,028			6,963	65
Sales Tax	391,884	266,956			166,688	492,152
Combined Total--All County Funds	\$ 1,504,820	\$ 4,741,934	\$20,403	\$20,403	\$ 4,621,186	\$ 1,625,568

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

GRANT COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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 Grant 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.

Highway Cash - accounts for state, local and miscellaneous receipts and disbursements 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.

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

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

**GRANT COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Sheriff Teletype – accounts for the collection and disbursement of fees for teletype service.

Sheriff Local Law Enforcement – accounts for the receipt of grant funds used for local law enforcement equipment of the Sheriff's office.

Community Service Sentencing Program - accounts for the collection of funding through the State Department of Corrections for administrative expenses and supervision of offenders.

COPS – accounts for federal grants received and disbursements are for the purpose of salaries for Sheriff deputies

Juvenile Detention - accounts for state funds received for the transport of juveniles to detention facilities and disbursed for the operation of the Sheriff's office.

Department of Corrections – accounts for the collection of state held prisoners and disbursements are for the purpose of maintaining the jail.

Sheriff Jail Fund – accounts for the collection and disbursement of receipts for the operation of the jail.

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.

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

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.

Bank Interest – accounts for the interest earned on bank deposits until it is apportioned. This account was closed at June 30, 2005.

Courthouse Improvement – accounts for the residual funds set aside for capital improvements to the courthouse including the courthouse roof.

Grant County Property - accounts for the residual funds set aside for the purchase and maintenance of County owned property.

Communication Tower – accounts for the collection of fees from local police departments for the use of the Sheriff's communication tower.

**GRANT COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Local Emergency Planning Committee – accounts for the receiving and expending of Hazard Material Emergency Preparedness Planning Grant.

ARM-REAP Grant – accounts for grant funds received from the state used for roads and bridges near and around the Atmospheric Radiation Measurement Facility.

Fire Equipment Grant – grant funds received to acquire fire equipment for small rural fire departments in the County.

REAP Grant – accounts for state grant funds received to be used for rural development.

ARM-Muegge – accounts for the appropriations of state funds used for maintaining the area around the Atmospheric Radiation Measurement Facility.

Health Department Grant – accounts for the state grant funds that are used to offset maintenance and operations of the county health department.

CEM-OP Plan Grant – accounts for the receipt and disbursement of a state grant for the operation of the Civil Emergency Management Program.

HAZMAT – accounts for the receipt and disbursement of funds from the State, for the implementation of policies and procedures for hazardous materials.

Industrial Authority Sinking – accounts for the receipt and disbursement of funds from Industrial Authority Sinking accounts for ad valorem collections, used to retire the G.O. Bonds issued by the Authority for industrial development.

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

Sales Tax – accounts for the sales tax received for the use of the Medford, Pond Creek, Wakita, Manchester, Hawley, Nash, Deer Creek, and Lamont Ambulances and fire departments and for the Sheriff.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, 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.

GRANT COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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 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 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.

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

**GRANT COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

- 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

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 Grant County employees shall be entitled to vacation leave. New employees will receive 12 days of vacation on their 1-year anniversary date, the following January 1 they will receive 1 day (based on an 8 hour day) per month from their 1-year anniversary date to December 31. From this point forward, all employees will receive their vacation leave (based on the following vacation rates) each January 1.

Years of Service in Grant County	Vacation Leave	Accumulation Limits
1 - 4 Years	12 days (96 hrs per year)	17 days
5 - 20 Years	15 days (120 hrs per year)	20 days
21 Years and Over	18 days (144 hrs per year)	23 days

All full-time Grant County employees shall be entitled to sick leave with pay that is accrued on a monthly basis. Sick leave shall accumulate at the rate of 4 hours for each full calendar month of service to the County. Sick leave may be accrued up to a maximum of 60 days.

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."

**GRANT COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

The assessed property value as of January 1, 2004, was approximately \$84,233,779.

The County levied 10.00 mills for general fund operations, 1.36 mills for county health department, and .27 mill for counting sinking. 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.

Current year tax collections for the year ended June 30, 2005, were approximately 90.81 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:

Types of Loss	Method of Management	Risk of Loss Retained
General Liability <ul style="list-style-type: none">• Torts• Errors and Omissions• Law Enforcement Officers Liability• Vehicle	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">• Theft• Damage to Assets• Natural Disasters		

**GRANT COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Types of Loss	Method of Management	Risk of Loss Retained
Workers' Compensation <ul style="list-style-type: none"> • Employees' Injuries 	The County carries commercial insurance.	A judgment could be assessed for claims in excess of coverage.
Employee <ul style="list-style-type: none"> • 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 \$25,000 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. Interfund Transactions

Operating transfers consist of \$20,403 transferred to Highway Cash from ARM-REAP Grant (\$14,642) and ARM-Muegge (\$5,761).

**GRANT COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

6. Long-term Obligations

A. General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

In 1969, the County voters authorized the issue of \$1,500,000 in general obligation bonds. The Grant County Industrial Development Authority through the County government has issued \$250,000 in G.O. Limited Tax Bonds, Series A that was utilized as a loan to encourage industry within the County. On August 16, 1993, Grant County sold \$250,000 in bonds and loaned \$202,068 to a company called BBC RV. The company had agreed to reimburse the County \$2,737.10 on a monthly basis. The County received \$23,658.59; however, the company became insolvent and was no longer able to meet their monthly commitment.

The County began placing a levy on the tax rolls in January 1997 in order to meet bond pay-off requirements. For the current fiscal year the County levied .27 mill.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
Grant County G.O. Limited Tax Bonds	6%	<u>\$100,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending June 30,	Series A		
	Principal	Interest	Total
2006	20,000	4,200	24,200
2007	20,000	3,000	23,000
2008	20,000	2,400	22,400
2009	<u>20,000</u>	<u>600</u>	<u>20,600</u>
Total	<u>\$80,000</u>	<u>\$10,200</u>	<u>\$90,200</u>

**GRANT COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

B. 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.

7. 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.

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 5.0% and 10.0% of earned compensation. Elected officials could contribute between 4.5% and 10% of their entire compensation. The County contributes 10.0% of earned compensation for elected officials. The County's contributions to the Plan for the years ending June 30, 2005, 2004, and 2003 were \$152,922, \$151,153, and \$143,394, respectively, equal to the required contributions for each year.

8. 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.

**GRANT COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

9. 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.

OTHER SUPPLEMENTARY INFORMATION

GRANT 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, 2005

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 251,076	\$ 251,076	\$ 251,076	\$ -
Less: Prior Year Outstanding Warrants	(27,280)	(27,280)	(27,280)	
Less: Prior Year Encumbrances	(13,554)	(13,554)	(11,348)	2,206
Beginning Cash Balances, Budgetary Basis	<u>210,242</u>	<u>210,242</u>	<u>212,448</u>	<u>2,206</u>
Receipts:				
Ad Valorem Taxes	765,760	765,762	864,252	98,490
Charges for Services	28,910	29,997	50,105	20,108
Intergovernmental Revenues - Local	71,390	71,390	71,479	89
Intergovernmental Revenues - State	50,233	50,233	55,987	5,754
Miscellaneous Revenues	11,605	11,606	16,192	4,586
Total Receipts, Budgetary Basis	<u>927,898</u>	<u>928,988</u>	<u>1,058,015</u>	<u>129,027</u>
Expenditures:				
District Attorney	5,962	5,962	3,063	2 899
County Sheriff	238,408	238,408	195,336	43,072
County Treasurer	79,777	82,477	82,366	111
OSU Extension	14,980	14,980	14,947	33
County Clerk	85,935	87,798	85,890	1,908
Court Clerk	64,777	66,413	64,435	1,978
County Assessor	69,078	70,618	69,536	1,082
Revaluation of Real Property	76,413	76,663	70,385	6,278
General Government	179,222	177,136	161,329	15,807
Excise Equalization Board	5,000	5,000	3,190	1,810
County Election Board	43,950	44,322	41,024	3,298
Insurance	237,169	231,984	229,203	2,781
Charity	500	500		500
Recording Account	12,002	12,002	10,922	1,080
Library	850	850	850	
Highway Account	16,617	16,617	16,617	
Free Fair Budget	5,500	5,500	5,448	52
Provision for Interest on Warrants	2,000	2,000	2,620	(620)
Total Expenditures, Budgetary Basis	<u>1,138,140</u>	<u>1,139,230</u>	<u>1,057,161</u>	<u>82,069</u>

continued on next page

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

**GRANT 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, 2005**

continued from previous page

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	213,302	<u>\$ 213,302</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			14,184	
Add: Current Year Outstanding Warrants			9,733	
Ending Cash Balance			<u>\$ 237,219</u>	

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

**GRANT 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, 2005**

	County Health Department Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 163,677	\$ 163,677	\$ 163,677	\$ -
Less: Prior Year Outstanding Warrants	(271)	(271)	(271)	
Less: Prior Year Encumbrances	(11,260)	(11,260)	(10,882)	378
Beginning Cash Balances, Budgetary Basis	<u>152,146</u>	<u>152,146</u>	<u>152,524</u>	<u>378</u>
Receipts:				
Ad Valorem Taxes	128,648	128,648	143,923	15,275
Charges for Services			2,880	2,880
Intergovernmental Revenues - State			18	18
Miscellaneous Revenues			5,337	5,337
Total Receipts, Budgetary Basis	<u>128,648</u>	<u>128,648</u>	<u>152,158</u>	<u>23,510</u>
Expenditures:				
Health and Welfare	280,794	280,794	126,294	154,500
Total Expenditures, Budgetary Basis	<u>280,794</u>	<u>280,794</u>	<u>126,294</u>	<u>154,500</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	178,388	<u>\$ 178,388</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			3,648	
Add: Current Year Outstanding Warrants			11,308	
Ending Cash Balance			<u>\$ 193,344</u>	

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

**GRANT COUNTY, OKLAHOMA
DETAILED SCHEDULE OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BALANCES—SINKING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Beginning Cash Balance	<u>\$ 23,109</u>
Receipts:	
Ad Valorem Tax	26,095
Miscellaneous	<u>177</u>
Total Receipts	<u>26,272</u>
Disbursements:	
Coupons Paid	5,400
Bonds Paid	20,000
Fiscal Agent Fees	<u>445</u>
Total Disbursements	<u>25,845</u>
Ending Cash Balance	<u><u>\$ 23,536</u></u>

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

**GRANT COUNTY, OKLAHOMA
NOTES TO OTHER SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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.

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.

See independent auditor's report.

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
GRANT COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Grant County, Oklahoma, as of and for the year ended June 30, 2005, which comprises Grant County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated August 28, 2006. 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

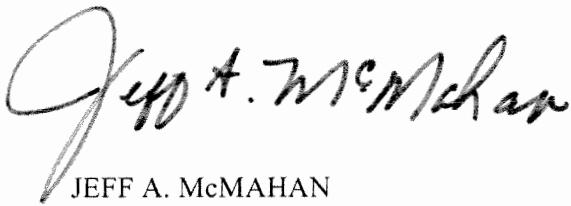
In planning and performing our audit, we considered Grant County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide an opinion on the internal control over financial reporting. 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 Grant County's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statement. The reportable condition is described in the accompanying schedule of findings and responses as item 2003-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statement 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 the reportable condition described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grant 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and responses as item 2005-4. We also noted certain matters that we reported to the management of Grant County, which are included in Section 2 of the schedule of findings and responses contained in this report.

This report is intended solely for the information and use of the management of Grant 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.

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

JEFF A. McMAHAN
State Auditor and Inspector

August 28, 2006

**GRANT COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 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 2003-1 - All Offices - Segregation of Duties (Repeat Finding)

Criteria: Demonstration of 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: Based on inquiries and observation of County personnel, it was noted that the duties of receiving, receipting, recording, and depositing collections were not adequately segregated for offices handling cash transactions.

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: In small offices, segregation of duties is sometimes difficult, but every effort will be made to keep job duties from overlapping.

Finding 2005-4 - County Commissioners Travel Reimbursement

Criteria: In accordance with 19 O.S. §163, "Each county officer or his deputy shall be entitled to reimbursement for all traveling expenses incurred in the performance of official duties. All expenses shall be paid upon sworn itemized claims." The form prescribed for county official travel reimbursement is SA&I #1117 (2000). Additionally, 19 O.S. §164 states, "When transportation involves the use of the private automobile of a county officer, deputy, or county employee entitled to reimbursement, such county officer, deputy or employee shall be entitled to claim reimbursement for use thereof at the rate provided for in the State Travel Reimbursement Act for state officers and employees. Official duties shall include attendance by a county officer and at least one of his deputies for voluntary instruction."

Condition: Each of the County Commissioners elected to drive their personal vehicles and receive mileage reimbursement for job related travel. The claims were submitted on a monthly claim for mileage reimbursement using the prescribed form. An audit of 100 percent of the travel claims for the three County Commissioners for the fiscal year ended June 30, 2005, revealed the following discrepancies:

- In several instances for Districts 2 and 3 mileage was calculated using odometer readings for which the County Commissioners had already claimed.

**GRANT COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

- In some instances for Districts 2 and 3 the number of miles driven was miscalculated using the odometer readings documented by the County Commissioners.
- In many instances for District 1 the destination or nature of travel was not documented on the claim submitted for the County Commissioner.
- Based on the numerical sequence of odometer readings, the District 3 County Commissioner drove as many as four different personal vehicles while performing official duties.

Errors noted are presented in the following tables:

District 1 County Commissioner

Date	Miles	Rate	Amount Overpaid	Exceptions Noted
6/25/04	291	.365	106.22	No destination or nature of travel documented
11/11/04	41	.365	14.97	No destination or nature of travel documented
11/12/04	107	.365	39.06	No destination or nature of travel documented
January 2005	20	.365	7.30	1424 mi. claimed but should have been 1404 mi. for month of January, miscalculated daily miles
1/7/05	93	.365	33.95	No destination or nature of travel documented
1/14/05	119	.365	43.44	No destination or nature of travel documented
1/21/05	77	.365	28.11	No destination or nature of travel documented
3/10/05	5	.365	1.83	Claimed 135 miles but should have been 130 based on odometer readings.
3/21/05 to 3/21/05	644	.365	235.06	No destination or nature of business was documented. These days are documented with "Medford Area".
Total	1397		\$509.94	Total amount claimed in error

District 2 County Commissioner

Date	Miles	Rate	Amount Overpaid	Exceptions noted
3/22/05	8	.365	2.92	Mileage already claimed based on odometer readings
5/06/005	30	.365	10.95	Claimed 47 miles, but odometer readings document that 17 miles were driven
Total	38		\$13.87	Total amount claimed in error

**GRANT COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

District 3 County Commissioner

Date	Miles	Rate	Amount Overpaid	Exceptions Noted
12/13/04 to 12/20/04	240	.365	87.60	Mileage already claimed based on odometer readings
3/4/05	10	.365	3.65	Claimed 14 miles, but odometer reading documented 4 miles driven
3/14/05	716	.365	261.34	Miles already claimed in Jan. 2005 based on odometer readings documented.
5/15/05 to 5/24/05	947	.365	345.66	Miles already claimed based on odometer readings documented.
Total	1913	.365	698.25	Total amount claimed in error

Effect: The District 1 County Commissioner may have erroneously documented 1397 miles of daily mileage totaling \$509.94, the District 2 County Commissioner may have erroneously documented 38 miles of daily mileage totaling \$13.87, and the District 3 County Commissioner may have erroneously documented 1913 miles of daily mileage totaling \$698.25.

This mileage was reported and signed by each County Commissioner on a sworn itemized claim as prescribed by 19 O.S. § 163 that reads as follows:

“I, _____ the undersigned, upon oath, do depose and say I have full knowledge of the above and foregoing account, that said account is just, correct, due and according to law, and is now due and wholly unpaid, and I am duly authorized to make this affidavit.”

Recommendation: We recommend the County Commissioners provide more detailed descriptions of travel, verify calculations, and reimburse the County for amounts claimed in error.

Views of responsible officials and planned corrective actions: Each commissioner has reviewed their travel logs and agrees that some figures and addition were wrong. They have agreed to deduct any over claims and be more diligent in recording mileage. They will also be more specific in the description of where they travel and which vehicle is being driven.

**GRANT COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

SECTION 2 – This section contains certain matters not required to be reported in accordance with *Government Auditing Standards*. However, we believe these matters are significant enough to bring to management’s attention. We recommend that management consider these matters and take appropriate corrective action.

Finding 2005-1– Sheriff Depository Funds Not Receipted or Deposited

Criteria: Title 28 O.S. § 9 states, “Every officer charging fees shall give a receipt therefore.” Further, 19 O.S. § 682 requires that every county officer deposit daily all monies received.

Condition: In performing additional tests of the Sheriff’s receipts and deposits, the following was noted:

<u>Receipts Not Deposited</u>		<u>Deposits With No Receipts</u>	
<u>Receipt #</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
1894	\$ 20.00	7/4/2004	\$ 243.00
1895	20.00	7/20/2004	150.00
1897	50.00	7/30/2004	100.00
1898	50.00	8/2/2004	550.00
1899	50.00	8/23/2004	125.00
1900	70.00	10/29/2004	125.00
2049	270.00	12/4/2004	172.00
1881	843.40	1/3/2005	75.00
2057	25.00	1/5/2005	100.00
2061	20.00	1/7/2005	24.00
2063	90.00	2/7/2005	413.00
2067	50.00	3/15/2005	50.00
2070	200.00	4/5/2005	2,640.00
2073	50.00	5/2/2005	2,696.00
2075	500.00	Total	<u>\$ 7,463.00</u>
2078	500.00		
2077	200.00		
2081	500.00		
2083	500.00		
2086	200.00		
2085	200.00		
2086	500.00		
Total	<u>\$ 4,908.40</u>		

Recommendation: We recommend that all funds received in each office be receipted and deposited by the respective office or his employees.

**GRANT COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Views of responsible officials and planned corrective actions: Management concurs with the auditor's findings and has implemented procedures to correct this issue.

Finding 2005-2 – Sheriff Bond Funds

Criteria: Title 28 O.S. § 9 states, "Every officer charging fees shall give a receipt therefore." Further, 19 O.S. § 682 requires that every county officer deposit daily all monies received.

Condition: The Sheriff issued \$920.90 in bond vouchers for which there was neither a corresponding receipt nor deposit.

2287	7/14/2004	\$ 315.00
2289	8/27/2004	5.00
2290	8/27/2004	500.00
2291	9/17/2004	100.00
2309	5/2/2005	0.90
		<u>\$ 920.90</u>

Recommendation: We recommend the Sheriff's office receipt and deposit all funds collected in his office.

Views of responsible officials and planned corrective actions: Management concurs with the auditor's findings and has implemented procedures to correct this issue.

Finding 2005-3 – No Documentation for Lease-Purchase Agreements

Criteria: In accordance with 62 O.S. § 430.1.D., "Any agreement to lease and purchase real or personal property, where title is to be acquired by the municipal or governmental subdivision, shall state the purchase price of the real or personal property so leased and in no event shall the lease be extended so as to cause payment of more than the stated purchase price of the real or personal property plus interest not to exceed ten percent (10%) simple interest on the unpaid balance due as of each payment date...."

Condition: Of the County's 35 lease-purchased vehicles and equipment, there were 17 agreements not on file with the County Clerk. We could not determine the interest rate of these lease-purchases, the amount of the purchase price, nor the payment schedule.

Recommendation: We recommend that all lease-purchase agreements entered into by the County have the agreement on file to document the interest rate, the purchase price, and the unpaid balance due as of each payment date in accordance with 62 O.S. § 430.1.D.