

GREER COUNTY

FOR THE FISCAL YEAR ENDED
JUNE 30, 2009

COUNTY AUDIT



Oklahoma State Auditor
& Inspector

**GREER COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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December 6, 2010

TO THE CITIZENS OF
GREER COUNTY, OKLAHOMA

Transmitted herewith is the audit of Greer County, Oklahoma for the fiscal year ended June 30, 2009. 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 "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

**GREER COUNTY, OKLAHOMA
FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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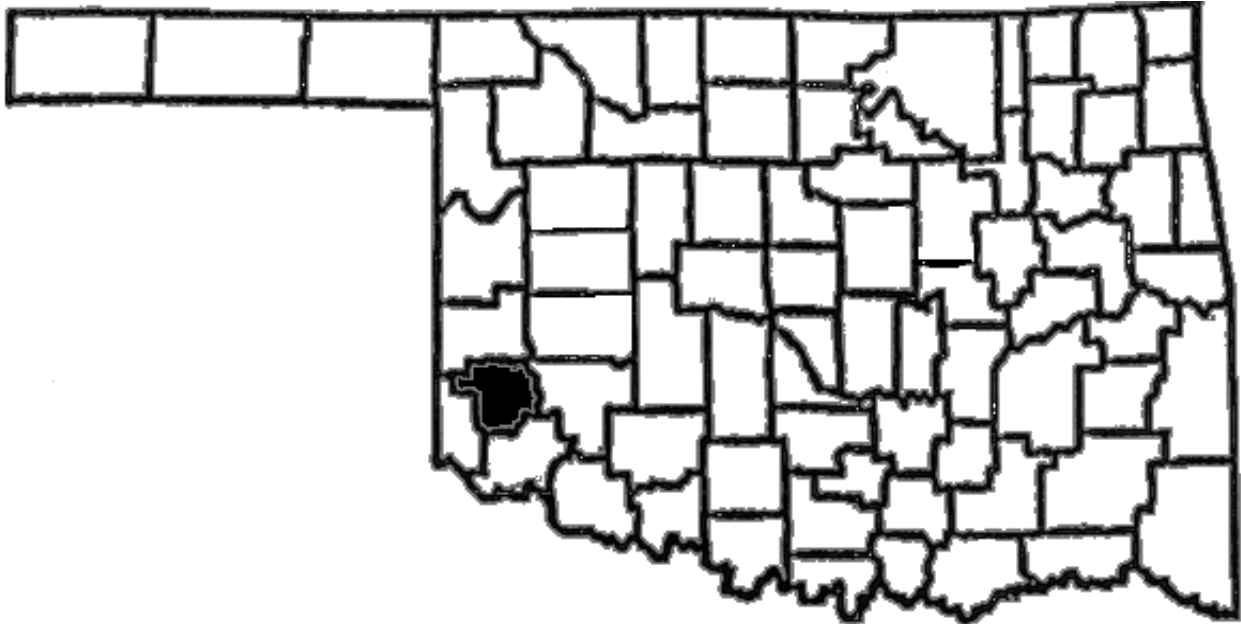
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**REPORT TO THE CITIZENS
OF
GREER COUNTY, OKLAHOMA**



Greer County was claimed by both Texas and the United States, and Greer was adjudged by the U.S. Supreme Court to be part of Indian Territory in 1896. At the time of the Oklahoma Constitutional Convention, the area was divided among Beckham, Greer and Jackson counties. Following statehood, Greer County was further divided to create Harmon County. The County was named for John A. Greer, Lieutenant Governor of Texas.

Willis Granite Products, Inc. and the Mangum Brick Plant add to the County's economy.

Quartz Mountain State Park, the Sandy Sanders Wildlife Area and Lake Altus provide recreational opportunities. The Oklahoma Summer Arts Institute takes place each June at Quartz Mountain Lodge, while the last weekend in April offers a rattlesnake derby, gun show and flea market at Mangum.

County Seat - Mangum Area - 643.66 Square Miles

County Population - 5,810
(2007 est.)

Farms - 571 Land in Farms - 375,447 Acres

Primary Source: Oklahoma Almanac 2009-2010

See independent auditor's report.

**GREER COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

COUNTY ASSESSOR

Donna Giddens

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

Sonja Wallace

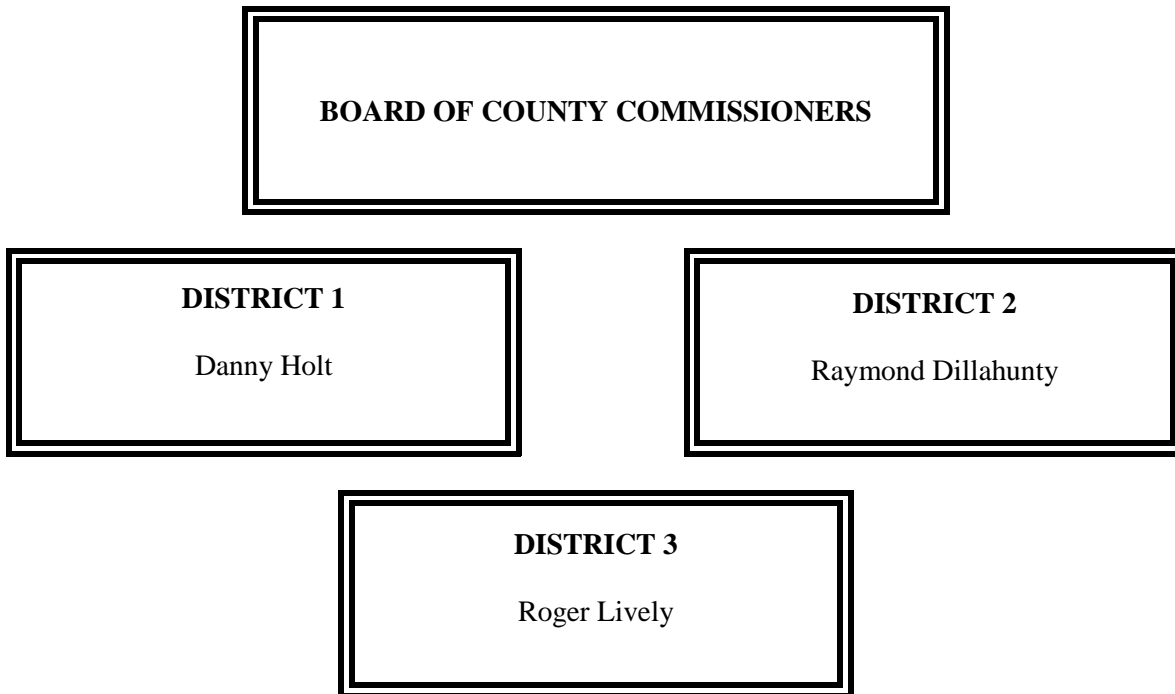
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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.

**GREER COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**



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.

**GREER COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

COUNTY SHERIFF

Devin Huckabay

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

Nita Marcum

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.

See independent auditor's report.

**GREER COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

COURT CLERK

Sandy Hoppingardner

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.

DISTRICT ATTORNEY

John Wampler

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.

**GREER COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

ELECTION BOARD SECRETARY

Claudia Boyle

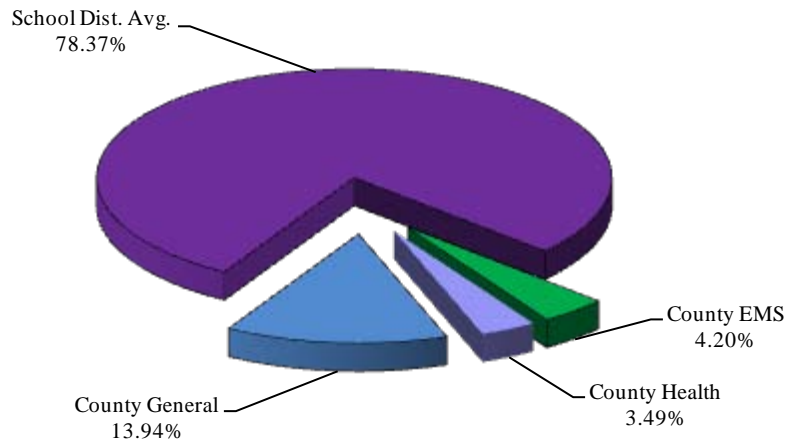
The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within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

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

See independent auditor's report.

**GREER COUNTY, OKLAHOMA
AD VALOREM TAX DISTRIBUTION
SHARE OF THE AVERAGE MILLAGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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	10.63	Mangum	No.1	37.34	5.33	9.37		4.25	56.29
County Health	2.66	Granite	No.3	37.17	5.31	3.56	10.58	4.25	60.87
County EMS	3.20	Granite S.D.	3GC	36.83	5.26	3.56	10.58	4.25	60.48
		S.D.	66-H	36.00	5.14			4.25	45.39
		S.D.	I-J	35.16	5.02	4.48	10.58	4.25	59.49
		S.D.	14J	35.80	5.11	11.80	10.58	4.25	67.54
		S.D.	54J	37.03	5.29	8.36	10.58	4.25	65.51
		S.D.	2K	35.67	5.10	7.71	10.62	4.25	63.35
		S.D.	31-BSC	36.79	5.26	5.43	10.62	4.25	62.35
		S.D.	31-B	35.29	5.04	5.43	10.62	4.25	60.63
		Merritt S.D.	10BMC	37.88	5.41		10.62	4.25	58.16
		S.D.	51B	40.91	5.84	5.49		4.25	56.49

See independent auditor's report.

**GREER COUNTY, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

Total net assessed value as of January 1, 2008		<u>\$ 23,691,058</u>
Debt limit - 5% of total assessed value		1,184,553
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	<u>5</u>	<u>-</u>
Legal debt margin		<u>\$ 1,184,553</u>

See independent auditor's report.

**GREER COUNTY, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

	2009
Estimated population	5,810
Net assessed value as of January 1, 2008	\$ 23,691,058
Gross bonded debt	-
Less available sinking fund cash balance	5
Net bonded debt	\$ 23,691,058
Ratio of net bonded debt to assessed value	0.00%
Net bonded debt per capita	\$ -

See independent auditor's report.

**GREER COUNTY, OKLAHOMA
ASSESSED VALUE OF PROPERTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2008	\$3,225,386	\$2,100,052	\$20,014,357	\$1,648,737	\$23,691,058	\$197,479,481

See independent auditor's report.

FINANCIAL SECTION

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

Independent Auditor's Report

TO THE OFFICERS OF
GREER COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Greer County, Oklahoma, as of and for the year ended June 30, 2009, listed in the table of contents as the basic financial statement. This financial statement is the responsibility of Greer 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.

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 Greer County as of June 30, 2009, 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 Greer County for the year ended June 30, 2009, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2010, on our consideration of Greer 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.



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

November 1, 2010

Basic Financial Statement

GREER COUNTY, OKLAHOMA
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
(WITH COMBINING INFORMATION)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Beginning Cash Balances July 1, 2008	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2009
Combining Information:				
County General Fund	\$ 425,579	\$ 706,712	\$ 699,721	\$ 432,570
County Highway Cash	580,010	1,767,922	1,582,862	765,070
County Health Department	42,447	154,501	146,642	50,306
Resale Property	36,374	30,888	46,146	21,116
Treasurer Mortgage Tax Certification Fee	3,305	1,513	1,828	2,990
County Clerk Lien Fee	6,735	2,878	6,748	2,865
County Clerk Records Management Preservation Fee	9,191	7,115	4,611	11,695
Assessor Revolving Fee	2,123	2,302	735	3,690
Sheriff Service Fee	36,195	59,547	84,508	11,234
Sheriff Board of Prisoners	57,966	221,687	250,098	29,555
Sheriff Commissary	4,085	12,226	9,940	6,371
Sheriff Training	61			61
Sheriff Drug Enforcement	101			101
Renovation Sales Tax		123,153		123,153
Economic Development Authority Hotel/Motel Tax	3,543	35,835	36,752	2,626
Industrial Development Authority Sales Tax	218,067	27,277	25,521	219,823
OSU Extension Sales Tax	44,315	41,168	28,052	57,431
Free Fair Sales Tax	18,417	15,619	17,368	16,668
Courthouse Security	4,483	8,925	261	13,147
Homeland Security Grant	665	6,000	862	5,803
Development of Industry	21,960			21,960
Governmental Obligation Bond - Sinking Fund	26	12	33	5
Combined Total--All County Funds	\$ 1,515,648	\$ 3,225,280	\$ 2,942,688	\$ 1,798,240

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

**GREER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 Greer County, Oklahoma. The financial statement referred to includes only the primary government of Greer County, Oklahoma, and does not include financial information for any of the primary government's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the primary government. 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 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 disbursements of the funds as restricted by statute.

**GREER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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

Assessor Revolving Fee – accounts for the collection of fees for copies restricted by state statute.

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

Sheriff Board of Prisoners – accounts for the collection of monies from the Oklahoma Department of Corrections and disbursements are used for the operations of the Sheriff's department.

Sheriff Commissary – accounts for the collection of the sale of items to inmates and disbursements to purchase commissary goods from the vendor and can be used for maintenance and operations of the county jail.

Sheriff Training – accounts for the collection of miscellaneous receipts and disbursements for the training of sheriff deputies.

Sheriff Drug Enforcement – accounts for the collection of drug forfeitures and disbursements for the purpose of drug enforcement along with equipment and training.

Renovation Sales Tax – accounts for the collection of sales tax money to be disbursed for purpose of renovation of the Greer County Courthouse and Sheriff Annex Building.

Economic Development Authority Hotel/Motel Tax – accounts for monies apportioned from hotel and motel tax for economic development in Greer County.

Industrial Development Authority Sales Tax – accounts for monies received from collection of a sales tax, which has been terminated but can only be disbursed for the development of industry in Greer County.

OSU Extension Sales Tax – accounts for the collection of sales tax money and the disbursement for the operations of the extension office.

Free Fair Sales Tax – accounts for the collection of sales tax money and the disbursement for the operations of the free fair organization.

Courthouse Security - accounts for the collection of fees through the court system and disbursed for courthouse security.

**GREER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Homeland Security Grant – accounts for the collection of grant money to be disbursed for the purpose of homeland security by Greer County.

Development of Industry – accounts for funds remaining from the general obligation bonds issued in 1993 and 1996. The disbursement is for the inquiry and possible development of industry in the County.

Governmental Obligation Bond – Sinking Fund – accounts for the collection of an ad valorem tax levy from prior tax year collections.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including 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. Any trust or agency funds maintained by the County are not included in this presentation.

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, a general fund and a 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.

**GREER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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
- 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. Employees can earn from 15 days of vacation up to 20 days of vacation depending on the number of years of service. Employees may carry over no more than 240 hours of vacation from one year to the next with any additional time being forfeited. Employees with over 5 years of service may accumulate no more than 480 hours of vacation time (any additional time shall be forfeited). Vacation leave is paid upon termination.

The County does accumulate sick leave. Full-time employees can earn 10 hours of sick leave for each full calendar month of service to the County. Sick leave may be accumulated up to 960 hours, and is not paid upon termination of employment.

**GREER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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, 2008, was approximately \$23,691,058.

Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10.63 mills (the legal maximum) for general fund operations, 2.66 mills for county health department, and 3.20 mills for emergency medical service. 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.

Current year tax collections for the year ended June 30, 2009, were approximately 94.53 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.

**GREER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 		

ACCO-SIG – The pool operates as a common risk management and insurance program and is to be self-sustaining through member premiums. Each participating member chooses a deductible amount (\$10,000, \$25,000, or \$50,000). The County has chosen a \$10,000 deductible for each insured event as stated in the County's "Certificate of Participation." The risk pool will pay legitimate claims in excess of the County's deductible amount. The pool has acquired specific excess insurance with retention limits of \$250,000 for property claims and \$500,000 for general liability claims. The pool has acquired reinsurance in the amount of \$2,000,000 for general liability and \$50,000,000 per occurrence for property to cover claims that exceed the pool's retention limits. If claims exceed pool assets, the County could be liable for its share of the pool's deficit. 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, but have a one-time fee of 3% on all pieces of machinery acquired.

**GREER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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.

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 9.5% and 14.5% of earned compensation. Elected officials could contribute between 4.5% and 10% of their entire compensation. The County contributes 14.5% of earned compensation for elected officials. The County's contributions to the Plan for the years ending June 30, 2009, 2008, and 2007, were \$151,494, \$131,817, and \$121,252, respectively, equal to the required contributions for each year.

2.5% Step-Up. Members have the option to elect to increase the benefit computation factor for all future service from 2.0% to 2.5%. The election is irrevocable, binding for all future employment under OPERS, and applies only to full years of service.

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. Amounts, if any, of expenditures that may be disallowed by the grantor cannot be determined, although, the County expects such amounts, if any, to be immaterial.

**GREER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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. Fund Transfer

Funds were transferred to the Resale Property Fund from the Excess Resale Fund in the amount of \$4,740 for the sale of property acquired by the County for unpaid prior year ad valorem taxes.

10. Sales Tax

Effective January 1, 1985, the citizens voted a one-cent (1%) sales tax for an unlimited time period, to be distributed in the following manner: 5% for Free Fair, 15% for OSU Extension; and 80% to the County General Fund.

Effective October 1, 2002, the citizens of Greer County approved a 5% tax of unlimited duration, in which gross proceeds derived from the service of furnishing of rooms by hotels, apartment hotels, or motels and from the furnishing of any other facility for public lodging. The net revenues from such lodging tax are to be apportioned 50% to the General Fund of Greer County and 50% to the Economic Development Authority.

On February 5, 2008, the citizens of Greer County approved a 1/2% of 1% (.005%) sales tax for the time period starting July 1, 2008 and ending June 30, 2018. The said sales tax provides funds for restoration, maintenance, and capital improvement for the Greer County Courthouse, Sheriff's Office and County Jail.

OTHER SUPPLEMENTARY INFORMATION

GREER 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, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 425,497	\$ 425,579	\$ 425,579	\$ -
Less: Prior Year Outstanding Warrants	(37,955)	(37,955)	(37,955)	
Beginning Cash Balances, Budgetary Basis	387,542	387,624	387,624	-
Receipts:				
Ad Valorem Taxes	228,942	228,942	248,611	19,669
Sales Tax	180,000	180,000	242,361	62,361
Charges for Services	20,000	20,000	25,240	5,240
Intergovernmental Revenues	88,100	88,698	141,445	52,747
Miscellaneous Revenues	30,000	30,000	49,055	19,055
Total Receipts, Budgetary Basis	547,042	547,640	706,712	159,072
Expenditures:				
District Attorney	2,000	2,000	-	2,000
County Sheriff	96,800	97,232	86,841	10,391
County Treasurer	64,400	67,122	67,089	33
County Clerk	69,610	69,610	52,640	16,970
Court Clerk	64,850	69,637	69,629	8
County Assessor	64,700	64,700	64,201	499
Revaluation of Real Property	49,677	49,812	39,769	10,043
General Government	243,232	244,154	137,454	106,700
Excise-Equalization Board	3,500	3,500	3,021	479
County Election Board	48,478	48,478	46,358	2,120

continued on next page

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

**GREER 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, 2009**

continued from previous page

	Original Budget	Final Budget	Actual	Variance
Insurance	225,050	216,650	160,632	56,018
Audit Budget	2,369	2,369	271	2,098
 Total Expenditures, Budgetary Basis	 934,666	 935,264	 727,905	 207,359
 Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	 \$ -	 \$ -	 366,431	 \$ 366,431
 Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			33,467	
Add: Current Year Outstanding Warrants			32,610	
Add: Estopped Warrants			62	
Ending Cash Balance			<u>\$ 432,570</u>	

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

GREER 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, 2009

	County Health Department Fund			
	Original	Final	Actual	Variance
	Budget	Budget		
Beginning Cash Balances	\$ 42,447	\$ 42,447	\$ 42,447	\$ -
Less: Prior Year Outstanding Warrants	(8,293)	(8,293)	(8,293)	
Beginning Cash Balances, Budgetary Basis	34,154	34,154	34,154	-
Receipts:				
Ad Valorem Taxes	57,289	57,289	62,211	4,922
Intergovernmental Revenues	91,966	92,046	92,108	62
Miscellaneous Revenues			182	182
Total Receipts, Budgetary Basis	149,255	149,335	154,501	5,166
Expenditures:				
Health and Welfare	183,409	183,489	146,121	37,368
Total Expenditures, Budgetary Basis	183,409	183,489	146,121	37,368
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ -	42,534	\$ 42,534
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Outstanding Warrants			7,693	
Add: Estopped Warrants			79	
Ending Cash Balance			\$ 50,306	

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

**GREER COUNTY, OKLAHOMA
DETAILED SCHEDULE OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BALANCES—SINKING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Beginning Cash Balance	<u>\$ 26</u>
Receipts:	
Ad Valorem Tax	<u>12</u>
Total Receipts	<u>12</u>
Disbursements:	
G.O. Bonds	<u>33</u>
Total Disbursements	<u>33</u>
Ending Cash Balance	<u><u>\$ 5</u></u>

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

**GREER COUNTY, OKLAHOMA
NOTES TO OTHER SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

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
GREER COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Greer County, Oklahoma, as of and for the year ended June 30, 2009, which comprises Greer County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated November 1, 2010. 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. 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 Greer 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control 2009-1, described in the accompanying schedule of findings and responses, to be a material weakness in internal control over financial reporting.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control 2009-2, 2009-3, 2009-4, and 2009-5, described in the accompanying schedule of findings and responses, to be significant deficiencies in internal control over financial reporting.

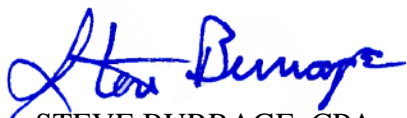
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greer 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Greer County, which are included in Section 2 of the schedule of findings and responses contained in this report.

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

This report is intended solely for the information and use of management Greer 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. § 24A.1 et seq.), and shall be open to any person for inspection and copying.



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

November 1, 2010

**GREER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 2009-1 – Segregation of Duties (Repeat Finding)

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of assets, and record transactions.

Condition: The County Treasurer's office has one employee. The County Treasurer and her deputy issue receipts and prepare the deposits. The County Treasurer makes the deposits with the financial institutions. The County Treasurer performs the duties of preparing the monthly apportionment ledger, and reconciling bank statements. The County Treasurer also prepares the monthly report and reconciles the general ledger to the County Clerk's appropriation ledger each month. The monthly bank reconciliations are not approved by another employee or an official or employee from another office.

Effect: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's overseeing of office operations and a periodic review of operations. OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions.

Views of responsible officials and planned corrective actions: We will do our best to improve in this area. Due to lack of manpower and at times only one person working, it is impossible to segregate duties.

OSAI Response: In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Finding 2009-2 – Revenue Codes for Miscellaneous Receipts (Repeat Finding)

Criteria: Effective internal controls include reporting information be complete and accurate to provide detailed information of account activity.

**GREER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Condition: The County did not specifically identify all revenue sources receipted through miscellaneous receipts. The County incorrectly identified a total of \$178,588 of revenue under source codes 9415 "Miscellaneous Revenue," and 9535B "Emergency Management." This amount represents 6.19% of total miscellaneous receipts issued for county funds.

Effect: This could result in inconsistent recording of revenues and financial reporting that provides insufficient detail for management decision making.

Recommendation: OSAI recommends the County, in conjunction with the County Treasurer, develop source codes for all material revenue sources so that reporting information is complete and accurate to provide detailed account information.

Views of responsible officials and planned corrective actions: Spoke with the Treasurer's office and will work on accuracy and possible development of source codes.

Finding 2009-3 - Financial Statement Disclosures (Repeat Finding)

Criteria: The County's management is responsible for establishing internal control procedures to prevent or detect misstatements in a timely manner. This includes preparation of the financial statements and accompanying notes to the financial statements in accordance with applicable accounting principles. Statement on Auditing Standards (SAS) No. 112 indicates that a control deficiency exists when management does not have adequate expertise to apply accounting principles to the financial statements or to review financial statements prepared on their behalf by others to ensure they are prepared in accordance with these principles. Professional audit standards preclude the external financial statement auditor from performing any part of management's control activities or be a component of the internal controls over financial reporting as this would impair their independence.

Condition: Internal controls have not been developed to ensure all required disclosures are presented with the financial statement that is presented on an Other Comprehensive Basis of Accounting (OCBOA).

Effect: The potential exists for misstatements to go undetected, specifically for the completeness of required financial statement disclosures.

Recommendation: OSAI recommends the County implement a review process for the financial statements and accompanying notes. The County may consider one or more of the following to ensure proper internal controls:

- Using a checklist or financial statement guide to facilitate the review process.
- Having at least one staff member with sufficient skills necessary to understand the preparation of a complete set of year-end financial statements.

Views of responsible officials and planned corrective actions: The County Clerk is working with the budget maker on financial statements.

**GREER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Finding 2009-4 – Monthly Reconciliation (Repeat Finding)

Criteria: Effective internal controls include county government perform appropriate reconciliations and retain copies of the reconciliations performed.

Condition: The control test of monthly reconciliations of warrants issued by the Clerk to disbursements posted by the Treasurer revealed that supporting documentation for September 2008 was incomplete.

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

Recommendation: OSAI recommends that the County retain all reconciliation records until the OSAI audit has been completed, so as to provide evidence that controls are in place for the reconciliation of disbursement data.

Views of responsible officials and planned corrective actions: This process has been corrected.

Finding 2009-5 – Timesheets (Repeat Finding)

Criteria: Effective internal controls include county government establish policies and procedures to document payroll disbursements using standardized timesheets. Those timesheets should be signed by the employee and approved by an authorized supervisor or official.

Condition: The test of 25 timesheets revealed the following exceptions:

1. Six of the timesheets were not signed by the employee.
2. One of the timesheets was not approved by a supervisor or official.
3. The Court Clerk's first deputy did not complete a timesheet during the audit period.

Effect: These conditions could result in unrecorded transactions, undetected errors, or improprieties in the payroll records.

Recommendation: OSAI recommends that the County establish policy and procedures to ensure that standardized timesheets are completed by each employee, which are then signed and approved by a supervisor or official to provide effective internal controls over timesheet documentation.

Views of responsible officials and planned corrective actions: The County Clerk is working with each office on correct procedures for keeping timesheets. The County Clerk will also see about establishing policies and procedures for timesheets.

**GREER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 2009-6 – Sheriff Accounting Records for Inmate Trust Funds (Repeat Finding)

Criteria: Effective internal controls include all accounting records, such as receipt books, bank deposit books, bank account reconciliations, and inmate files and records of bookings and releases be maintained in a timely and accurate manner and retained for recordkeeping and audit purposes.

Condition: In regards to inmate trust records and procedures, we noted the following deficiencies:

- Inmate trust receipts were issued from multiple receipt books during overlapping time periods.
- Inmate trust receipts and bank deposit slip documentation did not indicate the time frame or numerical sequence of receipts being deposited.
- Not all inmate trust receipts indicated the mode of payment to compare with the cash, check or money order amounts deposited.
- A reconciliation of the previous bank account balance was not performed prior to opening a new bank account for the new commissary vendor and transferring the remaining balance to the new bank account.
- Bank deposits to the inmate trust bank account significantly exceeded the amount of receipts issued during the same time period, indicating funds were being deposited that had not been receipted, or receipts were issued from receipt books not presented for audit.
- Deposits for the inmate trust account were not made daily.
- Instances were noted where the bank teller adjusted the deposited amounts.
- A consistent record of checks outstanding was not maintained; therefore, an accurate reconciliation of bank account balances could not be performed.

Effect: These conditions could result in undetected errors, misstated financial reports, or misappropriation of funds.

Recommendation: OSAI recommends the following:

- Additional training for all staff members responsible for the recordkeeping for jail operations, including the inmate trust bank account records and commissary operations;
- Contacting the commissary vendor to obtain up-to-date guides and/or manuals that explain the commissary/inmate accounting software being used;

**GREER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

- Review of policies and procedures with a focus on standardizing the same and putting approved policies and procedures in written form for posting, training and review by employees of the office.
- Designating at least one individual in a management capacity to be significantly more involved in the day to day recordkeeping and administrative details of the Sheriff's office until the above conditions are corrected.
- Following implementation of new policies and procedures, management should review operations periodically to verify that policies are being followed and that procedures are implemented effectively.

Views of responsible officials and planned corrective actions: Ongoing training for staff members will be provided for record keeping for jail operations, including inmate trust bank accounts records and commissary operations.

Tiger Commissary will be contacted and an onsite workshop will be scheduled for training on the commissary software to utilize it to its fullest capability.

Policy and procedures will be written concerning the internal daily operations of the department, including the form for posting, training and review by employees of the office.

The Undersheriff will be the designated individual who will be involved in the day to day record keeping. When policy and procedures are in place the Undersheriff will review operations periodically to verify that policies are being followed and that policies are implemented.

Finding 2009-7 – Inmate Trust Funds (Repeat Finding)

Criteria: Effective internal controls include transactions which are fiduciary in nature be maintained separately from the regular operating transactions and funds of an entity. Inmate trust collections are fiduciary in nature and held in trust for the benefit and use of the inmates and/or refunded upon their release.

Condition: During the fiscal year audit period, inmate trust funds were routinely transferred from the inmate trust bank account to the Sheriff's "B-9" Commissary Fund to pay for blanket purchase orders issued to the commissary vendor for purchases made by inmates. Technically, the purchases by inmates are private transactions between the inmates, using their personal money, and the commissary vendor.

Effect: Fiduciary or "trust" transactions were commingled with the County's operating funds and appropriations.

**GREER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Recommendation: OSAI recommends the County consider terminating its present procedure of using blanket purchase orders to pay for commissary vendor invoices. Payment of commissary vendor invoices, and the associated sales tax collections, should be issued directly from the inmate trust bank account to the commissary vendor.

Views of responsible officials and planned corrective actions: The present procedure of using blanket purchase orders to pay commissary vendor invoices was terminated. The procedure for paying the commissary vendor and taxes directly from the inmate trust bank account was started immediately.



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