

COUNTY AUDIT

# JACKSON COUNTY

For the fiscal year ended June 30, 2013



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

**JACKSON COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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# Oklahoma State Auditor & Inspector

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

July 7, 2014

TO THE CITIZENS OF  
JACKSON COUNTY, OKLAHOMA

Transmitted herewith is the audit of Jackson County, Oklahoma for the fiscal year ended June 30, 2013. The audit was conducted in accordance with 19 O.S. § 171.

A report of this type can be critical in nature. Failure to report commendable features in the accounting and operating procedures of the entity should not be interpreted to mean that they do not exist.

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

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

Sincerely,

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

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

**JACKSON COUNTY, OKLAHOMA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**JACKSON COUNTY, OKLAHOMA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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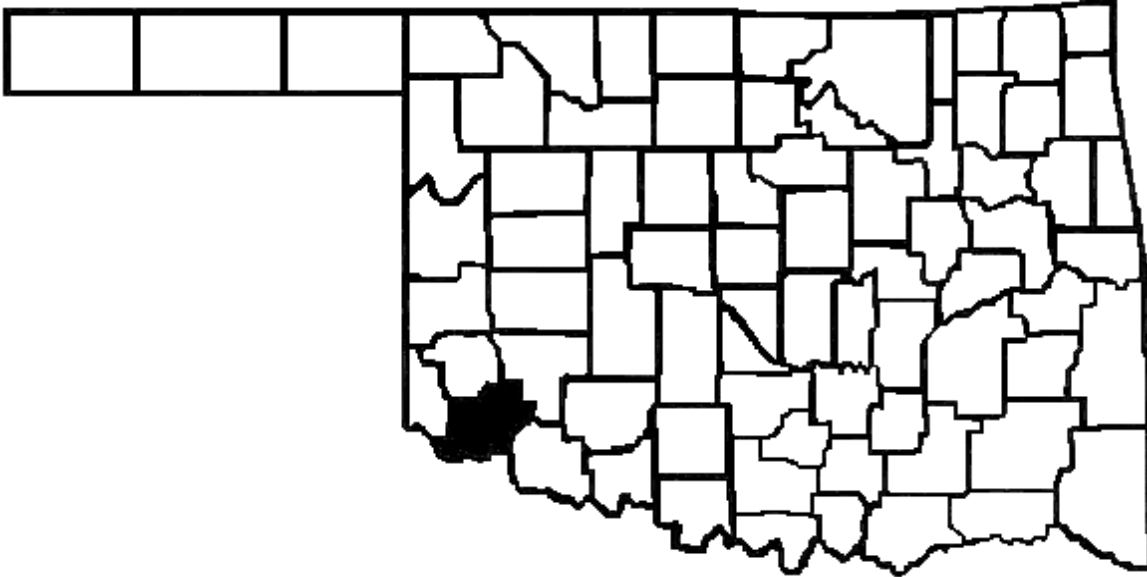
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**PRESENTED FOR INFORMATIONAL PURPOSES ONLY**

**JACKSON COUNTY, OKLAHOMA  
STATISTICAL INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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Formed in 1907 from a portion of the original disputed Greer County, Jackson County was named for the Confederate hero, General Thomas J. (Stonewall) Jackson. Altus, the county seat, lies in the heart of “irrigation country.” Primary crops are cotton, wheat, and grain sorghum. Cattle and greyhounds are bred and raised in this area.

Altus Air Force Base is the largest industry in the county. Higher education is provided by Western Oklahoma State College, a two-year accredited institution. Southwest Technology Center provides vocation-technical education for this region. Museum of the Western Prairie shows life in early southwest Oklahoma. Other history and genealogical collections are preserved at the Altus Public Library, headquarters of the Southern Prairie Library System. The Shortgrass Arts and Humanities Council sponsors numerous cultural activities including an annual arts festival in the fall. Annual events include the Great Plains Stampede Rodeo in late August, Jackson County Fair, and the Fall Festival in September, and Christmas Lighting Display the month of December. Recreational opportunities are available fifteen miles north of Altus at Quartz Mountain State Park and Lake Altus-Lugert.

Local historical societies include Jackson County Historical Society and Western Trails Historical Society. For more information, call the Altus Chamber of Commerce at 580/482-0210.

County Seat – Altus

Area – 804.15 Square Miles

County Population – 26,237  
(2012 est.)

Farms – 745

Land in Farms – 474,502 Acres

Primary Source: Oklahoma Almanac 2013-2014

**JACKSON COUNTY OFFICIALS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**Board of County Commissioners**

District 1 – Marty Clinton  
District 2 – Anthony Fixico  
District 3 – Cary Carrell

**County Assessor**

Gerald Sherrill, Jr.

**County Clerk**

Robin Booker

**County Sheriff**

Roger Levick

**County Treasurer**

Renee Howard

**Court Clerk**

Rhonda Stepanovich

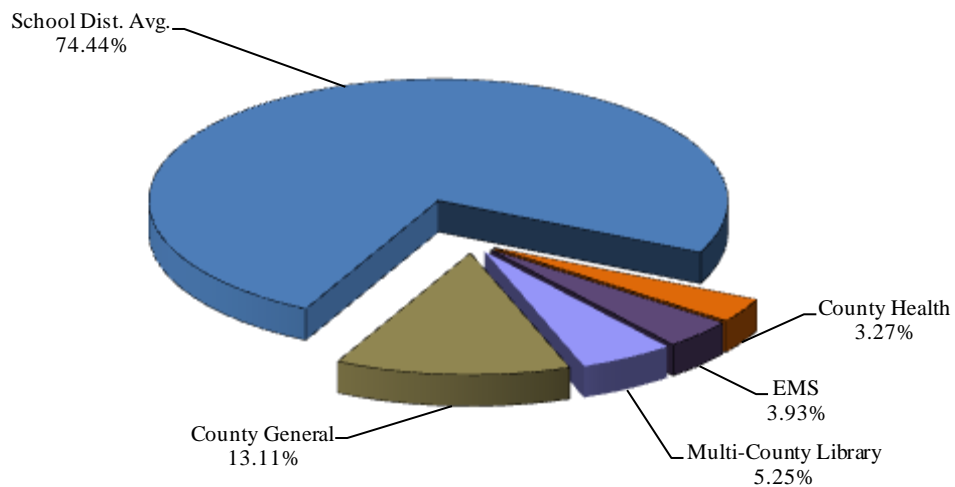
**District Attorney**

John Wampler



**JACKSON COUNTY, OKLAHOMA  
AD VALOREM TAX DISTRIBUTION  
SHARE OF THE AVERAGE MILLAGE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

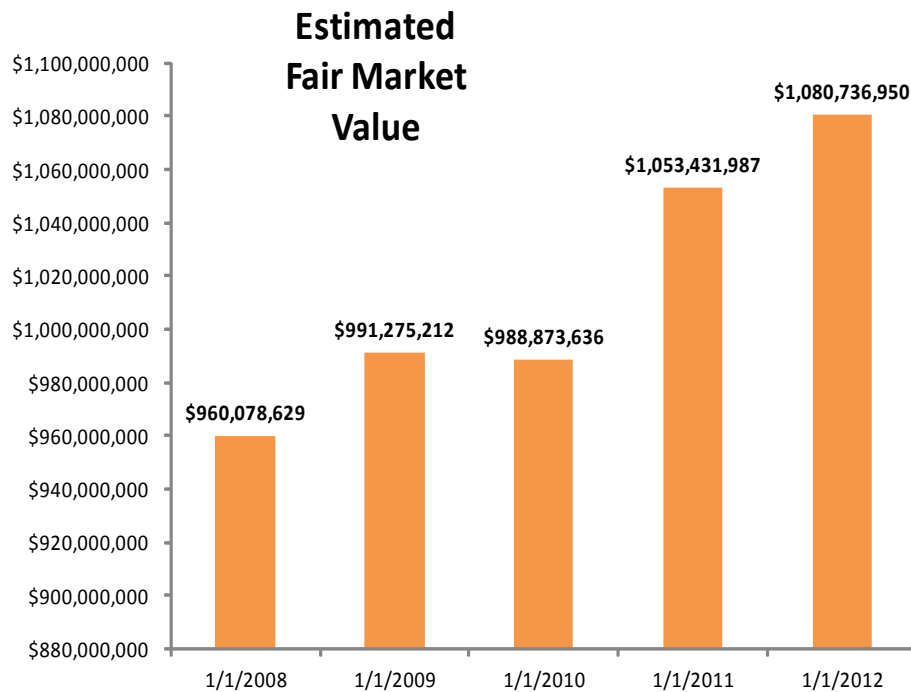
Property taxes are calculated by applying a millage rate to the assessed valuation of property. Millage rates are established by the Oklahoma Constitution. One mill equals one-thousandth of a dollar. For example, if the assessed value of a property is \$1,000.00 and the millage rate is 1.00, then the 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					
				Career					
County General	10.17			Gen.	Bldg.	Skg.	Tech	Common	Total
County Health	2.54	Altus	18	35.51	5.07	-	10.17	4.07	54.82
Multi-County Library	4.07	Navajo	1	36.03	5.15	4.33	10.17	4.07	59.75
EMS	3.05	Duke	14	35.37	5.05	4.23	10.17	4.07	58.89
		Eldorado	25	35.85	5.12	4.52	10.17	4.07	59.73
		Olustee	35	35.62	5.09		10.17	4.07	54.95
		Blair	54	35.96	5.14	6.02	10.17	4.07	61.36
		Greer County	JT-1	35.00	5.00	10.75	-	4.00	54.75

**JACKSON COUNTY, OKLAHOMA  
ASSESSED VALUE OF PROPERTY  
TREND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2012	\$15,125,350	\$12,739,115	\$104,847,888	\$5,667,052	\$127,045,301	\$1,080,736,950
1/1/2011	\$15,004,079	\$13,416,950	\$101,360,843	\$5,704,144	\$124,077,728	\$1,053,431,987
1/1/2010	\$12,674,855	\$10,735,267	\$97,992,124	\$5,555,199	\$115,847,047	\$988,873,636
1/1/2009	\$15,210,043	\$10,371,152	\$95,254,417	\$5,402,696	\$115,432,916	\$991,275,212
1/1/2008	\$14,924,669	\$8,714,839	\$92,723,112	\$5,455,268	\$110,907,352	\$960,078,629

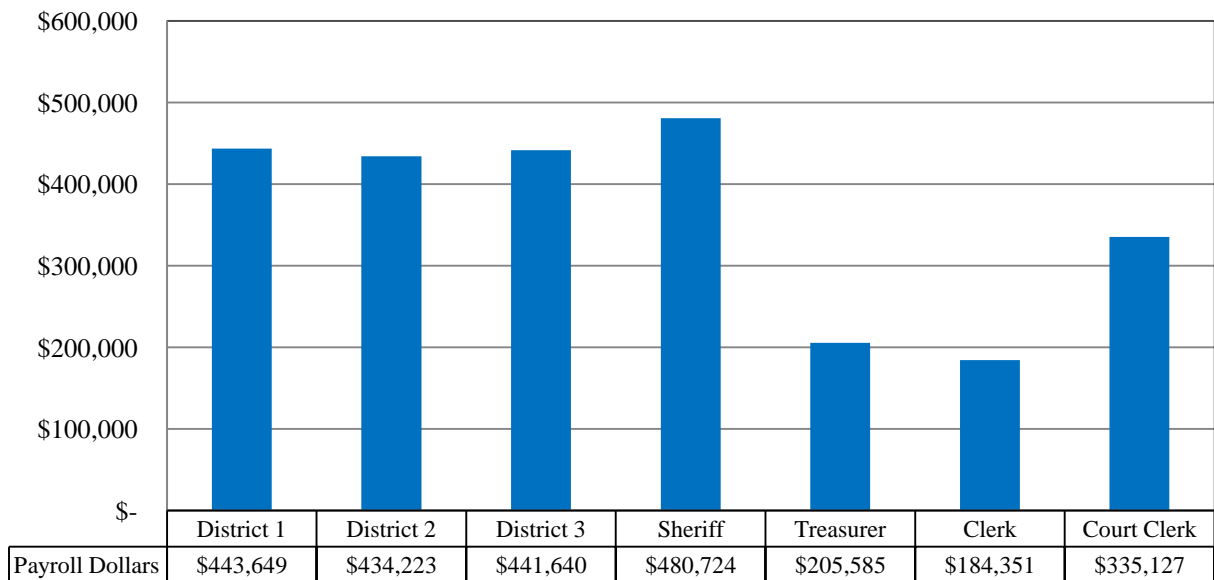


**JACKSON COUNTY, OKLAHOMA  
COUNTY PAYROLL EXPENDITURES ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

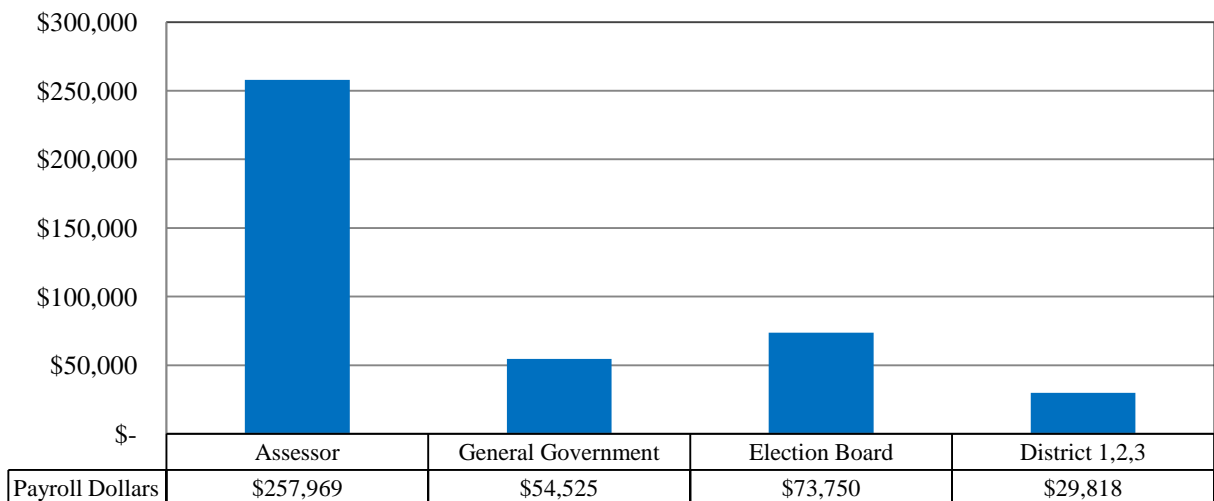
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County officers' salaries are based upon the assessed valuation and population of the counties. State statutes provide guidelines for establishing elected officers' salaries. The Board of County Commissioners sets the salaries for all elected county officials within the limits set by the statutes. The designated deputy or assistant's salary cannot exceed the principal officer's salary. Salaries for other deputies or assistants cannot exceed the principal officer's salary. The information presented below is for the fiscal year ended June 30, 2013.

**Payroll Expenditures by Department**



**Payroll Expenditures by Department**

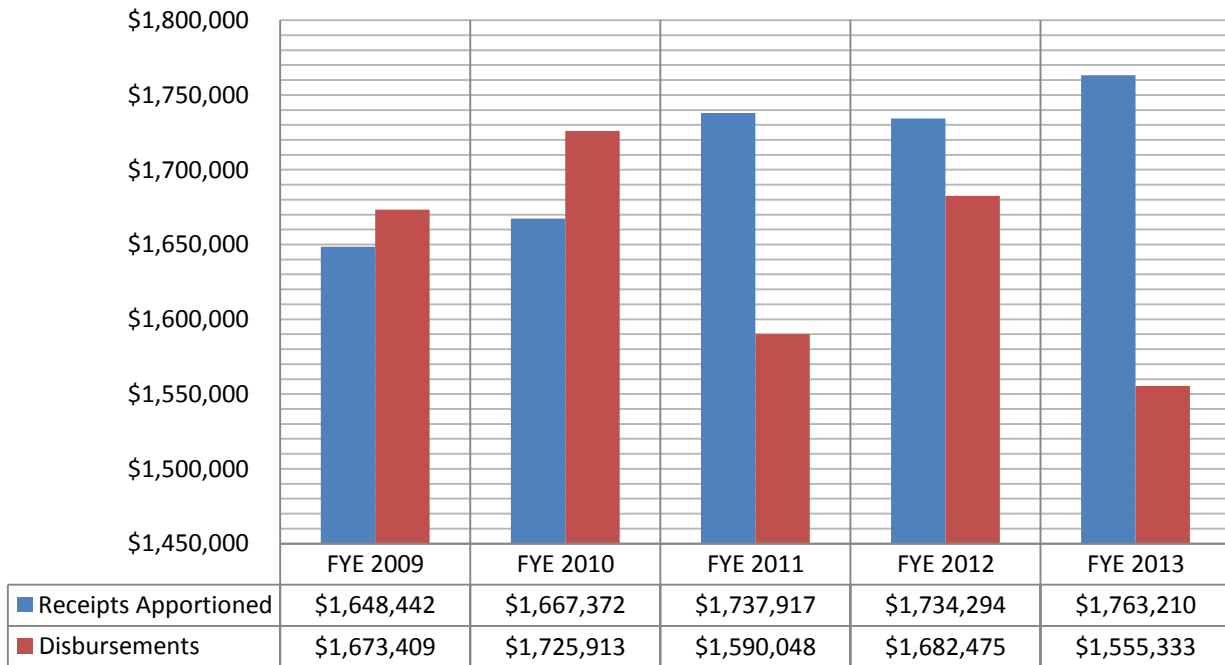


**JACKSON COUNTY, OKLAHOMA  
COUNTY GENERAL FUND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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## County General Fund

The Oklahoma Constitution and the Oklahoma Statutes authorize counties to create a County General Fund, which is the county's primary source of operating revenue. The County General Fund is typically used for county employees' salaries plus many expenses for county maintenance and operation. It also provides revenue for various budget accounts and accounts that support special services and programs. The Board of County Commissioners must review and approve all expenditures made from the County General Fund. The primary revenue source for the County General Fund is usually the county's ad valorem tax collected on real, personal (if applicable), and public service property. Smaller amounts of revenue can come from other sources such as fees, sales tax, use tax, state transfer payments, in-lieu taxes, and reimbursements. The chart below summarizes receipts and disbursements of the County's General Fund for the last five fiscal years.

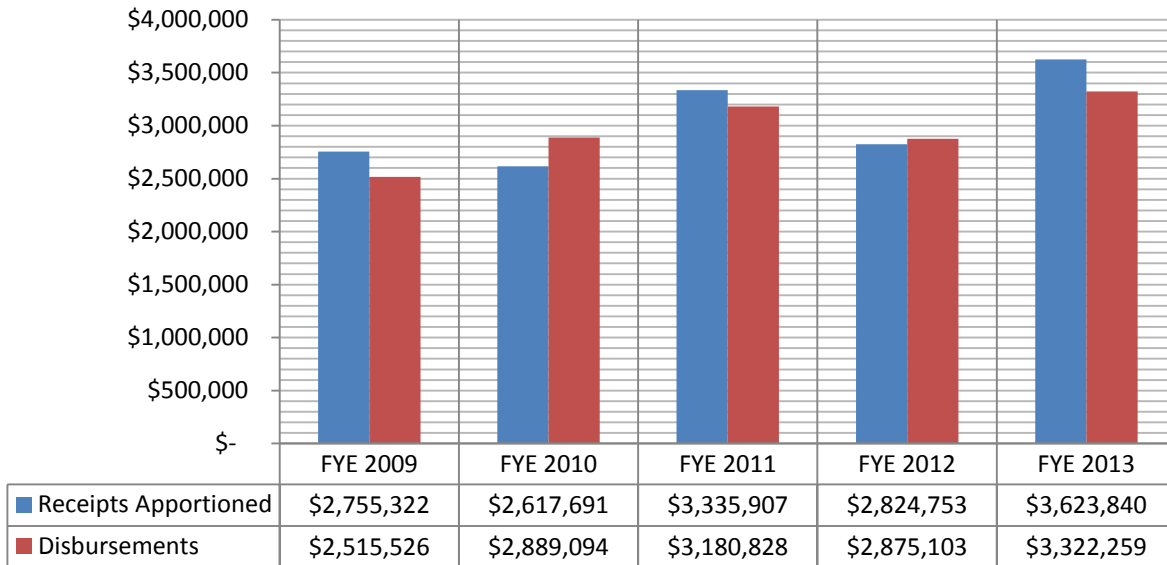


**JACKSON COUNTY, OKLAHOMA  
COUNTY HIGHWAY FUND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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## County Highway Fund

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. The chart below summarizes receipts and disbursements of the County's Highway Fund for the last five fiscal years.



## **FINANCIAL SECTION**



# Oklahoma State Auditor & Inspector

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

## Independent Auditor's Report

TO THE OFFICERS OF  
JACKSON COUNTY, OKLAHOMA

### *Report on the Financial Statement*

We have audited the combined total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Jackson County, Oklahoma, as of and for the year ended June 30, 2013, listed in the table of contents as the financial statement.

### *Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the regulatory basis of accounting described in Note 1, and for determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by Jackson County using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Jackson County as of June 30, 2013, or changes in its financial position for the year then ended.

### ***Opinion on Regulatory Basis of Accounting***

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 balances for all county funds of Jackson County, for the year ended June 30, 2013, on the basis of accounting described in Note 1.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the combined total of all county funds on the financial statement. 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 financial statement.

The Other Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the combined total—all county funds.

The information listed in the table of contents under Introductory Section has not been subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we do not express an opinion or provide any assurance on it.



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014, on our consideration of Jackson 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 in considering Jackson County's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "Gary A. Jones", with a stylized flourish at the end.

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

June 30, 2014

## **REGULATORY BASIS FINANCIAL STATEMENT**

**JACKSON COUNTY, OKLAHOMA**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN CASH BALANCES—REGULATORY BASIS**  
**(WITH COMBINING INFORMATION)—MAJOR FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Beginning Cash Balances July 1, 2012	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2013
Combining Information:						
Major Funds:						
County General Fund	\$ 561,144	\$ 1,763,210	\$ 120,000	\$ 120,000	\$ 1,555,333	\$ 769,021
T-Highway	995,682	3,623,840	-	-	3,322,259	1,297,263
Highway County Bridge and Road Improvement 105	1,335,221	315,445	-	-	306,751	1,343,915
Highway County Bridge and Road Improvement 103	154,428	531	-	-	7,352	147,607
County Health Department	377,834	597,589	-	-	692,123	283,300
Jail Sales Tax Revolving	209,179	1,061,285	228,000	228,000	1,145,242	125,222
Jackson County Facilities Authority						
Sales Tax Proceeds	-	1,417,117	-	-	1,417,117	-
Sheriff Service Fee	663,914	301,221	60,000	62,500	203,844	758,791
Sheriff Contract Prisoners	658,753	462,118	60,000	60,000	379,793	741,078
Remaining Aggregate Funds	1,406,897	338,902	230,500	228,000	409,285	1,339,014
<b>Combined Total - All County Funds</b>	<b>\$ 6,363,052</b>	<b>\$ 9,881,258</b>	<b>\$ 698,500</b>	<b>\$ 698,500</b>	<b>\$ 9,439,099</b>	<b>\$ 6,805,211</b>

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

**JACKSON COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

Jackson County is a subdivision of the State of Oklahoma created by the Oklahoma Constitution and regulated by Oklahoma Statutes.

The accompanying financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds under the control of the primary government. 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, where its use is restricted for a specified purpose. Other funds established by statute and under the control of the primary government are also presented.

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

**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 county funds included as combining information within the financial statement:

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

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

Highway County Bridge and Road Improvement 105 - accounts for state receipts and disbursements are for the purpose of maintaining bridges and roads.

Highway County Bridge and Road Improvement 103 - accounts for state receipts and disbursements are for the purpose of maintaining bridges and roads.

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

**JACKSON COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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Jail Sales Tax Revolving - accounts for collection of reserve sales tax monies received from the bondholder in excess of bond issue payments. Disbursements are for the general operations of the County jail and the Sheriff's office.

Jackson County Facilities Authority Sales Tax Proceeds - accounts for the collection of sales tax money disbursed to the fiscal agent, for the payment of revenue bonds.

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

Sheriff Contract 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.

**C. Basis of Accounting**

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

Title 19 O.S. § 171 specifies the format and presentation for Oklahoma counties to present their financial statement in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) or on a regulatory basis. The County has elected to present their financial statement on a regulatory basis in conformity with Title 19 O.S. § 171. County governments (primary only) are required to present their financial statements on a fund basis format with, at a minimum, the general fund and all other county funds, which represent ten percent or greater of total county revenue. All other funds included in the audit shall be presented in the aggregate in a combining statement.

**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.

**JACKSON COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**E. Cash and Investments**

For the purposes of financial reporting, "Ending Cash Balances, June 30" includes cash and cash equivalents and investments as allowed by statutes. 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).

The County Treasurer has been authorized by the County's governing board to make investments. Allowable investments are outlined in statutes 62 O.S. § 348.1 and § 348.3.

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. All investments as classified by state statute are nonnegotiable certificates of deposit. Nonnegotiable certificates of deposit are not subject to interest rate risk or credit risk.

**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."

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 the 1<sup>st</sup> Monday in October of each year.

**3. Other Information**

**A. 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

**JACKSON COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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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.

**B. 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.

**C. 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.

As of the end of the fiscal year, there were no claims or judgments that would have a material adverse effect on the financial condition of the County; however, the outcome of any lawsuit would not be determinable.

**D. Sales Tax**

The citizens of Jackson County approved, in a special election on November 9, 1999, a ½% sales tax to be collected beginning April 1, 2002, in which 50% of the sales tax was to end on March 31, 2007. However, the citizens of Jackson County approved, in a special election on February 13, 2007, the entire ½% sales tax for an unlimited duration beginning April 1, 2007. The ½% sales tax is to be used to construct and equip a new county jail facility, including the payment of debt service on indebtedness incurred for such purpose by Jackson County. Any remaining sales tax proceeds returned to Jackson County will be used to operate and maintain the county jail, any of such tax being used for the general purpose of Jackson County. These funds are accounted for in the Jackson County Facilities Authority Sales Tax Proceeds fund.

**JACKSON COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**E. Interfund Transfers**

During the fiscal year, the County made the following transfers between funds.

- \$60,000 was transferred from the Sheriff Service Fee fund and \$60,000 from the Sheriff Contract Prisoners fund to the County General Fund for the purpose of funding operating expenses until the County budget was approved.
- \$60,000 was transferred from the County General Fund to the Sheriff Service Fee fund and \$60,000 from the County General Fund to the Sheriff Contract Prisoners fund totaling \$120,000 to repay operating transfers.
- \$228,000 was transferred from the County Investment fund to the Jail Sales Tax Revolving fund to cover the Sheriff's payroll.
- \$228,000 was transferred from Jail Sales Tax Revolving fund to the County Investment fund to repay the operating transfer.
- \$2,500 was transferred from the Sheriff Service Fee fund to establish the Sheriff Criminal Interdiction Apprehension Fund.



## **OTHER SUPPLEMENTARY INFORMATION**

**JACKSON 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, 2013**

	General Fund		
	Budget	Actual	Variance
Beginning Cash Balances	\$ 561,144	\$ 561,144	\$ -
Less: Prior Year Outstanding Warrants	(44,765)	(44,765)	-
Less: Prior Year Encumbrances	(4,282)	(2,731)	1,551
Beginning Cash Balances, Budgetary Basis	512,097	513,648	1,551
Receipts:			
Ad Valorem Taxes	1,174,591	1,291,221	116,630
Charges for Services	60,000	99,288	39,288
Intergovernmental Revenues	258,394	338,126	79,732
Miscellaneous Revenues	25,000	34,575	9,575
Total Receipts, Budgetary Basis	1,517,985	1,763,210	245,225
Expenditures:			
District Attorney	2,000	1,312	688
County Sheriff	375,864	242,446	133,418
County Treasurer	156,315	155,048	1,267
County Commissioners	44,592	32,550	12,042
OSU Extension	20,704	20,683	21
County Clerk	230,995	206,036	24,959
Court Clerk	136,215	135,088	1,127
County Assessor	101,383	99,242	2,141
Revaluation of Real Property	206,710	197,496	9,214
General Government	601,230	330,291	270,939
Excise-Equalization Board	4,575	2,760	1,815
County Election Board	89,241	81,268	7,973
Safety Director	24,805	23,350	1,455
County Audit Budget Account	28,161	16,104	12,057
Free Fair	7,292	7,292	-
Total Expenditures, Budgetary Basis	2,030,082	1,550,966	479,116
Excess of Receipts and Beginning Cash			
Balances Over Expenditures, Budgetary Basis	\$ -	725,892	\$ 725,892
Operating Transfers:			
Operating Transfer In		120,000	
Operating Transfer Out		(120,000)	
Net Operating Transfers		-	
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances			
Add: Current Year Outstanding Warrants		41,175	
Add: Current Year Encumbrances		1,954	
Ending Cash Balance		\$ 769,021	

**JACKSON 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, 2013**

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	County Health Department Fund		
	Budget	Actual	Variance
Beginning Cash Balances	\$ 377,834	\$ 377,834	\$ -
Less: Prior Year Outstanding Warrants	(89,792)	(89,792)	-
Less: Prior Year Encumbrances	(4,100)	(3,979)	121
Beginning Cash Balances, Budgetary Basis	283,942	284,063	121
Receipts:			
Ad Valorem Taxes	293,359	322,471	29,112
Charges for Services	-	272,371	272,371
Intergovernmental	280,217	841	(279,376)
Miscellaneous Revenues	-	1,906	1,906
Total Receipts, Budgetary Basis	573,576	597,589	24,013
Expenditures:			
Health and Welfare	857,518	666,968	190,550
Total Expenditures, Budgetary Basis	857,518	666,968	190,550
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	214,684	\$ 214,684
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances			
Add: Current Year Encumbrances		14,096	
Add: Current Year Outstanding Warrants		54,520	
Ending Cash Balance		\$ 283,300	

**JACKSON COUNTY, OKLAHOMA**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN CASH BALANCES—REGULATORY BASIS—**  
**REMAINING AGGREGATE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Beginning Cash Balances July 1, 2012	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2013
Remaining Aggregate Funds:						
Resale Property	\$ 151,131	\$ 149,676	\$ -	\$ -	\$ 96,508	\$ 204,299
Treasurer Mortgage Tax Certification Fee	22,741	4,913	-	-	-	27,654
County Clerk Lien Fee	47,214	5,391	-	-	5,180	47,425
County Clerk Records Management Preservation	110,033	24,486	-	-	45,139	89,380
Assessor Revolving	21,970	4,639	-	-	12,067	14,542
Assessor Visual Inspection	256	-	-	-	-	256
Sheriff Commissary	178,906	104,470	-	-	109,140	174,236
Juvenile Detention	495	-	-	-	495	-
Jackson County Reward Fund	1,761	-	-	-	-	1,761
Emergency Management Performance Grant	5,022	12,396	228,000	228,000	9,500	7,918
County Investment	766,517	10,204	-	-	8,997	767,724
REAP - Rural Fire Association	837	191	-	-	-	1,028
Elmer Rural Fire Department REAP Grant	100,014	-	-	-	100,014	-
Rural Fire Chief Insurance	-	22,536	-	-	21,945	591
Sheriff Criminal Interdiction Apprehension Fund	-	-	2,500	-	300	2,200
<b>Combined Total - Remaining Aggregate Funds</b>	<b>\$ 1,406,897</b>	<b>\$ 338,902</b>	<b>\$ 230,500</b>	<b>\$ 228,000</b>	<b>\$ 409,285</b>	<b>\$ 1,339,014</b>

**JACKSON COUNTY, OKLAHOMA**  
**NOTES TO OTHER SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**1. Budgetary Schedules**

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

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

**2. Remaining County Funds**

Remaining aggregate funds as presented on the financial statement are as follows:

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.

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

County Clerk Records Management Preservation - accounts for fees collected for instruments filed in the County Clerk's office as restricted by statute for preservation of records.

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

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

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

**JACKSON COUNTY, OKLAHOMA  
NOTES TO OTHER SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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Juvenile Detention - accounts for the collections from the State of Oklahoma and other Oklahoma Counties for the housing of juvenile offenders and disbursements are for the transportation of juveniles to contracted juvenile detention centers.

Jackson County Reward Fund - accounts for collections of a fee from district court for the dumping of trash. Disbursements account for awards paid to citizens for reporting illegal dumping to the local policing departments.

Emergency Management Performance Grant - accounts for the collection of grant money to be disbursed for the purpose of maintenance and operations for the Safety Director.

County Investment - accounts for the collection of interest earned on investments held by Jackson County.

REAP – Rural Fire Association - accounts for the collection of state grant monies for specific projects within the communities of Jackson County, specifically the Rural Fire Association.

Elmer Rural Fire Department REAP Grant - accounts for the collection and expenditure of state grant monies to fund the purchase of a new fire truck for the Elmer Rural Fire Department.

Rural Fire Chief Insurance Fund - accounts for the collection of insurance reimbursement monies to be distributed to the rural fire departments.

Sheriff Criminal Interdiction Apprehension Fund - accounts for funds transferred from Sheriff Service Fee fund to be expended for lawful purposes of the Sheriff's office.

## **INTERNAL CONTROL AND COMPLIANCE SECTION**



# Oklahoma State Auditor & Inspector

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

## **Independent Auditor's 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  
JACKSON COUNTY, OKLAHOMA

We have audited, in accordance with the 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, the combined total—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Jackson County, Oklahoma, as of and for the year ended June 30, 2013, which comprises Jackson County's financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated June 30, 2014.

Our report included an adverse opinion on the financial statement because the statement is prepared using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. However, our report also included our opinion that the financial statement does present fairly, in all material respects, the receipts, disbursements, and changes in cash balances – regulatory basis of the County for the year ended June 30, 2013, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered Jackson County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Jackson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Jackson County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and 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 deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: 2013-1 and 2013-2.



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 deficiency described in the accompanying schedule of findings and responses to be a significant deficiency: 2013-3.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Beckham County's financial statement is free from 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 matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2013-3.

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

### **Jackson County's Responses to Findings**

Jackson County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Jackson County's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable 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.

A handwritten signature in blue ink, appearing to read "Gary A. Jones".

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

June 30, 2014

**JACKSON COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**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 2013-1— Inadequate County-Wide Internal Controls (Repeat Finding)**

**Condition:** County-wide controls regarding Risk Management and Monitoring have not been designed. Also, the offices of the County Treasurer, County Assessor, and County Sheriff do not have a Disaster Recovery Plan in place for the information systems. Further, the County Clerk's Disaster Recovery Plan has not been updated since 2008.

**Cause of Condition:** Procedures have not been designed to address risks of the County.

**Effect of Condition:** These conditions could result in unrecorded transactions, undetected errors, or misappropriation of funds. These conditions could also result in the loss of data, the unreliability of data, and increase the risk that the County may not recover in an emergency situation and/or disaster.

**Recommendation:** The Oklahoma State Auditor & Inspector's Office (OSAI) recommends that the County design procedures to identify and address risks. OSAI also recommends that the County design monitoring procedures to assess the quality of performance over time. These procedures should be written policies and procedures and could be included in the County's policies and procedures handbook.

Further, each office using an information system should prepare and frequently update a Disaster Recovery Plan in order to maintain operations in the event of an emergency situation and/or disaster. It is also recommended that the County-Wide Disaster Recovery Plan also include contacts such as officer's, employee's, software used, and software vendor information.

**Management Response:**

**Board of County Commissioners:** The Board of County Commissioners will work towards assessing and identifying risks to design written policies and procedures regarding county-wide controls. Further, the Board will stress the importance of the development and maintenance of Disaster Recovery Plans being prepared and updated and vital information being included in the County-Wide Disaster Recovery Plan.

**County Treasurer:** The County Treasurer will work toward the design of a Disaster Recovery Plan for the information system used within the office.

**County Assessor:** The County Assessor will work toward the design of a Disaster Recovery Plan for the information system used within the office.

**County Sheriff:** The County Sheriff will work toward the design of a Disaster Recovery Plan for the information system used within the office.

**JACKSON COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**County Clerk:** The Disaster Recovery Plan for the information system used within the office has been updated.

**Criteria:** Internal control is an integral component of an organization's management that provides reasonable assurance that the objectives of effectiveness and efficiency of operations, reliability of financial reporting and compliance with laws and regulations are being made. Internal control comprises the plans, methods, and procedures used to meet missions, goals, and objectives. Internal control also serves as the first line of defense in safeguarding assets and preventing and detecting errors and fraud. County management is responsible for designing a county-wide internal control system comprised of Risk Assessment and Monitoring for the achievement of these goals.

**Finding 2013-2—Inadequate Internal Controls Over the Payroll Process (Repeat Finding)**

**Condition:** Upon inquiry and observation of the County's payroll process, we noted:

- The duties of processing payroll are not adequately segregated. The Payroll Clerk enters new hire information into the payroll system, posts withholdings, maintains personnel files, posts to accounting records, prepares the monthly verification report, the direct deposit report, and initiates the direct deposit process with the financial institution.

**Cause of Condition:** Procedures have not been designed over the disbursements process to strengthen internal controls.

**Effect of Condition:** These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, and misappropriation of funds.

**Recommendation:** OSAI recommends the following key accounting functions over payroll disbursements be adequately segregated:

- Posting new hires and/or making payroll changes to the payroll system.
- Accessing personnel files.
- Performing the direct deposit process.

**Management Response:**

**County Clerk:** The County Clerk is aware of this condition and will work towards the implementation of internal controls over the payroll process.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. Internal controls should be designated to analyze and check accuracy, completeness, and authorization of payroll calculations and/or transactions. To help ensure a proper accounting of funds, the duties of processing, authorizing, and payroll distribution should be segregated.

**JACKSON COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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An aspect of internal control is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by the entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or untimely detection of unauthorized acquisition, use, or disposition of the entity's assets and safeguarding assets from loss, damage, or misappropriation. Effective internal controls would include procedures that ensure compliance with Title 19 O.S. § 1505C.

**Finding 2013-3—Inadequate Internal Controls and Noncompliance Over Pledged Collateral (Repeat Finding)**

**Condition:** Based upon inquiry and observation of records, we noted county funds were not adequately secured at one financial institution for one of the thirteen days tested for the fiscal year. This instance is as follows:

- On January 2, 2013, county funds were unsecured in the amount of \$3,196,209.81.

**Cause of Condition:** Procedures to monitor daily bank balances to pledged collateral have been designed and implemented by the County Treasurer; however, additional pledged collateral was not requested to secure county funds on the day the deposits were not adequately secured with collateral.

**Effect of Condition:** This condition resulted in noncompliance with state statute and unsecured county funds. Further, this condition could result in the possible loss of county funds.

**Recommendation:** OSAI recommends that the County Treasurer comply with Title 62 O.S. § 517.4, which requires county deposits with financial institutions be secured with collateral securities or instruments.

**Management Response:**

**County Treasurer:** The County Treasurer will request more pledged collateral to ensure funds are adequately secured.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation.

**JACKSON COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**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 2013-4—Noncompliance Over the Inmate Trust Account (Repeat Finding)**

**Condition:** Upon inquiry and the observation of financial activity within the Inmate Trust Account, and review of all checks issued during the period, the following weakness was noted:

- Ten checks totaling \$2,955.68 were issued to payees not authorized by statute; specifically noted were the payment of bonds and fines to the Court Clerk.

**Cause of Condition:** Procedures have not been designed to ensure disbursements for inmates such as the payment of court costs during incarceration are not paid from the Inmate Trust Account.

**Effect of Condition:** This condition results in noncompliance with the statute.

**Recommendation:** OSAI recommends that the County Sheriff comply with Title 19 O.S. § 531(A), which states, “The County Sheriff shall deposit all monies collected from inmates incarcerated in the county jail into this checking account and may write checks to the Sheriff’s Commissary Account for purchases made by the inmate during his or her incarceration and to the inmate from unencumbered balances due the inmate upon his or her discharge.”

**Management Response:**

**County Sheriff:** The County Sheriff will comply with state statutes in the disbursement of inmate funds.

**Criteria:** Accountability and stewardship are overall goals of management in accounting of funds. Implementing procedures should be goals of management to ensure compliance with Title 19 O.S. § 531(A).

**Finding 2013-5 – Inadequate Internal Controls and Noncompliance Over Inventories (Repeat Finding)**

**Condition:** Upon inquiry and observation of fixed assets inventory items we noted the following weaknesses:

District 1 Commissioner:

- Annual physical fixed assets inventory verification was not performed.
- Three of the ten items selected were not properly marked with the County identification number.

**JACKSON COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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District 2 Commissioner:

- Annual physical fixed assets inventory verification was not performed.
- Seven of the ten items selected were not properly marked "Property of Jackson County."

District 3 Commissioner:

- Annual physical fixed assets inventory verification was not performed.
- Four of the ten items selected were not properly marked with the County identification number.
- Ten of ten items selected were not properly marked "Property of Jackson County."

County Clerk:

- Annual physical fixed assets inventory verification was not performed.

County Sheriff:

- Annual physical fixed assets inventory verification was not performed.

County Treasurer:

- One of the five items selected was not properly marked with the County identification number.

County Assessor:

- Annual physical fixed assets inventory verification was not performed.

Upon inquiry and observation of consumable inventory items for District 1, 2, and 3, we noted the following weaknesses:

District 1 Commissioner:

- A monthly physical verification of consumable inventory items was not performed.

District 2 Commissioner:

- A monthly physical verification of consumable inventory items was not performed.

District 3 Commissioner:

- A monthly physical verification of consumable inventory items was not performed.

**Cause of Condition:** Policies and procedures have not been designed to ensure compliance with the state statutes regarding maintaining and properly identifying fixed assets. Additionally, procedures have not been designed and implemented to provide for accurate inventory records and the safeguarding of consumable items.

**Effect of Condition:** When fixed assets are not monitored and equipment is not properly marked with identification numbers and "Property of," opportunities for misuse or loss of equipment can occur. Additionally, when consumable inventories are not monitored on a monthly basis, opportunities for misuse or theft of items are more likely to occur.

**JACKSON COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**Recommendation:** OSAI recommends management implement internal controls to ensure compliance with Title 19 O.S. § 178.1, 19 O.S. § 1502(A) (1), 19 O.S. § 1502(B) (1), and 69 O.S. § 645.1 by maintaining inventory records and marking assets with county identification numbers and “Property of the County.” OSAI additionally recommends that periodic fixed assets inventory verifications be conducted and documented with the initials and date of the employee conducting the verification.

OSAI also recommends that monthly consumable inventory verifications be conducted and documentation be maintained as evidenced by the date and initials of the employee conducting the verification.

**Management Response:**

**District 1 Commissioner:** An annual inventory count of fixed assets will be performed and a monthly inventory count of consumable items will be performed.

**District 3 Commissioner:** An annual inventory count of fixed assets and a monthly inventory count of consumable items will be performed. As the Chairman of the Board and due to the vacancy of District 2, it will be stressed to the newly elected District 2 County Commissioner the importance of annual fixed assets counts and monthly counts of consumable items.

Further, decals have been ordered and will be placed on equipment required to be marked “Property of the County.” As the Chairman of the Board and due to the vacancy of District 2, it will be stressed to the newly elected District 2 County Commissioner the importance of complying with the statutory requirement.

**County Treasurer:** An annual inventory count of fixed assets will be performed.

**County Clerk:** An annual inventory count of fixed assets will be performed.

**County Assessor:** An annual inventory count of fixed assets will be performed.

**County Sheriff:** An annual inventory count of fixed assets will be performed.

**Criteria:** Internal controls over safeguarding of assets constitute a process, affected by an entity’s governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation.



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