

**JANET WRIGHT, COUNTY TREASURER
JACKSON COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
DECEMBER 31, 2007**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

February 11, 2008

BOARD OF COUNTY COMMISSIONERS
JACKSON COUNTY COURTHOUSE
ALTUS, OKLAHOMA 73521

Transmitted herewith is the Jackson County Treasurer Statutory Report for December 31, 2007. The engagement was conducted in accordance with 74 O.S. § 212.

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

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the state to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in black ink that reads "Michelle R. Day". The signature is written in a cursive, flowing style.

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



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

Janet Wright, County Treasurer
Jackson County Courthouse
Altus, Oklahoma 73521

Dear Ms. Wright:

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for December 31, 2007:

- Review bank reconciliations, visually verify certificates of deposit, and confirm investments.
- Determine whether subsidiary records reconcile to the general ledger.
- Review pledged collateral securing deposits and invested funds.

All information included in the bank reconciliations, the investment ledger, the subsidiary ledgers, and the general ledger is the representation of the County Treasurer.

Our county treasurer statutory engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an opinion on any general-purpose financial statements of Jackson County.

Based on the above reconciliations, visual verification, and confirmation procedures performed, the cash and investments of the County were supported by accounting and bank records; however, the cash and investments were not adequately secured. Our finding is included in the schedule of findings and responses.

This report is intended for the information and use of the management of the County. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sincerely,

A handwritten signature in black ink that reads "Michelle R. Day".

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

January 16, 2008

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2008-1 – Pledged Collateral for Deposits

Criteria: In accordance with 62 O.S. § 511 through § 513, the County Treasurer should have adequate pledged collateral to cover funds held in financial institutions for the County.

Condition: On December 31, 2007, the Jackson County Treasurer was underpledged at the National Bank of Commerce. The bank balance for December 31, 2007, was \$7,433,768.17 and the pledged amount was \$7,100,000, with unsecured deposits of \$333,768.17.

Effect: The County would not have recovered the full amount in the bank if the bank had failed at that time.

Recommendation: We recommend the County Treasurer comply with 62 O.S. § 511 through § 513 and insure proper pledged collateral for funds held in financial institutions for Jackson County.

Views of responsible officials and planned corrective actions: Due to the high tax collections for the month of December 2007, there was not sufficient pledged collateral. It is difficult to anticipate the exact amount of pledging necessary. I will consult with the banks for all future tax years to insure that more pledge collateral is in place



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