



KINGFISHER COUNTY

Financial Report

For the fiscal year ended June 30, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**KINGFISHER COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 171, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



September 27, 2024

TO THE CITIZENS OF
KINGFISHER COUNTY, OKLAHOMA

Transmitted herewith is the audit of Kingfisher County, Oklahoma for the fiscal year ended June 30, 2022. 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.

This report is 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.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

**KINGFISHER COUNTY OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Board of County Commissioners

District 1 – Jeff Moss

District 2 – Ray Shimanek

District 3 – Heath Dobrovlny

County Assessor

Carrie Turner

County Clerk

Jeannie Boevers

County Sheriff

Dennis L. Banther

County Treasurer

Robin L. Rother

Court Clerk

Lisa Markus

District Attorney

Mike Fields

**KINGFISHER COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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FINANCIAL SECTION



Independent Auditor's Report

TO THE OFFICERS OF
KINGFISHER COUNTY, OKLAHOMA

Report on the Audit of the Financial Statement

Opinion

We have audited the total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Kingfisher County, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the regulatory basis total receipts, disbursements, and changes in cash balances for all county funds of Kingfisher County, as of and for the year ended June 30, 2022, in accordance with the financial reporting provisions of Title 19 O.S. § 171 of Oklahoma Statutes described in Note 1.

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 (U.S. GAAP) section of our report, the financial statement referred to above does not present fairly, in accordance with U.S. GAAP, the financial position of Kingfisher County as of June 30, 2022, or changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Kingfisher County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinions.

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

As described in Note 1, the financial statement is prepared by Kingfisher County using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than U.S. GAAP to meet the requirements of the State of Oklahoma. The effects on the financial statement of the variances

between the regulatory basis of accounting described in Note 1 and U.S. GAAP, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management 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 prescribed or permitted by Oklahoma state law, 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kingfisher County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit 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 Kingfisher County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kingfisher County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the total of all county funds on the financial statement. The 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statement.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2024, on our consideration of Kingfisher 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 solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kingfisher County's internal control over financial reporting and compliance.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

September 3, 2024

REGULATORY BASIS FINANCIAL STATEMENT

KINGFISHER COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Beginning Cash Balances July 1, 2021	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2022
County Funds:						
County General	\$ 16,057,744	\$ 7,407,424	\$ 3,969	\$ -	\$ 3,816,349	\$ 19,652,788
County Highway Unrestricted	27,684,438	19,585,051	-	-	10,346,939	36,922,550
County Bridge and Road Improvement	2,315,568	582,222	-	-	500	2,897,290
911 Phone Fees	339,690	206,532	-	-	336,328	209,894
Assessor Visual Inspection	17,447	4,546	-	-	7,026	14,967
County Clerk Lien Fee	225,427	37,958	-	-	48,635	214,750
County Clerk Records Management and Preservation	295,860	67,629	-	-	7,765	355,724
Flood Plain	69,865	5,100	-	-	1,022	73,943
Health	1,991,207	1,105,543	-	-	1,192,673	1,904,077
Local Emergency Planning Committee	4,258	-	-	-	-	4,258
Resale Property	382,916	115,405	599	-	53,517	445,403
Reward Fund	98	-	-	-	-	98
Sheriff Commissary	26,111	8,655	-	-	-	34,766
Sheriff Service Fee	290,462	274,664	12,168	-	189,297	387,997
Sheriff Training	1,441	-	-	-	-	1,441
Sheriff Board of Prisoners	12,168	-	-	12,168	-	-
Treasurer Mortgage Certification	14,899	3,480	-	-	-	18,379
County Donations	925,099	5,193	-	-	143	930,149
Courthouse Maintenance-ST	3,910,241	356,347	-	-	-	4,266,588
Extension-ST	1,896,987	190,052	-	-	166,895	1,920,144
Fair Improvement-ST	37,484	-	-	-	-	37,484
Fair-ST	1,929,921	142,539	-	-	84,719	1,987,741
Road and Bridges-ST	8,461,833	2,551,898	-	-	773,777	10,239,954
Jail-ST	127,525	1,069,042	-	-	337,754	858,813
Library-ST	224,086	47,513	-	-	81,260	190,339
Sheriff-ST	1,139,755	356,347	-	-	654,789	841,313
Rural Fire-ST	2,378,696	308,861	-	-	202,289	2,485,268
Museum-ST	624,961	95,026	-	-	202,213	517,774
E-911 Sales Tax	62,514	213,808	-	-	39,158	237,164
Commissioner-ST	3,020,944	665,182	-	-	1,646,611	2,039,515
Fire Department-ST	5,582,582	118,782	-	-	324,515	5,376,849
American Rescue Plan Act 2021	1,531,090	359	-	-	202,328	1,329,121
Kingfisher LEPC Grant	3,140	-	-	-	-	3,140
Resale Cash in Treasurers Office	825	-	-	-	-	825
County Clerk Cash	250	-	-	-	-	250
Kingfisher Rural Water District	1	-	-	-	-	1
Total - All County Funds, as restated	\$ 81,587,533	\$ 35,525,158	\$ 16,736	\$ 12,168	\$ 20,716,502	\$ 96,400,757

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

**KINGFISHER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

1. Summary of Significant Accounting Policies

A. Reporting Entity

Kingfisher 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 service 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 within the financial statement:

County General – accounts for revenues from ad valorem, officers' fees, interest earnings, and miscellaneous collections of the County. Disbursements are for the general operations of the County.

County Highway Unrestricted – accounts for revenues from state-imposed fuel taxes and disbursements are for the maintenance and construction of county roads and bridges.

County Bridge and Road Improvement – accounts for revenues from the State of Oklahoma and is disbursed for the purpose of maintaining bridges and roads.

911 Phone Fees – accounts for fees collected on landlines and cell phone services used in Kingfisher County and disbursed for the operations of the 911 emergency service center.

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

**KINGFISHER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

County Clerk Records Management and Preservation – accounts for the fees collected for instruments filed in the County Clerk’s office and disbursements as restricted by state statute for the preservation of records.

Flood Plain – accounts for monies collected for flood plain permits and disbursed for flood plain training and certifications.

Health – accounts for revenues from ad valorem taxes, miscellaneous fees charged by the County Health Department, and state and federal funds. Disbursements are for the operation of the County Health Department.

Local Emergency Planning Committee – accounts for a twenty-dollar fee collected from oil companies for a tier report that shows chemicals on site. Disbursements are for training, supplies and operations for Emergency Management.

Resale Property – accounts for the collection of interest and penalties on delinquent taxes and disbursed as restricted by state statute.

Reward Fund – accounts for the collection of litter fines that is set aside for approved rewards by the County Commissioners.

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

Sheriff Service Fee – accounts for the collection of fees for the services provided by the Sheriff’s office and disbursed for the operations of the Sheriff’s office.

Sheriff Training – accounts for the collection of forfeitures of seized property and disbursements are for the purchase of equipment, materials, or supplies that may be used in crime prevention, education, training, and programming.

Sheriff Board of Prisoners – accounts for collections from the Department of Corrections for the housing of inmates and disbursements in accordance with state statute.

Treasurer Mortgage Certification – accounts for the collection of fees by the County Treasurer for mortgage tax certificates and the disbursement of the funds as restricted by state statute.

County Donations – accounts for donations received through the Board of County Commissioners and disbursed for the purpose designated at the time of the donation.

**KINGFISHER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Courthouse Maintenance-ST – accounts for the portion of the ½% sales tax collection and disbursed in accordance with the sales tax ballot.

Extension-ST – accounts for the portion of the ½% sales tax collection and disbursed in accordance with the sales tax ballot.

Fair Improvement-ST – accounts for the portion of ¼% sales tax collected and disbursed on behalf of the Kingfisher County Free Fair Board.

Fair-ST – accounts for the portion of the ½% sales tax collection and disbursed in accordance with the sales tax ballot.

Road and Bridges-ST – accounts for the portion of ½% sales tax collected and disbursed solely for the construction, improvement, and maintenance and repair of county roads and bridges.

Jail-ST – accounts for the portion of the ¼% sales tax collected and disbursed for the destruction and razing of the old jail, and for the improvements, maintenance and operations for the detention center.

Library-ST – accounts for the portion of the ½% sales tax collection and disbursed in accordance with the sales tax ballot.

Sheriff-ST – accounts for the portion of the ½% sales tax collection and disbursed in accordance with the sales tax ballot.

Rural Fire-ST – accounts for the portion of the ½% sales tax collection and disbursed in accordance with the sales tax ballot.

Museum-ST – accounts for the portion of the ½% sales tax collection and disbursed in accordance with the sales tax ballot.

E-911 Sales Tax – accounts for the portion of the ½% sales tax collection and disbursed in accordance with the sales tax ballot.

Commissioner-ST – accounts for the portion of the ½% sales tax collection and disbursed in accordance with the sales tax ballot.

Fire Department-ST – accounts for the portion of the ¼% sales tax collected and expended on behalf of rural and municipal fire departments for fire protection.

American Rescue Plan Act 2021 – accounts for monies received from the United States Department of Treasury and disbursed for responding to the COVID-19 public health emergency and its negative economic impact, premium pay to eligible workers, the provision of government services to the extent of the reduction in revenue due to the COVID-19 public

**KINGFISHER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

health emergency, and investments in water, sewer, and broadband infrastructure as restricted by federal requirements.

Kingfisher LEPC Grant – accounts for revenues from the State of Oklahoma and disbursements are for the purchase of equipment for Emergency Management.

Resale Cash in Treasurers Office – accounts for money used in the County Treasurer’s office for the purpose of making change.

County Clerk Cash – accounts for money used in the County Clerk’s office for the purpose of making change.

Kingfisher Rural Water District – accounts for monies collected from the Rural Economic Action Plan and disbursed for the purpose of improving rural water quality.

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 (U.S. GAAP), 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 allows Oklahoma counties to present their financial statement in accordance with 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, which specifies the format and presentation of such regulatory basis financial statements: 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 with all other funds included in the audit presented in the aggregate in a combining statement. However, the County has elected to present all funds included in the audit in the Statement of Receipts, Disbursements, and Changes in Cash Balances—Regulatory Basis.

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.

**KINGFISHER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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. The County Treasurer, according to the law, shall give notice of delinquent taxes and special assessments by publication once a week for two consecutive weeks at any time after April 1, but prior to the end of September following the year the taxes were first due and payable. Unpaid real property taxes become a lien upon said property after the treasurer has perfected the lien by public notice.

Unpaid delinquent personal property taxes are usually published in May. If the taxes are not paid within 30 days from publication, they shall be placed on the personal tax lien docket.

**KINGFISHER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 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; however, the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in management's opinion, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

D. Sales Tax

Sales Tax of November 14, 2017

On November 14, 2017, the voters of Kingfisher County approved to extend the existing one-fourth of one percent (1/4%) sales tax of November 13, 2007, for a period of ten (10) years from January 1, 2018. Two and half of one percent (2.5%) is to be divided equally among the Kingfisher Rural

**KINGFISHER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Fire Department, Big Four Rural Fire Department, Cashion Rural Fire Department, Okarche Rural Fire Department, Hennessey Rural Fire Department, Dover Rural Fire Department, Loyal Rural Fire Department, and Omega Rural Fire Department for equipment, fixtures, improvements, and maintenance and operation expenses. Twenty-two and a half of one percent (22.5%) is designated for the design, construction, financing, furnishings, capital facilities and improvements, equipment, fixtures, site acquisition, site preparation, street improvements, and maintenance and operation expenses for a new detention facility to be located in Kingfisher County and the destruction and razing of the old jail and construction of an inmate holding facility to be located at or near the existing courthouse; authorizing the pledging of the sales tax for debt service and cost of issuance; fixing an effective date; making provisions severable; and declaring an emergency. These funds are accounted for in the Fire Department-ST fund and the Jail-ST fund.

Sales Tax of June 26, 2018

The voters of Kingfisher County approved a one-half of one percent (1/2%) sales tax on June 26, 2018, for a period of five (5) years from January 1, 2019, to be designated solely for the construction, improvement, maintenance and repair of county roads and bridges. These funds are accounted for in the Road and Bridges-ST fund.

Sales Tax of November 3, 2020

On November 3, 2020, the voters of Kingfisher County approved to continue a one-half of one percent (1/2%) sales tax, pledging the monthly income of the revenue of said tax for a period of five (5) years from February 1, 2021, for the following purposes:

COMMUNITY SERVICES	
Resurfacing Roads	28%
Rural Fire Departments	13%
Extension & 4-H	8%
Free Fair	6%
Chisholm Trail Museum	4%
Hennessey & Kingfisher Libraries	2%
GENERAL COUNTY GOVERNMENT	
County Sheriff	15%
County 911	9%
General Government	15%

These funds are accounted for in the Fair-ST fund, Extension-ST fund, Courthouse Maintenance-ST fund, Library-ST fund, E-911 Sales Tax fund, Sheriff-ST fund, Commissioner-ST fund, Museum-ST fund, and Rural Fire-ST fund.

**KINGFISHER COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

E. Interfund Transfers

During the fiscal year, the County made the following transfers between cash funds:

- \$12,168 was transferred from the Sheriff Board of Prisoners fund to the Sheriff Service Fee fund to close the fund in accordance with 19 O.S. § 180.43.
- \$3,969 was transferred from the Estray Animal fund, a trust and agency fund, to the County General fund in accordance with 4 O.S. § 85.6.
- \$599 was transferred from the Excess Resale fund, a trust and agency fund, to the Resale Property fund in accordance with 68 O.S. § 3131C.

F. Restatement of Fund Balance

During the fiscal year, the County had a reclassification of funds. Drug Court was reclassified as a trust and agency fund.

Prior year ending balance, as reported	\$81,640,072
Funds reclassified as Trust and Agency funds: Drug Court reclassified from a County Fund to a Trust and Agency fund	<u>(52,539)</u>
Prior year ending balance, as restated	<u>\$81,587,533</u>

SUPPLEMENTARY INFORMATION

KINGFISHER COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund		
	Budget	Actual	Variance
District Attorney	\$ 19,163	\$ 15,394	\$ 3,769
County Sheriff	1,458,316	1,382,593	75,723
County Treasurer	259,600	256,132	3,468
County Commissioners	143,000	108,990	34,010
County Clerk	281,086	260,539	20,547
Court Clerk	292,705	285,621	7,084
County Assessor	213,898	209,455	4,443
Revaluation of Real Property	598,920	304,494	294,426
General Government	17,345,773	813,674	16,532,099
Excise - Equalization Board	5,250	3,395	1,855
County Election Board	129,838	119,150	10,688
Purchasing Agent	75,907	33,764	42,143
Emergency Management	84,277	56,135	28,142
Charity	5,000	600	4,400
County Audit Budget	65,000	56,963	8,037
Total Expenditures, Budgetary Basis	\$ 20,977,733	\$ 3,906,899	\$ 17,070,834

KINGFISHER COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—HEALTH FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Health Fund		
	Budget	Actual	Variance
Health and Welfare	\$ 2,944,162	\$ 1,928,425	\$ 1,015,737
Total Expenditures, Budgetary Basis	\$ 2,944,162	\$ 1,928,425	\$ 1,015,737

**KINGFISHER COUNTY, OKLAHOMA
NOTE TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

1. Budgetary Schedules

The Comparative Schedules of Expenditures—Budget and Actual—Budgetary Basis for the General Fund and the Health Fund presents 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 Statement of Receipts, Disbursements, and Changes in Cash Balances 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.

INTERNAL CONTROL AND COMPLIANCE SECTION



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
KINGFISHER COUNTY, OKLAHOMA

We have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the total—all county funds of the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances of Kingfisher County, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise Kingfisher County's financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated September 3, 2024.

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 (U.S. GAAP). 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 as of and for the year ended June 30, 2022, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Kingfisher County's internal control over financial reporting (internal control) as a basis for designing 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 Kingfisher County's internal control. Accordingly, we do not express an opinion on the effectiveness of Kingfisher County's internal control.

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. *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.

Our consideration of internal control was for the limited purpose described in the first 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses: 2022-001 and 2022-002.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kingfisher 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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2022-002.

Kingfisher County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Kingfisher County's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Kingfisher County's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

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 results 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.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

September 3, 2024

**KINGFISHER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 2022-001 – Lack of County–Wide Internal Controls (Repeat Finding – 2012-001, 2013-001, 2014-001, 2017-001, 2018-001, 2019-001, 2020-001, 2021-001)

Condition: Through the process of gaining an understanding of the County’s internal control structure, it was noted that county-wide controls regarding Risk Assessment, Information and Communication and Monitoring have not been designed.

Cause of Condition: Policies and procedures have not been designed and implemented to address the risks of the County.

Effect of Condition: Without an adequate system of county-wide controls, there is greater risk of a breakdown in control activities which could result in unrecorded transactions, undetected errors, or misappropriation of funds.

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that the County design and implement a system of county-wide procedures to identify and address risks related to financial reporting and to ensure that information is communicated effectively. OSAI also recommends that the County design and implement 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.

Management Response:

Chairman of the Board of County Commissioners and County Clerk: We will continue our meetings and will create policies and procedures to document the Risk Assessments and county-wide controls are created. We will use the checklist that was provided by the Oklahoma State Auditor 's office as a tool to complete our objectives.

County Treasurer: We (Elected Officials) will work together to write policy and procedures related to financial reporting and ensure that information is communicated effectively.

Criteria: The United States Government Accountability Office’s *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

**KINGFISHER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The GAO Standards – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

Definition of Internal Control

Internal control is a process effected by an entity’s oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.04 states in part:

Components, Principles, and Attributes

Control Environment - The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.

Risk Assessment - Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

Information and Communication - The quality information management and personnel communicate and use to support the internal control system.

Monitoring - Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

Finding 2022-002 – Lack of Internal Controls and Noncompliance Over Disbursements (Repeat Finding – 2006-001, 2007-001, 2008-005, 2009-001, 2012-004, 2013-004, 2014-003, 2017-004, 2018-004, 2019-004, 2020-002, 2021-004)

Condition: Upon inquiry of county personnel, observation of the County’s disbursement process, and a test of thirty-nine (39) disbursements, the following weaknesses were noted:

- Three (3) disbursements totaling \$671,506 were not properly requisitioned or reviewed.
- Six (6) disbursements totaling \$414,858 were not encumbered prior to receiving goods or services.
- Three (3) disbursements totaling \$184,419 were not supported by adequate documentation.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with state statute and to ensure internal controls over the disbursement process is properly designed and implemented.

Effect of Condition: These conditions resulted in noncompliance with state statute and could result in unrecorded transactions, misstated financial reports, undetected errors, and misappropriation of funds.

Recommendation: OSAI recommends the County implement a system of internal controls over the disbursement process. Such controls should include ensuring disbursements are supported by adequate

**KINGFISHER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

documentation, funds are encumbered prior to the receipt of goods and/or services, and disbursements are properly reviewed and authorized.

Management Response:

Chairman of the Board of County Commissioners and County Clerk: We will ensure that all purchases are properly requisitioned, all purchases are encumbered before the goods or services are received and all purchases are supported by adequate documentation before filing within the County Clerk's office.

County Commissioner District 2: This was an oversight. I will make sure to address these issues with my staff.

County Commissioner District 3: I will keep better track of the purchase order and work being performed.

County Sheriff: The missing signature was an oversight. All employees have been reminded they must sign their timesheets.

County Assessor: This purchase order was requested by the 1st Deputy in my absence. The receiving report not being prepared was an oversight. She has been instructed that we must have receiving reports attached with the purchase order.

Criteria: The GAO Standards – Section 2 – Objectives of an Entity – OV2.23 states in part:
in part:

Objectives of an Entity – Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Additionally, GAO Standards – Principle 6 – Define Objectives and Risk Tolerances – 6.05 states:

Definitions of Objectives

Management considers external requirements and internal expectations when defining objectives to enable the design of internal control. Legislators, regulators, and standard-setting bodies set external requirements by establishing the laws, regulations, and standards with which the entity is required to comply. Management identifies, understands, and incorporates these requirements into the entity's objectives. Management sets internal expectations and requirements through the established standards of conduct, oversight structure, organizational structure, and expectations of competence as part of the control environment.

Further, effective internal controls require that management properly implement procedures to ensure that expenditures comply with 19 O.S. § 1505.

**KINGFISHER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

No matters were reported.

O·K·L·A·H·O·M·A
S·A·I
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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