

COUNTY AUDIT

KIOWA COUNTY

For the fiscal year ended June 30, 2009



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



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

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

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Oklahoma State Auditor & Inspector

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February 22, 2011

TO THE CITIZENS OF
KIOWA COUNTY, OKLAHOMA

Transmitted herewith is the audit of Kiowa County, Oklahoma for the fiscal year ended June 30, 2009. A report of this type is critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

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

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

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones".

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

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

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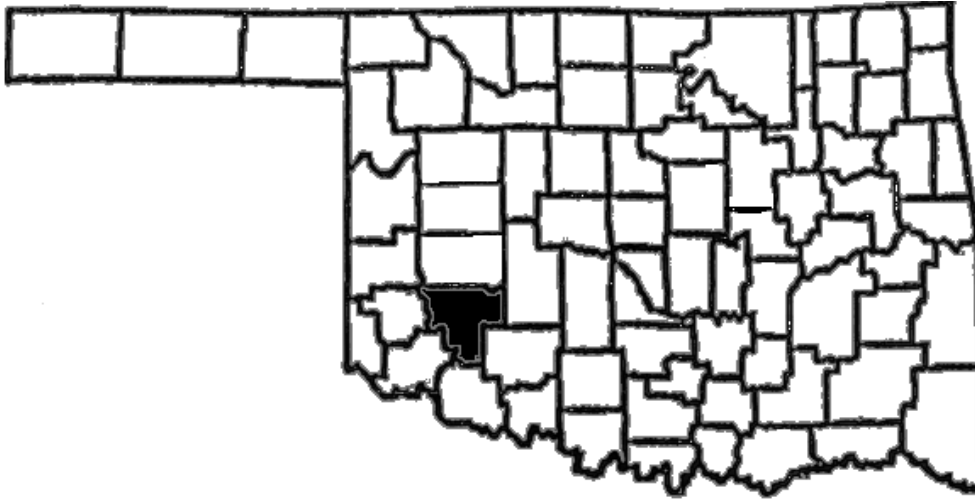
**KIOWA COUNTY, OKLAHOMA
FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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



Kiowa County was formed in 1901 from part of the original Kiowa-Comanche-Apache Indian Reservation area, and was named for the Kiowa Indian tribe. Cattle, agriculture, and cash crops are the major sources of income for the county.

The county was also home to author N. Scott Momaday and the Kiowa Tribal Museum and Headquarters. The Kiowa County Historical Society has published six books, which are available at the Kiowa County Museum in Hobart.

County Seat - Hobart

Area – 1,030.66 Square Miles

County Population - 9,456
(2007 est.)

Farms - 682

Land in Farms - 564,592 Acres

Primary Source: Oklahoma Almanac 2009-2010

See independent auditor's report.

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

COUNTY ASSESSOR

Letitia Stockton

The County Assessor has the responsibility to appraise and assess the real and personal property within the county for the purpose of ad valorem taxation. Also, the County Assessor is required to compute the ad valorem taxes due on all taxable property. The County Assessor appraises all the taxable real and personal property according to its fair cash value for which the property is actually being used as of January 1 of the taxable year at the percentages provided for in Article 10, § 8 of the Oklahoma Constitution.

The County Assessor is required to build and maintain permanent records of the taxable real property and tax exempt real property within the county. Information entered on each record includes the property's legal description, owner's name and address, and the homestead exemption status of the owner.

COUNTY CLERK

Geanea Watson

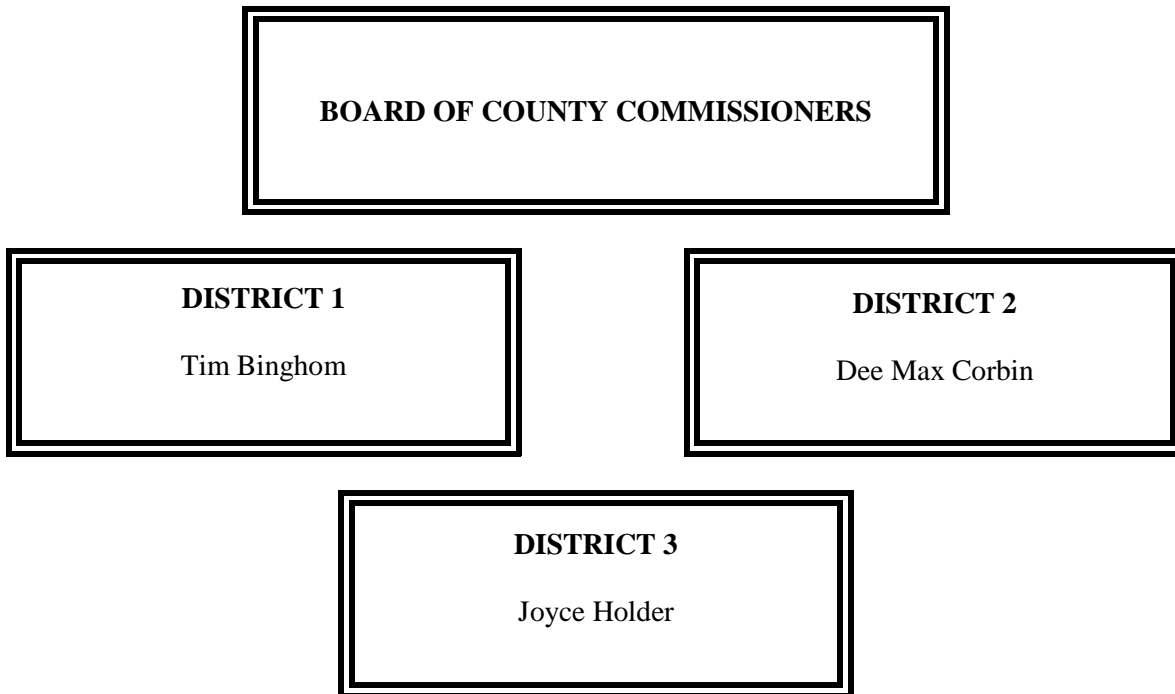
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

The County Clerk reviews all the claims for payment of goods and services purchased or contracted by the county, and prepares the proper warrants for payment of those goods and services and the county payroll. The County Clerk, or his or her designated deputy, serves as the purchasing agent for the county. This system is a means to ensure the public that tax dollars are being spent appropriately.

Various records within the different county offices are classified as "open records." As such, they can be reviewed and mechanically copied by the public.

See independent auditor's report.

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



The Board of County Commissioners is the chief administrative body for the county. County Commissioners are also responsible for maintaining and constructing the county roads and bridges.

The Commissioners must act as a Board when entering into contracts or other agreements affecting the county's welfare. Thus, actions taken by the Board are voted on and approved by a majority of the Commissioners. The Board of County Commissioners' business meetings are open to the public.

As the county's chief administrative body, the three County Commissioners must make major financial decisions and transactions. The Board has the official duty to ensure the fiscal responsibility of the other county officers who handle county funds. The review and approval procedures empowered to the Board of County Commissioners are a means to provide the public with a fiscally efficient system of county government.

See independent auditor's report.

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

COUNTY SHERIFF

Russ Tate

The County Sheriff is responsible for preserving the peace and protecting life and property within the county's jurisdiction. As the county's chief law enforcement officer, the Sheriff has the power and authority to suppress all unlawful disturbances, to apprehend and secure persons charged with felony or breach of peace, and to operate the county jail.

The County Sheriff has the responsibility of serving warrants and processing papers ordered by the District Court.

COUNTY TREASURER

Deanna Miller

All collections by county government from ad valorem taxes and other sources are deposited with the County Treasurer. The County Treasurer collects ad valorem taxes for the county and its political subdivisions. The County Treasurer is authorized to issue delinquent personal property tax warrants and to impose tax liens on real property for delinquent taxes.

To account for county collections and disbursements, the County Treasurer is required to maintain an accurate record of all the monies received and disbursed.

See independent auditor's report.

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

COURT CLERK

Chris Sanders

The Court Clerk has the primary responsibility to record, file, and maintain as permanent records the proceedings of the District Court.

Court proceedings are recorded in the appropriate journal or record docket. All the court proceedings are public information except those related to juvenile, guardianship, adoption, and mental health cases.

The Court Clerk issues marriage licenses, passports, notary certificates, beer and pool hall licenses, and private process server licenses.

Monies from the court fund are identified for distribution by the Court Clerk to the appropriate units of county and state government.

DISTRICT ATTORNEY

John Wampler

As the chief attorney for county government, the District Attorney acts as the legal advisor to the county officers on matters related to their duties. The District Attorney represents the county in civil litigation. County officials may call upon the District Attorney to clarify a law or request an official interpretation from the Attorney General.

See independent auditor's report.

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

ELECTION BOARD SECRETARY

Lynne Morris

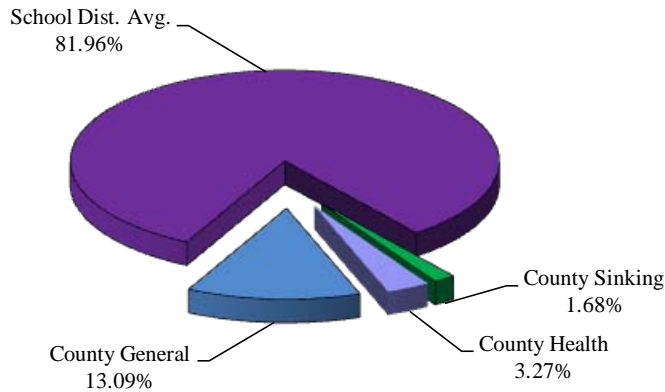
The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within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

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

See independent auditor's report.

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

Property taxes are calculated by applying a millage rate to the assessed valuation of property. Millage rates are established by the Oklahoma Constitution. One mill equals one-thousandth of a dollar. For example, if the assessed value of a property is \$1,000.00 and the millage rate is 1.00, then the tax on that property is \$1.00. This chart shows the different entities of the County and their share of the various millages as authorized by the Constitution.



County-Wide Millages		School District Millages								
						Career				
				Gen.	Bldg.	Skg.	Tech	Common	EMS	Total
County General	10.44									
County Health	2.61	Hobart	I-1	36.29	5.18	25.30	12.39	4.18		83.34
County Sinking	1.34	Lone Wolf	I-2	36.60	5.23	7.71	12.39	4.18		66.11
		Greer County	J-2	35.67	5.10	7.71	12.74	4.18		65.40
		Mt. View-Gotebo	003	36.58	5.23		11.52	4.18	3.14	60.65
		Comanche County	J-03	36.72	5.25		11.89	4.18	3.15	61.19
		Washita County	J-03	36.95	5.28		11.57	4.18	3.17	61.15
		Snyder	I-4	36.68	5.24		14.53	4.18		60.63
		Tillman County	J-4	36.60	5.23		14.51	4.18		60.52
		Comanche County	J-4	37.97	5.42		14.25	4.18		61.82
		Washita	J-1	36.54	5.22		12.39	4.18		58.33
		Comanche	J-2	35.16	5.02	16.36	14.53	4.18		75.25
		Caddo	J-33	37.53	5.37	12.60	11.52	4.18		71.20
		Jackson	J-54	36.21	5.17	8.36	10.35	4.18		64.27

See independent auditor's report.

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

Total net assessed value as of January 1, 2008		<u>\$ 60,741,324</u>
Debt limit - 5% of total assessed value		3,037,066
Total bonds outstanding	550,000	
Total judgments outstanding	-	
Less cash in sinking fund	<u>70,174</u>	<u>479,826</u>
Legal debt margin		<u>\$ 2,557,240</u>

See independent auditor's report.

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

	2009
Estimated population	9,456
Net assessed value as of January 1, 2008	\$ 60,741,324
Gross bonded debt	550,000
Less available sinking fund cash balance	70,174
Net bonded debt	\$ 479,826
Ratio of net bonded debt to assessed value	0.79%
Net bonded debt per capita	\$ 51

See independent auditor's report.

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

Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2008	\$19,114,249	\$8,852,085	\$35,399,240	\$2,624,250	\$60,741,324	\$507,499,545

See independent auditor's report.

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
KIOWA COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Kiowa County, Oklahoma, as of and for the year ended June 30, 2009, listed in the table of contents as the basic financial statement. This financial statement is the responsibility of Kiowa County's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement was prepared using accounting practices prescribed or permitted by Oklahoma state law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.


In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Kiowa County as of June 30, 2009, or changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined total of receipts, disbursements, and changes in cash of Kiowa County for the year ended June 30, 2009, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2011, on our consideration of Kiowa County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial

reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the combined total of all funds within the basic financial statement taken as a whole. The combining information is presented for purposes of additional analysis rather than to present the receipts, disbursements, and cash balances of the individual funds. Also, the other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis, and is not a required part of the basic financial statement. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole. The information listed in the table of contents under Introductory Section has not been audited by us, and accordingly, we express no opinion on it.



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

February 7, 2011

Basic Financial Statement

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

	Beginning Cash Balances July 1, 2008	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2009
Combining Information:				
County General Fund	\$ 511,306	\$ 1,276,259	\$ 1,188,338	\$ 599,227
County Highway Cash	2,827,874	3,252,377	3,308,821	2,771,430
County Health Department	112,598	229,763	199,397	142,964
Resale Property	32,502	30,411	31,088	31,825
Treasurer Mortgage Tax Certification Fee	1,742	3,320	1,500	3,562
County Clerk Lien Fee	11,340	12,225	10,281	13,284
County Clerk Records Preservation Fee	17,301	19,045	18,993	17,353
Assessor Revolving	7,056	4,154	1,140	10,070
Assessor Visual Inspection	142			142
Assessor Equipment Upgrade	297			297
Sheriff Service Fee	74,924	65,426	65,886	74,464
Sheriff Board of Prisoners	59,715	44,830	50,226	54,319
Sheriff Emergency Management/EOC	12,147	8,750	3,415	17,482
Sheriff Miscellaneous Grant Fund		22,532	22,532	
Sheriff Drug Fund	40			40
Sheriff Training	1,946		1,467	479
Sheriff Courthouse Security	5,264	11,517	4,564	12,217
Law Enforcement Fund	3,358	754		4,112
Community Service Sentencing Program	584			584
Juvenile Supervision	343			343
911 Emergency	(1,767)	37,887	36,120	
National Rifle Association	259			259
Sales Tax Revolving Fund	317,700	341,755	352,181	307,274
Emergency Management/EOC/FDS	3,020			3,020
REAP - Cooperton		22,027	22,027	
Kiowa Co. Industrial Develop. Auth. Bldg.	1,884			1,884
Governmental Obligation Bonds of 2008	550,000		183,780	366,220
Governmental Obligation Bond - Sinking Fund	195	69,979		70,174
Combined Total--All County Funds	\$ 4,551,770	\$ 5,453,011	\$ 5,501,756	\$ 4,503,025

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

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

1. Summary of Significant Accounting Policies

A. Reporting Entity

Counties were created by the Constitution of Oklahoma. One county officer is appointed; however, most county officers are locally elected by their constituents. All county powers are delegated by the state.

The accompanying basic financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds of Kiowa County, Oklahoma. The financial statement referred to includes only the primary government of Kiowa County, Oklahoma, and does not include financial information for any of the primary government's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the primary government. The funds presented as line items are not a part of the basic financial statement, but have been included as supplementary information within the basic financial statement. These separate funds are established by statute, and their operations are under the control of the County officials. The general fund is the County's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Fund Accounting

The County uses funds to report on receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Following are descriptions of the funds included as supplementary information within the financial statement:

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

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

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

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

Treasurer Mortgage Tax Certification Fee - accounts for the collection of fees by the Treasurer for mortgage tax certificates and the disbursement of the funds as restricted by statute.

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

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

County Clerk Records Preservation Fee - accounts for fees collected for instruments filed with the Registrar of Deeds 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 state statute for the visual inspection program.

Assessor Equipment Upgrade - accounts for the collection and disbursement of funds received from the State of Oklahoma for the upgrade of Assessor computer equipment.

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

Sheriff Board of Prisoners – accounts for the state receipts and disbursements for the purpose of maintaining Department of Corrections’ inmates.

Sheriff Emergency Management/EOC – accounts for the collections of state grant money to maintain the Civil Defense Coordinator within the Sheriff’s Department.

Sheriff Miscellaneous Grant Fund – accounts for grant monies received by the Sheriff’s Department for disbursement in accordance with grant agreements.

Sheriff Drug Fund - accounts for forfeitures and disbursements for drug enforcement within the County.

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

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

Law Enforcement Fund – accounts for the collection of contracts for law enforcement of surrounding cities and towns and disbursement for personal services.

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

Juvenile Supervision – accounts for collection of state funds to provide housing for juveniles.

911 Emergency – accounts for the collection of state grant money to establish a 911 system.

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

National Rifle Association – accounts for monies received from a private foundation and disbursements made for earplugs and bullets for OSU Extension training purposes.

Sales Tax Revolving Fund – accounts for collection of sales tax and disbursed in accordance with the sales tax ballot.

Emergency Management/EOC/FDS – accounts for the collections of grant money for the disbursement of equipment for Emergency Management within the Sheriff's Department.

REAP – Cooperton – accounts for the collection of a REAP grant to be disbursed for the City of Cooperton in accordance with grant agreement.

Kiowa County Industrial Development Authority Building – accounts for the collections from tiles sold and disbursed for maintenance of the tiles and to provide assistance to the 4-H program.

Governmental Obligation Bonds of 2008 – accounts for the sale of a general obligation bond in the amount of \$550,000 to be disbursed for the addition of a new elevator on the north side of the courthouse and other courthouse renovations and updates.

Governmental Obligation Bond – Sinking Fund – accounts for the collection of an ad valorem tax levy to be disbursed for the payment of bond indebtedness.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts and school districts. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement; those funds play no part in the County's operations. Any trust or agency funds maintained by the County are not included in this presentation.

C. Basis of Accounting

The basic financial statement is prepared on a basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred. This cash basis financial presentation is not a comprehensive measure of economic condition or changes therein.

D. Budget

Under current Oklahoma Statutes, a general fund and a county health department fund are the only funds required to adopt a formal budget. On or before the first Monday in July of each year, each officer or department head submits an estimate of needs to the governing body. The budget

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

is approved for the respective fund by office, or department and object. The County Board of Commissioners may approve changes of appropriations within the fund by office or department and object. To increase or decrease the budget by fund requires approval by the County Excise Board.

For the highway funds and other funds, which are not required to adopt a formal budget, appropriations are made on a monthly basis, according to the funds then available.

E. Cash

The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County's books. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County's deposits. The amount of collateral securities to be pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

F. Investments

The County Treasurer has been authorized by the County's governing board to make investments. By statute (62 O.S. § 348.1 and § 348.3), the following types of investments are allowed:

- U.S. Government obligations
- Certificates of deposit
- Savings accounts
- G.O. bonds issued by counties, municipalities or school districts
- Money judgments against counties, municipalities or school districts
- Bonds and revenue notes issued by a public trust when the beneficiary of the trust is a county, municipality or school district
- Negotiable certificates of deposit
- Prime bankers acceptance which are eligible for purchase by the Federal Reserve System
- Prime commercial paper with a maturity of 180 days or less
- Repurchase agreements
- Money market funds regulated by the Securities and Exchange Commission and which investments consist of the above-mentioned types of investments

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured.

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

G. Compensated Absences

All full time Kiowa County employees shall be entitled to vacation leave earned by the employee during the year at a rate of 6.67 hours per month and may accumulate up to 80 hours. Upon termination of employment, an employee will be paid for accrued vacation leave.

All full time Kiowa County employees shall be entitled to sick leave with pay that is accrued on a monthly basis. Sick leave shall accumulate at the rate of 10 hours (1.25 days) for each full calendar month of service to the County. Sick leave may be accrued up to a maximum of 45 days. Upon termination of employment, an employee will not be paid for accrued sick leave.

2. Ad Valorem Tax

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the County Assessor within the prescribed guidelines established by the Oklahoma Tax Commission and the State Equalization Board. Title 68 O.S. § 2820.A. states, ". . . Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the individual visual inspection of all taxable property within the county at least once each four (4) years."

The assessed property value as of January 1, 2008, was approximately \$60,741,324.

Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10.44 mills for general fund operations, 2.61 mills for county health department, and 1.34 mills for county sinking fund. In addition, the County collects the ad valorem taxes assessed by school districts and emergency medical districts and remits the ad valorem taxes collected to the appropriate taxing units.

Taxes are due on November 1 following the levy date, although they may be paid in two equal installments. If the first half is paid prior to January 1, the second half is not delinquent until April 1. Unpaid real property taxes become a lien upon said property on October 1 of each year.

Current year tax collections for the year ended June 30, 2009, were approximately 79.79 percent of the tax levy. The lower than normal percentage of collections reflects a delay in the state payment of in-lieu tax for the five year manufacturing exemption for the windmill farm near Mountain View, Oklahoma.

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

3. Fuel Tax

The County receives major funding for roads and highways from a state imposed fuel tax. Taxes are collected by the Oklahoma Tax Commission. Taxes are imposed on all gasoline, diesel, and special fuel sales statewide. The County’s share is determined on formulas based on the County population, road miles, and land area and is remitted to the County monthly. These funds are earmarked for roads and highways only and are accounted for in the county highway fund.

4. Risk Management

The County is exposed to the various risks of loss shown in the following table:

Types of Loss	Method of Management	Risk of Loss Retained
General Liability <ul style="list-style-type: none"> • Torts • Errors and Omissions • Law Enforcement Officers Liability • Vehicle 	The County participates in a public entity risk pool: Association of County Commissioners of Oklahoma-Self-Insurance Group. (See ACCO-SIG.)	If claims exceed the authorized deductibles, the County could have to pay its share of any pool deficit. A judgment could be assessed for claims in excess of the pool’s limits.
Physical Plant <ul style="list-style-type: none"> • Theft • Damage to Assets • Natural Disasters 		

ACCO-SIG – The pool operates as a common risk management and insurance program and is to be self-sustaining through member premiums. Each participating member chooses a deductible amount (\$10,000, \$25,000, or \$50,000). The County has chosen a \$25,000 deductible for each insured event as stated in the County’s “Certificate of Participation.” The risk pool will pay legitimate claims in excess of the County’s deductible amount. The pool has acquired specific excess insurance with retention limits of \$250,000 for property claims and \$500,000 for general liability claims. The pool has acquired reinsurance in the amount of \$2,000,000 for general liability and \$50,000,000 per occurrence for property to cover claims that exceed the pool's retention limits. If claims exceed pool assets, the County could be liable for its share of the pool’s deficit. Settled claims have not exceeded insurance coverage for each of the past three fiscal years. There have been no significant reductions in coverage from the prior fiscal year.

5. Long-Term Debt

Capital Leases

The County acquires road machinery and equipment through lease-purchase agreements financed by the Oklahoma Department of Transportation and/or the equipment vendors or their assignees

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

pursuant to the provisions of 69 O.S. § 636.1 through § 636.7. Lease agreements entered into with the Oklahoma Department of Transportation (ODOT) are interest free, but have a one-time fee of 3% on all pieces of machinery acquired.

6. General Long-Term Debt

Kiowa County General Obligation Bonds of 2008 – These bonds were issued June 1, 2008, in the amount of \$550,000 to the UMB Bank, n.a. Kansas City, Missouri. The General Obligation Bonds of 2008, were to provide funds for the purpose of repairing and replacing the roof of the courthouse and jail, remodeling the courthouse to make it handicap accessible under the provisions of the Americans with Disabilities Act, including the repair and replacement of an elevator in the courthouse, exterior masonry repair to the courthouse, repair and/or replacement of windows in the courthouse.

For the ad valorem tax year of 2008, fiscal year ending June 30, 2009, a 1.34 mill levy was collected by the taxpayers of Kiowa County.

The first principal payment of the General Obligation Bonds of 2008 is due June 1, 2010, and continues annually on June 1 until the final maturity date of June 1, 2018.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the government. These bonds are required to be fully paid within 10 years from the date of issue. General Obligation Bonds currently outstanding as of June 30, 2009, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Kiowa County General Obligation Bonds of 2008	2.75% to 3.60%	\$550,000

Annual debt service requirements for the maturity for general obligation bonds, including interest of \$110,730, are as follows:

<u>FYE</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ -	\$ 17,580	\$ 17,580
2010	\$ 60,000	\$ 17,580	\$ 77,580
2011	\$ 60,000	\$ 15,930	\$ 75,930
2012	\$ 60,000	\$ 14,220	\$ 74,220
2013-2018	<u>\$ 310,000</u>	<u>\$ 33,000</u>	<u>\$ 343,000</u>
	<u>\$ 490,000</u>	<u>\$ 98,310</u>	<u>\$ 588,310</u>

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

7. Pension Plan

Plan Description. The County contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes the provisions of the Plan. OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73105 or by calling 1-800-733-9008.

Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates. County employees are required to contribute between 3.5% and 8.5% of earned compensation. The County contributes between 9.5% and 14.5% of earned compensation. Elected officials could contribute between 4.5% and 10% of their entire compensation. The County contributes 14.5% of earned compensation for elected officials. The County's contributions to the Plan for the years ending June 30, 2009, 2008, and 2007, were \$244,031, \$229,049, and \$193,721, respectively, equal to the required contributions for each year.

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

8. Other Post Employment Benefits (OPEB)

In addition to the pension benefits described in the Pension Plan note, OPERS provides post-retirement health care benefits of up to \$105 each for retirees who are members of an eligible group plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the County is not available nor can it be reasonably estimated.

9. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. Amounts, if any, of expenditures that may be disallowed by the grantor cannot be determined, although, the County expects such amounts, if any, to be immaterial.

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

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.

10. Sales Tax

On April 6, 1993, the voters of Kiowa County approved a sales tax of .5%. The duration of the sales tax is unlimited. The money derived from the sales tax is distributed as follows: \$10,000 for Kiowa County Free Fair; \$25,000 for OSU Extension; \$25,000 for Senior Citizen Centers; \$2,500 for Kiowa County Historical Society, with the remaining sales tax to be apportioned to the Sheriff's office in the Sales Tax Revolving Fund.

OTHER SUPPLEMENTARY INFORMATION

KIOWA COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND
CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 511,306	\$ 511,306	\$ 511,306	\$ -
Less: Prior Year Outstanding Warrants	(47,131)	(47,131)	(47,084)	47
Less: Prior Year Encumbrances	(5,200)	(5,200)	(5,119)	81
Beginning Cash Balances, Budgetary Basis	<u>458,975</u>	<u>458,975</u>	<u>459,103</u>	<u>128</u>
Receipts:				
Ad Valorem Taxes	530,676	530,676	635,794	105,118
Charges for Services			163,698	163,698
Intergovernmental Revenues	38,676	241,334	192,413	(48,921)
Miscellaneous Revenues	29,179	29,179	284,354	255,175
Total Receipts, Budgetary Basis	<u>598,531</u>	<u>801,189</u>	<u>1,276,259</u>	<u>475,070</u>
Expenditures:				
County Sheriff	212,513	212,513	212,513	-
County Treasurer	137,668	137,668	137,607	61
County Commissioners	10	10	-	10
County Clerk	177,545	177,553	177,400	153
Court Clerk	96,157	190,016	184,692	5,324
County Assessor	72,623	72,623	72,546	77
Revaluation of Real Property	92,062	92,141	88,239	3,902
Juvenile Shelter Bureau	8,034	8,034	291	7,743
General Government	181,639	287,843	242,289	45,554
Excise-Equalization Board	3,748	3,748	3,700	48
County Election Board	69,428	71,910	69,760	2,150
County Audit Budget Account	6,074	6,100	-	6,100
Provision for Interest on Warrants	5	5	-	5
Total Expenditures, Budgetary Basis	<u>1,057,506</u>	<u>1,260,164</u>	<u>1,189,037</u>	<u>71,127</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	546,325	<u>\$ 546,325</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			4,078	
Add: Current Year Outstanding Warrants			48,824	
Add: Estopped Warrants			47	
Ending Cash Balance			<u>\$ 599,227</u>	

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

**KIOWA COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND
CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—
COUNTY HEALTH DEPARTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	County Health Department Fund			
	Original	Final	Actual	Variance
	Budget	Budget		
Beginning Cash Balances	\$ 112,598	\$ 112,598	\$ 112,598	\$ -
Less: Prior Year Warrants	(16,610)	(16,610)	(16,610)	
Less: Prior Year Encumbrances	(40)	(40)	(38)	2
Beginning Cash Balances, Budgetary Basis	<u>95,948</u>	<u>95,948</u>	<u>95,950</u>	<u>2</u>
Receipts:				
Ad Valorem Taxes	144,730	144,730	158,948	14,218
Intergovernmental Revenue		59,463	70,219	10,756
Miscellaneous			596	596
Total Receipts, Budgetary Basis	<u>144,730</u>	<u>204,193</u>	<u>229,763</u>	<u>25,570</u>
Expenditures:				
Health and Welfare	240,678	300,141	212,237	87,904
Total Expenditures, Budgetary Basis	<u>240,678</u>	<u>300,141</u>	<u>212,237</u>	<u>87,904</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	113,476	<u>\$ 113,476</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			9,159	
Add: Current Year Outstanding Warrants			20,329	
Ending Cash Balance			<u>\$ 142,964</u>	

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

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

Beginning Cash Balance	<u>\$ 195</u>
Receipts:	
Ad Valorem Tax	64,051
Miscellaneous	<u>5,928</u>
Total Receipts	<u>69,979</u>
Disbursements:	
Total Disbursements	<u>-</u>
Ending Cash Balance	<u>\$ 70,174</u>

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

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

1. Budgetary Schedule

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

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

2. Sinking Fund Schedule

Debt service receipts are derived generally from a special ad valorem tax levy and from interest earned on investments of cash not immediately required for debt service payments.

INTERNAL CONTROL AND COMPLIANCE SECTION



Oklahoma State Auditor & Inspector

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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
KIOWA COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Kiowa County, Oklahoma, as of and for the year ended June 30, 2009, which comprises Kiowa County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated February 7, 2011. Our report on the basic financial statement was adverse because the statement is not a presentation in conformity with accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Kiowa County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control. 2009-1

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kiowa County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter that we reported to the management of Kiowa County, which is included in Section 2 of the schedule of findings and responses contained in this report.

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

This report is intended solely for the information and use of Kiowa County and should not be used for any other purpose. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.

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

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

February 7, 2011

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

SECTION 1—Findings related to the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Finding 2009-1 – Segregation of Duties (Repeat Finding)

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

Condition: The County Treasurer has two full-time deputies; however, the County Treasurer performs the duties of preparing the daily report, preparing the general ledger and preparing the monthly apportionment ledger. The Treasurer reconciles three bank statements and a deputy reconciles the official depository bank statement. Reconciliations are not approved by someone other than the preparer. All deputies work from one cash drawer, which is balanced by the Treasurer.

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

Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's overseeing of office operations and a periodic review of operations. OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Views of responsible officials and planned corrective actions: The limited number of full-time deputies within the Treasurer's office and the lack of budgeted funds to pay for additional deputies do not allow us to completely segregate each duty. We proof each other's work. Upon the recommendation of the auditor's office, we are initialing every report, statement and deposit that we proof. We balance at the end of each day.

Finding 2009-2 – Footnote Disclosures (Repeat Finding)

Criteria: The County's management is responsible for establishing internal control procedures to prevent or detect misstatements in a timely manner. Statement on Auditing Standards (SAS) No. 115 indicates that a control deficiency exists when management does not have adequate expertise to apply accounting

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

principles to the financial statements or to review financial statements prepared on their behalf by others to ensure they are prepared in accordance with these principles. Professional audit standards preclude the external financial statement auditor from performing any part of management's control activities or be a component of the internal controls over financial reporting as this would impair their independence.

Condition: Internal controls have not been developed to prevent or detect misstatements in a timely manner or to ensure all required disclosures are presented with the financial statement.

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

Recommendation: OSAI recommends the County consider one or more of the following controls:

- Having at least one staff member with sufficient skills necessary to understand the application of accounting principles in regards to the preparation of financial statements.
- Contract an outside firm or individual to review or prepare the financial statements and accompanying notes to the financial statements to ensure appropriate disclosures are presented.

Views of responsible officials and planned corrective actions: I was not aware that the Treasurer's office was required to prepare footnote disclosures, nor how the auditor's office wanted us to do this. I do prepare the financial statements and include every account with cash and budget flow. I have prepared the county budget for the past 32 years using these financial statements.

Finding 2009-4 – Timesheets (Repeat Finding)

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

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

- 1) 12 timesheets not signed by employee.
- 2) 13 timesheets not signed by supervisor.
- 3) 23 timesheets not filed with County Clerk.

Effect: This condition could result in unrecorded transactions, undetected errors, or misappropriation of assets.

Recommendation: OSAI recommends that the County establish policy and procedures to ensure that standardized timesheets are completed by each employee, signed and approved by a supervisor or official.

Views of responsible officials and planned corrective actions: The Board of Commissioners, Kiowa County, has reviewed Audit Finding 2008-4 Timesheets, and states that increased efforts have been made

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

to comply with this finding. During the time of the audit, the Clerk met with the Board of County Commissioners to officially request that time sheets be submitted to her office. At that time, several Officers began providing the requested information. Currently, all Commissioners and the County Sheriff are in compliance. We are continuing to request that all offices provide the documents as recommended.

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

Finding 2009-7 – Segregation of Duties – Inmate Trust Account (Repeat Finding)

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

Condition: The County Sheriff has one employee that primarily performs the accounting functions of inputting inmate commissary orders, receipting, depositing, and reconciling the inmate trust account.

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

Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management’s overseeing of office operations and a periodic review of operations. OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Views of responsible officials and planned corrective actions: The Assistant Jail Administrator is primarily responsible for the transactions and financial reports of the Inmate Commissary Account. However, the Jail Administrator is overseeing the Assistant Jail Administrator. Further, the Commissary Account has been set up at the County Treasurers Office.



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