



LEFLORE COUNTY

Financial Report with ACE Engagement

For the fiscal year ended June 30, 2022

Cindy Byrd, CPA
State Auditor & Inspector

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

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OKLAHOMA
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

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July 30, 2025

TO THE CITIZENS OF
LeFLORE COUNTY, OKLAHOMA

Transmitted herewith is the audit of LeFlore 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,

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

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

Board of County Commissioners

District 1 – Derwin Gist
District 2 – Cody Covey
District 3 – Craig Olive

County Assessor

Gaylon Freeman

County Clerk

Kelli Ford

County Sheriff

Rodney Derryberry

County Treasurer

April Caughern

Court Clerk

Melba Hall

District Attorney

Jeff Smith

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

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FINANCIAL SECTION



Independent Auditor's Report

TO THE OFFICERS OF
LeFLORE 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 LeFlore 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 LeFlore 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 LeFlore 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 LeFlore 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 LeFlore 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 LeFlore 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 LeFlore 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 LeFlore 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 July 28, 2025, on our consideration of LeFlore 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 LeFlore County's internal control over financial reporting and compliance.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

July 28, 2025

REGULATORY BASIS FINANCIAL STATEMENT

LeFLORE 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	\$ 2,423,975	\$ 6,344,681	\$ 2,512	\$ 2,512	\$ 5,296,937	\$ 3,471,719
County Highway Unrestricted	3,225,137	10,484,253	-	-	10,656,431	3,052,959
Assessor Revolving Fee	8,480	3,160	-	-	107	11,533
County Clerk Lien Fee	29,065	49,752	-	-	51,369	27,448
Health	1,127,154	771,271	9,246	-	616,641	1,291,030
County Sinking Fund	16,560	46	-	-	-	16,606
Emergency Management	337,051	34,540	15,000	-	192,723	193,868
Flood Plain	2,971	11,700	-	-	2,108	12,563
Treasurer Mortgage Certification	39,049	9,920	-	-	307	48,662
County Clerk Records Management and Preservation Fund	89,934	132,887	-	-	55,298	167,523
Resale Property	1,058,942	388,869	-	-	470,526	977,285
Lake Patrol	17,278	41,460	-	-	33,821	24,917
Sheriff Service Fee	334,373	198,852	10,000	-	407,591	135,634
Solid Waste - ST	199,860	2,246,798	-	-	2,252,220	194,438
911 Phone Fees	565,412	739,596	-	-	704,570	600,438
Jail Bond - ST	199,861	2,246,798	-	-	2,252,220	194,439
Jail - ST	99,931	1,123,398	-	-	1,126,108	97,221
Reward Fund	4,010	397	-	-	-	4,407
EMPG/SLA	10,000	5,000	-	15,000	-	-
County Bridge and Road Improvement	1,823,492	687,916	-	-	856,079	1,655,329
Sheriff Training	607	3,500	-	-	880	3,227
Hospital - ST	-	2,246,798	-	-	2,246,798	-
Rural Fire - ST	1,529,071	1,124,274	-	-	836,008	1,817,337
Local Emergency Planning Committee	654	1	-	-	94	561
Drug Court	276,311	209,932	-	-	233,250	252,993
PHVAC	9,246	-	-	9,246	-	-
Choctaw Nation Highway Contribution	220,100	41,100	-	261,200	-	-
Free Fair Board	8,398	-	-	-	-	8,398
KEDDO-REAP	1,161	212,431	-	-	212,098	1,494
County Donations	81,695	119,177	284,830	-	142,513	343,189
Child Advocacy Grant Fund	1,078	59,193	2,512	2,512	58,836	1,435
COVID Aid and Relief	169,950	-	-	10,000	12,573	147,377
Mental Health Court Program	41,952	82,073	-	-	47,572	76,453
Oklahoma Bar Fund	23,630	-	-	23,630	-	-
American Rescue Plan Act 2021	4,841,681	4,849,982	-	-	2,915,048	6,776,615
Total - All County Funds	\$ 18,818,069	\$ 34,469,755	\$ 324,100	\$ 324,100	\$ 31,680,726	\$ 21,607,098

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

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

1. Summary of Significant Accounting Policies

A. Reporting Entity

LeFlore 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 revenue derived mostly from ad valorem tax as directed by the Oklahoma Constitution and state statutes. Other revenue includes fees, in-lieu taxes, and other miscellaneous collections. Disbursements are for general operations of the County.

County Highway Unrestricted – accounts for revenue from motor fuel and motor vehicle taxes and is designated for those activities associated with building and maintaining county roads and bridges.

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

County Clerk Lien Fee – accounts for revenue generated from filing and copy fees. Proceeds to be expended as restricted by state statute.

Health – accounts for ad valorem tax collections and fees for services collected, disbursements are for the operation of the County Health Department.

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

County Sinking Fund – accounts for the debt service collections derived generally from a special ad valorem tax levy and interest earned on investments.

Emergency Management – accounts for revenue from state or federal grants for the purpose of providing the County emergency management services.

Flood Plain – accounts for fees collected from flood plain permits and map charges to offset the costs of floodplain management.

Treasurer Mortgage Certification – accounts for fees collected by the County Treasurer for evaluating mortgages or other liens upon real property filed with the county for the purpose of collateralizing debt. The fund is used for lawful operation of the County Treasurer's office.

County Clerk Records Management and Preservation Fund – accounts for fees collected for instruments filed in the County Clerk's office. Expenditures are restricted to activities related to preservation of records in the County Clerk's office.

Resale Property – accounts for interest and penalties assessed on delinquent ad valorem tax payments as well as proceeds of selling real property in the County which has remained delinquent in ad valorem tax payments for three years. The fund is utilized by the County Treasurer for offsetting the costs associated with the collection of delinquent ad valorem taxes.

Lake Patrol – accounts for revenue from contracts with the U.S. Army Corps of Engineers for law enforcement coverage on the lakes.

Sheriff Service Fee – accounts for the collection of fees and reimbursements for revenues such as process fees, courthouse security, contracts for housing and feeding prisoners, and disbursements as restricted by state statute.

Solid Waste - ST – accounts for tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

911 Phone Fees – accounts for fees collected by phone service providers in accordance with state statute to support 911 emergency operations.

Jail Bond - ST – accounts for tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Jail - ST – accounts for tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

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

Reward Fund – accounts for revenue provided by fines assessed upon persons convicted of illegal dumping of trash, debris, waste, or other substances that may cause fire on public or private property. The Board of County Commissioners may use this fund to offer and pay a reward to individuals offering information that leads to an arrest and conviction. The fund may also be used for special enforcement programs related to investigating and/or preventing littering and illegal dumping.

EMPG/SLA – accounts for federal grant monies and disbursements are for the operations of the County Emergency Management Department.

County Bridge and Road Improvement – accounts for collections from fuel and gas taxes collected by Oklahoma Tax Commission and disbursements are for the purpose of constructing and maintaining county bridges and roads.

Sheriff Training – accounts for property in the possession of the Sheriff's office that remains unclaimed for a period of six months or more may be sold upon application to the district court. Proceeds are used for purchase of equipment, materials, or supplies that may be used in crime prevention, education, training, or programming.

Hospital - ST – accounts for tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Rural Fire - ST – accounts for tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Local Emergency Planning Committee – accounts for legislative appropriations to assist local emergency planning committees in the development of an emergency plan in accordance with the requirements of Title III of the Federal Superfund Amendments and Reauthorization Act.

Drug Court – accounts for the collection of state receipts and fees and disbursed for the operation of the Drug Court program.

PHVAC – accounts for funds acquired by the Oklahoma State Department of Health from an insurance payment for the loss of vaccine supplies. Disbursements are to be used to purchase vaccine supplies.

Choctaw Nation Highway Contribution – accounts for donations from the Choctaw Nation. Disbursements are for road maintenance.

Free Fair Board – accounts for revenue from advertising, rentals, and concessions during the County free fair, livestock shows, and agricultural demonstrations held at the County fairgrounds. This revenue is used for premiums and other costs of hosting those events.

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

KEDDO-REAP – accounts for revenues from state REAP funds. Disbursements are for road improvements.

County Donations – accounts for donations to the county from private donors to be disbursed for a specified purpose and approved Board of County Commissioners' resolution.

Child Advocacy Grant Fund – accounts for revenues from a federal grant to be used for payroll expenses for an investigator in the County Sheriff's office.

COVID Aid and Relief – accounts for federal grant monies received from the Coronavirus Relief Fund for the reimbursement of COVID related expenditures. Disbursements are for any lawful purpose of the County as directed by Board of County Commissioners' resolution.

Mental Health Court Program – accounts for funds received from the Oklahoma Department of Mental Health and Substance Abuse Services to be expended for the operation of the Mental Health Drug Court program.

Oklahoma Bar Fund – accounts for funds donated from the Oklahoma Bar Association and to be specifically used for the purchase of smart boards for the court rooms.

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

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

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

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 May 31 of each year, each officer or department head submits an estimate of needs (budget) to the governing body. The budget is approved for the respective fund by office, or department and object. Within weeks, the County Budget Board may approve changes of appropriations within the fund by office or department and object.

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.

At June 30, 2022, the County’s investments were under-collateralized in the amount of \$3,448,419.

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

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

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.

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

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

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.

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

D. Sales Tax

Sales Tax of February 9, 1993

The voters of LeFlore County approved a one-half of one percent (1/2%) sales tax on February 9, 1993. This sales tax is permanent. The sales tax was established to provide revenue for solid waste purposes only. These funds are accounted for in the Solid Waste – ST fund.

Sales Tax of August 12, 2003

The voters of LeFlore County approved a three-quarters of one percent (3/4%) sales tax on August 12, 2003. This sales tax was established to provide revenue for the County Public Buildings Authority for the acquisition, remodel, construction, financing, furnishing, and equipping of a county jail and criminal justice facility, and courthouse renovation and annex, parking lots, streets and other capital facilities, including OSU Extension Service offices, County Election Board offices, debt service, and public meeting rooms. Of this sales tax one-quarter of one percent (1/4%) is permanent and is to be used for the continuing maintenance and operations of the facility. The remaining one-half of one percent (1/2%) is to terminate after 20 years or at the date of retirement of any debt incurred related thereto, whichever occurs earlier. These funds are accounted for in the Jail Bond – ST and Jail – ST funds.

Sales Tax of July 27, 2010

The voters of LeFlore County approved a permanent one-quarter of one percent (1/4%) sales tax on July 27, 2010. This sales tax was established to provide funding for the following fire departments: Arkoma, Big Cedar, Bokoshe, Cowlington, Fanshawe, Ft. Coffee, Haw Creek, Heavener, Hodgen, Hogeys, Honobia, Howe, Latham Dog Creek, LeFlore, Monroe, Murry Spur, Octavia, Panama, Pocola, Post Mountain, Poteau, Reichert, Shady Point, Spiro, Stapp-Zoe, Summerfield, Talihina, Whitesboro, Wister, or other hereinafter established, for such fire protection as may be deemed necessary by the Board of County Commissioners (BOCC). These funds are accounted for in the Rural Fire – ST fund, except for Stapp-Zoe which is no longer in existence.

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

Sales Tax of August 26, 2014

On August 26, 2014, the voters of LeFlore County approved a one-half of one percent (1/2%) sales tax effective January 2015. This sales tax is permanent. The sales tax is established to provide revenue for improvements and operations of the Eastern Oklahoma Medical Center Hospital in LeFlore County. These funds are accounted for in the Hospital – ST fund.

E. Interfund Transfers

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

- \$2,512 was transferred from the County General fund to the Child Advocacy Grant Fund for a temporary loan in accordance with Title 68 § 3021.
- \$2,512 was transferred from the Child Advocacy Grant Fund to the County General fund for the purpose of paying back the temporary loan in accordance with Title 68 § 3021.
- \$9,246 was transferred from the PHVAC fund to the Health fund to close out the fund per the Chart of Accounts.
- \$15,000 was transferred from the EMPG/SLA fund to the Emergency Management fund to close out the fund per the Chart of Accounts.
- \$10,000 was transferred from the COVID Aid and Relief fund to the Sheriff Service Fee fund for the purpose of reimbursement of COVID related expenses.
- \$23,630 was transferred from the Oklahoma Bar Fund to the County Donations fund to close out the fund per the Chart of Accounts.
- \$261,200 was transferred from the Choctaw Nation Highway Contribution fund to the County Donations fund to close out the fund per the Chart of Accounts.

SUPPLEMENTARY INFORMATION

LeFLORE 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
County Sheriff	\$ 1,142,866	\$ 963,189	\$ 179,677
County Treasurer	277,713	238,638	39,075
County Commissioners	176,138	164,138	12,000
County Commissioners O.S.U. Extension	96,500	70,929	25,571
County Clerk	350,513	344,442	6,071
Court Clerk	390,854	378,236	12,618
County Assessor	162,800	147,984	14,816
Revaluation of Real Property	624,702	585,919	38,783
General Government	3,576,287	1,956,963	1,619,324
Excise - Equalization Board	6,100	2,364	3,736
County Election Expense	207,477	191,108	16,369
Charity	250	-	250
Emergency Management	63,749	49,280	14,469
County Audit Budget Account	28,000	27,642	358
County Detention Center	200,000	176,127	23,873
Total Expenditures, Budgetary Basis	<u>\$ 7,303,949</u>	<u>\$ 5,296,959</u>	<u>\$ 2,006,990</u>

LeFLORE 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	\$ 1,741,367	\$ 518,780	\$ 1,222,587
Total Expenditures, Budgetary Basis	\$ 1,741,367	\$ 518,780	\$ 1,222,587

**LeFLORE 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 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 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
LeFLORE 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 LeFlore County, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise LeFlore County's financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated July 28, 2025.

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 LeFlore 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 LeFlore County's internal control. Accordingly, we do not express an opinion on the effectiveness of LeFlore 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 2022-008.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether LeFlore 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 item 2022-008.

LeFlore County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on LeFlore County's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. LeFlore 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

July 28, 2025



Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement

Independent Accountant's Report

TO THE OFFICERS OF
LeFLORE COUNTY, OKLAHOMA

We have examined LeFlore County's compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2022 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended June 30, 2022. The County is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on LeFlore County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether LeFlore County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether LeFlore County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on LeFlore County's compliance with specified requirements.

In our opinion, LeFlore County complied, in all material respects, with the specified requirements referenced above during the year ended June 30, 2022.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material

effect on LeFlore County's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on LeFlore County's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether LeFlore County complied, in all material respects with the specified requirements referenced above during the year ended June 30, 2022. Accordingly, this report is not suitable for any other purpose.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

July 28, 2025

**LeFLORE 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 Internal Controls Over Presentation of the Financial Statement (Repeat Finding - 2020-010, 2021-009)

Condition: The County has not designed and implemented internal controls to ensure the accurate presentation of the County’s financial statement. During the review and reconciliation of the financial statement, as initially prepared by the County, we determined that the beginning cash balances, receipts apportioned, transfers in, transfers out, disbursements, and ending cash balances were misstated as shown below:

	Beginning Cash Balance July 1, 2021	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balance June 30, 2022
Initial	\$ 16,789,346	\$ 25,481,688	\$ 344,269	\$ 344,269	\$ 22,967,372	\$ 19,303,662
Amended	18,818,069	34,469,755	329,128	329,128	31,680,726	21,607,098
Variance	\$ (2,028,723)	\$ (8,988,067)	\$ 15,141	\$ 15,141	\$ (8,713,354)	\$ (2,303,436)

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that the collection and disbursement of County Sales Tax funds are accurately presented in the County’s financial statement.

Effect of Condition: This condition resulted in the County’s financial statement being materially misstated.

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends the County design and implement policies and procedures to ensure that the County’s financial statements are reviewed for accuracy and completeness and are free from error and misstatement.

Management Response:

Chairman of the Board of County Commissioners: LeFlore County is choosing to act as an overseer of the Jail Authority’s financial activities. We will be partnering with the County Treasurer and the County Clerk to ensure proper procedures are completed to account for the Trust and Agency funds adequately on the upcoming financial statement.

County Treasurer: Trust and Agency funds will be created to account for the misstatements after discussion with OSAI. Regarding the sales tax being receipted in and the disbursements of funds, we will

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

move those under Trust and Agency funds on our financial statement so it will show separate from County funds.

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 quasigovernmental entities.

The GAO Standards OV2.21 states in part:

Reporting Objectives

Reporting objectives relate to the preparation of reports for use by the entity, its stakeholders, or other external parties. Objectives related to gathering and communication information needed by management to support decision making and evaluation of the entity's performance.

Additionally, Principle 14 – Communicate Internally – 14.01 states in part:

Management should internally communicate the necessary quality information to achieve the entity's objectives.

Additionally, Principle 14 – Communication throughout the Entity states:

14.02 – Management communicates quality information throughout the entity using established reporting lines. Quality information is communicated down, across, up, and around reporting lines to all levels of the entity.

14.04 – Management receives quality information about the entity's operational processes that flows up the reporting lines from personnel to help management achieve the entity's objectives.

Additionally, Principle 16 – Perform Monitoring Activities states in part:

16.05 – Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations and other routine actions.

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

Additionally, the limitations of the auditor are described in the American Institute of Certified Public Accountants Clarified Statements on Auditing Standards AU-C § 210, which states, in part:

Agreement of the Responsibilities of Management

“The concept of an independent audit required that the auditor’s role does not involve assuming management’s responsibility for the preparation and fair presentation of the financial statements or assuming responsibility for the entity’s related internal control and that the auditor has a reasonable expectation of obtaining the information necessary for the audit insofar as management is able to provide or procure it. Accordingly, the premise is fundamental to the conduct of an independent audit.”

Finding 2022-008 – Lack of Internal Controls and Noncompliance Over Pledged Collateral

Condition: The County’s deposits were not adequately secured in the amount of \$3,448,419 on June 30, 2022.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that daily deposits are adequately secured.

Effect of Condition: This condition resulted in noncompliance with state statute and unsecured County funds and could have resulted in a loss of County funds.

Recommendation: OSAI recommends that the County design and implement procedures to compare bank balances to the fair market value of pledged collateral on a daily basis to ensure that county funds are adequately secured and that the county is in compliance with 62 O.S. § 517.4.

Management Response:

County Treasurer: This was due to the Jail Authority using the County’s employer identification number (EIN) to establish a bank account. Furthermore, I have partnered with the bank to ensure this account gets included in our pledged collateral amount daily. I will ensure we will not be undercollateralized now that I understand the authority utilizing the County’s EIN and the authorities accounts should be applied to the bank’s balance for pledged collateral.

Criteria: Principle 16 – Perform Monitoring Activities: 16.05 states in part:

Internal Control System Monitoring

Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, and other routine actions.

Further, Title 62 O.S. § 517.4 A. states,

“A treasurer of a public entity shall require that financial institutions deposit collateral securities or instruments to secure the deposits of the public entity in each such institution.

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

The amount of collateral securities of instruments to be pledged for the security of public deposits shall be established by the treasurer of the public entity consistent with the provisions of Security for Local Public Deposits Act; provided, such amount shall not be less than the amount of the deposit to be secured, less the amount insured.”

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.

SECTION 3—Findings related to the Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement

No matters were reported.



Cindy Byrd, CPA | State Auditor & Inspector

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