



MCINTOSH COUNTY

Financial Report

For the fiscal year ended June 30, 2022

Cindy Byrd, CPA
State Auditor & Inspector

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

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



June 10, 2024

TO THE CITIZENS OF
McINTOSH COUNTY, OKLAHOMA

Transmitted herewith is the audit of McIntosh County, Oklahoma for the fiscal year ended June 30, 2022. The audit was conducted in accordance with 19 O.S. § 171.

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

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

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

This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.) and shall be open to any person for inspection and copying.

Sincerely,

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

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

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

Board of County Commissioners

District 1 – Bill Phillips
District 2 – Monty Grider
District 3 – Michael Burns

County Assessor

Trina Williams

County Clerk

Deena Farrow

County Sheriff

Kevin Ledbetter

County Treasurer

Betty Whisenhunt

Court Clerk

Lisa Rodebush

District Attorney

Carol Iski

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

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FINANCIAL SECTION



Independent Auditor's Report

TO THE OFFICERS OF
McINTOSH 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 McIntosh 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 McIntosh 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 McIntosh 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 McIntosh 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 McIntosh 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 McIntosh 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 McIntosh 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 McIntosh 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 June 4, 2024, on our consideration of McIntosh 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 McIntosh County's internal control over financial reporting and compliance.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

June 4, 2024

REGULATORY BASIS FINANCIAL STATEMENT

McINTOSH 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	\$ 4,551,053	\$ 4,929,216	\$ 56,288	\$ 37,886	\$ 4,864,684	\$ 4,633,987
Health	840,819	378,806	-	-	244,939	974,686
County Highway Unrestricted	1,286,521	3,123,156	-	244	2,822,972	1,586,461
County Bridge and Road Improvement	1,317,188	471,888	-	346,756	372,756	1,069,564
Resale Property	625,776	241,808	51,102	27,671	345,095	545,920
Jail-ST	816,605	1,270,409	-	-	1,373,076	713,938
Jail Debt Payments	112,918	-	-	112,918	-	-
Jail	3,522	1,168	-	-	-	4,690
Assessor Revolving Fee	16,864	4,405	-	-	1,747	19,522
Treasurer Mortgage Certification	11,573	5,065	-	-	2,409	14,229
County Clerk Lien Fee	71,351	21,229	-	-	13,410	79,170
County Clerk Records Management and Preservation Fund	86,240	71,612	-	-	45,208	112,644
Lake Patrol	19,543	30,833	23,676	38,131	8,498	27,423
Sheriff Forfeiture	9,811	8,301	-	-	4,186	13,926
Sheriff Service Fee	462,901	263,399	17,433	19,370	127,354	597,009
911 Phone Fees	691,474	315,464	-	-	239,836	767,102
Local Emergency Planning Committee	6,456	-	-	-	-	6,456
Sheriff Commissary	121,304	114,223	-	-	50,423	185,104
Emergency Management	6,591	7,000	-	-	8,940	4,651
Flood Plain	22,989	25,370	-	-	20,523	27,836
Use Tax-ST	325,815	323,070	-	-	164,839	484,046
Court Clerk Payroll	18,080	187,458	-	-	202,023	3,515
Free Fair Board	6,106	12,180	-	-	8,700	9,586
County Donations	9,579	20,577	-	-	17,817	12,339
Oklahoma Highway Safety Grant	-	20,164	35,914	23,676	22,754	9,648
Courthouse Improvement-ST	-	1,269,349	112,918	-	200,711	1,181,556
American Rescue Plan Act 2021	-	1,905,773	-	-	-	1,905,773
Environmental Officer Grant	-	32,478	40,103	28,617	40,068	3,896
National Criminal History Improvement Program	-	17,433	19,370	17,433	19,370	-
Total - All County Funds	<u>\$ 11,441,079</u>	<u>\$ 15,071,834</u>	<u>\$ 356,804</u>	<u>\$ 652,702</u>	<u>\$ 11,222,338</u>	<u>\$ 14,994,677</u>

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

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

1. Summary of Significant Accounting Policies

A. Reporting Entity

McIntosh 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 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 the general operations of the government.

Health – accounts for monies collected on behalf of the county health department from ad valorem taxes and state and local revenues. Disbursements are for the operation of the county health department.

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

County Bridge and Road Improvement – accounts for revenue derived from gasoline and natural gas taxes to be used for costs associated with bridge inspections, improvements, and construction, as well as the construction of a bituminous surface treatment or gravel roadway.

Resale Property – accounts for revenues from interest and penalties on delinquent ad valorem taxes. Disbursements are to offset the expense of collecting delinquent ad valorem taxes.

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

Jail-ST – accounts for the collection of sales tax revenue and disbursed for the purpose of maintenance and operation of the McIntosh County Jail.

Jail Debt Payments – accounts for the collection of sales tax revenue used for the retirement of indebtedness incurred on behalf of McIntosh County by the McIntosh County Public Facilities Authority (MCPFA) for the construction of a new detention facility.

Jail – accounts for revenue generated from bond or security filing fees collected by the Court Clerk and disbursements are for jail operations.

Assessor Revolving Fee – accounts for revenues from fees charged by the Assessor and for disbursement as restricted by state statute.

Treasurer Mortgage Certification – accounts for revenues from fees for certifying mortgages and disbursements for any lawful expense of the Treasurer’s office.

County Clerk Lien Fee – accounts for revenues from fees charged by the County Clerk for filing liens and disbursements are for any lawful expense of the County Clerk’s office.

County Clerk Records Management and Preservation Fund – accounts for revenues from fees charged by the County Clerk for recording instruments and disbursements for the maintenance and preservation of public records.

Lake Patrol – accounts for the collection of monies from the Corp of Engineers for patrolling services.

Sheriff Forfeiture – accounts for the collection of drug money seized in crimes and forfeited to the Sheriff’s office via court order and disbursements for enforcement of controlled dangerous substances laws, drug abuse prevention and drug abuse education.

Sheriff Service Fee – accounts for revenue generated from process service fees, housing of prisoners’ contracts, grants, court fees, and other various contracts and proceeds are to be used for the lawful operation of the Sheriff’s office, jail expenses, and courthouse security as directed by state statutes.

911 Phone Fees – accounts for revenues from various telecommunication companies and disbursed for the operation of the Emergency 911 system.

Local Emergency Planning Committee – accounts for revenues from the State of Oklahoma and disbursements for the purchase of equipment for Emergency Management.

Sheriff Commissary – accounts for the collection of fees transferred from the inmate trust account for commissary items and disbursements as restricted by state statute.

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

Emergency Management – accounts for revenues from state, federal, and miscellaneous donations and disbursements are for any lawful expense of emergency management.

Flood Plain – accounts for revenue from a fee charged to minimize flood hazards and protect the natural and beneficial functions of the floodplain to be used to offset the costs of floodplain management.

Use Tax-ST – accounts for the use tax collected by the State of Oklahoma and disbursed to the County with funds to be used as designated by the Board of County Commissioners (BOCC).

Court Clerk Payroll – accounts for monies received from the Court Clerk Revolving Fund to be used for payroll for the Court Clerk’s office.

Free Fair Board – accounts for revenue from advertising, rentals, and concessions during the county free fair, stock shows, and agricultural demonstrations held at the county fairgrounds and disbursements are for premiums and other costs of hosting the events.

County Donations – accounts for donations made to the County for specified projects as restricted by resolution approved by the Board of County Commissioners (BOCC).

Oklahoma Highway Safety Grant – accounts for the collection of federal grant money and disbursements as restricted by the grant agreement.

Courthouse Improvement-ST – accounts for the collection of sales tax revenue and the transfer of the unused balance from the Jail Debt Payments fund after the retirement of indebtedness of the new detention facility and disbursements are for improvements to the Courthouse.

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.

Environmental Officer Grant – accounts for state grant monies received to provide funding to local law enforcement agency to assist with an environmental crimes enforcement program to investigate and clean up illegal dump sites for purposes of administering the Oklahoma Solid Waste Management Act.

National Criminal History Improvement Program – accounts for federal grant monies received for the improvement of the quality and timeliness and immediate accessibility of criminal history records and related information.

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

C. Basis of Accounting

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

Title 19 O.S. § 171 allows Oklahoma counties to present their financial statement in accordance with U.S. GAAP or on a regulatory basis. The County has elected to present their financial statement on a regulatory basis in conformity with Title 19 O.S. § 171, which specifies the format and presentation of such regulatory basis financial statements: county governments (primary only) are required to present their financial statements on a fund basis format with, at a minimum, the general fund and all other county funds, which represent ten percent or greater of total county revenue with all other funds included in the audit presented in the aggregate in a combining statement. However, the County has elected to present all funds included in the audit in the Statement of Receipts, Disbursements, and Changes in Cash Balances—Regulatory Basis.

D. Budget

Under current Oklahoma Statutes, a general fund and a county health department fund are the only funds required to adopt a formal budget. On or before the first Monday in July of each year, each officer or department head submits an estimate of needs to the governing body. The budget is approved for the respective fund by office, or department and object. The County Board of Commissioners may approve changes of appropriations within the fund by office or department and object. To increase or decrease the budget by fund requires approval by the County Excise Board.

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.

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

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured. All investments as classified by state statute are nonnegotiable certificates of deposit. Nonnegotiable certificates of deposit are not subject to interest rate risk or credit risk.

2. Ad Valorem Tax

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

Taxes are due on November 1 following the levy date, although they may be paid in two equal installments. If the first half is paid prior to January 1, the second half is not delinquent until April 1. The County Treasurer, according to the law, shall give notice of delinquent taxes and special assessments by publication once a week for two consecutive weeks at any time after April 1, but prior to the end of September following the year the taxes were first due and payable. Unpaid real property taxes become a lien upon said property after the treasurer has perfected the lien by public notice.

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

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.

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

Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates.

B. Other Post Employment Benefits (OPEB)

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

C. Contingent Liabilities

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

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 June 11, 2002

The voters of McIntosh County approved a one percent (1%) sales tax through a special election on June 11, 2002, that went into effect on August 14, 2002. This sales tax has an unlimited duration. The sales tax was established to provide revenue for the following: Senior Citizens Organizations-5%; Rural Fire Departments-10%; Office of Emergency Management-0.5%; OSU Extension Office-3.5%; McIntosh County Fair Board-2%; County Commissioners-M&O of Roads & Bridges-23%; County Clerk-5%; County Assessor-2.5%; County Treasurer-2.5%; Court Clerk-2%; County Sheriff-12%; County Government-19%; Maintenance & Repairs to McIntosh County Courthouse-7%; Library-5%; Collection Fee to Oklahoma Tax Commission-1%. These funds are accounted for in the County General fund.

Sales Tax of May 9, 2006

The voters of McIntosh County approved a one-half of one cent (1/2%) sales tax through a special election on May 9, 2006, with proceeds to be designated and used specifically for the acquisition of real property, construction, equipping, operating and maintaining the new McIntosh County Detention Facility and courthouse improvements. A portion of such sales tax, three-eighths of one

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

cent (3/8%), shall have a limited duration of twenty years from the date of commencement, or until principal and interest upon indebtedness incurred on behalf of McIntosh County by the McIntosh County Public Facility Authority in furtherance of the county detention facility and courthouse improvements are paid in full, whichever occurs earlier; while the remaining portion of such sales tax, one-eighth of one cent (1/8%), to continue for operation and maintenance expenses of the county detention facility until repealed by a majority of the electors of McIntosh County in an election called for the purpose of posing said proposition; making provisions separable; and declaring an emergency be approved. These funds are accounted for in the Jail-ST fund and the Courthouse Improvement-ST fund.

Sales Tax of August 9, 2011

The voters of McIntosh County approved a one-half of one cent (1/2%) sales tax through a special election on August 9, 2011, with proceeds to be used to pay the cost of operating and maintaining the McIntosh County Detention Facilities, provided that a one eighth cent (1/8%) portion be limited to a duration of fifteen years commencing January 1, 2012 and ending on December 31, 2026, and the remaining three eighths cent (3/8%) portion to have an unlimited duration, until repealed by a majority of the electors of McIntosh County in an election called for the purpose of posing said proposition; making provisions separable; and declaring an emergency be approved. These funds are accounted for in the Jail-ST fund and the Courthouse Improvement-ST fund.

E. Interfund Transfers

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

- \$346,756 was transferred from the County Bridge and Road Improvement fund to the Emergency and Transportation Revolving Fund, a trust and agency fund, to repay loans used for bridge and road projects in the County.
- \$244 was transferred from the County Highway Unrestricted fund to the Emergency and Transportation Revolving Fund, a trust and agency fund, to repay loans used for bridge and road projects in the County.
- \$27,671 was transferred from the Resale Property fund to the County General fund for apportionment of excess Resale in accordance with 68 O.S. § 3137F.
- \$37,886 was transferred from the County General fund to the Environmental Officer Grant fund for a temporary loan in accordance with 68 O.S. § 3021.
- \$28,617 was transferred from the Environmental Officer Grant fund to the County General fund to repay the temporary loan in accordance with 68 O.S. § 3021.
- \$2,217 was transferred from the Lake Patrol fund to the Environmental Officer Grant fund for a temporary loan in accordance with 68 O.S. § 3021.
- \$51,102 was transferred from the Excess Resale fund, a trust and agency fund, to the Resale Property fund in accordance with 68 O.S. § 3131D.
- \$112,918 was transferred from the Jail Debt Payments fund to the Courthouse Improvement-ST fund to transfer the residual balance per BOCC resolution.

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

- \$35,914 was transferred from the Lake Patrol fund to the Oklahoma Highway Safety Grant fund for a temporary loan in accordance with 68 O.S. § 3021.
- \$23,676 was transferred from the Oklahoma Highway Safety Grant fund to the Lake Patrol fund to repay the temporary loan in accordance with 68 O.S. § 3021.
- \$19,370 was transferred from the Sheriff Service Fee fund to the National Criminal History Improvement Program fund for a temporary loan in accordance with 68 O.S. § 3021.
- \$17,433 was transferred from the National Criminal History Improvement Program fund to the Sheriff Service Fee fund to repay the temporary loan in accordance with 68 O.S. § 3021.

SUPPLEMENTARY INFORMATION

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

	General Fund		
	Budget	Actual	Variance
District Attorney	\$ 8,000	\$ 7,763	\$ 237
County Sheriff	716,162	688,132	28,030
County Sheriff Dispatch	60,566	60,566	-
County Treasurer	81,635	80,312	1,323
County Commissioners	251,655	249,316	2,339
County Commissioners Secretary	150,000	149,361	639
County Clerk	81,635	80,595	1,040
Court Clerk	86,635	85,390	1,245
Litter Control	49,709	48,977	732
County Assessor	82,926	81,919	1,007
Visual Inspection	251,757	249,996	1,761
General Government	789,922	280,997	508,925
Excise Equalization	5,100	2,946	2,154
Election Board	104,437	96,512	7,925
Courthouse Security	102,040	101,690	350
E-911	152,066	137,142	14,924
County Audit Budget	14,421	1,270	13,151
Mellette Cemetery	3,000	2,000	1,000
Fisher Cemetery	3,000	2,100	900
Sales Tax County Sheriff	415,025	261,439	153,586
Sales Tax County Treasurer	200,443	45,149	155,294
Sales Tax OSU Extension	199,046	98,770	100,276
Sales Tax County Clerk	169,237	50,219	119,018
Sales Tax Court Clerk	156,177	63,725	92,452
Sales Tax County Assessor	139,986	45,061	94,925
Sales Tax General Government	505,039	483,365	21,674
Sales Tax Emergency Management	31,878	7,506	24,372
Sales Tax Building Maintenance	359,622	117,967	241,655
Sales Tax Highway District 1	668,643	405,313	263,330
Sales Tax Highway District 2	745,902	76,599	669,303
Sales Tax Highway District 3	660,774	592,991	67,783
Sales Tax Free Fair Board	97,004	39,003	58,001
Sales Tax Library Budget	132,583	132,583	-
Sales Tax Faic Fire Department	39,901	19,460	20,441
Sales Tax Hanna Fire Department	47,301	14,858	32,443
Sales Tax Hitchita Fire Department	26,616	-	26,616

Continue to next page

McINTOSH 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
Continued from previous page			
Sales Tax Lotawatah Fire Department	40,319	3,553	36,766
Sales Tax Onapa Fire Department	95,331	44,718	50,613
Sales Tax Porum Landing Fire Department	42,540	8,396	34,144
Sales Tax Paradise Pt Fire Department	43,060	27,947	15,113
Sales Tax Rentiesville Fire Department	62,290	41,107	21,183
Sales Tax Shady Grove Fire Department	56,738	7,277	49,461
Sales Tax Salem/Ryal Fire Department	46,616	27,787	18,829
Sales Tax Texanna Fire Department	80,734	13,905	66,829
Sales Tax Tiger Mt Fire Department	33,675	23,217	10,458
Sales Tax Vivian Fire Department	65,821	27,713	38,108
Sales Tax Checotah Senior Citizen	169,139	5,646	163,493
Sales Tax Eufaula Senior Citizen	104,713	13,904	90,809
Sales Tax Hanna Senior Citizen	27,406	18,453	8,953
Sales Tax Oke Grove Senior Citizen	39,036	28,267	10,769
County General	30,687	-	30,687
Total Expenditures, Budgetary Basis	<u>\$ 8,527,948</u>	<u>\$ 5,152,882</u>	<u>\$ 3,375,066</u>

McINTOSH 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	\$ 1,117,984	\$ 263,372	\$ 854,612
Total Expenditures, Budgetary Basis	\$ 1,117,984	\$ 263,372	\$ 854,612

**McINTOSH 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
McINTOSH 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 McIntosh County, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise McIntosh County’s financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated June 4, 2024.

Our report included an adverse opinion on the financial statement because the statement is prepared using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). However, our report also included our opinion that the financial statement does present fairly, in all material respects, the receipts, disbursements, and changes in cash balances – regulatory basis of the County as of and for the year ended June 30, 2022, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered McIntosh 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of McIntosh County’s internal control. Accordingly, we do not express an opinion on the effectiveness of McIntosh 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 a 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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether McIntosh 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

June 4, 2024

**McINTOSH 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*

No matters were reported.

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

Finding 2022-001 - Lack of Internal Controls and Noncompliance Over the Inmate Trust Fund Checking Account and Sheriff Commissary Fund (Repeat Finding)

Condition: Upon inquiry of County personnel, observation, and review of documents regarding the Inmate Trust Fund Checking Account and Sheriff Commissary Fund, the following weaknesses were noted:

Inmate Trust Fund Checking Account:

- Inmate ledger balances are not reconciled to the bank statements.
- There is no policy or procedure in place for unclaimed inmate funds.
- Debit cards are not reconciled to individual inmate accounts.

Sheriff Commissary Fund:

- The Sheriff’s office contracts with the commissary and inmate phone card vendors have not been approved by the BOCC.
- The Sheriff’s Office did not prepare an annual Sheriff Commissary Report to file with the BOCC by January 15th.

Cause of Condition: Policies and procedures have not been designed and implemented regarding the Inmate Trust Fund Checking Account and Sheriff Commissary Fund.

Effect of Condition: These conditions resulted in noncompliance with state statutes. In addition, without proper accounting and safeguarding of the Inmate Trust Fund Checking Account, there is an increased risk of misappropriation of funds.

Recommendation: OSAI recommends the following:

Inmate Trust Fund Checking Account:

- Inmate Trust Fund monies should be maintained in a manner that reflects each inmate’s trust deposits, disbursements, and account balances. The inmate’s ledger balances should be reconciled to the bank statements each month.
- The Sheriff’s office should design and implement procedures to address unclaimed Inmate Trust Fund monies.

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

- Debit cards listed on the monthly statements received from the debit card company should be reconciled to individual inmate accounts.

Sheriff Commissary Fund:

- All contracts should be renewed and approved by the Board of County Commissioners annually.
- The County Sheriff should file a report of the Sheriff Commissary fund with the Board of County Commissioners by January 15th, of each year in accordance with 19 O.S. § 180.43 D.

Management Response:

County Sheriff: We have an appointment with our software vendor to discuss reconciling inmate ledger balances to the bank statements, reconciling debit cards to individual inmate accounts, and preparing an annual commissary report that reconciles with the Treasurer’s balance. Regarding unclaimed inmate funds, we will follow the procedure in Title 22 O.S. 1325 (F,H). New contracts will go before the Board of County Commissioners each year before the expiration of the previous contract.

Criteria: The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

Establishment of review of performance measurers and indicators

Management establishes physical control to secure and safeguard vulnerable assets. Examples include security for and limited access to assets such as cash, securities, inventories, and equipment that might be vulnerable to risk of loss or unauthorized use. Management periodically counts and compares such assets to control records.

Title 19 O.S. § 531 A. states in part, “...the county sheriff may establish a checking account, to be designated the ‘Inmate Trust Fund Checking Account,’” and, “The county sheriff shall deposit all monies collected from inmates incarcerated in the county jail into this checking account and may write checks to the Sheriff’s Commissary Account for purchases made by the inmate during his or her incarceration and to the inmate from unencumbered balances due the inmate upon his or her discharge.”

Title 22 O.S. § 1325(F, H) prescribes the procedures for handling unclaimed property.

Title 19 O.S. § 180.43 D. states in part, “The sheriff shall file an annual report on any said commissary under his or her operation no later than January 15 of each year.”

Title 19 O.S. § 3. states in part, “The BOCC must act together as a board to into contracts, approve purchases, or make any other agreements that affect the county’s welfare.”

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



Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov