



NOBLE COUNTY

Financial Report

For the fiscal year ended June 30, 2023

Cindy Byrd, CPA
State Auditor & Inspector

**NOBLE COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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



September 27, 2024

TO THE CITIZENS OF
NOBLE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Noble County, Oklahoma for the fiscal year ended June 30, 2023. 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

**NOBLE COUNTY OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Board of County Commissioners

District 1 – Jason Kienholz

District 2 – Gary May

District 3 – Nick Hughes

County Assessor

Mandy Snyder

County Clerk

Sandra Richardson

County Sheriff

Matt McGuire

County Treasurer

Rena Clark-Wheatley

Court Clerk

Hillary Vorndran

District Attorney

Brian Hermanson

TABLE OF CONTENTS

FINANCIAL SECTION

Report of State Auditor and Inspector 1

 Financial Statement:

 Statement of Receipts, Disbursements, and Changes in Cash Balances—Regulatory Basis 4

 Notes to the Financial Statement..... 5

SUPPLEMENTARY INFORMATION

 Comparative Schedule of Expenditures—Budget and Actual—Budgetary Basis—General Fund..... 12

 Comparative Schedule of Expenditures—Budget and Actual—Budgetary Basis—Health Fund..... 13

 Note to Supplementary Information..... 14

INTERNAL CONTROL AND COMPLIANCE SECTION

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..... 15

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..... 17

Schedule of Findings and Responses..... 19

FINANCIAL SECTION



Independent Auditor's Report

TO THE OFFICERS OF
NOBLE 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 Noble County, Oklahoma, as of and for the year ended June 30, 2023, 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 Noble County, as of and for the year ended June 30, 2023, 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 Noble County as of June 30, 2023, 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 Noble 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 Noble 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 Noble 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 Noble 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 Noble County's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the total of all county funds on the financial statement. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statement.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2024, on our consideration of Noble 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 Noble County’s internal control over financial reporting and compliance.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

September 3, 2024

REGULATORY BASIS FINANCIAL STATEMENT

NOBLE COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Beginning Cash Balances July 1, 2022	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2023
County Funds:						
County General	\$ 4,264,445	\$ 3,439,304	\$ -	\$ -	\$ 3,252,010	\$ 4,451,739
County Highway Unrestricted	1,640,191	3,112,961	-	-	3,174,849	1,578,303
County Bridge and Road Improvement	466,867	579,228	-	-	463,884	582,211
Assessor Revolving Fee	7,872	1,221	-	-	3,849	5,244
County Clerk Lien Fee	131,091	10,717	-	-	6,666	135,142
County Clerk Records Management and Preservation	106,018	26,556	-	-	2	132,572
Flood Plain	1,989	-	-	-	50	1,939
Free Fair Board	61,176	14,389	-	-	-	75,565
Health	667,559	260,925	-	-	207,556	720,928
Resale Property	328,536	7,997	2,338	-	45,498	293,373
Sheriff Board of Prisoners	47,247	118	-	47,365	-	-
Sheriff Service Fee	622,353	74,595	47,365	-	162,796	581,517
Treasurer Mortgage Certification	13,775	1,870	-	-	-	15,645
Wellness	9,543	-	-	-	3,245	6,298
County Donations	2,782	109,535	-	-	100,668	11,649
Ambulance Service District-ST	101,219	309,159	-	-	296,426	113,952
Extension-ST	281,448	96,439	-	-	66,823	311,064
Fair-ST	178,927	217,053	-	-	157,700	238,280
Jail-ST	654,391	995,591	-	-	927,941	722,041
Rural Fire-ST	1,395,064	343,325	-	-	145,643	1,592,746
Quail Road Project	1,673,183	-	-	-	1,673,183	-
Oklahoma Bar Foundation Grant	865	-	-	-	-	865
American Rescue Plan Act 2021	1,082,687	1,116,512	-	-	1,035,251	1,163,948
LATCF	-	50,000	-	-	-	50,000
Total - All County Funds	\$ 13,739,228	\$ 10,767,495	\$ 49,703	\$ 47,365	\$ 11,724,040	\$ 12,785,021

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

**NOBLE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. Summary of Significant Accounting Policies

A. Reporting Entity

Noble 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, 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 revenues include 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.

County Bridge and Road Improvement – accounts for revenue 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.

Assessor Revolving Fee – accounts for all fees collected by the Assessor to maintain electronic databases and geographic information systems associated with the Assessor's statutory duties.

**NOBLE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

County Clerk Lien Fee – accounts for revenue generated from filing and copy fees. Proceeds to be expended for lawful operation of the County Clerk’s office.

County Clerk Records Management and Preservation – accounts for a special fee collected on all documents filed of record in the County Clerk’s office. Expenditures are restricted to activities related to preservation of records in the County Clerk’s office.

Flood Plain – accounts for a fee not to exceed \$500 established by the Board of County Commissioners (BOCC) to offset the costs of floodplain management. The BOCCs are authorized to establish floodplain boards within their respective jurisdiction. The purpose of a floodplain board is to minimize flood hazards and protect the natural and beneficial functions of the floodplain.

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. This revenue is used for premiums and other costs of hosting those events.

Health – accounts for ad valorem tax levy for the purpose of aiding or maintaining a County Department of Health.

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.

Sheriff Board of Prisoners – accounts for the collection of monies from contract revenue for housing prisoners and disbursements are used for the operation of the jail and any surplus can be used for the Sheriff’s department.

Sheriff Service Fee – accounts for revenue generated by court fees and fees for services. Proceeds are to be used for lawful operation of the Sheriff’s office.

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.

Wellness – accounts for funds deposited by the BOCC and disbursements are to be used to fund the wellness program for the employees of the County.

County Donations – accounts for revenue from private donors which is sometimes designated for a specific governmental purpose such as K-9 officers, road improvements, law enforcement equipment, improvements to fairgrounds, etc. Donations restricted to a specific purpose by the donor are accounted for separately in sub-accounts (or departments) under the county donations fund to ensure they are used for the intended purposes.

**NOBLE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Ambulance Service District-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.

Extension-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.

Fair-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.

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.

Quail Road Project – accounts for revenues from the tribes and disbursements are for road improvements.

Oklahoma Bar Foundation Grant – accounts for a grant for courthouse improvements including courtroom technology and disbursed in accordance with the grant agreement.

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.

LATCF – accounts for federal funding made available through the American Rescue Plan Act of 2021 to be used in the same manner as other locally generated revenue.

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.

**NOBLE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

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.

**NOBLE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

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

**NOBLE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the County is not available nor can it be reasonably estimated.

C. Contingent Liabilities

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

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

D. Sales Tax

Sales Tax of March 1, 2002

The voters of Noble County approved a permanent one-quarter percent (1/4%) sales tax effective March 1, 2002. This sales tax was established to provide revenue for the Noble County Free Fair Board (70%) and the OSU Extension Office (30%). These funds are accounted for in the Fair-ST fund and Extension-ST fund.

Sales Tax of January 1, 2016

The voters of Noble County approved a continuation of a one-quarter percent (1/4%) sales tax effective January 1, 2016, and continues for a period of ten year and shall terminate on December 31, 2025. The original sales tax went into effect January 1, 2003. This sales tax was established to provide equal apportionment of revenue among all fire departments belonging to Noble County Public Safety Association in Noble County, Oklahoma. These funds are accounted for in the Rural Fire-ST fund.

Sales Tax of January 1, 2016

The voters of Noble County approved a three-quarter percent (3/4%) sales tax effective January 1, 2016, and continues for a period of ten years and shall terminate on December 31, 2025. This sales tax was established to provide revenue for the lawful operations of the County Jail and Sheriff's Office. These funds are accounted for in the Jail-ST fund.

**NOBLE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Sales Tax of July 1, 2017

The voters of Noble County approved a continuation of a one-quarter percent (1/4%) sales tax effective July 1, 2017, and continues for a period of ten years and terminates on June 30, 2027. The original sales tax went into effect July 1, 2012. The sales tax was established to provide revenue for the support, organization, operation, maintenance, and all lawful purposes of providing of an Emergency Medical Service District and its purpose of providing ambulance services and Emergency Medical First Responder service to all county residents. These funds are accounted for in the Ambulance Service District-ST fund.

E. Interfund Transfers

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

- \$47,365 was transferred from the Sheriff Board of Prisoners fund to the Sheriff Service Fee fund to close out the fund.
- \$2,338 was transferred from the Excess Resale fund (a trust and agency fund) to the Resale Property fund in accordance with 68 O.S. § 3131(D).

SUPPLEMENTARY INFORMATION

NOBLE COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund		
	Budget	Actual	Variance
District Attorney - State	\$ 35,000	\$ 35,000	\$ -
District Attorney - County	26,500	26,500	-
County Sheriff	768,758	634,706	134,052
County Treasurer	131,298	124,355	6,943
District 1	64,140	64,098	42
District 2	70,098	67,384	2,714
District 3	64,098	64,098	-
County Clerk	230,822	224,940	5,882
Court Clerk	213,700	208,395	5,305
County Assessor	141,192	135,821	5,371
Revaluation of Real Property	143,087	105,485	37,602
Juvenile Shelter Bureau: Detention	9,000	3,884	5,116
General Government	378,461	287,741	90,720
Excise - Equalization Board	8,201	3,939	4,262
County Election Board	85,728	75,879	9,849
Insurance - Benefits	4,001,063	1,028,789	2,972,274
Emergency Management	53,801	37,924	15,877
County Purchasing Agent	55,103	46,506	8,597
Charity	500	-	500
Recording Account	36,005	35,900	105
Highway Budget Account	49,802	42,249	7,553
County Audit Budget Account	26,748	-	26,748
County Cemetary	1,701	250	1,451
Total Expenditures, Budgetary Basis	<u>\$ 6,594,806</u>	<u>\$ 3,253,843</u>	<u>\$ 3,340,963</u>

NOBLE COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—HEALTH FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Health Fund		
	Budget	Actual	Variance
Health and Welfare	\$ 845,503	\$ 191,945	\$ 653,558
Total Expenditures, Budgetary Basis	\$ 845,503	\$ 191,945	\$ 653,558

**NOBLE COUNTY, OKLAHOMA
NOTE TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. Budgetary Schedules

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

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

INTERNAL CONTROL AND COMPLIANCE SECTION



Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

TO THE OFFICERS OF
NOBLE 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 Noble County, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise Noble County’s financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated September 3, 2024.

Our report included an adverse opinion on the financial statement because the statement is prepared using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). However, our report also included our opinion that the financial statement does present fairly, in all material respects, the receipts, disbursements, and changes in cash balances – regulatory basis of the County as of and for the year ended June 30, 2023, 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 Noble 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 Noble County’s internal control. Accordingly, we do not express an opinion on the effectiveness of Noble 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 Noble 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 Noble County, which are included in Section 2 of the schedule of findings and responses contained in this report.

Noble County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

September 3, 2024



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
NOBLE COUNTY, OKLAHOMA

We have examined Noble 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 2023 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended June 30, 2023. The County is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on Noble 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 Noble County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Noble 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 Noble County's compliance with specified requirements.

In our opinion, Noble County complied, in all material respects, with the specified requirements referenced above during the year ended June 30, 2023.

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 Noble 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 Noble 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 Noble County complied, in all material respects with the specified requirements referenced above during the year ended June 30, 2023. Accordingly, this report is not suitable for any other purpose.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

September 3, 2024

**NOBLE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 2023-001 – Lack of Internal Controls and Noncompliance Over the County Sheriff’s Credit Card (Repeat Finding – 2021-002 and 2022-001)

Condition: Upon inquiry and review of eleven (11) purchase orders for the County Sheriff’s statutorily allowed credit cards, the following weaknesses were noted:

- The credit cards have limits that exceeds the statutory amount allowed.
- Five (5) purchase orders contained purchases not supported by adequate documentation totaling \$932.
- Six (6) purchase orders totaling \$448 incurred expenses prior to encumbrance.
- Two (2) purchase orders incurred late fees and interest totaling \$108.
- Four (4) purchase orders incurred in state taxes totaling \$263.
- One (1) purchase order paid \$28 less than the invoice.
- One (1) purchase order had an expense for a hotel that exceeded the GSA rate in the amount of \$53.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure adequate internal controls over the credit card usage and compliance with state statutes.

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

Recommendation: OSAI recommends policies and procedures be designed and implemented to ensure compliance with state statutes regarding allowable usage of Sheriff credit cards, credit limit and required supporting documentation.

Management Response:

Chairman of the Board of County Commissioners: The Sheriff and I have had conversations regarding the credit limit on the credit card and have taken the steps to designate an authorized user through the Board of County Commissioners (BOCC) to get the limits reduced. The Sheriff’s office will work diligently to

**NOBLE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

obtain all necessary documentation on and be mindful of timing to make sure a purchase order is in place before the transaction is completed. We have also discussed a change in the travel policy to allow a per diem rather than having to keep track of receipts, the Sheriff and I continue to discuss this change and hope to come to a resolution. The Sheriff has also taken the appropriate steps to make sure the taxes are not applied to purchase made by his department. The Sheriff's office and the BOCC have a very good working relationship and I do not foresee any issue that we cannot resolve.

County Sheriff: It was discussed that the credit cards we use by statute must have a combined total limit of \$5,000. We have two credit cards with a limit of \$5,000 each. We have tried over the past few months to have the limit they gave us be dropped to the allowed rate and have run into difficulties of being the allowed users on the account to make those adjustments. We have since sent a resolution to the Commissioners to have signed and present to the card company to be allowed as users on the account and get the credit limit reduced. Findings showed we have not showed adequate documentation, specifically receipts. I have approached the County Officers during our meetings about using a per diem that has a controlled amount to use, governed by GSA website. We are waiting for the next Officer meeting to seek an answer. This will hopefully eliminate the failing to show adequate documentation (detailed receipts). We will do a better job of supplying our sales tax exemption ID number for purchases (such as hotel rooms) and making sure they use it. This will also apply to using governmental rates. Again, a per diem will also assist in correcting this if we are allowed it.

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

GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.23 states in part:

Objectives of an Entity – Compliance Objectives

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

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

Definitions of Objectives

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

**NOBLE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

structure, organizational structure, and expectations of competence as part of the control environment.

Title 19 O.S. § 1506 and 1507 prescribes the procedures for the application and use of County credit cards as well as credit card limits.

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.

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