

COUNTY AUDIT

# OKMULGEE COUNTY

For the fiscal year ended June 30, 2010



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



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

**OKMULGEE COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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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](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

June 7, 2012

TO THE CITIZENS OF  
OKMULGEE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Okmulgee County, Oklahoma for the fiscal year ended June 30, 2010. 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.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gary A. Jones", with a long horizontal flourish extending to the right.

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

**OKMULGEE COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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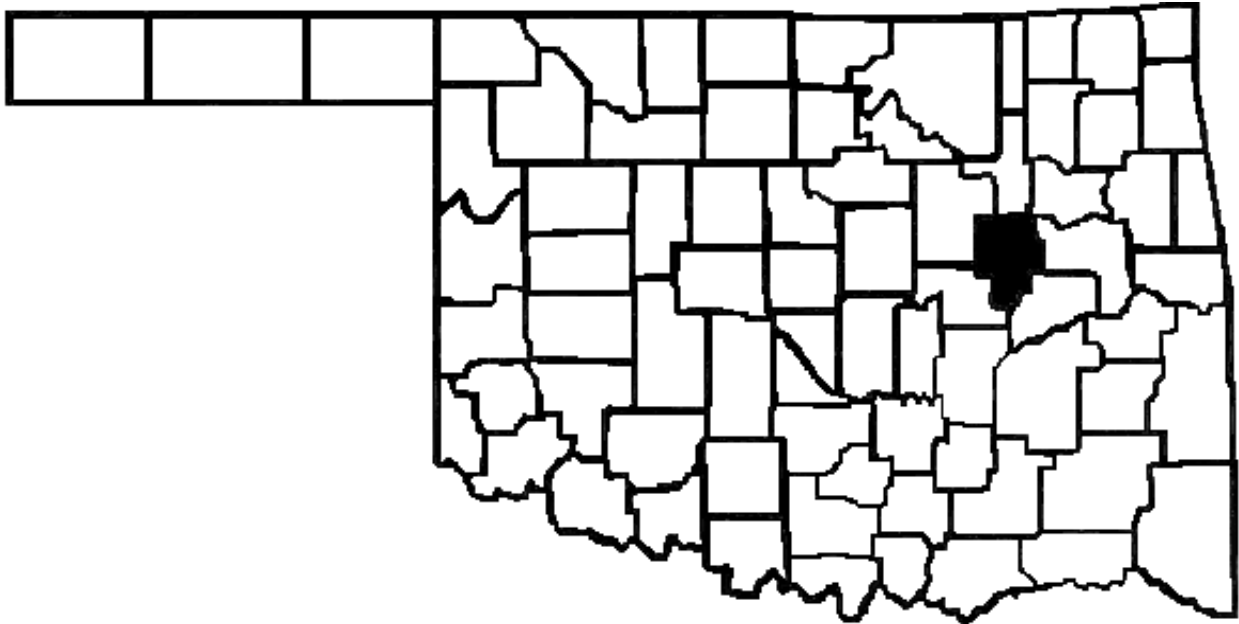
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**REPORT TO THE CITIZENS  
OF  
OKMULGEE COUNTY, OKLAHOMA**

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The name Okmulgee comes from a Creek word meaning "boiling water." Created at statehood from lands in the Creek Nation, Indian Territory, the county seat, Okmulgee, has been the capital of the Creek Nation since the Civil War. The Indians chose the site in the belief that tornadoes would not strike the area and so far history has proven them correct.

Two local lakes furnish most of the water for the county. Major highways are I-40, east-west, and SH 75, north-south. Burlington Northern Railroad maintains a station for shipping.

Points of interest are: the Creek Council House Museum (former meeting place of the Intertribal Council of the Five Civilized Tribes), the Creek Tribal Complex, Samuel Checote gravesite, Oklahoma State University – Okmulgee, Nuyaka Mission, and Okmulgee State Park. A Pecan Festival is held mid-June annually in Okmulgee, and Labor Day celebration is observed in Henryetta each year. Both cities support public libraries. The City of Okmulgee is a participant in the Oklahoma Department of Commerce's Main Street project.

*History of Okmulgee County* offers information about the area. For additional information, call the county clerk's office at (918) 756-0788.

County Seat – Okmulgee

Area – 702.32 Square Miles

County Population – 39,300  
(2007 est.)

Farms – 1,449

Land in Farms – 294,324 Acres

Primary Source: Oklahoma Almanac 2009-2010

See independent auditor's report.

**OKMULGEE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**COUNTY ASSESSOR**  
Lisa Morton-Smart

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

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

**COUNTY CLERK**  
Becky Thomas

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

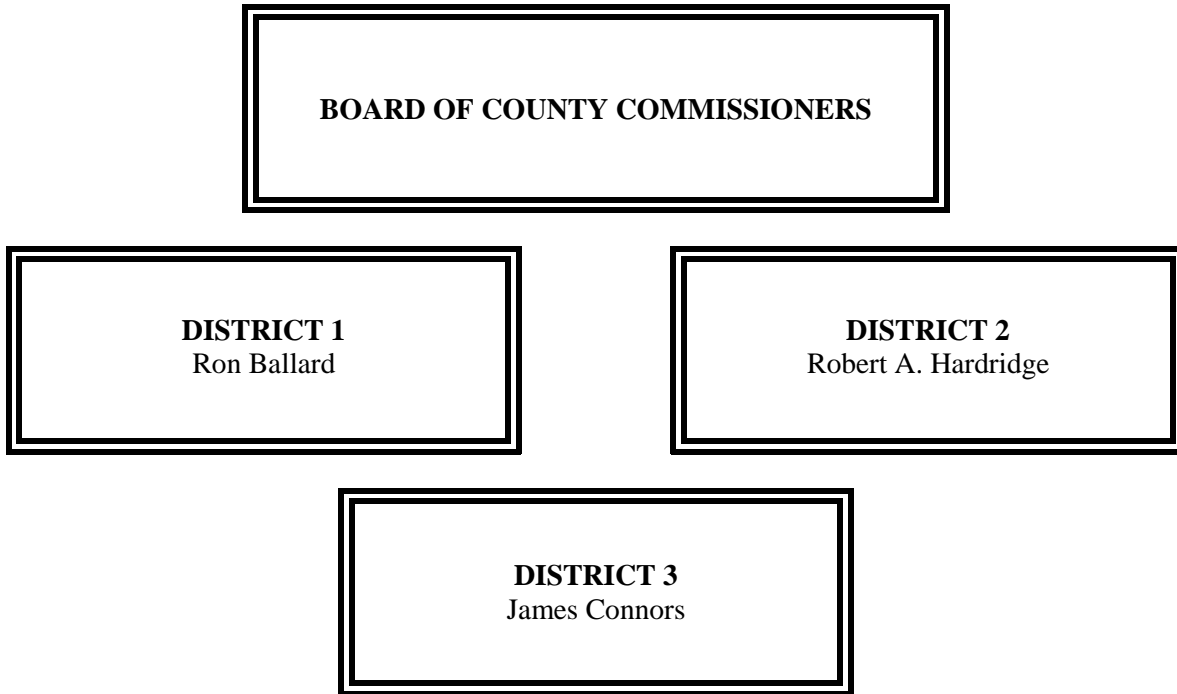
The County Clerk reviews all the claims for payment of goods and services purchased or contracted by the county, and prepares the proper warrants for payment of those goods and services and the county payroll. The County Clerk, or his or her designated deputy, serves as the purchasing agent for the county.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

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

See independent auditor's report.

**OKMULGEE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

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

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

See independent auditor's report.

**OKMULGEE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**COUNTY SHERIFF**  
Eddy Rice

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

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

**COUNTY TREASURER**  
Vonna Lampkins

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

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

See independent auditor's report.



**OKMULGEE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**COURT CLERK**  
Linda Beaver

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

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

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

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

**DISTRICT ATTORNEY**  
Thomas Giulioli

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

See independent auditor's report.

**OKMULGEE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**ELECTION BOARD SECRETARY**  
Virginia Ann Powders

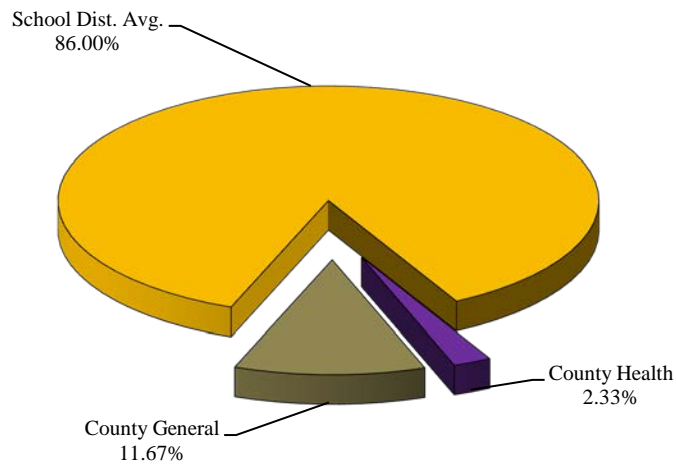
The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within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

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

See independent auditor's report.

**OKMULGEE COUNTY, OKLAHOMA  
AD VALOREM TAX DISTRIBUTION  
SHARE OF THE AVERAGE MILLAGE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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



County-Wide Millages		School District Millages							
				Gen.	Bldg.	Skg.	Career Tech	Common	Total
County General	10.00								
County Health	2.00								
		Okmulgee	I-1	35.00	5.00	14.01	12.00	4.00	70.01
		Henryetta	I-2	35.00	5.00	15.75	12.00	4.00	71.75
		Morris	I-3	35.00	5.00	17.61	12.00	4.00	73.61
		Beggs	I-4	35.00	5.00	28.32	12.00	4.00	84.32
		Preston	I-5	35.00	5.00	26.29	12.00	4.00	82.29
		Schulter	I-6	35.00	5.00	28.58	12.00	4.00	84.58
		Wilson	I-7	35.00	5.00	22.81	12.00	4.00	78.81
		Dewar	I-8	35.00	5.00	20.19	12.00	4.00	76.19
		Twin Hills	D-11	35.00	5.00	12.12	12.00	4.00	68.12
		Tulsa	JT-14	35.00	5.00	25.25	13.00	4.00	82.25
		Creek	JT-5	35.00	5.00	29.90	13.00	4.00	86.90
		Muskogee	JT-27	35.00	5.00	20.52	10.00	4.00	74.52
		McIntosh	JT-19	35.00	5.00	8.18	10.00	4.00	62.18
		McIntosh	JT-27	35.00	5.00	9.74	10.00	4.00	63.74
		Okfuskee	JT-31	35.00	5.00	12.42	5.00	4.00	61.42
		Okfuskee	JT-32	35.00	5.00	9.99	5.00	4.00	58.99

See independent auditor's report.

**OKMULGEE COUNTY, OKLAHOMA  
COMPUTATION OF LEGAL DEBT MARGIN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)**

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Total net assessed value as of January 1, 2009		<u>\$ 148,890,520</u>
Debt limit - 5% of total assessed value		7,444,526
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	-	<u>-</u>
Legal debt margin		<u>\$ 7,444,526</u>

See independent auditor's report.

**OKMULGEE COUNTY, OKLAHOMA  
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED  
VALUE AND NET BONDED DEBT PER CAPITA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)**

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	2010
Estimated population	39,300
Net assessed value as of January 1, 2009	\$ 148,890,520
Gross bonded debt	-
Less available sinking fund cash balance	-
Net bonded debt	\$ -
Ratio of net bonded debt to assessed value	0.00%
Net bonded debt per capita	\$ -

See independent auditor's report.

**OKMULGEE COUNTY, OKLAHOMA  
ASSESSED VALUE OF PROPERTY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)**

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Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2009	\$31,141,237	\$21,849,210	\$105,665,713	\$9,765,640	\$148,890,520	\$1,240,754,333

See independent auditor's report.

**FINANCIAL SECTION**



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

## Independent Auditor's Report

TO THE OFFICERS OF  
OKMULGEE COUNTY, OKLAHOMA

We were engaged to audit the financial statements of Okmulgee County, Oklahoma, as of and for the year ended June 30, 2010. The financial statements are the responsibility of Okmulgee County's management.

The County did not prepare financial statements in accordance with accounting principles generally accepted in the United States of America and in accordance with state law.

Since Okmulgee County did not prepare financial statements in accordance with accounting principles generally accepted in the United States of America and in accordance with state law, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2012, on our consideration of Okmulgee County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. Since the basic financial statements were not prepared we were unable to subject this supplemental schedule to procedures performed as part of an audit of the basic financial statements. As a result, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the schedule of expenditures of federal awards in relation to the financial statements taken as a whole. The information listed in the table of contents under Introductory Section has not been audited by us, and accordingly, we express no opinion on it.

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

May 3, 2012



**OTHER SUPPLEMENTARY INFORMATION**

**OKMULGEE COUNTY, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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<b>Federal Grantor/Pass Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Federal Expenditures</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CDBG 07	\$ 121,751
Total U.S. Department of Housing and Urban Development			<u>121,751</u>
<b>U.S. DEPARTMENT OF INTERIOR</b>			
Direct:			
Payments in Lieu of Taxes	15.226		10,092
National Wildlife Refuge Fund	15.659		7,609
Total U.S. Department of Interior			<u>17,701</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through Oklahoma Emergency Management:			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA 1876	918,308
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA 1883	316,210
Total CFDA# 97.036			<u>1,234,518</u>
Total U.S. Department of Homeland Security			<u>1,234,518</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Direct:			
Edward Byrne Memorial Formula Grant Program	16.579		51,473
Total U.S. Department of Justice			<u>51,473</u>
Total Expenditures of Federal Awards			<u>\$ 1,425,443</u>

The accompanying notes are an integral part of this schedule.  
See independent auditor's report.

**OKMULGEE COUNTY, OKLAHOMA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**Summary of Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards has been prepared in conformity with the requirements set forth in the Single Audit Act of 1984, Public Law 98-502, the Single Audit Act Amendments of 1996, Public Law 104-156 and the Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*.

**A. Reporting Entity**

The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. The reporting entity is the primary government of Okmulgee County as presented in the basic financial statement.

**B. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the primary government of Okmulgee County and is presented on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles.

See independent auditor's report.

**INTERNAL CONTROL AND COMPLIANCE SECTION**



# Oklahoma State Auditor & Inspector

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## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

TO THE OFFICERS OF  
OKMULGEE COUNTY, OKLAHOMA

We were engaged to audit the financial statements of Okmulgee County, Oklahoma, as of and for the year ended June 30, 2010, and have issued our report thereon dated May 3, 2012. We did not express an opinion on the financial statements because the County did not prepare financial statements in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control described in the accompanying schedule of findings and questioned costs to be a material weakness in internal control over financial reporting. 2010-1

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Okmulgee County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2010-1.

Okmulgee County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Okmulgee County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, those charged with governance, others within the entity, and is not intended to be and should not be used by anyone other than the specified parties. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.

A handwritten signature in blue ink, appearing to read "Gary A. Jones", with a long horizontal flourish extending to the right.

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

May 3, 2012



# Oklahoma State Auditor & Inspector

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## **Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133**

TO THE OFFICERS OF  
OKMULGEE COUNTY, OKLAHOMA

### Compliance

We have audited the compliance of Okmulgee County, Oklahoma, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on Okmulgee County's major federal program for the year ended June 30, 2010. Okmulgee County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Okmulgee County's management. Our responsibility is to express an opinion on Okmulgee County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Okmulgee County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Okmulgee County's compliance with those requirements.

In our opinion, Okmulgee County, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2010.

### Internal Control Over Compliance

Management of Okmulgee County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Okmulgee County's internal control over compliance with the requirements that could have a direct and material effect on a major

federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Okmulgee County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, those charged with governance, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.

A handwritten signature in blue ink, appearing to read "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

May 3, 2012



**OKMULGEE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**SECTION 1—Summary of Auditor’s Results**

Financial Statements

Type of auditor's report issued:..... Disclaimer of Opinion

Internal control over financial reporting:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? ..... None Reported

Noncompliance material to financial statements noted?..... Yes

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?..... None Reported
- Significant deficiency(ies) identified? ..... None Reported

Type of auditor's report issued on  
compliance for major programs: ..... Unqualified Opinion

Any audit findings disclosed that are required to be reported  
in accordance with section 510(a) of Circular A-133?..... No

Identification of Major Programs

CFDA Number(s)  
97.036

Name of Federal Program or Cluster  
Disaster Grants - Public Assistance  
(Presidentially Declared Disasters)

Dollar threshold used to distinguish between  
Type A and Type B programs: ..... \$300,000

Auditee qualified as low-risk auditee?..... No

**OKMULGEE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**SECTION 2—Findings related to the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

**Finding 2010-1—Financial Statements (Repeat Finding)**

Condition: The County has voluntarily adopted the County Budget Act and established uniform and sound fiscal procedures for the preparation, adoption, execution, and control of the County budget by cooperation of all elected officials. However, the County does not prepare financial statements, or have internal controls to ensure financial statements are prepared, in conformity with generally accepted accounting principles as provided by the County Budget Act.

Cause of Condition: The County does not have procedures in place to prepare financial statements in conformity with generally accepted accounting principles as provided by the County Budget Act.

Effect of Condition: Financial statements were not prepared in conformity with generally accepted accounting principles and the County was not in compliance with state statutes.

Recommendation: OSAI recommends the County prepare financial statements in conformity with generally accepted accounting principles.

Management Response: Management did not respond.

Criteria: For counties who have adopted the County Budget Act per 19 O.S. § 1403 and 19 O.S. § 1405 which states, —The accounting records of each county shall be established and maintained and financial statements prepared therefrom in conformity with generally accepted accounting principles promulgated from time to time by authoritative bodies in the United States...

**SECTION 3—Findings related to the Independent Auditor’s Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.**

None reported.



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