

**PAWNEE COUNTY, OKLAHOMA  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED JUNE 30, 2002**

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STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

May 21, 2003

TO THE CITIZENS OF  
PAWNEE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Pawnee County, Oklahoma, for the fiscal year ended June 30, 2002. A report of this type is critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

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

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

Sincerely,

A handwritten signature in cursive script that reads "Jeff A. McMahon".

JEFF A. McMAHAN  
State Auditor and Inspector

**PAWNEE COUNTY, OKLAHOMA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2002**

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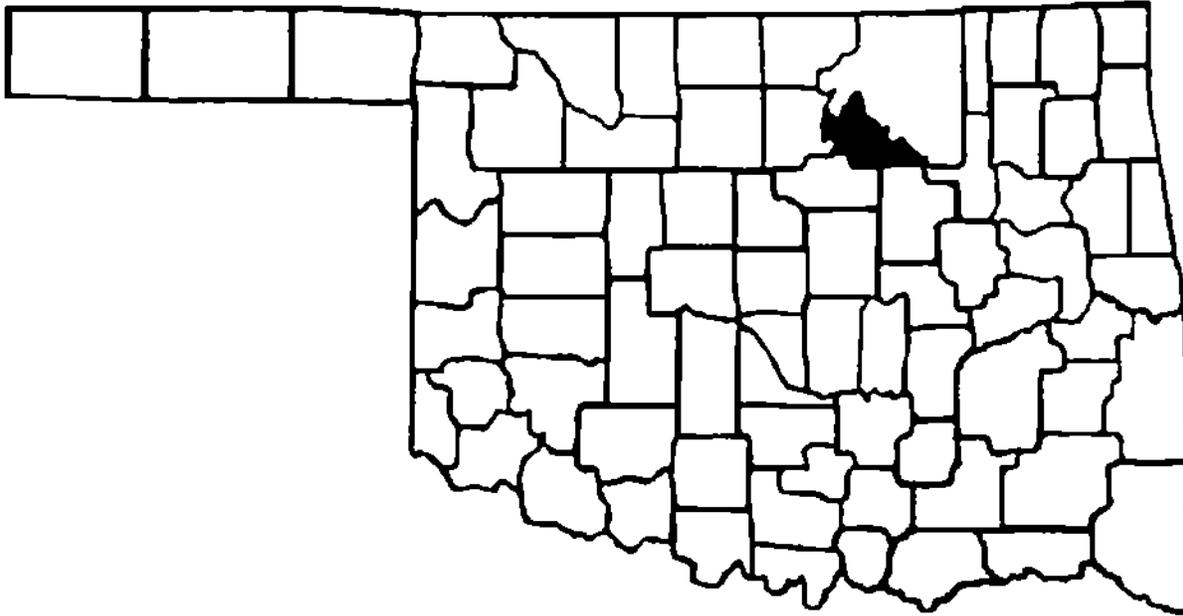
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**REPORT TO THE CITIZENS  
OF  
PAWNEE COUNTY, OKLAHOMA**

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Originally part of the Cherokee Outlet, Pawnee County lies between the Cimarron River on the south and the Arkansas River on the north. The lands were opened to settlement by lottery in 1892, and the County was designated County "Q". Later the name was changed to honor the Skidi Pawnee Indians who located here in the 19<sup>th</sup> century. The County is primarily noted for agriculture and cattle. Today, Keystone Lake and the Pawnee Bill Museum in Pawnee, the County seat, are major tourist attractions along with Lone Chimney Lake south of Pawnee.

County Seat – Pawnee

Area – 551 Square Miles

County Population – 16,612  
(2001 est.)

Farms – 631

Land in Farms – 282,057 Acres

Source: Oklahoma Almanac 2000 - 2001

See independent auditor's report

**COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COUNTY ASSESSOR**  
Wayne Spears  
(D) Pawnee

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**  
Marcelee Welch  
(D) Pawnee

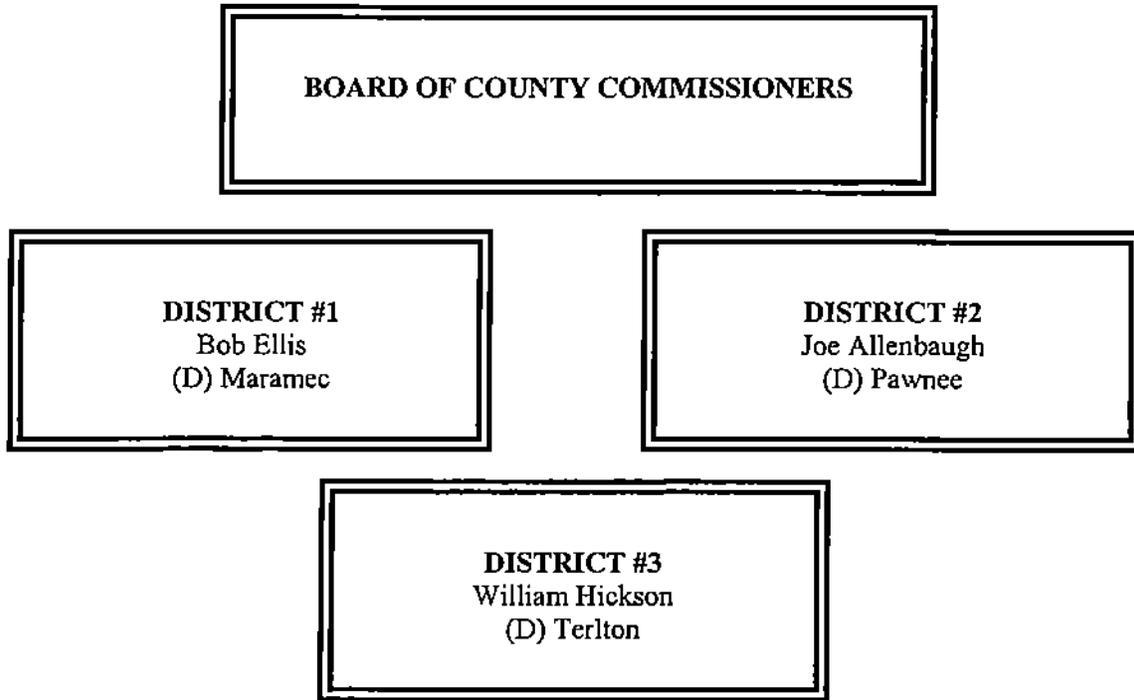
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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.

**COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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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.

**COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COUNTY SHERIFF**  
Wesley Don Sweger  
(D) Cleveland

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**  
Anita Jo Harris  
(D) Pawnee

All revenues received 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 revenues and expenditures, the County Treasurer is required to maintain an accurate record of all the monies received and disbursed. The State Auditor and Inspector's Office prescribes all the forms used by the County Treasurer, and at least twice a year inspects the County Treasurer's accounts.

See independent auditor's report

**COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COURT CLERK**  
Elaine Tannahill  
(D) Cleveland

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. Court Clerks use forms and follow procedures prescribed by the Court Administrator's Office, the Oklahoma Supreme Court, and the State Auditor and Inspector.

**DISTRICT ATTORNEY**  
Larry D. Stuart  
(D) Hominy

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.

**COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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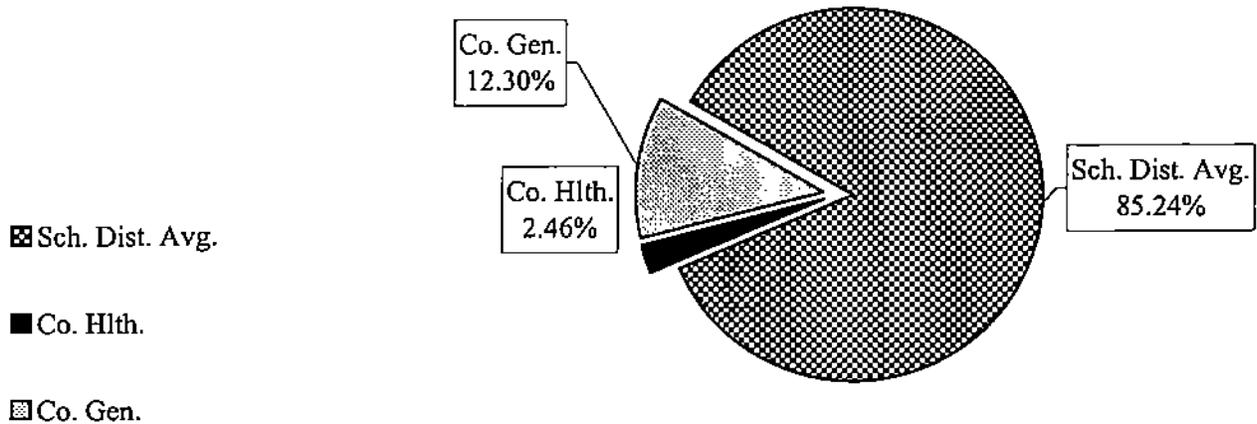
**ELECTION BOARD SECRETARY**  
Tonda Miner  
(D) Pawnee

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 operating expenses 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.

**AD VALOREM TAX DISTRIBUTION  
PAWNEE COUNTY, OKLAHOMA  
SHARE OF THE AVERAGE MILLAGE**

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.



<u>County-Wide Millages</u>		<u>School District Millages</u>						
Co. General	10.00		<u>Gen.</u>	<u>Bldg.</u>	<u>Sinking</u>	<u>Vo-Tech</u>	<u>Common</u>	<u>Total</u>
County Health	2.00	Pawnee	35.00	5.00	12.21	15.00	4.00	71.21
		Cleveland	35.00	5.00	21.08	15.00	4.00	78.08
		Jennings	35.00	5.00	8.01	15.00	4.00	65.01
		Woodland	35.00	5.00	8.00		4.00	52.00
		Glencoe	35.00	5.00	22.25	15.00	4.00	81.25
		Yale	35.00	5.00	11.43	15.00	4.00	68.43
		Morrison	35.00	5.00	15.75	15.00	4.00	74.75
		Frontier	35.00	5.00	9.68		4.00	53.68
		Keystone	35.00	5.00	10.77	13.00	4.00	67.77
		Mannford	35.00	5.00	24.06	15.00	4.00	81.06

See independent auditor's report

## **Independent Auditor's Report**



STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

**Independent Auditor's Report**

TO THE OFFICERS OF  
PAWNEE COUNTY, OKLAHOMA

We have audited the accompanying general-purpose financial statements of Pawnee County, Oklahoma, as of and for the year ended June 30, 2002, as listed in the table of contents. These financial statements are the responsibility of Pawnee County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Pawnee County Public Programs Authority, a component unit of Pawnee County, which represent 100 percent of the assets and revenues, respectively, of the component unit column. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Pawnee County Public Programs Authority, is based on the report of the other auditors.

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

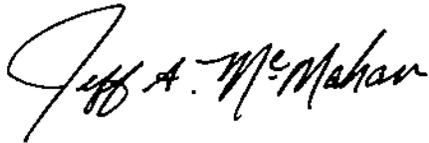
As explained in Note 1 (H), the general-purpose financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with accounting principles generally accepted in the United States of America. The amount that should be recorded in the general fixed assets account group is not known.

In our opinion, based on our audit and the report of the other auditors, except for the effects on the general-purpose financial statements of the omission described in the preceding paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Pawnee County, Oklahoma, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2003, on our consideration of Pawnee County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Pawnee County, Oklahoma, taken as a whole. The other information listed in the table of contents under *Introductory Section* has not been audited by us and, accordingly, we express no opinion on such data.

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMahar". The signature is written in a cursive, flowing style.

JEFF A. McMAHAN  
State Auditor and Inspector

March 12, 2003

**General-Purpose Financial Statements**

**PAWNEE COUNTY, OKLAHOMA  
COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUP  
AND DISCRETELY PRESENTED COMPONENT UNIT  
JUNE 30, 2002**

	GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUP	TOTAL (MEMO ONLY)	DISCRETELY PRESENTED COMPONENT UNIT	TOTAL (MEMO ONLY)
	GENERAL	SPECIAL REVENUE	TRUST AND AGENCY	GENERAL LONG-TERM DEBT	PRIMARY GOVERNMENT	PROPRIETARY	REPORTING ENTITY
<b>ASSETS</b>							
Cash and temporary investments	\$ 330,857	\$ 2,916,378	\$ 550,714	\$ -	\$ 3,797,949	\$ 83,203	\$ 3,881,152
Ad valorem taxes receivable	7,714	1,543	57,882	-	67,139	-	67,139
Sales tax receivable	-	59,992	-	-	59,992	-	59,992
Accrued interest receivable	3,138	3,784	57	-	6,979	352	7,331
Due from other governments	2,161	158,278	7,118	-	167,557	-	167,557
Net fixed assets	-	-	-	-	-	206,520	206,520
Amount to be provided for capitalized lease agreements	-	-	-	471,486	471,486	-	471,486
<b>Total assets</b>	<b>\$ 343,870</b>	<b>\$ 3,139,975</b>	<b>\$ 615,771</b>	<b>\$ 471,486</b>	<b>\$ 4,571,102</b>	<b>\$ 290,075</b>	<b>\$ 4,861,177</b>
<b>LIABILITIES AND FUND EQUITY</b>							
<b>Liabilities:</b>							
Warrants payable	\$ 71,506	\$ 175,570	\$ -	\$ -	\$ 247,076	\$ -	\$ 247,076
Accounts payable	7,878	122,060	-	-	129,938	-	129,938
Interest payable	-	-	-	-	-	696	696
Due to other taxing units	-	-	111,380	-	111,380	-	111,380
Due to others	-	-	504,391	-	504,391	-	504,391
Bonds and revenue notes payable	-	-	-	-	-	-	-
Current	-	-	-	-	-	12,425	12,425
Noncurrent	-	-	-	-	-	64,558	64,558
Capitalized lease obligations payable	-	-	-	471,486	471,486	-	471,486
<b>Total liabilities</b>	<b>79,384</b>	<b>297,630</b>	<b>615,771</b>	<b>471,486</b>	<b>1,464,271</b>	<b>77,679</b>	<b>1,541,950</b>
<b>Fund equity:</b>							
Retained earnings	-	-	-	-	-	212,396	212,396
<b>Fund balances:</b>							
Reserved for encumbrances	3,372	150,429	-	-	153,801	-	153,801
Unreserved:							
Undesignated	261,114	2,691,916	-	-	2,953,030	-	2,953,030
<b>Total fund equity</b>	<b>264,486</b>	<b>2,842,345</b>	<b>-</b>	<b>-</b>	<b>3,106,831</b>	<b>212,396</b>	<b>3,319,227</b>
<b>Total liabilities and fund equity</b>	<b>\$ 343,870</b>	<b>\$ 3,139,975</b>	<b>\$ 615,771</b>	<b>\$ 471,486</b>	<b>\$ 4,571,102</b>	<b>\$ 290,075</b>	<b>\$ 4,861,177</b>

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

**PAWNEE COUNTY, OKLAHOMA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES-ALL GOVERNMENTAL FUND TYPES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	GOVERNMENTAL FUND TYPES		TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	
<b>Revenues:</b>			
Ad valorem taxes	\$ 542,922	\$ 174,646	\$ 717,568
Sales tax		655,480	655,480
Charges for services	63,064	150,784	213,848
Intergovernmental revenues	179,144	2,130,519	2,309,663
Miscellaneous revenues	74,545	232,225	306,770
Total revenues	<u>859,675</u>	<u>3,343,654</u>	<u>4,203,329</u>
<b>Expenditures:</b>			
Current operating:			
General government	640,127	546,125	1,186,252
Public safety	194,628	450,786	645,414
Culture and recreation		17,256	17,256
Education		28,761	28,761
Health and welfare	25	126,663	126,688
Roads and highways		1,875,304	1,875,304
Total expenditures	<u>834,780</u>	<u>3,044,895</u>	<u>3,879,675</u>
Excess of revenues over (under) expenditures	<u>24,895</u>	<u>298,759</u>	<u>323,654</u>
<b>Other financing sources (uses):</b>			
Capitalized lease agreements		128,386	128,386
Total other financing sources (uses)	<u>-</u>	<u>128,386</u>	<u>128,386</u>
Excess of revenues and other sources over (under) expenditures	24,895	427,145	452,040
Beginning fund balances	<u>239,591</u>	<u>2,415,200</u>	<u>2,654,791</u>
Ending fund balances	<u>\$ 264,486</u>	<u>\$ 2,842,345</u>	<u>\$ 3,106,831</u>

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

**PAWNEE COUNTY, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE**  
**(COUNTY HEALTH DEPARTMENT ONLY) FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2002**

	General Fund			Special Revenue Fund County Health Department		
	Budget	Actual	Variance	Budget	Actual	Variance
Beginning fund balances, budgetary basis	\$ 219,451	\$ 220,290	\$ 839	\$ 51,782	\$ 54,416	\$ 2,634
Revenues:						
Ad valorem taxes	518,560	543,137	24,577	103,712	108,627	4,915
Charges for services	54,028	63,064	9,036	47,069	47,069	
Intergovernmental revenues	173,010	179,290	6,280		565	565
Miscellaneous revenues	70,483	75,025	4,542	1,363	1,379	16
Total revenues, budgetary basis	<u>816,081</u>	<u>860,516</u>	<u>44,435</u>	<u>152,144</u>	<u>157,640</u>	<u>5,496</u>
Expenditures:						
Current operating:						
General government	829,942	638,003	191,939			
Public safety	205,090	194,628	10,462			
Health and welfare	500	74	426	203,926	106,405	97,521
Total expenditures, budgetary basis	<u>1,035,532</u>	<u>832,705</u>	<u>202,827</u>	<u>203,926</u>	<u>106,405</u>	<u>97,521</u>
Excess of revenues and beginning fund balances over expenditures	<u>\$ -</u>	248,101	<u>\$ 248,101</u>	<u>\$ -</u>	105,651	<u>\$ 105,651</u>
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances						
Add: Ad valorem taxes receivable		7,714			1,543	
Accrued interest receivable		3,138			172	
Due from other governments		2,161				
Reserved for encumbrances		3,372			1,065	
Ending fund balances		<u>\$ 264,486</u>			<u>\$ 108,431</u>	

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

**PAWNEE COUNTY, OKLAHOMA  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
 RETAINED EARNINGS – PROPRIETARY FUND TYPE  
 FOR THE YEAR ENDED JUNE 30, 2002**

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	Component Unit
	Pawnee County Public Programs Authority
Operating revenues:	
Rent income	\$ 18,429
Total operating revenues	18,429
Operating expenses:	
Audit	570
Legal	270
Depreciation	14,333
Total operating expenses	15,173
Operating income (loss)	3,256
Non-operating revenues (expenses):	
Interest revenue	2,496
Interest expense	(6,314)
Net income (loss)	(562)
Retained earnings, beginning of year	212,958
Retained earnings, end of year	\$ 212,396

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

**PAWNEE COUNTY, OKLAHOMA  
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED JUNE 30, 2002**

		Component Unit
		Pawnee County Public Programs Authority
<b>Cash flows from operating activities:</b>		
Cash received from rents	\$	18,429
Cash paid to suppliers		(1,328)
Net cash provided by operating activities		17,101
<b>Cash flows from non-capital financing activities:</b>		
Principal payments		(11,442)
Interest paid		(6,417)
Net cash provided (used) by non-capital financing activities		(17,859)
<b>Cash flows from investing activities:</b>		
Purchase of temporary investments		(2,785)
Interest on investments		2,785
Net cash provided (used) by investing activities		-
Change in cash		(758)
Cash at beginning of fiscal year		1,884
Cash at end of fiscal year	\$	1,126
<b>Reconciliations:</b>		
Operating income (loss)	\$	3,256
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		14,333
Change in assets and liabilities:		
Increase (decrease) in accounts payable		(488)
Total adjustments		13,845
Net cash provided by operating activities		17,101
<b>Reconciliation of cash at June 30, 2002</b>		
Cash and investments per balance sheet	\$	83,203
Less: Temporary investments		(82,077)
Cash June 30, 2002	\$	1,126

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

**Notes to the Financial Statements**

PAWNEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002

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1. Summary of Significant Accounting Policies

The financial statements of Pawnee County are required to be presented in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies and practices are described below.

A. Reporting Entity

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

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, the County is required to present the entities that comprise the primary government and its legally separate component units in the fiscal year 2002 general-purpose financial statements.

Discretely Presented Component Unit

The component unit column in the combined financial statements includes the financial data of the Pawnee County Public Programs Authority. It is reported in a separate column to distinguish the financial data of the primary government and its discretely presented component unit. The component unit is included in the reporting entity because the primary government is financially accountable and is able to impose its will on the organization.

Pawnee County Public Programs Authority: The Authority is a public trust organized under Title 60, Oklahoma Statutes. The purpose of the Authority is primarily to promote the general economic welfare and prosperity of Pawnee County. Complete financial statements for the Authority are on file in the County Clerk's Office. Information presented is for the fiscal year ended June 30, 2002.

B. Fund Accounting

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Summary of Significant Accounting Policies (continued)

Governmental Funds

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, when the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds are generally used to account for assets that the government holds on behalf of others as their agent.

Account Groups

General Fixed Assets Account Group (GFAAG) – Accounting principles generally accepted in the United States of America, require that those fixed assets of a government not reported in a proprietary fund or a trust fund be reported in a general fixed assets account group (GFAAG). This account group is not a fund. It does not have a balance sheet as such, nor does it report operations. Instead, the GFAAG serves as a list of the government's fixed assets and is designed to ensure accountability.

General Long-Term Debt Account Group (GLTDAG) – The general long-term debt account group (GLTDAG) is used to account for a government's unmatured long-term indebtedness that has not been identified as a specific fund liability of a proprietary or trust fund. In addition to general obligation debt instruments (e.g., bonds, notes, warrants), the GLTDAG is also used to report revenue bonds that will be repaid from general government resources, special assessment debt when the government is "obligated in some manner," special revenue bonds, and certain liabilities that are normally not expected to be liquidated with expendable available financial resources (e.g., capitalized lease-purchase obligations).

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current

Summary of Significant Accounting Policies (continued)

assets and current liabilities are generally included on the balance sheet. Operating statements of these fund types present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

The modified-accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified-accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be quantified, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if collected within 60 days after year-end. Expenditures are recorded when incurred and the related fund liability is expected to be paid from available spendable resources.

Those revenues susceptible to accrual are property taxes, sales tax, interest revenue, and other taxes collected and held by the Oklahoma Tax Commission at year-end on behalf of the government. Charges for services are not susceptible to accrual because generally they are not measurable until received in cash.

D. Budgetary Policies and Procedures

Under current Oklahoma Statutes, the general fund and the County Health Department fund are required to adopt a formal budget. The budget presented for the general and special revenue (County Health Department only) funds includes the originally approved budgeted appropriations for expenditures as adjusted for supplemental appropriations and approved transfers between budget categories. Appropriations for the highway funds and other cash funds are made on a monthly basis, according to the funds then available.

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 the general and special revenue funds.

Summary of Significant Accounting Policies (continued)

Any encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. At the end of the year, unencumbered appropriations are lapsed.

The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue (County Health Department only) Funds 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 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types because of adopting certain aspects of the modified accrual basis of accounting and the adjusting of encumbrances to their related budget year.

E. Cash

The County pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

F. Receivables

All receivables are reported at their gross value.

G. Interest Receivable

Interest on deposits is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

H. Fixed Assets

Primary Government

The County presently maintains some individual records of personal property; however, the County does not keep similar records for land, buildings, and improvements. For this reason, a Statement of General Fixed Assets, required by the accounting principles generally accepted in the United States of America, is not presented on the Combined Balance Sheet - All Fund Types and Account Group.

**PAWNEE COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

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Summary of Significant Accounting Policies (continued)

Component Unit

Additions to the buildings and equipment are recorded at cost or, if contributed property, at their estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation for major movable equipment and building improvements is computed on the straight-line method over useful lives of 5 years for equipment and 30 years for buildings and improvements. Fixed equipment is depreciated over a service life of 20 years.

I. Risk Management

Primary Government

The County is exposed to various risks of loss as follows:

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
General Liability - Torts - Errors and Omissions - Law Enforcement Officers Liability - Vehicle	The County participates in a public entity risk pool; Association of County Commissioners of Oklahoma-Self-Insured Group. (See ACCO-SIG.)	If claims exceed pool assets, the County would have to pay its share of the pool deficit.
Physical Plant - Theft - Damage to Assets - Natural Disasters	The County participates in a public entity risk pool. (See ACCO-SIG.)	If claims exceed pool assets, the County would have to pay its share of the pool deficit.
Worker's Compensation - Employees' Injuries	The County participates in a public entity risk pool; Association of County Commissioners of Oklahoma-Self-Insured Fund. (See ACCO-SIF.)	If claims exceed pool assets, the County would have to pay its share of the pool deficit.

PAWNEE COUNTY, OKLAHOMA  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2002

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Summary of Significant Accounting Policies (continued)

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
Health and Life - Medical - Dental	The County carries Oklahoma Public Employees Health and Welfare Plan Insurance.	If claims exceed authorized deductibles, the County would have surcharges assessed to pay the excess claims.

ACCO-SIG - The pool operates as a common risk management and insurance program and is to be self-sustaining through member premiums. Each participating County pays a deductible amount (\$1,000 to \$10,000; Pawnee County has a \$2,500 deductible) for each insured event as stated in the County's "Certificate of Participation." The risk pool pays legitimate claims in excess of the deductible amounts up to and including \$50,000 per insured event. The pool has acquired commercial reinsurance to cover claims in excess of \$50,000 up to \$1,000,000 limit per insured event. The pool, established in 1986, has never had to assess additional premiums to be paid by its members.

ACCO-SIF - The pool operates as a common risk management and insurance program and is to be self-sustaining through member premiums. ACCO-SIF was set up in 1984 and pays legitimate worker's compensation claims up to \$500,000 per incident. A reinsurance policy, with no limit, pays claims that exceed \$500,000 for a particular incident. The pool has not assessed additional premiums to be paid by its members in the past three years.

The County has entered into an interlocal agreement with other governmental entities to participate in a pooled self-insurance fund to provide insurance coverage with Oklahoma Public Employees Health and Welfare Plan. The Plan provides for surcharges to be assessed for claims in excess of pool assets to offset pool deficits. The pool has assessed additional premiums to be paid by its members in the current fiscal year.

Component Unit

The Pawnee County Public Programs Authority (PCPPA) is exposed to various risks of loss related to general liability and torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Property insurance coverage is being provided through the Association of County Commissioners of Oklahoma Self-Insurance Group.

PAWNEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002

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Summary of Significant Accounting Policies (continued)

Premiums for property leased to the Pawnee County Health Department were paid by the Pawnee County Health Department under the terms of the lease. Premiums for property leased to the Oklahoma Department of Human Services were paid by Pawnee County. Insurance expense was not reported on the financial statements of the PCPPA.

J. Compensated Absences

The County does not accrue any liability for future vacation benefits. Vacation benefits are earned by the employee during the year and may not be accumulated past one year. Employees earn vacation leave at the following rates:

<u>Years of Service</u>	<u>Hours Earned Per Year</u>
1 – 5	80
6 – 10	120
11 – 20	144
21 – Over	160

The amount of accumulated unpaid vacation benefits is not material to the financial statements for the fiscal year ending June 30, 2002.

The County does not record any liability for sick leave. Employees are not paid for accumulated sick leave at termination. All benefits for sick leave are based on occurrences outside the County's or employee's control which have not yet occurred; hence, no liability exists at June 30, 2002.

Component Unit

The Pawnee County Public Programs Authority has no employees and thus does not provide sick leave or vacation. There is no recorded liability for compensated absences.

K. Long-Term Obligations

The County reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the General Long-Term Debt Account Group.

L. Fund Equity

Retained earnings reflect the accumulated earnings of a proprietary fund. Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Summary of Significant Accounting Policies (continued)

M. Memorandum Only - Total Columns

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with accounting principles generally accepted in the United States of America. Interfund transactions, if any, have not been eliminated from the total column of each financial statement.

2. Stewardship, Compliance, and Accountability

Budgetary Compliance

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 by fund, office, or department and object. The Pawnee County Board of County 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.

3. Detailed Notes on Account Balances

A. Deposits – Primary Government

Title 62 O.S. § 348.1 authorizes the County Treasurer to invest in:

- U.S. Government obligations
- Certificates of deposit
- Savings accounts
- General obligation bonds issued by counties, municipalities, or school districts
- Money judgments against counties, municipalities, or school districts
- Bonds and revenue notes issued by a public trust when the beneficiary of the trust is a county, municipality, or school district

At year-end, the carrying amount of the County's deposits was \$3,797,949 and the bank balance was \$3,831,420. Of the bank balance, all funds were covered by federal depository insurance or collateral held by the County's agent in the County's name.

Deposits – Component Unit

Cash deposits and temporary investments of the Pawnee County Public Programs Authority were fully covered by federal depository insurance.

PAWNEE COUNTY, OKLAHOMA  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2002

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Detailed Notes on Account Balances (continued)

**B. Receivables**

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

The net assessed property value as of January 1, 2001, was \$54,448,836.

The County levied 10.00 mills (the legal maximum) for general fund operations and 2.00 mills for the County Health Department. In addition, the County also collects the ad valorem taxes assessed by cities and towns and school districts and apportions the ad valorem taxes collected to the appropriate taxing units.

Taxes are due on November 1 following the levy date, although, they may be paid in two equal installments. If the first half is paid before January 1, the second half is not delinquent until April 1. Unpaid real property taxes become a lien upon said property on October 1 of each year. Unpaid delinquent personal property taxes are published usually in May. If the taxes are not paid within 30 days from publication, they shall be placed on the personal tax lien docket.

Current year tax collections for the year ended June 30, 2002, were approximately 95.3 percent of the levy.

**C. Property and Equipment – Component Unit**

The following is a summary of changes in property and equipment.

	Balance <u>July 1, 2001</u>	<u>Additions</u>	Balance <u>June 30, 2002</u>
Building & Improvements	\$ 423,886	\$ -	\$ 423,886
Movable Equipment	655	-	655
Fixed Equipment	4,050	-	4,050
Total	428,591	-	428,591
Accumulated Depreciation	<u>(207,738)</u>	<u>(14,333)</u>	<u>(222,071)</u>
Net Property & Equipment	<u>\$ 220,853</u>	<u>\$ (14,333)</u>	<u>\$ 206,520</u>

Detailed Notes on Account Balances (continued)

D. Pension Plan

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

Funding Policy The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation, which is performed to determine the adequacy of contribution rates. County employees are required to contribute between 3.5% and 8.5% of earned compensation. The County contributed between 5.0% and 10% of earned compensation for fiscal year 2002. Elected officials could contribute between 4.5% and 10% of their entire compensation. The County contributed 10% of earned compensation for elected officials. The County's contributions to the Plan for the years ending June 30, 2002, 2001, and 2000, were \$ 123,055, \$119,155 and \$115,170, respectively, equal to the required contributions for each year.

E. Lease Agreements – Component Unit

Board of County Commissioners of Pawnee County, Oklahoma:

On March 1, 1983, Pawnee County Public Programs Authority entered into a lease agreement with the Board of County Commissioners of Pawnee County, Oklahoma. The agreement provides that real property located in Block 12, Original Townsite, City of Pawnee, be leased to Pawnee County Public Programs Authority for a minimum of 15 years, to March 1, 1998.

Pawnee County Public Programs Authority in turn subleased the same property to the Oklahoma Department of Human Services (DHS), an agency of the State of Oklahoma.

Effective January 1, 1998, a new agreement was entered whereby DHS pays no rent to PCPPA for the facility but does pay operational and maintenance cost. Pawnee County Public Programs Authority will participate in the cost for major repairs requiring over \$2,500 per incident. The agreement was amended effective January 1, 1999, further providing that DHS will reimburse PCPPA for annual insurance cost and one-half of the annual audit cost.

Detailed Notes on Account Balances (continued)

Pawnee County Department of Health:

On August 1, 1992, the Trustees of the Pawnee County Public Programs Authority, as lesser, entered into a lease agreement with Pawnee County Department of Health, acting by and through its County Department of Health, for the lease of land and buildings located in the Cities of Pawnee and Cleveland, Oklahoma. The initial term of the lease expired on June 30, 1993, but lessee has exercised its annual option to renew the lease for fourteen additional one-year terms and one partial term for the period ending August 17, 2007.

Quarterly rentals in the amount of \$4,464.63 are due under the agreement. These payments are made directly to the bank holding the note in satisfaction of the quarterly debt service requirements of the \$160,000 Revenue Note, Series 1992. If necessary, the lease agreement can be modified so that each rental payment shall at all times be sufficient to pay the total amount of interest and principal as it comes due.

Pawnee County Public Programs Authority has no responsibility for any costs incurred for the operation, maintenance, repair, replacement or modification of the leased facilities, and that all such costs are the responsibility of the lessee. The lessee is required to maintain insurance on the property at all times against such risks and in such amounts as are customarily insured against by businesses of the like size and kind, including, but not limited to, casualty and liability insurance.

F. Capital Leases

The County acquires road machinery and equipment through lease-purchase agreements financed by the Oklahoma Department of Transportation and/or the equipment vendors or their assignees pursuant to the provisions of 69 O.S. § 636.1 through § 636.7. Lease agreements entered into with the Oklahoma Department of Transportation (ODOT) are interest-free. However, starting in January 1997, ODOT began charging a one-time fee of 3% on all subsequent pieces of machinery acquired. The one-time fee is reported as interest. Oklahoma Statutes prohibit the County from entering into contracts of this nature longer than one year. For this reason, these lease-purchase agreements do not qualify for capitalization until the year the lease-purchase agreements are completed and title to the equipment is transferred to the County. However, because it is the County's intent to exercise its right to purchase this property, the lease-purchase agreements have been capitalized to conform to accounting principles generally accepted in the United States of America. The unpaid portions of these agreements have been reflected as capitalized lease obligations within the general long-term debt account group.

Providing all capital leases are renewed each year by resolution of the Board of County Commissioners, minimum lease commitments under capitalized lease-purchase agreements as of June 30, 2002, are as follows:

**PAWNEE COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2002**

Detailed Notes on Account Balances (continued)

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 106,354	\$ 19,094	\$ 125,448
2004	106,276	15,476	121,752
2005	91,682	11,572	103,254
2006	82,874	7,439	90,313
2007	65,805	3,351	69,156
Thereafter	18,495	283	18,778
Total	<u>\$ 471,486</u>	<u>\$ 57,215</u>	<u>\$ 528,701</u>

During the year, the County capitalized leases totaling \$128,386 and paid \$139,297 on outstanding balances of lease-purchase agreements.

G. Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended June 30, 2002, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2002</u>
Capital leases	<u>\$ 482,397</u>	<u>\$ 128,386</u>	<u>\$ 139,297</u>	<u>\$ 471,486</u>
Total	<u>\$ 482,397</u>	<u>\$ 128,386</u>	<u>\$ 139,297</u>	<u>\$ 471,486</u>

H. Long-Term Debt -- Component Unit

Revenue Note, Series 1992.

On August 17, 1992, PCPPA issued its \$160,000 Pawnee County Public Programs Authority Revenue Note, Series 1992. The proceeds of this Note were used principally to acquire two buildings, including fixtures and equipment, which have been leased to the Pawnee County Department of Health. The buildings are used to help provide health care to the residents of Pawnee County, Oklahoma. One building is located in the City of Pawnee, Oklahoma, and the other is located in the City of Cleveland, Oklahoma. The Series 1992 Note is issued under and secured and entitled to the protection given by the Indenture and the security of the pledge and assignment of revenues derived by the Authority pursuant to the lease and a security interest in the facilities acquired. The Note and the interest thereon are not an indebtedness of the State of Oklahoma, nor Pawnee County, Oklahoma, nor personal obligations of the Trustees of the PCPPA, or general obligations of PCPPA, but are limited and special obligations of the PCPPA payable solely from the rental revenues.

PAWNEE COUNTY, OKLAHOMA  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2002

Detailed Notes on Account Balances (continued)

The Revenue Note, Series 1992 is payable in 60 quarterly installments of \$4,464.63 including interest at 7.5% per annum. The Note may be prepaid in whole or part at any time without penalty provided that all of the amounts due and owing under the indenture have been paid.

Principal and interest requirements are as follows:

<u>Year Ending</u>		
June 30, 2003	\$	17,859
June 30, 2004		17,859
June 30, 2005		17,859
June 30, 2006		17,859
June 30, 2007		17,859
Thereafter		4,458
Less Interest		<u>(16,770)</u>
Balance	\$	<u>76,983</u>

	<u>Balance Outstanding July 1, 2001</u>	<u>Retired During Year</u>	<u>Balance Outstanding June 30, 2002</u>
Revenue Note, Series 1992	\$ 88,424	\$ 11,441	\$ 76,983
Total	<u>\$ 88,424</u>	<u>\$ 11,441</u>	<u>\$ 76,983</u>

I. Fund Balance

Reservations of fund balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance accounts are summarized below.

Reserved for Encumbrances The reserve for encumbrances represents encumbrances outstanding at the end of the year based on purchase orders and contracts signed by the County, but not completed as of the close of the fiscal year.

4. Contingent Liabilities

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

PAWNEE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002

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5. Sales Tax

Beginning March 1, 1994, a one cent sales tax went into effect for Pawnee County. The one cent sales tax shall be limited to five years in duration and allocated for the following purposes:

County Sheriff's Office	30.0 %
City & Rural Fire Protection	5.0 %
County 911	2.0 %
Senior Citizens	2.0 %
County Juvenile Detention	1.0 %
County Emergency Management (Civil Defense)	2.0 %
County OSU Extension	5.0 %
County Roads & Bridges	10.0 %
County Free Fair	3.0 %
County Buildings	8.0 %
County Economic Development	4.0 %
County General Use	28.0 %

In February 1998, a special election was held and Pawnee County voted to extend this sales tax for five years beginning February 1999.

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



STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

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

TO THE OFFICERS OF  
PAWNEE COUNTY, OKLAHOMA

We have audited the financial statements of Pawnee County, Oklahoma, as of and for the year ended June 30, 2002, and have issued our report thereon dated March 12, 2003. We qualified our opinion because the general fixed assets account group was not included in the financial statements. We did not audit the financial statements of Pawnee County Public Programs Authority, a component unit of Pawnee County. Those financial statements were audited by other auditors, whose report thereon has been furnished to us. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pawnee County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described below.

Finding 97-1 (Repeat Finding) – General Fixed Assets

Criteria: Accounting principles generally accepted in the United States of America for a governmental entity using governmental fund types require the presentation of the general fixed assets account group (GFAAG) in the financial statements.

Condition: Information is not available for reporting general fixed assets in accordance with accounting principles generally accepted in the United States of America for a government entity. The general fixed assets control account is not accurate.

Effect: This component of internal control is not effective. Accordingly, there is a greater risk that a fixed asset may not be properly accounted for and safeguarded against loss.

Recommendation: We recommend records include acquisition cost, a complete description, purchase date, location of such asset, and that a control total of the cost of these assets be maintained and reconciled annually.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 97-1 to be a material weakness.

The American Institute of Certified Public Accountants' Statement on Auditing Standards No. 87 requires the inclusion of the following paragraph in this report:

This report is intended solely for the information and use of the management of the County and is not intended to be and should not be used by anyone other than these specified parties.

However, the Oklahoma Open Records Act states that all records of public bodies and public officials shall be open to any person, except as specifically exempted. The purpose of this Act is to ensure and facilitate the public's right of access to and review of government records so they may efficiently and intelligently exercise their inherent political power. Therefore, this report is a matter of public record and its distribution is in no way limited or restricted.

Sincerely,



JEFF A. McMAHAN  
State Auditor and Inspector

March 12, 2003