



PAYNE COUNTY

Financial Audit

For the fiscal year ended June 30, 2020

Cindy Byrd, CPA
State Auditor & Inspector

**PAYNE COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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Cindy Byrd, CPA | State Auditor & Inspector

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

November 15, 2021

TO THE CITIZENS OF
PAYNE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Payne County, Oklahoma for the fiscal year ended June 30, 2020. 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



**PAYNE COUNTY OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Board of County Commissioners

District 1 – Zachary Cavett

District 2 – Chris Reding

District 3 – Rocky Blasier

County Assessor

James Cowan

County Clerk

Glenna Craig

County Sheriff

Kevin Woodward

County Treasurer

Carla Manning

Court Clerk

Lori Allen

District Attorney

Laura Thomas

**PAYNE COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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FINANCIAL SECTION

Independent Auditor's Report

TO THE OFFICERS OF
PAYNE COUNTY, OKLAHOMA

Report on the Financial Statement

We have audited the combined total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Payne County, Oklahoma, as of and for the year ended June 30, 2020, and the related notes to the financial statement, which collectively comprise the County's basic financial statement as listed in the table of contents.

Management's Responsibility 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 described in Note 1, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statement is prepared by Payne County 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. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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” paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Payne County as of June 30, 2020, or changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined total of receipts, disbursements, and changes in cash balances for all county funds of Payne County, for the year ended June 30, 2020, in accordance with the basis of accounting described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined 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.

The supplementary 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. Such 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 auditing standards generally accepted in the United States of America. 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 November 3, 2021, on our consideration of Payne 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 Payne County's internal control over financial reporting and compliance.



CINDY BYRD, CPA

November 3, 2021

REGULATORY BASIS FINANCIAL STATEMENT

PAYNE COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—REGULATORY BASIS
(WITH COMBINING INFORMATION)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Beginning Cash Balances July 1, 2019	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2020
Combing Information:						
County General	\$ 8,475,690	\$ 10,940,529	\$ -	\$ -	\$ 10,108,584	\$ 9,307,635
County Highway Unrestricted	1,526,642	3,796,001	-	-	3,900,751	1,421,892
Resale Property	1,280,806	569,602	-	-	373,238	1,477,170
Health	2,699,411	1,859,019	-	-	761,412	3,797,018
Sheriff Service Fee	542,226	1,142,716	-	-	1,058,133	626,809
Self Insurance Program	3,385,335	1,126,390	-	-	484,681	4,027,044
Jail-ST	662,132	1,480,508	-	-	1,704,376	438,264
Jail Debt Payments	491,928	4,528,650	-	-	4,809,696	210,882
911 Phone Fees	890,697	724,846	-	-	467,554	1,147,989
County Bridge and Road Improvement	1,093,537	563,051	-	-	426,226	1,230,362
Court Clerk Payroll	56,322	330,900	-	-	349,410	37,812
Flood Plain	1,826	-	-	-	165	1,661
Treasurer Mortgage Certification	325,995	16,632	-	-	7,153	335,474
County Clerk Lien Fee	488,546	50,681	-	-	42,700	496,527
Sheriff Training	3,943	400	-	-	904	3,439
Free Fair Board	277,891	156,533	-	-	48,165	386,259
Assessor Revolving Fee	13,272	7,935	-	-	9,050	12,157
Sheriff Commissary	81,677	156,743	-	-	140,625	97,795
Solid Waste Management	49,045	47,465	49	-	11,802	84,757
Capital Projects	353	-	-	-	-	353
County Clerk Records Management and Preservation	319,443	87,660	-	-	53,001	354,102
Emergency Management	10,283	30,000	-	-	12,316	27,967
Local Emergency Planning Committee	2,816	-	-	-	-	2,816
Community Service Program	174	-	-	-	-	174
Rural Fire-ST	2,211,450	756,003	-	-	645,464	2,321,989
Extension-ST	749,971	314,901	-	-	281,840	783,032
Fair-ST	2,348,880	910,728	-	-	833,054	2,426,554
General Gov't-ST	1,677,913	676,152	-	-	279,190	2,074,875
Roads and Bridges-ST	4,432,941	2,395,077	-	-	806,872	6,021,146
Fire 3/8-ST	536,921	273,045	-	-	31,307	778,659
Reward Fund	49	-	-	49	-	-
County Donations	30,000	-	-	-	30,000	-
Combined Total - All County Funds	\$ 34,668,115	\$ 32,942,167	\$ 49	\$ 49	\$ 27,677,669	\$ 39,932,613

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

**PAYNE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

1. Summary of Significant Accounting Policies

A. Reporting Entity

Payne 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 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.

During the fiscal year ended June 30, 2020, the County converted to a new chart of accounts; therefore, several fund names and descriptions change. However, these changes do not reflect a change in the sources and uses of revenues over the prior fiscal year.

Following are descriptions of the county funds included as combining information within the financial statement:

County General – accounts for revenues from ad valorem, officer's fees, interest earnings, and miscellaneous collections of the County. Disbursements are for the general operations of the County.

County Highway Unrestricted – accounts for revenues from state-imposed fuel taxes and miscellaneous receipts and disbursements are for the purpose of constructing and maintaining county roads and bridges.

Resale Property – accounts for collection of interest and penalties on delinquent taxes and the disposition of same as restricted by state statute.

**PAYNE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Health – accounts for revenues from ad valorem taxes, miscellaneous fees charged by the health department, and state and federal funds. Disbursements are for the operation of the County Health Department.

Sheriff Service Fee – accounts for the collection and disbursement of sheriff process service fees as restricted by state statute. Disbursements are for any lawful expense of the Sheriff's office.

Self Insurance Program – accounts for the collection of use tax and royalty fees, and disbursements are for the general use of the County.

Jail-ST – accounts for collection of one-eighth (1/8%) sales tax allocated to county jail maintenance.

Jail Debt Payments – accounts for collection of one-fourth (1/4%) sales tax apportioned through the county to the Payne County Facilities Authority for the construction and maintenance of the jail.

911 Phone Fees – accounts for monies received from private telephone companies for the operations of emergency 911 services.

County Bridge and Road Improvement – accounts for collections from state receipts. Disbursements are for the purpose of maintaining bridges and roads.

Court Clerk Payroll – accounts for portion of Court Fund collections used to pay Court Clerk employees' salaries.

Flood Plain – accounts for monies from the Federal Government for the purpose of flood prevention.

Treasurer Mortgage Certification – accounts for the collection of fees by the Treasurer for mortgage tax certifications and the disbursement of the funds as restricted by state statute.

County Clerk Lien Fee – accounts for lien fee collections and disbursements as restricted by state statute.

Sheriff Training – accounts for the sale of property forfeited in drug cases and used for the purpose of officer training, equipment and crime prevention.

Free Fair Board – accounts for the collection of fees and donations from use of the fairground. Disbursements are for fairground and expo center maintenance and operation and capital improvements.

**PAYNE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Assessor Revolving Fee – accounts for fees charged by the County Assessor and disbursements as restrict by state statute.

Sheriff Commissary – accounts for collection of sale of commissary items to inmates. Disbursements as restricted by state statute.

Solid Waste Management – accounts for the fees and reimbursement monies collected for the operation of a solid waste system.

Capital Projects – accounts for money left over from the building and equipping of the administration building which is to be used for renovations to the administration building.

County Clerk Records Management and Preservation – accounts for fees charged for recording instruments and used for maintenance and preservation of public records.

Emergency Management – accounts for monies from the Federal Government and State of Oklahoma for the operation of Emergency Management in the County.

Local Emergency Planning Committee – accounts for state grant monies and disbursed as restricted by the grant agreement.

Community Service Program – accounts for monies received through the courts for Directed Community Service.

Rural Fire-ST – accounts for the collection of one-sixteenth (1/16%) sales tax apportioned to all fire departments in the county.

Extension-ST – accounts for the portion of three-eighths (3/8%) sales tax for the operations of the County Extension Center as restricted by the sales tax ballot.

Fair-ST – accounts for the portion of three-eighths (3/8%) sales tax for the operations of the County Expo Center and Fairboard as restricted by the sales tax ballot.

General Gov't-ST – accounts for the portion of three-eighths (3/8%) sales tax for the operation of county government as restricted by the sales tax ballot.

Roads and Bridges-ST – accounts for the portion of three-eighths (3/8%) sales tax for the construction/maintenance of county roads and bridges as restricted by the sales tax ballot.

Fire 3/8-ST – accounts for the portion of three-eighths (3/8%) sales tax apportioned by ballot for the operation of fire departments.

Reward Fund – accounts for money that is set aside for approved rewards by the County Commissioners.

**PAYNE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

County Donations – accounts for donations to the County for specified projects as restricted by resolutions approved by the BOCC.

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, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred. This regulatory basis financial presentation is not a comprehensive measure of economic condition or changes therein.

Title 19 O.S. § 171 specifies the format and presentation for Oklahoma counties to present their financial statement in accordance with accounting principles generally accepted in the United States of America (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. 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 May 31 of each year, each officer or department head submits an estimate of needs (budget) to the governing body. The budget is approved for the respective fund by office, or department and object. Within weeks, the County Budget Board may approve changes of appropriations within the fund by office or department and object.

E. Cash and Investments

For the purposes of financial reporting, “Ending Cash Balances, June 30” includes cash and cash equivalents and investments as allowed by statutes. The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County’s books. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County’s deposits. The amount of collateral securities to be pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

**PAYNE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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.

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.

**PAYNE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

B. Other Post Employment Benefits (OPEB)

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

C. Contingent Liabilities

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

The voters of Payne County approved a three-eighths of one percent (3/8%) sales tax effective January 1, 2014 and set to expire on December 31, 2018. Effective January 1, 2019 the voters of Payne County approved to extend this sales tax expiration to December 31, 2023. This sales tax was established to provide revenue for:

Road and Bridge Improvements	53%
Expo Center and Fairboard	20%
General Fund Purposes	15%
Extension Center	7%
Fire Departments-Capital Outlay and Operations	5%

These funds are accounted for in the Roads and Bridges-ST fund, Fair-ST fund, General Gov't-ST fund, Extension-ST fund, and the Fire 3/8-ST fund, respectively.

The voters of Payne County approved a one-sixteenth of one percent (1/16%) sales tax to assist the fire departments within Payne County for the purpose of operations, equipment purchases, and capital outlay. This sales tax was renewed April 1, 2017 with an effective date of April 1, 2018 and shall terminate on March 31, 2028. These funds are accounted for in the Fire-ST fund.

**PAYNE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The voters of Payne County approved a one-fourth of one percent (1/4%) sales tax for the acquiring, construction, furnishing and equipping of the new County Jail effective April 1, 2006 and will terminate on March 31, 2021. These funds are accounted for in the Jail Debt Payments fund.

The voters of Payne County approved a one-eighth of one percent (1/8%) sales tax for the payment of the costs of operation and maintenance of the county jail effective April 1, 2006 and has an unlimited duration. The funds are accounted for in the Jail-ST fund.

E. Interfund Transfers

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

- \$49 was transferred from the Reward Fund to the Solid Waste Management fund to correct a prior year receipting error and to close the fund.

SUPPLEMENTARY INFORMATION

PAYNE COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund		
	Budget	Actual	Variance
District Attorney	\$ 138,090	\$ 132,963	\$ 5,127
County Sheriff	2,795,359	2,769,367	25,992
County Treasurer	215,978	164,980	50,998
County Commissioners	315,632	280,045	35,587
County Clerk	525,747	510,366	15,381
Court Clerk	481,631	480,116	1,515
County Assessor	564,472	538,558	25,914
Revaluation of Real Property	998,013	983,064	14,949
C.L.E.A.N	15,835	13,757	2,078
General M & O	8,016,256	438,157	7,578,099
Excise-Equalization Board	6,000	4,310	1,690
County Election Board	144,877	138,693	6,184
Retirement	2,928,199	2,783,712	144,487
Early Settlement	71,646	71,035	611
Emergency Management	138,760	136,659	2,101
Solid Waste	186,660	152,659	34,001
Building Engineer	112,658	109,369	3,289
State Auditor & Inspector	209,794	209,794	-
Emergency Operations Center	71,000	70,975	25
Total Expenditures, Budgetary Basis	\$ 17,936,607	\$ 9,988,579	\$ 7,948,028

PAYNE COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—HEALTH FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Health Fund		
	Budget	Actual	Variance
Health and Welfare	\$ 4,189,974	\$ 971,671	\$ 3,218,303
Total Expenditures, Budgetary Basis	\$ 4,189,974	\$ 971,671	\$ 3,218,303

**PAYNE COUNTY, OKLAHOMA
NOTE TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

1. Budgetary Schedules

The Comparative Schedules of Expenditures—Budget and Actual—Budgetary Basis for the General Fund and the Health Fund present comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Statement of Receipts, Disbursements, and Changes in Cash Balances (with Combining Information) 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
PAYNE COUNTY, OKLAHOMA

We have audited, in accordance with the 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, the combined total—all funds of the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances (with Combining Information) of Payne County, Oklahoma, as of and for the year ended June 30, 2020, and the related notes to the financial statement, which collectively comprises Payne County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated November 3, 2021.

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. 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 for the year ended June 30, 2020, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Payne County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Payne County's internal control. Accordingly, we do not express an opinion on the effectiveness of Payne County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses: 2020-001, 2020-002, and 2020-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Payne 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 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 matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2020-004.

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

Payne County's Response to Findings

Payne County's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. Payne County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

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 result 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

November 3, 2021

**PAYNE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

SECTION 1—Findings related to the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Finding 2020-001 – Lack of County–Wide Internal Controls (Repeat Finding – 2011-001, 2012-001, 2013-001, 2014-001, 2015-001, 2016-001, 2017-001, 2018-001, 2019-001)

Condition: Through the process of gaining an understanding of the County’s internal control structure, it was noted that county-wide controls regarding Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been designed.

Cause of Condition: Policies and procedures have not been designed and implemented to address the risks of the County.

Effect of Condition: Without an adequate system of county-wide controls, there is greater risk of a breakdown in control activities which could result in unrecorded transactions, undetected errors, or misappropriation of funds.

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that the County design and implement a system of county-wide procedures to identify and address risks related to financial reporting and to ensure that information is communicated effectively. OSAI also recommends that the County design and implement monitoring procedures to assess the quality of performance over time. These procedures should be written policies and procedures and could be included in the County’s policies and procedures handbook.

Management Response:

Chairman of the Board of County Commissioners: At the suggestion of the auditors, we started quarterly analysis of our internal processes during our monthly Budget Board meetings using the list provided. It brought up some interesting questions and allowed us to create better cross-checks.

County Clerk: Payne County is a Budget Board County and as such we make all the personnel policies. The County Clerk’s office communicates regularly to all offices our procedures regarding accounting of purchase orders, balances, deadlines of purchase orders, payroll, enrollment, filings, deposits, transfers, bids, etc. We have the autonomy of our office but still communicate on what works best through methods of email, phone conversations, and Budget Board meetings. The Chairman of the Commission and Budget Board does the agenda for both meetings and has on a few occasions discussed some internal controls and reports requested by the auditors in their checklist, but not to the extent, I believe, has been requested by the auditors.

County Treasurer: The Treasurer’s office has implemented a schedule to reconcile cash drawers in county offices. Various data reconciliations in office and between county offices will continue to be analyzed, monitored and expanded. The Budget Board will continue to open discussion on ideas and procedures to strengthen the effectiveness and efficiency of the county workflow and procedures.

**PAYNE COUNTY, OKLAHOMA
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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.

The GAO Standards – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

Definition of Internal Control

Internal control is a process effected by an entity’s oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.04 states in part:

Components, Principles, and Attributes

Control Environment - The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.

Risk Assessment - Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

Information and Communication - The quality information management and personnel communicate and use to support the internal control system.

Monitoring - Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

Finding 2020-002 – Reconciliation of Appropriation Ledger to General Ledger

Condition: Based on our documentation of controls, reconciliations are not being performed between the County Clerk’s appropriation ledger and the County Treasurer’s general ledger for all funds and on a monthly basis.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the reconciliation of the County Clerk’s appropriation ledger to the County Treasurer’s general ledger for all funds.

Effect of Condition: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, and misappropriation of funds.

**PAYNE COUNTY, OKLAHOMA
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Recommendation: OSAI recommends management take steps to ensure reconciliations are performed between all funds presented on the County Clerk's appropriation ledger and the County Treasurer's general ledger. Documentation of this reconciliation should be reviewed and approved by someone other than the preparer.

Management Response:

Chairman of the Board of County Commissioners: The County Treasurer and County Clerk are working to reconcile the accounts on a more regular basis.

County Clerk: The County Clerk's office does not reconcile the General Ledger with the County Treasurer. The County Treasurer does not provide information to the County Clerk on the General Ledger such as bank statements, deposits, etc. to reconcile funds beyond what is reconciled for expenditures, warrants, and appropriations of funds. The County Treasurer's office does provide the daily packets to the County Clerk's office and the monthly General Ledger report that is reconciled with the Treasurer's office daily and monthly, as well as warrants are reconciled weekly, payroll is reconciled monthly, and all appropriation distributions are reconciled monthly. The County Clerk's office reconciles ending and beginning balances each fiscal year as well.

County Treasurer: The County Treasurer's office completes the County Treasurer's section of SAI 4315 Cash Fund Reconciliation form each month. The County Clerk has chosen not to complete the County Clerk's section of the report. The County Treasurer's office completes the County Clerk's section with the amounts from the County Clerk's appropriation ledger. The majority of the funds balance. The funds that are out of balance will be reconciled when the County Clerk and budget maker balance all accounts. The reconciliation reports are filed in the County Treasurer's office monthly.

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

Internal Control System Monitoring

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

Finding 2020-004 – Lack of Internal Controls and Noncompliance Over Discrete Presentation of Sales Tax Activity (Repeat finding 2019-004)

Condition: Upon inquiry and observation of the recordkeeping process of expending county sales tax, OSAI noted sales tax appropriations and expenditures were not discretely presented within county funds. Other sources of revenue are comingled with sales tax collection funds as follows:

- Jail Debt Payments fund received funds in the amount of \$1,600,000 that was not sales tax monies.
- Jail Sales Tax fund received funds in the amount of \$11,987 that was not sales tax monies.

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Cause of Condition: Policies and procedures have not been designed and implemented to properly appropriate the county sales tax monies in accordance with state statute and AG Opinions.

Effect of Condition: This condition resulted in noncompliance with state statute and AG Opinions.

Recommendation: OSAI recommends that the County establish policies and procedures that would allow for the sales tax balances and activity to be distinguished from other revenue sources activity within the County General fund or account for sales tax activity in a revolving fund as required by state statute and AG Opinions.

Management Response:

Chairman of the Board of County Commissioners: Policies and procedures are now in place to avoid this in the future.

County Treasurer: The \$1.6 million was originally sales tax money receipted into the Jail Debt Payments Fund. It was then deposited into the Payne County Facilities Authority account for payment of the bond issue for construction of the jail and other expenditures as per ballot language. By moving the \$1.6 million back into the original Jail Debt Payments Fund to fund jail salaries, the collection of sales tax was overstated by the \$1.6 million amount. The money was being legally spent per ballot language. The bond issue that created the collection of the Jail Debt Payments sales tax has since been paid off and closed.

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

Appropriate documentation of transactions and internal control

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

Title 68 O.S. § 1370(I) states in part, "...there are hereby created one or more county sales tax revolving funds in each county which levies a sales tax under this section if any or all of the proceeds of such tax are not to be deposited in the general revenue fund of the county or comply with the provisions of subsection G of this section. Each such revolving fund shall be designated for a particular purpose and shall consist of all monies generated by such sales tax which are designated for such purpose. Monies in such funds shall only be expended for the purposes specifically designated as required by this section. A county sales tax revolving fund shall be a continuing fund not subject to fiscal year limitations."

Additionally, AG opinion 2014 OK AG 15 dated 10/31/2014 states:

4. C. As the fiscal agent responsible for superintending the funds of Canadian County, the board of county commissioners is responsible to ensure that the sales tax proceeds are not intermingled and are used exclusively for the purpose expressed in the ballot measure and resolution. The board can direct that the funds be deposited in a dedicated revolving fund

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and not intermingled with other revenues. Okla. Const. art. X, § 19; 68 O.S. 2011, §1370; 19 O.S. Supp. 2013, § 339; 19 O.S. 2011, § 345; Cavin v. Bd. of County Comm'rs, 1934 OK 245 ¶ 11, 33 P.2d 477, 479.

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 2020-003 – Lack of Internal Controls and Noncompliance Over the Use of Credit Cards

Condition: Upon inquiry of county personnel, and review of disbursement data, it was noted that the County has applied for and used credit cards from multiple vendors. The following was noted:

- The County has two (2) credit cards with Vendor A.
 - The account with Vendor A is under a former Payne County employee’s name that has not been employed with the County since August of 2013.
- The County has one (1) credit card with Vendor B.
 - The County has a credit limit of \$1,000.
- The County has two (2) credit cards with Vendor C.
 - The County has a credit limit of \$5,000.
- The County has two (2) credit cards with Vendor D.
 - The County has a credit limit of \$14,500.
- The County has nine (9) credit cards with Vendor E.
 - Furthermore, ten (10) accounts were noted to have credit limits with Vendor E:
 - District 1 has a \$7,500 credit limit.
 - District 2 has a \$3,000 credit limit.
 - District 3 has a \$1,400 credit limit.
 - The County Clerk has a \$3,000 credit limit.
 - The County Sheriff has a \$3,000 credit limit.
 - The County Assessor has a \$3,000 credit limit.
 - The County Extension has a \$3,500 credit limit.
 - The Free Fair Board has a \$5,000 credit limit.
 - The Cushing Health Department has a \$3,000 credit limit.
 - Payne County Health Department has a \$1,500 credit limit.

Further, five (5) of eleven (11) purchase orders for the Sheriff’s statutorily allowed credit cards were reviewed. The following was noted:

- The credit card has a limit that exceeds state statute limitations.
- Meal expenditures are not tracked by employee per day and compared to per diem rates to ensure employees are not exceeding per diem limits.
- Purchasing procedures for lodging according to the handbook are not being followed with use of the credit card.

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- One purchase order incurred expenses prior to encumbrance totaling \$1,981.
- One expense on the credit card is not supported by adequate receipts totaling \$44 of unsupported charges.
- Four purchases on the credit card exceeded General Services Administration (GSA) state rate in lodging and did not contain an explanation as required per County handbook totaling \$1,033 in excess charges.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with state statutes, County handbook and to strengthen internal controls over the County's credit cards and use of credit cards.

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

Recommendation: OSAI recommends that the County eliminate all credit cards other than the statutorily allowed Sheriff's credit cards, as well as design and implement policies and procedures to ensure that the Sheriff's department request approval from the Board of County Commissioners to apply for a credit card or cards for the purchase of materials, supplies or services necessary for travel out of the County and the application shall be made in the name of the County and any credit cards must be issued in the name of the County in accordance with 19 O.S. § 1506. OSAI recommends that the Sheriff's credit cards not exceed state statute, and ensure meal expenditures are tracked to ensure per diem rates are not exceeded, purchasing procedures for lodging in accordance with the County's handbook is followed, all expenses are supported by documentation, and all amounts do not exceed the GSA state rate.

Management Response:

Chairman of the Board of County Commissioners: The businesses we use these cards with changed their banking and card service providers over the last year. However, there was no change in how these cards operated for us. The debate started as to whether these are now credit cards or convenience cards that simply allow us to purchase now and pay through our normal purchase order procedure. The overriding question that we are still trying to resolve is are these credit cards? We argue no, since no balance can be carried over from pay period to pay period, and no ability to pay out over time exists, hence no credit cards. However, some argue that since they are run by credit cards companies that they are credit cards and the fact that payments cannot be spread over time is irrelevant. Until we get a definitive answer from the Attorney General, we have pulled back use of the cards as much as possible unless required by the vendor. However, the way we use these is well within the intent of the purchasing law.

County Clerk: I as the County Clerk have tried on numerous occasions since 2018 to get a directive and opinion from the Payne County District Attorney's office on credit cards and charge card use for Payne County departments. In 2019, I requested information as to charges on the Sheriff's credit cards to meals, travel, and expense that far exceeded what was allowed on the county travel or travel that was recognized or approved by the state statutes. The District Attorney's (DA) office asked for an AG's opinion in regard to the Sheriff's Department expenditures on the credit cards that exceeded the allowable charge limit, number of cards issued to the department, as well as expenditures. I as the County Clerk questioned in 2018 the charging by use of the cards at Vendor #1 and was told at the time by the Assistant District Attorney

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(ADA) that as long as the purchase order was in place before the card was swiped, then the card could be used, even though I questioned if this was a credit card. Again in 2021, I as the County Clerk questioned the use of Vendor #1 credit cards, as they are now being issued by a very well-known credit card company. When I asked again for an opinion from the DA's office on the use of these cards that appear to be a credit card, I was told that the individual officials must determine if these are cards, as the DA's office does not give opinions on matters of fact. I asked again for the DA's office to help determine if these are credit cards and should they be used by Payne County Departments and I received an email from the ADA with "No Reply" to my email and no opinion was given to me or my office giving directions on these cards and if these cards should be used for purchases. I believe that I was not given the legal guidance that I am allowed by the law regarding this matter by my statutory legal counsel, nor was my purchasing agent. I view these are credit cards and my office has cancelled the card associated with my office, but other officials continue to use them.

County Sheriff: I was not in office at the time the credit card was used. However, I will review the credit limit on the credit card to make sure it is within the statute limitations. My office will review our policy regarding meals and lodging. We will make sure all purchase orders are encumbered prior to purchasing. We will make sure all employees provide detailed receipts of their purchases. We have given proper direction to all staff on following GSA pricing for travel expenses.

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

Title 19 O.S. § 1506 prescribes the procedures for the application and use of County credit cards.

**PAYNE COUNTY, OKLAHOMA
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Finding 2020-005 – Lack of Internal Controls and Noncompliance Over Fixed Assets

Condition: Upon inquiry, observation and a test of fixed assets, the following weaknesses were noted:

District 2:

- Of the ten (10) fixed asset items tested, one (1) item was not properly marked with a County identification number.

District 3:

- Of the ten (10) fixed asset items tested, two (2) items were not properly marked with a County identification number.

Ripley Fire Department:

- Of the five (5) fixed asset items tested, three (3) items were not properly marked with a County identification number.
- One (1) of the five (5) items tested could not be located.

Glencoe Fire Department:

- Of the five (5) fixed asset items tested, five (5) items were not properly marked with a County identification number.
- One (1) of the five (5) items tested was not properly marked "Property of Glencoe Fire Department" or "Property of Payne County" on both sides.
- The Auditor observed the Glencoe Fire Department's fixed assets being used for personal use.

The following offices/departments did not file an annual inventory with the County Clerk's office:

- District 1
- District 2
- County Sheriff
- OSU Extension Office
- Health Department
- Emergency Management
- Ripley Fire Department
- Glencoe Fire Department

Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with state statutes for the accurate reporting of fixed assets, for fixed asset items to be properly marked with a County identification number and "Property of", properly used, and an annual inventory is completed and file with the County Clerk's office.

Effect of Condition: These conditions resulted in noncompliance with state statutes and could result in inaccurate fixed asset records, misuse and/or loss of fixed assets as well as liability issues to the County.

**PAYNE COUNTY, OKLAHOMA
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Recommendation: OSAI recommends the County design and implement policies and procedures to ensure compliance with state statutes by maintaining accurate inventory records, prescribing a uniform identification system for all fixed asset items and marking fixed assets with a County identification number and “Property of” on both sides. OSAI also recommends all offices of the County perform and document an annual inventory of fixed assets and file the review with the County Clerk’s office.

OSAI further recommends that management implement policies and procedures to ensure compliance with the County Handbook that addresses the issue of using County property for personal use.

OSAI also recommends management implement policies and procedures to ensure compliance with state statutes regarding the disposition of County property with an original cost exceeding \$500 and ensure all fixed assets are properly marked with county identification numbers in accordance with 19 O.S. § 1502(A)(1), 19 O.S. § 1502(B)(1), and further, any fixed assets required, are properly identify with “Property of ...,” in accordance with 69 O.S. § 645.

Management Response:

Chairman of the Board of County Commissioners: We are on a continual quest for better marking labels, but this has been a constant struggle in the past to find labels that actually stick. However, in discussions with the auditors, we found out that we can paint or etch the numbers on the item instead of the stickers. The ability to paint or etch the numbers on the items will help a great deal for future marking. We are currently implementing better procedures for the marking of county inventory items. There were also some county vehicles that were missing stickers on the outside of the vehicles. These are being addressed as well.

We will highly recommend that each Fire District send a representative to a county purchasing class. We will also recommend that they not use county paid equipment for personal use.

County Commissioner District 1: District 1 will complete an annual inventory and file it with the County Clerk’s office on or before July 1 yearly.

County Commissioner District 3: We will make sure all fixed asset items are properly marked with a County Identification number.

County Sheriff: We have already worked to resolve this issue by putting measures in place to more accurately track Sheriff’s office assets.

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.

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

Physical control over vulnerable assets

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

The GAO Standards – Section 2 – Objectives of an Entity – OV2.24 states in part:

Safeguarding of Assets

Management designs an internal control system to provide reasonable assurance regarding prevention or prompt detection and correction of unauthorized acquisition, use, or disposition of an entity's assets.

The County handbook for Use of County Property states the following:

“No County official or employee may use County property for his or her own personal use.”

Title 19 O.S. § 178.1 requires the board of county commissioners in each county of this state to take or cause to be taken, an inventory of all working tools, apparatus, machinery and equipment.

Title 19 O.S. § 178.2 requires each elected official to create and maintain inventory records and to file these records with the county clerk.

Title 19 O.S. § 1502(A)(1) requires a prescribed uniform identification system for all supplies, materials, and equipment of a county used for maintenance for roads and bridges.

Title 19 O.S. § 1502(B)(1) requires a prescribed uniform identification system for all supplies, materials, and equipment of a county not used in the construction and maintenance for roads and bridges.

Title 69 O.S. § 645 requires all county owned, rented, or leased road machinery or equipment be clearly and visibly marked “Property Of ...”

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



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