



# ROGER MILLS COUNTY

## Financial Report

For the fiscal year ended June 30, 2023

**Cindy Byrd, CPA**  
State Auditor & Inspector

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

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**OKLAHOMA**  
Office of the State Auditor & Inspector

**Cindy Byrd, CPA | State Auditor & Inspector**

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February 7, 2025

TO THE CITIZENS OF  
ROGER MILLS COUNTY, OKLAHOMA

Transmitted herewith is the audit of Roger Mills County, Oklahoma for the fiscal year ended June 30, 2023. The audit was conducted in accordance with 19 O.S. § 171.

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

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

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

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

Sincerely,

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

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

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**Board of County Commissioners**

District 1 – Brian Hay  
District 2 – Justin Walker  
District 3 – Monty Denney

**County Assessor**

Sarah Batterton

**County Clerk**

Jymay McLeod

**County Sheriff**

Brian Smith

**County Treasurer**

Cassie Drake

**Court Clerk**

Jan Bailey

**District Attorney**

Angela Marsee

**ROGER MILLS COUNTY, OKLAHOMA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**TABLE OF CONTENTS**

FINANCIAL SECTION

Report of State Auditor and Inspector .....	1
Financial Statement:	
Statement of Receipts, Disbursements, and Changes in Cash Balances—Regulatory Basis .....	4
Notes to the Financial Statement.....	5

SUPPLEMENTARY INFORMATION

Comparative Schedule of Expenditures—Budget and Actual—Budgetary Basis—General Fund.....	11
Note to Supplementary Information .....	12

INTERNAL CONTROL AND COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	13
Schedule of Findings and Responses .....	15

## **FINANCIAL SECTION**



## **Independent Auditor's Report**

TO THE OFFICERS OF  
ROGER MILLS COUNTY, OKLAHOMA

### **Report on the Audit of the Financial Statement**

#### ***Opinion***

We have audited the total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Roger Mills County, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statement.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the regulatory basis total receipts, disbursements, and changes in cash balances for all county funds of Roger Mills County, as of and for the year ended June 30, 2023, in accordance with the financial reporting provisions of Title 19 O.S. § 171 of Oklahoma Statutes described in Note 1.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles (U.S. GAAP) section of our report, the financial statement referred to above does not present fairly, in accordance with U.S. GAAP, the financial position of Roger Mills County as of June 30, 2023, or changes in financial position for the year then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Roger Mills County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinions.

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

As described in Note 1, the financial statement is prepared by Roger Mills County using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than U.S. GAAP to meet the requirements of the State of Oklahoma. The effects on the financial statement of the

variances between the regulatory basis of accounting described in Note 1 and U.S. GAAP, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the regulatory basis of accounting prescribed or permitted by Oklahoma state law, and for determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Roger Mills County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Roger Mills County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Roger Mills County's ability to continue as a going concern for a reasonable period of time.

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



### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2025, on our consideration of Roger Mills 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 Roger Mills County's internal control over financial reporting and compliance.



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

January 13, 2025

## **REGULATORY BASIS FINANCIAL STATEMENT**

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

	Beginning Cash Balances July 1, 2022	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2023
County Funds:				
County General	\$ 4,862,557	\$ 2,109,070	\$ 2,409,190	\$ 4,562,437
County Highway Unrestricted	5,478,633	5,306,612	4,904,611	5,880,634
County Bridge and Road Improvement	1,124,422	401,163	258,031	1,267,554
911 Phone Fees	46,215	45,141	39,004	52,352
Assessor Revolving Fee	61,377	4,492	15,515	50,354
County Clerk Lien Fee	546,592	27,270	54,775	519,087
County Clerk Records Management and Preservation Fund	141,715	38,098	-	179,813
Court Clerk Payroll	8,065	-	6,639	1,426
Resale Property	64,774	24,593	8,204	81,163
Reward Fund	310	-	-	310
Sheriff Forfeiture	7,303	-	-	7,303
Sheriff Service Fee	715,944	73,792	130,789	658,947
Treasurer Mortgage Certification	3,411	690	202	3,899
Hospital-ST	37,520	508,592	479,136	66,976
Rural Fire-ST	1,022,096	79,359	166,094	935,361
Senior Citizens-ST	54,739	36,025	21,430	69,334
Emergency Management-ST	81,105	7,605	30,620	58,090
Extension-ST	183,909	12,715	18,291	178,333
Fair-ST	53,044	16,105	17,695	51,454
Economic Development-ST	54,957	2,967	-	57,924
General Gov't-ST	1,477,969	194,282	123,077	1,549,174
Roads and Bridges-ST	125,372	-	-	125,372
Rural Economic Action Plan Revolving Fund	-	50,591	50,591	-
Opioid Abatement Settlement	-	11,227	-	11,227
Community Expansion of Nutrition Assistance Revolving Fund	-	7,560	7,560	-
American Rescue Plan Act 2021	259,305	349,850	226,370	382,785
Local Assistance and Tribal Consistency Fund (LATCF)	-	50,150	-	50,150
<b>Total - All County Funds</b>	<b>\$ 16,411,334</b>	<b>\$ 9,357,949</b>	<b>\$ 8,967,824</b>	<b>\$ 16,801,459</b>

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

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

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**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

Roger Mills County is a subdivision of the State of Oklahoma created by the Oklahoma Constitution and regulated by Oklahoma Statutes.

The accompanying financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds under the control of the primary government. The general fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund, where its use is restricted for a specified purpose. Other funds established by statute and under the control of the primary government are also presented.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical service districts, libraries, school districts, and cities and towns. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement; those funds play no part in the County's operations. Any trust or agency funds maintained by the County are not included in this presentation.

**B. Fund Accounting**

The County uses funds to report on receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

County General – accounts for revenue derived mostly from ad valorem tax as directed by the Oklahoma Constitution and state statutes. Other revenue includes fees, in-lieu taxes, and other miscellaneous collections. Disbursements are for general operations of the County.

County Highway Unrestricted – accounts for revenue from motor fuel and motor vehicle taxes and is designated for those activities associated with building and maintaining county roads and bridges.

County Bridge and Road Improvement – accounts for collections from fuel and gas taxes collected by Oklahoma Tax Commission and disbursements are for the purpose of constructing and maintaining county bridges and roads.

911 Phone Fees – accounts for fees collected by phone service providers in accordance with state statute to support 911 emergency operations.

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

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Assessor Revolving Fee – accounts for the collection of fees for copies as restricted by state statute.

County Clerk Lien Fee – accounts for revenue generated from filing and copy fees. Proceeds to be expended as restricted by state statute.

County Clerk Records Management and Preservation Fund – accounts for fees collected for instruments filed in the County Clerk’s office. Expenditures are restricted to activities related to preservation of records in the County Clerk’s office.

Court Clerk Payroll – accounts for funds from the Court Fund for compensation of the District Court employees.

Resale Property – accounts for interest and penalties assessed on delinquent ad valorem tax payments as well as proceeds of selling real property in the County which has remained delinquent in ad valorem tax payments for three years. The fund is utilized by the County Treasurer for offsetting the costs associated with the collection of delinquent ad valorem taxes.

Reward Fund – accounts for revenue provided by fines assessed upon persons convicted of illegal dumping of trash, debris, waste, or other substances that may cause fire on public or private property. The Board of County Commissioners may use this fund to offer and pay a reward to individuals offering information that leads to an arrest and conviction. The fund may also be used for special enforcement programs related to investigating and/or preventing littering and illegal dumping.

Sheriff Forfeiture – accounts for proceeds from the sale of property seized by law enforcement as ordered by the court. The fund is used for law enforcement purposes and/or drug prevention and eradication.

Sheriff Service Fee – accounts for collection of fees and reimbursements for revenues such as process fees and disbursements as restricted by state statute.

Treasurer Mortgage Certification – accounts for fees collected by the County Treasurer for evaluating mortgages or other liens upon real property filed with the county for the purpose of collateralizing debt. The fund is used for lawful operation of the County Treasurer’s office.

Hospital-ST – accounts for sales tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Rural Fire-ST – accounts for sales tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

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

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Senior Citizens-ST – accounts for sales tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Emergency Management-ST – accounts for sales tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Extension-ST – accounts for sales tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Fair-ST – accounts for sales tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Economic Development-ST – accounts for sales tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

General Gov't-ST – accounts for sales tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Roads and Bridges-ST – accounts for sales tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Rural Economic Action Plan Revolving Fund – accounts for revenue from the State of Oklahoma for the purpose of economic development.

Opioid Abatement Settlement – accounts for court settlement from class-action lawsuits against opioid manufacturers and distributors. Proceeds to be used in accordance with the settlement agreement for opioid abatement.

Community Expansion of Nutrition Assistance Revolving Fund – accounts for the collection of grant monies to be disbursed for the operation of the community center(s).

American Rescue Plan Act 2021 – accounts for monies received from the United States Department of Treasury and disbursed for responding to the COVID-19 public health emergency and its negative economic impact, premium pay to eligible workers, the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, and investments in water, sewer, and broadband infrastructure as restricted by federal requirements.

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

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Local Assistance and Tribal Consistency Fund (LATCF) – accounts for federal funding made available through the American Rescue Plan Act of 2021 to be used in the same manner as other locally generated revenue.

**C. Basis of Accounting**

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

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

**D. Budget**

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

**E. Cash and Investments**

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

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County’s deposits. The amount of collateral securities to be

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

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pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

The County Treasurer has been authorized by the County's governing board to make investments. Allowable investments are outlined in statutes 62 O.S. § 348.1 and § 348.3.

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

**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



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

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the provisions of the Plan. OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73105 or by calling 1-800-733-9008.

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

**B. Other Post Employment Benefits (OPEB)**

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

**C. Contingent Liabilities**

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

As of the end of the fiscal year, there were no claims or judgments that would have a material adverse effect on the financial condition of the County; however, the outcome of any lawsuit would not be determinable.

**D. Sales Tax**

**Sales Tax of April 2, 2019**

On April 2, 2019, Roger Mills County voters approved a one and one-half percent (1.5%) sales tax effective December 1, 2019 and ending in six (6) years. The Roger Mills County Hospital Authority is to receive .9 of one cent. The Roger Mills County Rural Fire Departments are to receive .125 of one cent (Cheyenne, Crawford, Hammon, Reydon, Strong City, and Berlin each receiving 14.29% and Leedey and Sweetwater each receiving 7.13%). The remaining .475 of one cent is for the general operation and capital improvements for the Roger Mills County Senior Citizens Centers, Emergency Management, OSU Extension Office, Fair Board, Rural Economic Development, Sheriff's Office, Treasurer Office, County Clerk Office, Assessor Office, Court Clerk Office, General Government Department, Election Board Office, Excise Board Office and road materials.

The sales tax is accounted for in the following funds: General Gov't-ST, Emergency Management-ST, Economic Development-ST, Extension-ST, Rural Fire-ST, Senior Citizens-ST, Fair-ST, Hospital-ST, and Road and Bridges-ST.

## **SUPPLEMENTARY INFORMATION**

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

	General Fund		
	Budget	Actual	Variance
District Attorney	\$ 9,700	\$ 1,686	\$ 8,014
County Sheriff	826,228	694,435	131,793
County Treasurer	168,437	153,962	14,475
County Commissioners	480,000	107,579	372,421
County Clerk	201,995	187,851	14,144
Court Clerk	143,280	122,204	21,076
County Assessor	120,556	116,587	3,969
Revaluation of Real Property	138,536	91,221	47,315
General Government	2,604,544	129,307	2,475,237
Excise - Equalization Board	15,000	5,297	9,703
County Election Expense	80,808	72,443	8,365
Insurance - Benefits	1,151,000	641,018	509,982
Civil Defense	91,317	33,793	57,524
Charity	6,000	-	6,000
Planning and Zoning Board	10,000	-	10,000
Tick Eradication Account	5,000	2,400	2,600
County Audit Budget Account	14,636	1,818	12,818
Public Health Budget Account	1,000	-	1,000
Flood Planning Board	10,000	-	10,000
Total Expenditures, Budgetary Basis	<u>\$ 6,078,037</u>	<u>\$ 2,361,601</u>	<u>\$ 3,716,436</u>

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

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**1. Budgetary Schedule**

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

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

## **INTERNAL CONTROL AND COMPLIANCE SECTION**



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

TO THE OFFICERS OF  
ROGER MILLS COUNTY, OKLAHOMA

We have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the total—all county funds of the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances of Roger Mills County, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise Roger Mills County's financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated January 13, 2025.

Our report included an adverse opinion on the financial statement because the statement is prepared using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). However, our report also included our opinion that the financial statement does present fairly, in all material respects, the receipts, disbursements, and changes in cash balances – regulatory basis of the County as of and for the year ended June 30, 2023, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered Roger Mills County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Roger Mills County's internal control. Accordingly, we do not express an opinion on the effectiveness of Roger Mills 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: 2023-001 and 2023-002.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Roger Mills County's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2023-002.

### **Roger Mills County's Response to Findings**

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

### **Purpose of this Report**

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



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

January 13, 2025

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

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**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 2023-001 – Lack of County–Wide Internal Controls (Repeat Finding – 2015-001, 2016-001, 2017-001, 2018-001, 2019-001, 2020-001, 2021-001, 2022-001)**

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

**Cause of Condition:** Policies and procedures have not been designed and implemented to address Risk Assessment and Monitoring 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:** Policies and procedures will be implemented to ensure that county-wide internal controls over Risk Assessment and Monitoring are effective.

**County Clerk:** I have requested that all offices complete and update individual risks plans for their office. Some offices, including mine, has been derelict in getting the plans updated. I will make this a priority for my office.

**County Treasurer:** We will implement policies and procedures to incorporate the OSAI recommended checklist with the Board of County Commissioners to better the County’s Risk Assessment and Monitoring.

**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 quasigovernmental entities.



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

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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 2023-002 – Lack of Internal Controls and Noncompliance Over Disbursements**

**Condition:** Upon inquiry of county personnel, observation of the County's disbursement process, and a test of forty-nine (49) disbursements, the following weaknesses were noted:

- Four (4) disbursements totaling \$17,359 were not encumbered prior to receiving goods or services.
- One (1) disbursement in the amount of \$4,000 was not properly reviewed or authorized and was not supported by adequate documentation.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure compliance with state statute and to ensure internal controls over the disbursement process is properly designed and implemented.

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

**Recommendation:** OSAI recommends the County design and implement a system of internal controls over the disbursement process. Such controls should include ensuring that funds are encumbered prior to the receipt of goods and/or services, disbursements are supported by adequate documentation, purchases are

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

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properly reviewed and authorized, and that purchase orders and warrants are issued in accordance with 19 O.S. § 1505.

**Management Response:**

**Chairman of the Board of County Commissioners:** We plan to implement more policies and procedures to ensure compliance with proper purchasing procedures.

**County Clerk:** Every step in our disbursement procedure is scrutinized by personnel in my office and is verified by me. There are times however, that human error presides and mistakes in procedures are made. We strive to always do things according to statute and moderate activity as best as we can. It is unfortunate that sometimes things do slip through. It is not our intention to ever have errors or items of findings. We do aim for perfection in our daily duties.

**County Assessor:** I assumed this position after the audit period, however, in the future I will try to monitor all purchases to ensure compliance with state statute.

**County Sheriff:** We overlooked submitted documentation for compliance and will ensure more observation of supporting documents before submitting a disbursement for payment.

**Criteria:** The GAO Standards – Section 2 – Objectives of an Entity – 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 – Define 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.

Further, effective internal controls require that management properly implement procedures to ensure that expenditures comply with 19 O.S. § 1505.

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

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**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.**

No matters were reported.



Cindy Byrd, CPA | State Auditor & Inspector

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