

**ROGER MILLS COUNTY, OKLAHOMA
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2003**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

September 28, 2004

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, 2003. A report of this type is critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

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

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

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

**ROGER MILLS COUNTY, OKLAHOMA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003**

TABLE OF CONTENTS

INTRODUCTORY SECTION (Unaudited)

Report to the Citizens of Roger Mills County.....	iii
County Officials and Responsibilities.....	iv
Ad Valorem Tax Distribution.....	ix

FINANCIAL SECTION

Report of State Auditor and Inspector.....	1
Special-Purpose Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash Balances - All Funds.....	3
Comparative Statement of Receipts, Expenditures, and Changes in Cash Balances - Budget and Actual - General Fund.....	4
Detailed Statement of Receipts, Disbursements, and Changes in Cash Balances - Official Depository Accounts	6
Notes to the Financial Statements.....	7

COMPLIANCE/INTERNAL CONTROL SECTION

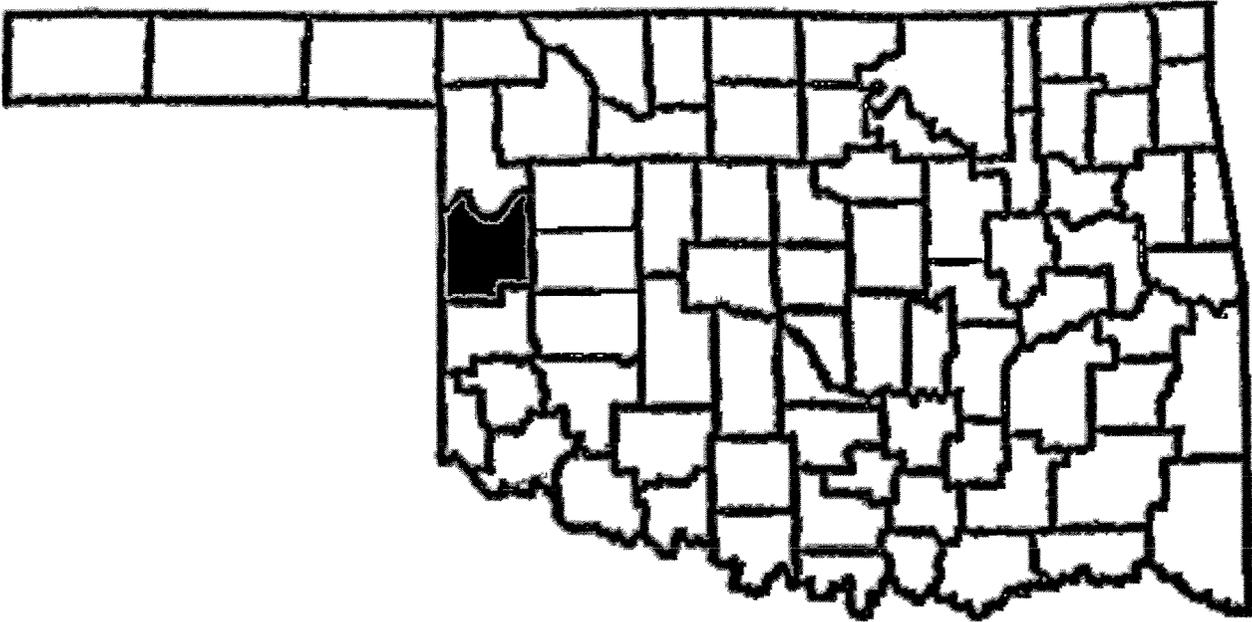
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	17
Schedule of Findings and Recommendations	19

**ROGER MILLS COUNTY, OKLAHOMA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003**

STATISTICAL DATA (Unaudited)

Top Ten Taxpayers.....	22
Computation of Legal Debt Margin	23
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	24
Assessed Value of Property	25

REPORT TO THE CITIZENS
OF
ROGER MILLS COUNTY, OKLAHOMA



Roger Mills County was opened to settlement in the land run into the Cheyenne and Arapaho reservations on April 19, 1892. In November 1892, an election changed the name to honor Roger Q. Mills of Texas, a former U.S. Senator. West of Cheyenne is the marker commemorating the Battle of the Washita where General George Armstrong Custer raided a Cheyenne Indian village on November 27, 1868.

County Seat – Cheyenne

Area – 1141.9 Square Miles

County Population – 3,436
(2000 est.)

Farms – 680

Land in Farms – 690,568 Acres

Source: Oklahoma Almanac 2003-2004

See independent auditor's report.

**ROGER MILLS COUNTY OFFICIALS
AND RESPONSIBILITIES**

COUNTY ASSESSOR

Glenda S. Kirk
(D) Cheyenne

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

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

COUNTY CLERK

Jimmy Beavin
(D) Cheyenne

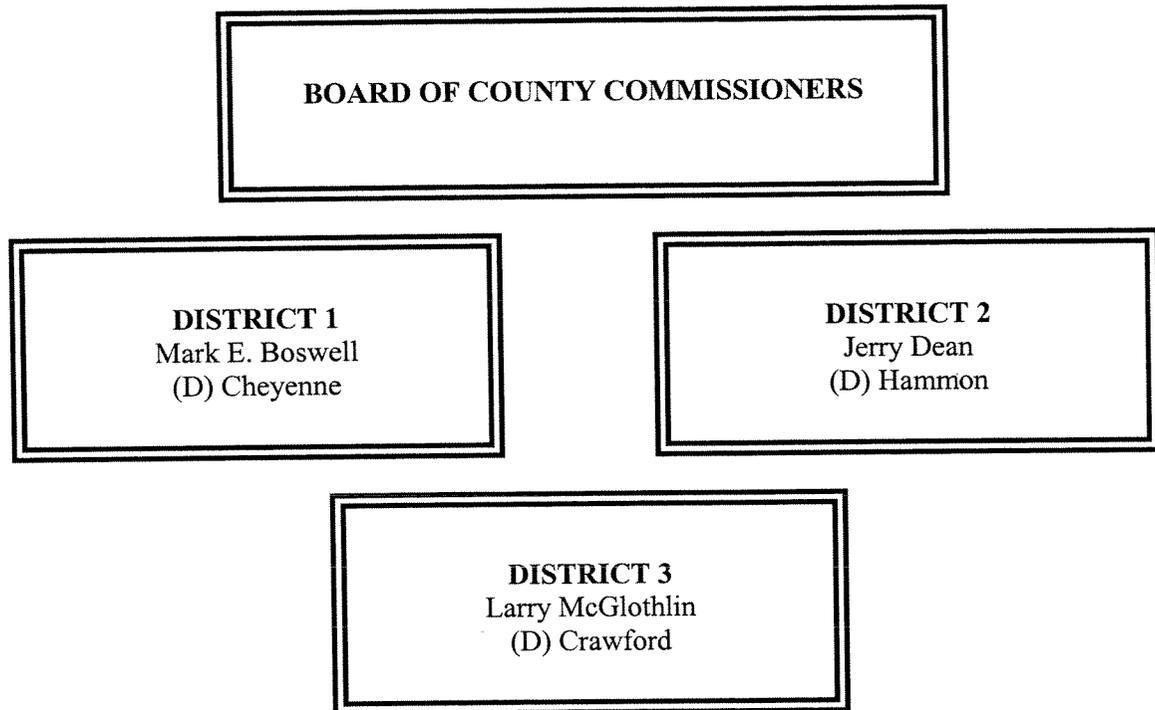
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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

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

See independent auditor's report.

**ROGER MILLS COUNTY OFFICIALS
AND RESPONSIBILITIES**



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

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

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

See independent auditor's report.

**ROGER MILLS COUNTY OFFICIALS
AND RESPONSIBILITIES**

COUNTY SHERIFF
Joe Hay
(D) Cheyenne

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

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

COUNTY TREASURER
John L. Smith
(D) Cheyenne

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

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

See independent auditor's report.

**ROGER MILLS COUNTY OFFICIALS
AND RESPONSIBILITIES**

COURT CLERK
Geneece Cook
(D) Cheyenne

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

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

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

Monies from the court fund are identified for distribution by the Court Clerk to the appropriate units of county and state government. Court Clerks use forms and follow procedures prescribed by the Court Administrator's Office, the Oklahoma Supreme Court, and the State Auditor and Inspector.

DISTRICT ATTORNEY
Dennis Smith
(D) Clinton

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

See independent auditor's report.

**ROGER MILLS COUNTY OFFICIALS
AND RESPONSIBILITIES**

ELECTION BOARD SECRETARY

Donna L. Eakins

(D) Cheyenne

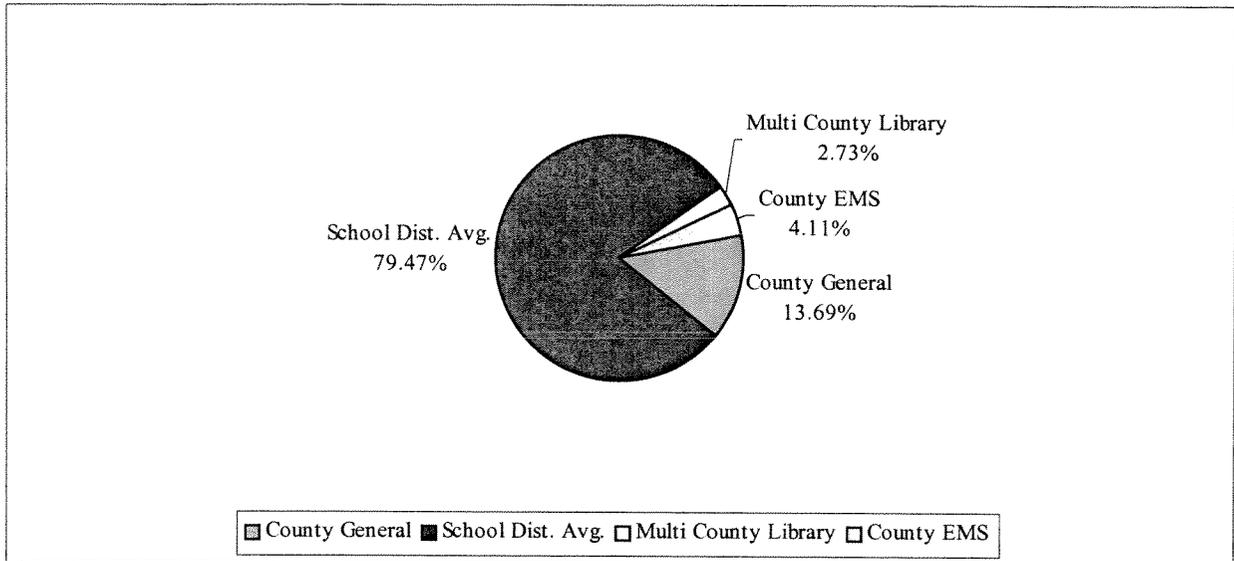
The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within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

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

See independent auditor's report.

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

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



County-Wide Millages			School District Millages						
				Gen.	Bldg.	Skg.	Tech Cntr.	Common	Total
Co. General	10.57								
Multi-County Library	2.11	Cheyenne	I-7	36.94	5.28	4.62		4.23	51.07
County EMS	3.17	Reydon	I-6	37.09	5.30			4.23	46.62
		Leedey	I-3	37.49	5.36	15.02		4.23	62.10
		Sweetwater	I-15	37.73	5.39		12.53	4.23	59.88
		Hammon	I-66	36.74	5.25		12.53	4.23	58.75
		Sayre	Jl-31	36.47	5.21	13.83	12.53	4.23	72.27
		Merritt	2V12	35.30	5.04	12.17	12.53	4.23	69.27
		Elk City	6V12	36.07	5.15	13.00	12.53	4.23	70.98

See independent auditor's report.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

Independent Auditor's Report

TO THE OFFICERS OF
ROGER MILLS COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Roger Mills County, Oklahoma, as of and for the year ended June 30, 2003, as listed in the table of contents. These special-purpose financial statements are the responsibility of Roger Mills County's management. Our responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of all funds of Roger Mills County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund of the County, and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Roger Mills County in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of all funds of Roger Mills County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund of the County, as of and for the year ended June 30, 2003, in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

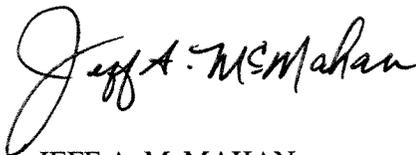
Our audit was performed for the purpose of forming an opinion on the special-purpose financial statements of Roger Mills County, Oklahoma, taken as a whole. The information listed in the table of contents under *Introductory Section* and *Statistical Data* has not been audited by us, and accordingly,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

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

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

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

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMAHAN". The signature is written in a cursive style with a large, looped initial "J".

JEFF A. McMAHAN
State Auditor and Inspector

August 30, 2004

Special-Purpose Financial Statements

**ROGER MILLS COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES - ALL FUNDS
FOR THE YEAR ENDED, JUNE 30, 2003**

All County Funds	Beginning Cash Balances July 1, 2002	Receipts Apportioned	Disbursements	Cancelled Vouchers	Transfers In	Transfers Out	Ending Cash Balances June 30, 2003
General Fund	\$ 381,002	\$ 1,531,030	\$ 1,092,703	\$	\$	\$	\$ 819,329
Highway Cash	1,778,613	6,009,264	5,506,494				2,281,383
Resale Property	53,822	7,013	12,830				48,005
Treasurer Mortgage Tax Certification Fee	6,600	1,000	813				6,787
County Clerk Lien Fee	67,422	20,050	9,228				78,244
County Clerk Records' Preservation Fee	29,835	27,225					57,060
Assessor Revolving	2,715	456	382				2,789
Assessor Visual Inspection	8,083	195	3,646				4,632
Sheriff County/City	22,511	73,325	70,716				25,120
Sheriff Prisoner Revolving	193,813	129,025	136,046				186,792
Sheriff Local Law Enforcement Block Grant	1,385					(1,385)	
Sheriff Forfeiture					1,385		1,385
Sheriff Service Fee	51,699	16,839	1,654				66,884
Sheriff Law Enforcement		4,889					4,889
Roger Mills Art Council		5,000	5,000				
Berlin Community REAP Grant		2,000	2,000				
Sales Tax							
OSU	90,236	28,316	44,491				74,061
Rural Fire Department	165,606	102,018	86,378				181,246
Civil Defense	14,913	14,240	6,048				23,105
Roger Mills Senior Citizens	33,098	37,808	46,620				24,286
Free Fair	22,649	21,682	13,350				30,981
Schools	53,044	3,471,767	3,518,230				6,581
Cities and Towns	4,775	77,245	78,055				3,965
Economic Development - Cash	3,051	9,183					12,234
Individual Redemption	166	4,956	4,470				652
Law Library	2,728	8,149	10,013				864
Multi-County Library	2,155	122,167	124,089				233
County EMS	3,218	165,881	168,748				351
EMS I-3	16	17,887	17,903				
2000 Protest Tax	338,292	399	338,691				
2001 Protest Tax	488,407	927	479,592				9,742
2002 Protest Tax		6,665					6,665
Official Depository	29,908	528,093	435,247	1,706			124,460
Hospital Sales Tax	42,266	734,609	704,793				72,082
Change Drawer	200						200
Total County Funds	<u>\$ 3,892,228</u>	<u>\$ 13,179,303</u>	<u>\$ 12,918,230</u>	<u>\$ 1,706</u>	<u>\$ 1,385</u>	<u>\$ (1,385)</u>	<u>\$ 4,155,007</u>

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

ROGER MILLS COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

	General Fund			
	Original	Final	Actual	Variance
	Budget	Budget		
Beginning Cash Balances	\$ 381,002	\$ 381,002	\$ 381,002	\$ -
Less: Prior Year Outstanding Warrants	(63,100)	(63,100)	(63,100)	
Less: Prior Year Encumbrances	(5,844)	(5,844)	(4,608)	1,236
Beginning Cash Balances, Budgetary Basis	<u>312,058</u>	<u>312,058</u>	<u>313,294</u>	<u>1,236</u>
Receipts:				
Ad Valorem Taxes	533,198	533,198	609,862	76,664
Sales Tax	80,000	80,000	280,031	200,031
Charges for Services	70,500	70,500	89,508	19,008
Intergovernmental Revenues	74,450	75,324	402,579	327,255
Miscellaneous Revenues	131,000	131,000	149,050	18,050
Total Receipts, Budgetary Basis	<u>889,148</u>	<u>890,022</u>	<u>1,531,030</u>	<u>641,008</u>
Expenditures:				
District Attorney	2,000	2,000	1,866	134
Capital Outlay				
Total District Attorney	<u>2,000</u>	<u>2,000</u>	<u>1,866</u>	<u>134</u>
County Sheriff	292,142	292,142	292,048	94
Capital Outlay				
Total County Sheriff	<u>292,142</u>	<u>292,142</u>	<u>292,048</u>	<u>94</u>
County Treasurer	78,753	78,753	77,388	1,365
Capital Outlay	1,000	1,000		1,000
Total County Treasurer	<u>79,753</u>	<u>79,753</u>	<u>77,388</u>	<u>2,365</u>
County Commissioners	5,000	5,000	4,913	87
Capital Outlay	3,000	3,000	590	2,410
Total County Commissioners	<u>8,000</u>	<u>8,000</u>	<u>5,503</u>	<u>2,497</u>
County Clerk	138,942	136,942	136,918	24
Capital Outlay	4,000	6,000	5,641	359
Total County Clerk	<u>142,942</u>	<u>142,942</u>	<u>142,559</u>	<u>383</u>
Court Clerk	69,714	69,714	68,547	1,167
Capital Outlay				
Total Court Clerk	<u>69,714</u>	<u>69,714</u>	<u>68,547</u>	<u>1,167</u>
County Assessor	72,463	72,463	69,777	2,686
Capital Outlay	200	200		200
Total County Assessor	<u>72,663</u>	<u>72,663</u>	<u>69,777</u>	<u>2,886</u>
Revaluation of Real Property	92,531	92,531	61,438	31,093
Capital Outlay	500	500	219	281
Total Revaluation of Real Property	<u>93,031</u>	<u>93,031</u>	<u>61,657</u>	<u>31,374</u>
General Government	147,100	147,100	115,876	31,224
Capital Outlay	49,601	49,601	15,165	34,436
Total General Government	<u>196,701</u>	<u>196,701</u>	<u>131,041</u>	<u>65,660</u>

continued on next page

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

**ROGER MILLS COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003**

continued from previous page

	Original Budget	Final Budget	Actual	Variance
Excise-Equalization Board	8,200	8,200	5,515	2,685
Capital Outlay	100	100		100
Total Excise-Equalization Board	8,300	8,300	5,515	2,785
County Election Board	58,471	59,345	52,263	7,082
Capital Outlay	500	500	306	194
Total County Election Board	58,971	59,845	52,569	7,276
Total Insurance	165,800	165,800	154,618	11,182
Charity	600	600	200	400
Capital Outlay				
Total Charity	600	600	200	400
Civil Defense				
Capital Outlay	100	100		100
Total Civil Defense	100	100		100
County Audit Budget	5,198	5,198	5,198	
Capital Outlay				
Total County Audit Budget	5,198	5,198	5,198	
County Planning and Zoning Board	2,000	2,000	1,200	800
Capital Outlay				
Total County Planning and Zoning Board	2,000	2,000	1,200	800
County Flood Planning Board	100	100		100
Capital Outlay				
Total County Flood Planning Board	100	100		100
Public Health Budget Account	100	100		100
Capital Outlay				
Total Public Health Budget Account	100	100		100
Tick Eradication Account	2,400	2,400	2,400	
Capital Outlay				
Total Tick Eradication Account	2,400	2,400	2,400	
SWODA	591	591	591	
Capital Outlay				
Total SWODA	591	591	591	
County Law Library	100	100		100
Capital Outlay				
Total County Law Library	100	100		100
Total Expenditures, Budgetary Basis	1,201,206	1,202,080	1,072,677	129,403
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ -	771,647	\$ 771,647
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			6,896	
Add: Current Year Outstanding Warrants			40,786	
Ending Cash Balance			\$ 819,329	

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

**ROGER MILLS COUNTY, OKLAHOMA
 DETAILED STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN CASH BALANCES - OFFICIAL DEPOSITORY ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2003**

Official Depository Accounts	Beginning Cash Balances July 1, 2002	Receipts	Disbursements	Cancelled Vouchers	Ending Cash Balances June 30, 2003
District Court Clerk	\$ 12,404	\$ 223,180	\$ 141,934	\$	\$ 93,650
District Court Fund	8,194	94,488	84,547	1,080	19,215
Court Clerk Revolving	3,681	2,807	1,240		5,248
Victim Restitution	841	20,027	20,879	100	89
State Witness Fee	21				21
County Sheriff		12,209	12,209		
County Sheriff Prisoners' Account	51		7		44
County Clerk	2,078	150,537	148,814	69	3,870
County Treasurer Trust Monies	270	2,688	2,891		67
Mobile Home Stamps	2,339	3,602	3,685		2,256
Motor Vehicle Stamps	29	724	724		
County Election Board		17,373	17,859	457	
County Assessor		458	458		
Total Official Depository Accounts	<u>\$ 29,908</u>	<u>\$ 528,093</u>	<u>\$ 435,247</u>	<u>\$ 1,706</u>	<u>\$ 124,460</u>

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

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash balances of all funds of Roger Mills County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund of the County. The funds presented are established by statute, and their operations are under the control of the County officials. 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. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Fund Accounting

The government 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.

C. Basis of Accounting

The financial statements are 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.

D. Budgetary Policies

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund.

ROGER MILLS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Summary of Significant Accounting Policies (continued)

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

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

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, county or city-county health departments, school districts and cities and towns. These other budgetary entities produce and file their own financial statements and estimates of needs (budgets). These related cash receipts and disbursements of other budgetary entities are not included in the County's Estimate of Needs.

E. Cash and Investments

The County pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Investments are carried at cost, which approximates market value. All funds were fully invested or deposited in interest-bearing demand accounts at June 30, 2003.

F. Risk Management

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

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
General Liability	The County participates	If claims exceed authorized
- Torts	in a public entity risk pool;	deductibles, the County would
- Errors and Omissions	Association of County	have to pay its share of the pool
- Law Enforcement	Commissioners of	deficit.
Officers Liability	Oklahoma-Self-Insurance	
- Vehicle	Group. (See ACCO-SIG.)	

ROGER MILLS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Summary of Significant Accounting Policies (continued)

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
Physical Plant - Theft - Damage to Assets - Natural Disasters	The County participates in a public entity risk pool. (See ACCO-SIG.)	If claims exceed authorized deductibles, the County would have to pay its share of the pool deficit.
Worker's Compensation - Employees' Injuries	The County participates in a public entity risk pool; Association of County Commissioners of Oklahoma-Self-Insurance Fund. (See ACCO-SIF.)	If claims exceed pool assets, the County would have to pay its share of the pool deficit.
Health and Life - Medical - Disability - Dental - Life	The County participates in the Oklahoma Public Employees Health and Welfare Plan. (See OPEH&WP.)	If claims exceed authorized deductibles, the County would have surcharges assessed to pay the excess claims.

ACCO-SIG - The pool operates as a common risk management and insurance program and is to be self-sustaining through member premiums. Each participating County will pay a deductible amount (\$1,000 to \$10,000; the County has a \$7,500 deductible) for each insured event as stated in the County's "Certificate of Participation." The risk pool will pay legitimate claims in excess of the deductible amounts up to and including \$50,000 per insured event. The pool has acquired commercial reinsurance to cover claims in excess of \$50,000 up to \$1,000,000 limit per insured event. The pool, established in 1986, has never had to assess additional premiums to be paid by its members.

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

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

Summary of Significant Accounting Policies (continued)

G. Compensated Absences

All full-time Roger Mills County employees shall be entitled to annual leave and may be accumulated. After one full year of service, employees may be granted ten days of vacation. Employees may carry over no more than five days vacation from one year to the next with any additional time being forfeited.

All full-time Roger Mills County employees shall be entitled to sick leave with pay that is accrued at a rate of 1 day for each full calendar month of service. Sick leave may be accrued up to a maximum of 130 days.

2. Stewardship, Compliance, and Accountability

Budgetary Compliance

On or before the first Monday in July of each year, each officer or department head submits an estimate of needs to the governing body. The budget is approved by fund, office, or department and object. The 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.

3. Detailed Notes on Funds and Account Balances

A. Deposits

At year-end, the reported amount of the County's deposits was \$4,155,007 and the bank balance was \$4,154,985. Of the bank balance, all funds were covered by federal depository insurance or collateral held by the County's agent in the County's name.

Title 62 O.S. § 348.1 and § 348.3 allow the following types of investments:

- U.S. Government obligations
- Certificates of deposit
- Savings accounts
- G.O. bonds issued by counties, municipalities or school districts
- Money judgments against counties, municipalities or school districts
- Bonds and revenue notes issued by a public trust when the beneficiary of the trust is a county, municipality or school district
- Negotiable certificates of deposit
- Prime bankers acceptance which are eligible for purchase by the Federal Reserve System
- Prime commercial paper with a maturity of 180 days or less
- Repurchase agreements

Detailed Notes on Funds and Account Balances (continued)

- Money market funds regulated by the Securities and Exchange Commission and which investments consist of the above-mentioned types of investments

B. Description of Funds

County General - accounts for the general operations of the government.

Highway Cash - accounts for state, local and miscellaneous receipts and disbursements for the purpose of constructing and maintaining county roads and bridges.

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

Treasurer Mortgage Tax Certification Fee - accounts for the collection of fees by the Treasurer for mortgage tax certificates and the disbursements of the funds as restricted by statute.

County Clerk Lien Fee - accounts for lien collections and disbursements as restricted by statute.

County Clerk Records' Preservation Fee - accounts for fees collected for instruments filed with the Registrar of Deeds as restricted by statute for preservation of records.

Assessor Revolving – accounts for the collection of fees for copies and disbursements as restricted by statute.

Assessor Visual Inspection - accounts for the collection and expenditure of monies by the Assessor as restricted by state statute for the visual inspection program.

Sheriff County/City Reimbursement - accounts for City of Cheyenne reimbursement to the County for prisoner care.

Sheriff Prisoner Revolving – accounts for the collection of monies from the Oklahoma Department of Corrections and disbursements are for the purpose of maintaining the jail.

Sheriff Local Law Enforcement Block Grant – accounts for grant monies received and spent on local law enforcement.

Sheriff Forfeiture – accounts for monies received in drug busts where property is forfeited to the County for continuing operations of such sheriff activities.

Sheriff Service Fee - accounts for the collection and disbursements of sheriff process service fees as restricted by statute.

ROGER MILLS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Detailed Notes on Funds and Account Balances (continued)

Sheriff Law Enforcement - accounts for donations received to be spent on law enforcement equipment.

Roger Mills Art Council – accounts for grant monies received to promote art and humanities in Roger Mills County.

Berlin Community REAP – accounts for state grant monies received for maintenance and operations for senior citizens in the Berlin Community.

Sales Tax – accounts for the sales tax collected and disbursed on behalf of the following entities: general government (23.92%), OSU Extension office (1.50%), county free fair (1.50%), rural fire fighting services (8.33%), senior citizens (3.25%), civil defense (.75%), Roger Mills County Hospital (60.00%), and the economic development (.75%).

Schools - accounts for monies collected on behalf of the public schools in Roger Mills County from ad valorem taxes, state and local revenues, and remitted to them monthly.

Cities and Towns – accounts for Oklahoma Tax Commission collections distributed to the cities and towns of Roger Mills County.

Economic Development - Cash – accounts for collection of proceeds for economic development within Roger Mills County.

Individual Redemption – accounts for the monies collected and due to individuals from property tax sales on delinquent taxes.

Law Library – accounts for monies received for disbursement from the state for the Law Library Board.

Multi-County Library – accounts for monies received from property taxes for support of a multi-county library located in Clinton, Oklahoma.

County Emergency Medical Service – accounts for charges for services, ad valorem monies and miscellaneous collections apportioned and amounts disbursed for the expenses of the Roger Mills County Emergency Medical Service District.

EMS I-3 - accounts for ad valorem tax remitted to Leedey Ambulance Service for operation of the ambulance service.

Protest Tax – accounts for collections of ad valorem taxes which have been protested.

Detailed Notes on Funds and Account Balances (continued)

Official Depository – accounts for the collection and disbursement of officer and board fees, held in trust until the end of the month, to be transferred to other county funds or governmental entities.

Hospital Sales Tax – accounts for the collection and remittance of county sales tax dedicated for the use of Roger Mills Memorial Hospital.

Change Drawer – accounts for the change funds used by officers to make change for cash collections received.

Additionally, the following accounts are included in the official depository account.

District Court Clerk – accounts for the collection of bond money, court fines and fees. Money is disbursed for fees and restitution.

District Court Fund – accounts for fees transferred from District Court and interest. Money is disbursed for the purpose of fees for various entities, salaries and operation of the Court Clerk's office.

Court Clerk Revolving – accounts for the charge of \$5 for each warrant. Money is disbursed in the same manner as the court fund.

District Attorney Victim Restitution – accounts for the collection and disbursement of checks issued on bank accounts with insufficient funds. Bogus check writers make restitution to vendors and other victims through this program.

District Attorney State Witness Fee – accounts for state funds used for the payment of trial witnesses.

County Sheriff – accounts for the collection of cash bonds, service fees, tax warrants, collected copies, etc. Disbursements are made to transfers funds collected to the Court Clerk, the County Treasurer for apportionment to the general ledger and other county funds, the Oklahoma Tax Commission or other state agencies, as required.

County Sheriff Prisoners' Account – accounts for the personal monies of prisoners that were released leaving no forwarding address or leaving erroneous forwarding information.

County Clerk – accounts for collections for recording fees, fax and copy fees, etc. Disbursements are made for transfers to the general fund and other county funds, to the Oklahoma Tax Commission, and for any refunds.

ROGER MILLS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Detailed Notes on Funds and Account Balances (continued)

County Treasurer Trust Monies – accounts for deposits for advance payments of real and personal property taxes, motor vehicle stamp collections, and interest earned on the official bank account. The account is also used as a “suspense” account for payments that are “long” or “short”, with refunds or additional collections made, as required by the circumstance. Disbursements are made to transfer funds collected to the general and other county funds, to the Oklahoma Tax Commission, or for refunds.

Mobile Home Stamps - accounts for funds which are administered by the County Treasurer. Deposits and disbursements are for the mobile home stamp sales.

Motor Vehicle Stamps – accounts for funds which are administered by the County Treasurer. Deposits and disbursements are for the motor vehicle stamp sales.

County Election Board – accounts for deposits from the State Election Board and from local government entities for the purpose of offsetting election costs. Disbursements are made for election workers, printing costs, and other operating expenses.

County Assessor – Deposits are from all collections for copies and proceeds from sale of ownership books to be disbursed at the end of the month and deposited in the Assessor Revolving Fund for operating expenses.

C. 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."

The assessed property value as of January 1, 2002 was approximately \$51,979,128.

Per Article 10, § 8A, with the repeal of personal property tax, the millage with the adjustment factor is 10.57 mills for general fund operations, 2.11 mills for the multi-county library, and 3.17 mills for emergency medical service. In addition, the County also collects the ad valorem taxes assessed by cities and towns and school districts and remits the ad valorem taxes collected to the appropriate taxing units.

Taxes are due on November 1 following the levy date, although, they may be paid in two equal installments. If the first half is paid prior to January 1, the second half is not delinquent until April 1. Unpaid real property taxes become a lien upon said property on October 1 of each year.

Detailed Notes on Funds and Account Balances (continued)

Unpaid delinquent personal property taxes are published usually in May. If the taxes are not paid within 30 days from publication, they shall be placed on the personal tax lien docket.

Current year tax collections for the year ended June 30, 2003, were approximately 99.1 percent of the tax levy.

D. 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.

E. Capital Leases

The County acquires road machinery and equipment through lease-purchase agreements financed by the Oklahoma Department of Transportation and/or the equipment vendors or their assignees pursuant to the provisions of 69 O.S. § 636.1 through § 636.7. Lease agreements entered into with the Oklahoma Department of Transportation (ODOT) are interest free. However, starting in January 1997, ODOT began charging a one-time fee of 3% on all subsequent pieces of machinery acquired.

F. Fuel Tax

The County receives major funding for roads and highways from a state imposed fuel tax. Taxes are collected by the Oklahoma Tax Commission. Taxes are imposed on all gasoline, diesel, and special fuel sales statewide. The County's share is determined on formulas based on the County population, road miles, and land area and is remitted to the County monthly. These funds are earmarked for roads and highways only and are accounted for in the county highway fund.

4. 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 government expects such amounts, if any, to be immaterial.

Contingent Liabilities (continued)

The government 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 government.

5. Sales Tax

On June 12, 2001, Roger Mills County voters approved a 1.50% sales tax effective December 1, 2001, through November 30, 2007. Roger Mills County Hospital Authority (d.b.a. Roger Mills Memorial Hospital) receives 60% of the 1.50% sales tax. The remaining 40% is divided as follows: OSU Extension 3%, Rural Fire Departments 8.33%, Senior Citizens (2.951%), Civil Defense .9835%, Free Fair 2.00%, County General Fund 21.9855%, and Economic Development .75%. Beginning March 2003, the Roger Mills County Commissioners approved to change the remaining 40% to be divided as follows: OSU Extension 1.50%, Rural Fire Departments 8.33%, Senior Citizens 3.25%, Civil Defense .75%, Free Fair 1.50%, County General Fund 23.92%, and Economic Development .75%. For the fiscal year ending June 30, 2003, \$734,609 was apportioned to the Hospital Authority and the remaining amount apportioned was \$489,739.

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



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

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

TO THE OFFICERS OF
ROGER MILLS COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Roger Mills County, Oklahoma, as of and for the year ended June 30, 2003, and have issued our report thereon dated August 30, 2004. Our report contains an explanatory paragraph discussing that the financial statements are not a complete presentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Roger Mills County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings and recommendations as items 2002-1, 2003-1, and 2003-2.

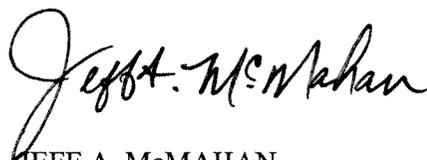
A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 2002-1 to be a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management and is included in Section 2 of the schedule of findings and recommendations, contained within this report.

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

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

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

Sincerely,



JEFF A. McMAHAN
State Auditor and Inspector

August 30, 2004

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

Finding 2002-1 - Segregation of Duties (Repeat Finding)

Criteria: Accountability and stewardship are overall goals in evaluating management's accounting for funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording and depositing cash and checks should be segregated.

Condition: One deputy in each of the County Clerk's, County Sheriff's, and County Treasurer's office performs all the duties of balancing and posting receipts.

Cause: This lack of segregation of duties is caused by the limited number of employees.

Effect: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of assets.

Recommendation: We recommend management be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in management's knowledge of County operations and periodic review of those operations.

Management Response: We concur with the auditor's comments and will conduct periodic reviews of County operations.

Finding 2003-1 - Disaster Recovery Plan

Criteria: According to the standards of the Information Systems Audit and Control Association (COBIT Delivery & Support 4.3), management should ensure that a written Disaster Recovery Plan is documented and contains the following:

- Guidelines on how to use the Recovery Plan;
- Emergency procedures to insure the safety of all effected staff members;
- Roles and responsibilities of information services function, vendors providing recovery services, users of services and support administrative personnel;
- Listing of systems requiring alternatives (hardware, peripherals, software);
- Listing of highest to lowest priority applications, required recovery times and expected performance norms;
- Various recovery scenarios from minor to loss of total capability and response to each in sufficient detail for step-by-step execution;

ROGER MILLS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2003

- Specific equipment and supply needs are identified such as high-speed printers, signatures, forms, communications equipment, telephones, etc., and a source and alternative source defined;
- Training and/or awareness of individual and group roles in continuity plan;
- Listing of contracted service providers;
- Logistical information on location of key resources, including back-up sites for recovery operating system, applications, data files, operating manuals and program/system/user documentation;
- Current names, addresses, telephone/pager numbers of key personnel;
- Business resumption alternatives for all users for establishing alternative work locations once IT resources are available.

Condition: Our review of the Treasurer's and Clerk's system backups and plans for ensuring continuous computer service found no written Disaster Recovery Plan for either office. The Clerk's office does not store any of the backup tapes offsite.

Effect: The lack of an effective and adequate Disaster Recovery Plan could result in potential loss of:

- Ad valorem information;
- Taxpayer and land information;
- State and federal reporting data;
- Financial information.

Recommendation: We recommend the County establish a Disaster Recovery Plan to ensure the safekeeping and integrity of the County's financial and non-financial data. Adequate backups of the data and programs are an essential part of any Recovery Plan. The file server should be backed up every workday. One day a week the backup tape should be stored offsite at a location away from the courthouse. Other tapes used during the week should be stored in a fireproof container in the County office. There should be complete month end backup tapes for at least three months of prior work, giving the County officer the ability to restore data and programs if the need arises.

Management Response: The County Treasurer has completed a Disaster Recovery Plan and the County Clerk is working on a Disaster Recovery Plan and both officers have implemented an offsite backup site since the audit.

Finding 2003-2 – Computer Security Policies and Procedures

Criteria: According to the standards of the Information Systems Audit and Control Association's (COBIT) Delivery and Support Control Objectives (DS7), management should educate and train users to ensure that users are making effective use of technology and are aware of their risks and responsibilities.

Condition: Our review of the Treasurer's and Clerk's office found that they did not have policies and procedures addressing computer security and have not provided security awareness training to their employees.

ROGER MILLS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2003

Effect: County employees are not aware of their responsibilities and potential risks involved when using the County's computer systems.

Recommendation: We recommend the County establish Information Security Policies and Procedures that define the acceptable and unacceptable use for the office computers. A security awareness-training program should be established requiring all the employees using computers to participate.

Management Response: The County Treasurer has completed a computer use policy, and the County Clerk will begin work on policy and procedures for proper computer usage.

SECTION 2 - Other Audit Findings - This section contains audit findings not required to be reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, but which we believed were significant enough to bring to the County's attention. We recommend that the County consider these matters and take appropriate corrective action.

Finding 2003-3 - Time Accounting

Criteria: Effective internal controls include policies and procedures consistently applied within the entity or organization. Effective accounting practices and procedures include employee timesheets submitted each pay period that, at a minimum, include the date of each day worked, the hours worked each day and the leave used each day. Additionally, effective internal controls include the employee sign the timesheet acknowledging the validity and the supervisor/county official sign the timesheet approving the hours worked and leave time used.

Condition: Interviews with County officials indicated there are a variety of time records being kept by the various County offices. The Treasurer and Assessor keep timesheets; the County Clerk uses a time clock system; the Sheriff keeps timesheet records on part time employees only, but no time records for salaried employees; the three highway districts use a combination of time clock cards and timesheets; the court clerk, election board and miscellaneous other employees use a variety of timesheet or calendar forms.

Additionally, interviews with County officials indicated there are a variety of records being kept on employees accumulated leave balances. Some are recording leave accrued and used on the timesheet records. Some are using a separate ledger sheet to track leave usage and year-end balances. One office is using only a wall mounted annual planner to record leave used and/or scheduled by employees.

Recommendation: We recommend that County officers/officials maintain time records for all employees, and that the time reporting system be standardized for the County.

Additionally, we recommend that the system for recording and reporting sick, annual and compensatory leave be standardized countywide.

**Statistical Data
(Unaudited)**

**ROGER MILLS COUNTY, OKLAHOMA
TOP TEN TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2003
(UNAUDITED)**

<u>TAXPAYER NAME</u>	<u>JANUARY 1, 2002 NET ASSESSED VALUATION</u>	<u>% OF TOTAL NET VALUATION</u>
Enogex Gas Gathering LLC	\$ 7,140,000	13.74%
Oneok Gas Processing LLC	5,858,360	11.27%
Northern Natural Gas Comp	2,974,117	5.72%
American Central Western	1,873,780	3.61%
Dobson Telephone Co. Inc.	1,848,215	3.56%
Midcoast Interstate Gas	1,710,000	3.29%
Oklahom RSA 5 & 7	1,685,789	3.24%
Duke Energy Field Services Inc.	919,430	1.77%
Enogex Inc.	846,366	1.62%
Transwestern Pipeline Co.	827,050	1.59%
Total	<u>\$ 25,683,107</u>	<u>49.41%</u>

Source: (Provided by Oklahoma Tax Commission - Ad Valorem Division)

**ROGER MILLS COUNTY, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE YEAR ENDED JUNE 30, 2003
(UNAUDITED)**

Total net assessed value as of January 1, 2002		<u>\$ 51,979,128</u>
Debt limit - 5% of total assessed value		\$ 2,598,956
Total bonds outstanding	0	
Total judgments outstanding	0	
Less cash in sinking fund	<u>0</u>	<u>-</u>
Legal debt margin		<u>\$ 2,598,956</u>

**ROGER MILLS COUNTY, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
FOR THE YEAR ENDED JUNE 30, 2003
(UNAUDITED)**

	<u>2003</u>
Estimated population	<u>3,436</u>
Net assessed value as of January 1, 2002	<u>\$ 51,979,128</u>
Net bonded debt	<u>\$ -</u>
Ratio of net bonded debt to assessed value	<u>0%</u>
Net bonded debt per capita	<u>\$ -</u>

**ROGER MILLS COUNTY, OKLAHOMA
ASSESSED VALUE OF PROPERTY
FOR THE YEAR ENDED JUNE 30, 2003
(UNAUDITED)**

<u>Valuation Date</u>	<u>Personal</u>	<u>Public Service</u>	<u>Real Estate</u>	<u>Homestead Exemption</u>	<u>Net Value</u>	<u>Estimated Fair Market Value</u>
1/1/02	\$26,039,585	\$11,788,813	\$15,092,165	\$941,435	\$51,979,128	\$441,004,692