



ROGERS COUNTY

Financial Report

For the fiscal year ended June 30, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**ROGERS COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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OKLAHOMA
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

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

October 28, 2024

TO THE CITIZENS OF
ROGERS COUNTY, OKLAHOMA

Transmitted herewith is the audit of Rogers County, Oklahoma for the fiscal year ended June 30, 2021. The audit was conducted in accordance with 19 O.S. § 171.

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

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

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

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

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

**ROGERS COUNTY OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Board of County Commissioners

District 1 – Dan DeLozier
District 2 – Steve Hendrix
District 3 – Ron Burrows

County Assessor

Scott Marsh

County Clerk

Jeanne Heidlage

County Sheriff

Scott Walton

County Treasurer

Jason Carini

Court Clerk

Cathi Edwards

District Attorney

Matt Ballard

**ROGERS COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**ROGERS COUNTY, OKLAHOMA
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FINANCIAL SECTION



Independent Auditor's Report

TO THE OFFICERS OF
ROGERS COUNTY, OKLAHOMA

Report on the Financial Statement

We have audited the total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Rogers County, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise the County's basic financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the regulatory basis of accounting described in Note 1, and for determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

As described in Note 1, the financial statement is prepared by Rogers County using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Rogers County as of June 30, 2021, or changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the total receipts, disbursements, and changes in cash balances for all county funds of Rogers County, as of and for the year ended June 30, 2021, in accordance with the basis of accounting described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the total of all county funds on the financial statement. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the remaining supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and is not a required part of the financial statement.

The schedule of expenditures of federal awards and the remaining supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the remaining 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 October 1, 2024, on our consideration of Rogers 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 Rogers County's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Cindy Byrd". The signature is written in a cursive, flowing style.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

October 1, 2024

REGULATORY BASIS FINANCIAL STATEMENT

ROGERS COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Fund Number	County Funds:	Beginning Cash Balances July 1, 2020	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2021
0001 -	County General	\$ 2,797,694	\$ 12,278,063	\$ 2,036,550	\$ 2,000,000	\$ 11,784,818	\$ 3,327,489
1102 -	County Highway Unrestricted	4,554,863	4,296,472	-	-	4,070,219	4,781,116
1103 -	County Bridge and Road Improvement	2,017,991	368,768	1,250,000	1,250,000	88,278	2,298,481
1201 -	911 Phone Fees	18	-	-	-	18	-
1204 -	Assessors Revolving Fee	1,964	657	-	-	833	1,788
1208 -	County Clerk Lien Fee	16,971	5,206	-	-	10,264	11,913
1209 -	County Clerk Records Management and Preservation Fund	193,586	74,424	-	-	86,844	181,166
1210 -	Jail	3,257,506	3,007,936	-	3,517	3,112,502	3,149,423
1211 -	Court Clerk Payroll	95,282	264,287	-	-	289,575	69,994
1212 -	Emergency Management	13,511	30,000	-	-	6,708	36,803
1214 -	Free Fair Board	227,631	242,224	-	-	173,375	296,480
1216 -	Health	2,186,582	1,580,568	-	-	731,917	3,035,233
1219 -	Planning and Zoning	62,027	36,435	-	-	20,917	77,545
1220 -	Resale Property	1,392,742	496,211	779,018	762,000	414,280	1,491,691
1223 -	Sheriff Commissary	117,125	338,561	-	-	382,709	72,977
1225 -	Sheriff Forfeiture	363,336	25	-	-	202,592	160,769
1226 -	Sheriff Service Fee	184,296	1,071,352	23,622	9,936	888,956	380,378
1229 -	Trash Cop	3,692	30,762	3,517	-	20,951	17,020
1230 -	Treasurer Mortgage Certification	81,923	29,622	-	-	1,836	109,709
1232 -	Sheriff Drug Buy	1,545	-	-	-	-	1,545
1235 -	County Donation	71,844	87,041	-	1,336	52,949	104,600
1301 -	Use Tax - ST	2,703,898	8,129,411	281,888	-	8,385,724	2,729,473
1305 -	Courthouse Improvement - ST	130,592	1,677,108	-	-	1,645,003	162,697
1313 -	Roads and Bridges - ST	6,094,806	10,417,972	550,000	-	6,747,129	10,315,649
1315 -	Jail - ST	261,183	3,354,217	-	-	3,290,007	325,393
1326 -	Judgement Debt - ST	261,183	3,354,217	-	-	3,290,007	325,393
1402 -	Community Development Block Grant 17147-17						
	Mayes Rural Water District 2	5,999	3,001	-	-	9,000	-
1403 -	Economic Development Administration Grant	59,037	-	-	-	-	59,037
1405 -	Community Development Block Grant 17300-18						
	Lowry Road Phase 2	-	249,950	-	-	249,950	-
1407 -	Community Development Block Grant 17528-19						
	Rural Water District #3 Bushyhead	-	60,000	-	-	-	60,000
1502 -	Homeland Security Grant	34,131	38,744	-	39,875	33,000	-
1508 -	Justice Assistance Grant - Local Law Enforcement Block Grant	10,000	9,931	9,936	19,936	9,931	-
1526 -	Safe Oklahoma - AG	25,218	22,850	-	-	48,068	-
1565 -	COVID Aid and Relief	-	4,258,232	-	271,744	405,506	3,580,982
1566 -	American Rescue Plan Act 2021	-	8,979,538	-	-	-	8,979,538
7206 -	Drug Court	189,524	260,978	-	-	450,502	-
Total - All County Funds		\$ 27,417,700	\$ 65,054,763	\$ 4,934,531	\$ 4,358,344	\$ 46,904,368	\$ 46,144,282

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

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. Summary of Significant Accounting Policies

A. Reporting Entity

Rogers 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, 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:

0001 - 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.

1102 - 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.

1103 - 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.

1201 - 911 Phone Fees – accounts for fees collected by phone service providers in accordance with state statute to support 911 emergency operations.

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1204 - Assessor Revolving Fee – accounts for the collection of fees for copies as restricted by state statute.

1208 - County Clerk Lien Fee – accounts for revenue generated from filing and copy fees. Proceeds to be expended as restricted by state statute.

1209 - County Clerk Records Management and Preservation Fund – accounts for fees collected for instruments filed in the County Clerk's office. Disbursements are restricted to activities related to preservation of records in the County Clerk's office.

1210 - Jail – accounts for revenues from incarceration fees, restitution payments, and contractual payments from the Rogers County Criminal Justice Authority. Disbursements are for the maintenance and operation of the jail, salaries, food, medical expenses, boarding of prisoners, and travel.

1211 - Court Clerk Payroll – accounts for funds from the Court Fund for compensation of the District Court employees.

1212 - Emergency Management – accounts for revenue from state or federal grants for the purpose of providing the County emergency management services.

1214 - Free Fair Board – accounts for revenues are collected through ad valorem based on millage rate. Disbursements are for lawful expenses of Free Fair Board. accounts for revenue from advertising, rentals, and concessions during the County free fair, livestock shows, and agricultural demonstrations held at the County fairgrounds. This revenue is used for premiums and other costs of hosting those events.

1216 - Health – accounts for ad valorem tax collections and fees for services collected. Disbursements are for the operation of the County Health Department.

1219 - Planning and Zoning – accounts for locally appropriated funds, grants, and/or other financial assistance from the state and federal government for creating a county planning commission. The purpose of the commission is to cooperate with the State of Oklahoma in conserving the natural resources of the state, and in promoting the health, safety, peace, and general welfare of the people.

1220 - 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.

1223 - Sheriff Commissary – accounts for profits on commissary sales in the County jail. Disbursements are for jail operations as defined by state statute.

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1225 - 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.

1226 - Sheriff Service Fee – accounts for the collection of fees and reimbursements for revenues such as process fees, courthouse security, contracts for housing and feeding prisoners, and disbursements as restricted by state statute.

1229 - Trash Cop – accounts for grants and/or fines assessed upon convicted individuals for illegal dumping and collected by the Court Clerk. Funds are to be used for investigation and mitigation of illegal dumping.

1230 - 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.

1232 - Sheriff Drug Buy – accounts for a program for investigating illegal drug activities. Revenue source consists of proceeds from the sale of property seized during such investigations as ordered by the district court. This fund must be authorized by the District Attorney.

1235 - County Donation – accounts for donations to the county from private donors to be disbursed for a specified purpose and approved Board of County Commissioners' resolution.

1301 - Use Tax - ST – accounts for the collection of county sales tax, use tax revenue and excise tax levied on the storage, use or other consumption of tangible personal property used, stored, or consumed within the County. The purpose of the use tax is designated by the Board of County Commissioners.

1305 - Courthouse Improvement - ST – accounts for 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.

1313 - Roads and Bridges - ST – accounts for 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.

1315 - Jail - ST – accounts for 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.

1326 - Judgement Debt - ST – accounts for 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.

ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

1402 - Community Development Block Grant 17147-17 Mayes Rural Water District 2 - accounts for federal grants received from the Oklahoma Department of Commerce to be disbursed as restricted the grant agreement.

1403 - Economic Development Administration Grant – accounts for federal grant revenues received by Rogers County on behalf of co-recipients; Rogers County, Town of Inola, and Mayes County Rural Water District 2. These funds are to be used for water infrastructure improvements to connect the industrial site to the existing Mayes County Rural Water District 2 water infrastructure.

1405 - Community Development Block Grant 17300-18 Lowry Road Phase 2 – accounts for federal grants received from the Oklahoma Department of Commerce to be disbursed as restricted the grant agreement.

1407 - Community Development Block Grant 17528-19 Rural Water District 3 Bushyhead – accounts for federal grants received from the Oklahoma Department of Commerce to be disbursed as restricted the grant agreement.

1502 - Homeland Security Grant – accounts for federal revenue received from the Oklahoma Office of Homeland Security. Disbursements are for the purchase of an Alternative Support Apparatus unit and medical supplies for Oologah-Talala Emergency Medical Service.

1505 - Fire Management Assistance Grant – accounts for the monies received from the federal government to assist in fire management and disbursed as restricted by the grant agreement.

1508 - Justice Assistance Grant - Local Law Enforcement Block Grant – accounts for federal funds from a Justice Assistance Grant. Disbursements are for law enforcement body cams and equipment.

1526 - Safe Oklahoma - AG – accounts for grant funds from the State of Oklahoma and disbursements are for salaries and operations of the Sheriff's office.

1565 - COVID Aid and Relief – accounts for federal grant monies received from the Coronavirus Relief Fund for the reimbursement of COVID related expenditures. Disbursements are for any lawful purpose of the County as directed by Board of County Commissioners' resolution.

1566 - 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.

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

7206 - Drug Court – accounts for the collection of state receipts and fees and disbursed for the operation of the Drug Court program.

C. Basis of Accounting

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

Title 19 O.S. § 171 allows Oklahoma counties to present their financial statement in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) or on a regulatory basis. The County has elected to present their financial statement on a regulatory basis in conformity with Title 19 O.S. § 171, 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

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

The County has investments with an original cost of \$6,075,299 in the Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Home Loan Banks, Fannie Mae, and Federal Farm Credit Bank. These bonds have the implicit backing of the Federal Government and fall within the acceptable purchases of the County's Investment Policy, which was approved by the Board of County Commissioners and legal counsel.

All investments, except for those investments noted in the preceding paragraph, are backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured.

The County's investments include investments in bonds, some bonds are purchased at a premium. Investments in bonds are subject to interest rate risk or credit risk. Bonds purchased at a premium may result in a higher yield than is reflected in the financial statement, which is prepared on a basis of accounting wherein amounts are recognized when received or disbursed.

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.

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

3. Other Information

A. Pension Plan

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

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.

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

D. Long Term Obligations

1. Judgments

The County was sued in an inverse condemnation action. Rogers County District Court Case CJ-2004-234 involved a claim for lost profits and mining royalties arising from the annexation of real property into the City of Claremore-Rogers County Metropolitan

ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Planning Area. On May 2, 2012, the plaintiff was awarded \$27,929,657 with interest accruing at \$4,017 per day at the statutory rate of 5.25% for the calendar year 2012 and thereafter at the rate prescribed in Oklahoma Statutes Title 12 O.S. § 727.1. This judgement was paid by the Rogers County Finance Authority through a bond issue, Sales Tax Revenue Bonds Series 2012 (Series 2012), that will be repaid with a dedicated sales tax that shall expire and cease to be collected when said indebtedness of the Authority is paid.

Sales Tax Revenue Bonds Series 2012

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Amount</u>
Material Service Corporation Lawsuit	3.00 – 4.65%	\$32,375,000

During fiscal year 2021, the Authority retired Series 2012 bonds in the amount of \$21,015,000. The series 2012 bonds were callable on August 1, 2020, at which time, the bonds were redeemed and paid in full.

Sales Tax Revenue Refunding Bonds Series 2017

On August 1, 2017, the Authority issued \$22,600,000 in Sales Tax Revenue Refunding Bonds with interest rates ranging between 2.62% and 3.60%. The bonds were issued to refund the Sales Tax Revenue Bonds Series 2012 and to pay the costs and expenses of the issuance of the Series 2017 bonds. The Series 2017 bonds will also be repaid with the dedicated sales tax that shall expire and cease to be collected when said indebtedness of the Authority is paid.

Interest on the bonds is payable semi-annually on February 1st and August 1st at varying rates starting February 1, 2018. Principal payments are due semi-annually on February 1st and August 1st starting February 1, 2018. The Authority retired Series 2017 bonds in the amount of \$2,015,000 during fiscal year 2021. Additionally, in fiscal year 2021, the Authority made one extra principal payment of \$1,095,000. These payments were applied to the bonds due to mature in 2028 thereby reducing total interest payments.

Future principal and interest payments for the retirement of the Series 2017 debt as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,070,000	\$ 344,878	\$ 2,414,878
2023	2,140,000	276,634	2,416,633
2024	2,205,000	210,432	2,415,433
2025	2,270,000	134,552	2,404,552
<u>2026</u>	<u>2,615,000</u>	<u>54,315</u>	<u>2,669,315</u>
Total	<u>\$11,300,000</u>	<u>\$1,020,811</u>	<u>\$12,320,811</u>

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The Authority defeased the Series 2012 bonds with the Series 2017 bonds and anticipated paying the Series 2012 bonds in full by August 1, 2020. The Series 2012 bonds were callable on August 1, 2020, at which time, the bonds were redeemed and paid in full.

During the fiscal year 2021, the County collected a total of \$3,354,217 in sales tax collections dedicated for the obligation of the bonds issued to pay the judgment awarded against the County. These funds were remitted to the Rogers County Finance Authority. Since July 1, 2012, the County has remitted \$29,422,736 to the Rogers County Finance Authority in sales tax dedicated for the obligation of the bonds issued to pay the judgment awarded against the County.

E. Changes in Long-Term Debt – Rogers County Finance Authority

Long-term debt consists of Finance Authority bonds payable. The County is the beneficiary of the Finance Authority. The following is a summary of the changes in long-term debt of the Authority for the fiscal year.

<u>Bonds Payable</u>	<u>Balance 6/30/2020</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance 6/30/2021</u>	<u>Due Within One Year</u>
2012 Series	\$21,015,000	\$ -	\$21,015,000	\$ -	\$ -
2017 Series	14,410,000	-	3,290,000	11,300,000	2,070,000
Total	<u>\$35,425,000</u>	<u>\$ -</u>	<u>\$24,125,000</u>	<u>\$11,300,000</u>	<u>\$2,070,000</u>

F. Sales Tax

Sales Tax of May 1, 1997 (Rate change occurred in 2009)

The voters of Rogers County approved a one-half percent (1/2%) sales tax effective May 1, 1997, to be administered by the Rogers County Criminal Justice Authority for the purpose of acquiring a site and erecting, furnishing, equipping, operating, and maintaining a county jail to be applied or pledged toward the payment of principal and interest on any indebtedness, including refunding indebtedness, incurred by or on behalf of Rogers County for such purposes. This one-half percent (1/2%) sales tax became effective May 1, 1997, and continues thereafter, but reduced to one-third percent (1/3%) on the earlier of May 1, 2015, or the date of payment or provision for payment of all indebtedness, incurred by or on behalf of Rogers County. The principal debt was retired in 2009 and the sales tax was reduced to one-third percent (1/3%). These funds are accounted for in the 1315 - Jail - ST fund.

Sales Tax of December 8, 2009

On December 8, 2009, Rogers County voters approved to extend the one-third of the one-half cent (1/6%) sales tax, for the purpose of erecting, furnishing, equipping, renovating, operating and maintaining county buildings and facilities and acquiring sites therefore and/or to be applied or pledged toward the payment of principal and interest on any indebtedness, including refunding indebtedness incurred by or on behalf of Rogers County for such purpose such sales tax is to

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

commence January 1, 2010, and continue thereafter until the earlier of thirty years from the commencement date or the date of payment or provision for payment of all indebtedness including refunding indebtedness incurred by or on behalf of Rogers County for such purpose. These funds are accounted for in the 1305 - Courthouse Improvement - ST fund.

Sales Tax of June 26, 2012

On June 26, 2012, Rogers County voters approved an additional one-third percent (1/3%) sales tax effective July 1, 2012, providing that the purpose of such sales tax shall be solely to pay the principal and interest on indebtedness incurred by the Roger County Finance Authority for the purpose of satisfying indebtedness incurred on behalf of satisfying debt in Case No. CJ-2004 – 234 in the District Court of Mayes County. Said sales tax will expire and cease to be collected when said indebtedness of the authority is paid; fixing effective date; making provisions cumulative, and providing severability of provisions, to be provided. These funds are accounted for in the 1326 - Judgement Debt - ST fund.

Sales Tax of February 12, 2019

On February 12, 2019, Rogers County voters approved a one percent (1%) sales tax, effective July 1, 2019, and continuing in perpetuity. Proceeds of the sales tax are to be used solely for the construction, improvement, maintenance, repair, and operation of County roads, bridges, and public infrastructure. The sales tax proceeds to be used for the construction, improvement, maintenance, repair, and operation of County roads, bridges, and public infrastructure are accounted for in the 1313 - Road and Bridges - ST fund.

G. Tax Abatements

The County is subject to ad valorem tax abatements granted by the State of Oklahoma in accordance with the Oklahoma Constitution, Article 10 Section 6B for qualifying manufacturing concern—ad valorem tax exemption.

Under this program, a five-year ad valorem tax exemption exempts all real and personal property that is necessary for the manufacturing of a product and facilities engaged in research and development which meet the requirements set by the Oklahoma Constitution and statutes. Under Title 68 O.S. § 2902, in exchange for the five-year exemption, qualifying manufacturing concerns must meet certain minimum investment requirements for construction, acquisition, or expansion of a manufacturing facility. In addition, there are general minimum payroll requirements that must be met and the qualifying manufacturing concern must offer basic health benefit plans to all full-time employees within 180 days of employment.

The County had \$133,252 of ad valorem taxes abated under this program for the fiscal year ended June 30, 2021.

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The State has an Ad Valorem Reimbursement Fund in accordance with Title 62 O.S. § 193 that is used to reimburse the County for the loss of revenue. Monies apportioned to this fund by the State also may be transferred to other state funds or otherwise expended as directed by the Legislature. In the event monies apportioned to the Fund are insufficient to pay all claims for reimbursement, claims for reimbursement for loss of revenue due to manufacturing exemptions of ad valorem taxes shall be paid first, and any remaining funds shall be distributed proportionally among the counties making claims for reimbursement for loss of revenue for school district exemptions.

H. Interfund Transfers

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

- \$750,000 was transferred to the 0001 - County General fund from the 1220 - Resale Property fund as an interfund temporary loan for operating expenses as allowed by 68 O.S. § 3021.
- \$750,000 was transferred to the 1220 - Resale Property fund from the 0001 - County General fund to reimburse the original interfund temporary loan in accordance with 68 O.S. § 3021.
- \$1,250,000 was transferred to the 0001 - County General Fund from the 1103 - County Bridge and Road Improvement fund as an interfund temporary loan for operating expenses as allowed by 68 O.S. § 3021.
- \$1,250,000 was transferred to the 1103 - County Bridge and Road Improvement fund from the 0001 - County General fund to reimburse the original interfund temporary loan in accordance with 68 O.S. § 3021.
- \$271,744 was transferred from the 1565 - COVID Aid and Relief fund for reimbursement of expenses incurred during the pandemic as follows:
 - \$23,214 to the 0001 - County General fund
 - \$2,831 to the 1220 - Resale Property fund
 - \$3,686 to the 1226 - Sheriff Service Fee fund
 - \$242,013 to the 1301 - Use Tax - ST fund
- \$1,336 was transferred to the 0001 - County General Fund from the 1235 - County Donation fund to pay for part-time election board salaries as allowed by the donation.
- \$12,000 was transferred to the 0001 - County General fund from the 1220 - Resale Property fund as authorized by 68 O.S. § 3137.
- \$3,517 was transferred to the 1229 - Trash Cop fund from the 1210 - Jail fund to correct a fiscal year 2020 apportionment error.
- \$10,000 was transferred to the 1226 - Sheriff Service Fee fund from the 1508 - Justice Assistance Grant - Local Law Enforcement Block Grant fund to reimburse a fiscal year 2019 interfund temporary loan made in accordance with 68 O.S. § 3021.
- \$26,187 was transferred to the 1220 - Resale Property fund from the 7402 - Excess Resale fund (a trust and agency fund) in accordance with 68 O.S. § 3131D.
- \$9,936 was transferred to the 1508 - Justice Assistance Grant - Local Law Enforcement Block Grant fund from the 1226 - Sheriff Service Fee fund as an interfund temporary loan for operating expenses as allowed by 68 O.S. § 3021.

ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

- \$9,936 was transferred to the 1226 - Sheriff Service Fee fund from the 1508 - Justice Assistance Grant - Local Law Enforcement Block Grant fund to reimburse the original interfund temporary loan in accordance with 68 O.S. § 3021.
- \$39,875 was transferred to the 1301 - Use Tax - ST fund from the 1502 - Homeland Security Grant fund to reimburse a fiscal year 2020 interfund temporary loan made in accordance with 68 O.S. § 3021.
- \$550,000 was transferred from the 7506 - Emergency Transportation Revolving fund (a trust and agency fund) to the 1313 - Roads and Bridges ST fund as a temporary loan for road and bridge projects.

SUPPLEMENTARY INFORMATION

ROGERS COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund		
	Budget	Actual	Variance
County Sheriff	\$ 2,677,947	\$ 2,666,424	\$ 11,523
County Treasurer	380,082	380,029	53
County Commissioners	65,065	60,203	4,862
OSU Extension	276,701	210,051	66,650
County Clerk	512,254	508,646	3,608
Court Clerk	456,252	439,420	16,832
County Assessor	459,367	453,719	5,648
Visual Inspection	530,791	519,865	10,926
General Government	4,772,722	3,827,556	945,166
Excise-Equalization Board	5,001	3,350	1,651
County Election Board	327,336	326,892	444
Insurance - Benefits	404,935	404,935	-
Information Technology	141,945	136,510	5,435
Emergency Management	124,671	124,176	495
Charity	8,500	4,000	4,500
Planning Commission	326,804	310,226	16,578
Building Maintenance	454,430	381,666	72,764
Courthouse Security	172,147	172,147	-
E-911	763,000	763,000	-
County Audit Budget	102,769	2,698	100,071
Cemetery - District 1	68,280	64,080	4,200
Cemetery - District 2	50,002	35,094	14,908
Cemetery - District 3	10,002	10,000	2
Total Expenditures, Budgetary Basis	<u>\$ 13,091,003</u>	<u>\$ 11,804,687</u>	<u>\$ 1,286,316</u>

ROGERS COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—HEALTH FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Health Fund		
	Budget	Actual	Variance
Health and Welfare	\$ 3,211,765	\$ 911,126	\$ 2,300,639
Total Expenditures, Budgetary Basis	\$ 3,211,765	\$ 911,126	\$ 2,300,639

**ROGERS COUNTY, OKLAHOMA
NOTE TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. Budgetary Schedules

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

ROGERS COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
Passed Through the Oklahoma State Treasurer:			
Flood Control Projects	12.106		\$ 43,406
Total U.S. Department of Defense			<u>43,406</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Oklahoma Department of Commerce:			
Community Development Block Grants/State's program and		17147-17 CDBG	
Non-Entitlement Grants in Hawaii	14.228	17300-18 CDBG	258,950
Total U.S. Department of Housing and Urban Development			<u>258,950</u>
U.S. DEPARTMENT OF THE INTERIOR			
Direct Grant			
Payments in Lieu of Taxes	15.226		89,702
Total U.S. Department of the Interior			<u>89,702</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Grant			
Public Safety Partnership and Community Policing Grants	16.710		73,444
Passed Through the Oklahoma District Attorneys Council:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAG-LLE-2020	9,931
Total U.S. Department of Justice			<u>83,375</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through the Oklahoma Department of Transportation:			
Highway Safety Cluster			
State and Community Highway Safety	20.600	OHSO-FFY2020	22,143
State and Community Highway Safety	20.600	OHSO-FFY2021	80,424
Total U.S. Department of Transportation			<u>102,567</u>
U.S. DEPARTMENT OF THE TREASURY			
Direct Grant			
Equitable Sharing	21.016		85,683
Passed Through the Oklahoma Office of Management and Enterprise Services:			
COVID-19 Coronavirus Relief Fund	21.019		4,244,344
Passed Through the Oklahoma Department of Emergency Management:			
COVID-19 Coronavirus Relief Fund	21.019		13,888
Total U.S. Department of the Treasury			<u>4,343,915</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through the Oklahoma Department of Emergency Management:			
Emergency Management Performance Grants	97.042	EMPG 20/ EMPG 21	7,826
Passed Through the Oklahoma Office of Homeland Security			
State Homeland Security Program (SHSP)	97.073	OKOHS 97.073-6300	33,000
Total U.S. Department of Homeland Security			<u>40,826</u>
Total Expenditures of Federal Awards			<u>\$ 4,962,741</u>

ROGERS COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of Rogers County and is presented on the *cash basis of accounting*. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

Indirect Cost Rate

Rogers County has elected to not use the 10 percent de minimis cost rate allowed for by 2 CFR§ 200.414(f).

Expenditures Incurred in the Prior Fiscal Year

On March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. Rogers County received \$4,258,232 in federal relief funds. The reimbursement was based on the following submissions:

- \$1,950,450 in expenditures incurred by the County in the prior year ending June 30, 2020. These expenditures were from March 31, 2020 through June 30, 2020, and were accounted for in the County's June 30, 2020, financial statement.
- \$438,604 in Northeast Oklahoma Enhanced 9-1-1 Trust Authority (NE 911) payroll expenditures from March 5, 2020, through June 30, 2020; these expenditures were not accounted for on the County's June 30, 2020, financial statement.
- \$1,677,045 in expenditures incurred by the County in the current year ending June 30, 2021. These expenditures were accounted for in the County's June 30, 2021, financial statement.
- \$192,134 in NE 911 payroll expenditures from July 6, 2020 through August 21, 2020; these expenditures were not accounted for on the County's June 30, 2021, financial statement.

Expenditures on the fiscal year 2021 Schedule of Expenditures of Federal Awards (SEFA) for Assistance Listing Number (ALN) 21.019 – Coronavirus Relief Fund will include the expenditure submissions by both the County and the NE 911 that were incurred in fiscal year 2020 totaling \$2,389,054 and the expenditure submissions by both the County and NE 911 that were incurred in fiscal year 2021 totaling \$1,869,179 resulting total expenditures of \$4,258,232.

Outstanding Loans

As of June 30, 2021, ALN 81.128 – ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG) had an outstanding loan balance of \$163,979

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
ROGERS COUNTY, OKLAHOMA

We have audited, 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, the total—all county funds of the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances of Rogers County, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise Rogers County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated October 1, 2024.

Our report included an adverse opinion on the financial statement because the statement is prepared using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. However, our report also included our opinion that the financial statement does present fairly, in all material respects, the receipts, disbursements, and changes in cash balances – regulatory basis of the County as of and for the year ended June 30, 2021, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Rogers 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 Rogers County's internal control. Accordingly, we do not express an opinion on the effectiveness of Rogers County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses: 2021-003 and 2021-005.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies: 2021-015.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rogers 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 questioned costs as item 2021-005.

We noted certain matters regarding statutory compliance that we reported to the management of Rogers County, which are included in Section 4 of the schedule of findings and questioned costs contained in this report.

Rogers County's Response to Findings

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

October 1, 2024



**Independent Auditor's Report on Compliance for Each Major Federal Program
and Report on Internal Control Over Compliance
Required by the Uniform Guidance**

TO THE OFFICERS OF
ROGERS COUNTY, OKLAHOMA

Report on Compliance for Each Major Federal Program

We have audited the compliance of Rogers County, Oklahoma, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Rogers County's major federal program for the year ended June 30, 2021. Rogers County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Rogers County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Rogers County's compliance.

Basis for Qualified Opinion on Assistance Listing 21.019 – Coronavirus Relief Fund

As described in Finding 2021-013 in the accompanying schedule of findings and questioned costs, Rogers County did not comply with requirements regarding the following:

Finding #	Assistance Listing	Program (or Cluster) Name	Compliance Requirement
2021-013	21.019	Coronavirus Relief Fund	Activities Allowed or Unallowed; Allowable Costs/Costs Principles; and Period of Performance

Compliance with such requirements is necessary, in our opinion, for Rogers County to comply with the requirements applicable to that program.

Qualified Opinion on Assistance Listing 21.019 – Coronavirus Relief Fund

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Rogers County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Coronavirus Relief Fund for the year ended June 30, 2021.

Other Matters

Rogers County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Rogers County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Rogers County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Rogers County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rogers County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material

weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-008, 2021-011, 2021-012, and 2021-013, that we consider to be material weaknesses.

Rogers County's Response to Findings

Rogers County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Rogers County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

October 1, 2024

**ROGERS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SECTION 1—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:.....Adverse as to GAAP; unmodified as to regulatory presentation

Internal control over financial reporting:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? Yes

Noncompliance material to the financial statement noted? Yes

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on
compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR § 200.516(a) of the Uniform Guidance? Yes

Identification of Major Programs

Assistance Listing Number(s)

21.019

Name of Federal Program or Cluster

Coronavirus Relief Fund

Dollar threshold used to distinguish between

Type A and Type B programs: \$750,000

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

**ROGERS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Finding 2021-003—Lack of Internal Controls Over the Reconciliation of Appropriation Ledger to the General Ledger

Condition: The County Clerk does not reconcile the appropriation ledger balances to the County Treasurer's general ledger balances.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the reconciliation of the County Clerk's appropriation ledger to the County Treasurer's general ledger is performed on a monthly basis for all funds.

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

Recommendation: The Oklahoma State Auditor and Inspector's office (OSAI) recommends the County Clerk reconciles the appropriation ledger to the County Treasurer's general ledger on a monthly basis. The reconciliation should be reviewed and approved by someone other than the preparer.

Management Response:

County Clerk: The County Clerk and the County Treasurer developed a policy for reconciling cash accounts monthly. The process ensures the appropriation ledger balances are reconciled to the general ledger each month.

Criteria: The United States Government Accountability Office's *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

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

Internal Control System Monitoring

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

**ROGERS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Finding 2021-005—Lack of Internal Control and Noncompliance Over the Disbursement Process

Condition: Upon inquiry of county personnel, observation of the County's disbursement process, and a test of seventy-seven (77) disbursements, the following weaknesses were noted:

- Four (4) disbursements totaling \$714,923 were not properly encumbered.
- One (1) disbursement totaling \$235,560 was not reviewed or authorized by the County Clerk prior to payment.
- One (1) disbursement totaling \$500,000 was not supported by a receiving report.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with state statutes 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 adhere to state purchasing guidelines to ensure:

- The availability of funds by encumbering prior to goods or services being order or received.
- All expenditures indicate proof of review and approve by the County Clerk.
- Expenditures are supported by adequate documentation.

Management Response:

Board of County Commissioners: The Board of County Commissioners (BOCC) is responsible for the overall fiscal concerns of the county. *See* OKLA. STAT. Title 19, § 345. The BOCC will continue to work with all departments, the County Clerk, and the Purchasing Agent to draft, revise, and/or implement procedures and procedures to ensure that expenditures comply with all applicable laws and/or regulations and are supported by adequate documentation.

County Clerk: The County Clerk, Purchasing Agent, and all employees of the County Clerk's Office work diligently to ensure that all expenditures of county funds comply with all applicable laws and/or regulations, including prior encumbering by the designated requisitioning officer and supported by adequate documentation. The County Clerk and Purchasing Agent will continue to work with the BOCC and all departments within the County to draft, revise, and/or implement procedures to ensure that expenditures comply with all applicable laws and/or regulations and are supported by adequate documentation.

County Sheriff: The County Sheriff will continue to work with the County Clerk, Purchasing Agent, and the BOCC to implement policies and procedures to ensure expenditures of county monies comply with all applicable laws and regulations.

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Criteria: GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.23 states in part:

Objectives of an Entity – Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

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

Appropriate documentation of transactions and internal control

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

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

Finding 2021-015 – Lack of Internal Controls and Noncompliance Over Compensatory Time

Condition: During the course of our audit, it was brought to our attention, that to offset the cost of maintaining their cell phones, employees of Rogers County District 2 were allowed to accrue 8.25 hours of unearned compensatory time monthly with the approval of the District 2 Commissioner. Upon further review of the employees' timesheets and wage rates, it was determined that employees of Rogers County District 2 received compensatory time equivalent to \$45,967 in fiscal year 2021.

Additionally, the Rogers County Employee Handbook does not allow for compensatory time to be accrued in this manner.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure time recorded, leave records, and time reported are reviewed for accuracy and compliance with the state statutes and the County Handbook. Therefore, the District 2 Commissioner approved employees' timesheets that included compensatory accruals for hours that the employees did not work.

Effect of Condition: This condition resulted in noncompliance with state statutes and County policies. Additionally, this condition resulted in an increased liability to the County, inaccurate records, inaccurate accruals, and the misappropriation of funds.

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Recommendation: OSAI recommends management be aware of this condition and design and implement internal controls that would require timesheets be approved by an elected official for accuracy and compliance with state statutes and County policies. OSAI further recommend the BOCC and the District Attorney review this finding to determine what action, if any, may be necessary.

Management Response:

Board of County Commissioners: The BOCC is responsible for the overall fiscal concerns of the county. See OKLA. STAT. Title 19, § 345. The Board of County Commissioners, with the cooperation and participation of all elected officials, reviews, develops and implements policies and procedures to create a strong internal control environment.

The BOCC will continue to work with all elected officials to develop and revise policies and procedures for employment and compensation with the county. Rogers County is currently in the process of reviewing and revising its policies and procedures relating to employment (Employee Handbook) and will develop, implement, and revise policies and procedures to ensure both Rogers County and its employees understand their respective rights and responsibilities.

District 2 County Commissioner: This policy was implemented by a prior administration. The practice was continued after taking office based on the assumption that the previous District 2 County Commissioner obtained the necessary approval(s) for the practice. The practice was terminated in June 2022, after being notified by the Oklahoma State Auditor and Inspector's Office that the practice had not been approved.

The County Commissioner, District 2, is committed to following all laws and regulations regarding employment and compensation as well as Rogers County's policies and procedures relating to employment and compensation. The County Commissioner, District 2, will continue to work with the Board of County Commissioners and all elected officials to develop and revise policies and procedures relating to employment and compensation with the county. Rogers County is currently in the process of reviewing and revising its policies and procedures relating to employment (Employee Handbook) and will develop, implement, and revise policies and procedures to ensure both Rogers County and its employees understand their respective rights and responsibilities.

Criteria: GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.23 states in part:

Objectives of an Entity - Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

The GAO Standards – Principle 6 – Define Objectives and Risk Tolerances – 6.05 states:

Definition of Objectives Management considers external requirements and internal expectations when defining objectives to enable the design of internal control. Legislators,

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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.

The GAO Standards – Principle 8 – Assess Fraud Risk states in part:

Fraud Risk Factors

8.04 - Management considers fraud risk factors. Fraud risk factors do not necessarily indicate that fraud exists but are often present when fraud occurs. Fraud risk factors include the following:

- Incentive/pressure - Management or other personnel have an incentive or are under pressure, which provides a motive to commit fraud.
- Opportunity - Circumstances exist, such as the absence of controls, ineffective controls, or the ability of management to override controls, that provide an opportunity to commit fraud.
- Attitude/rationalization - Individuals involved are able to rationalize committing fraud. Some individuals possess an attitude, character, or ethical values that allow them to knowingly and intentionally commit a dishonest act.

Response to Fraud Risks

8.07 - Management responds to fraud risks through the same risk response process performed for all analyzed risks. Management designs an overall risk response and specific actions for responding to fraud risks. It may be possible to reduce or eliminate certain fraud risks by making changes to the entity's activities and processes. These changes may include stopping or reorganizing certain operations and reallocating roles among personnel to enhance segregation of duties. In addition to responding to fraud risks, management may need to develop further responses to address the risk of management override of controls. Further, when fraud has been detected, the risk assessment process may need to be revised.

Title 74 O.S. § 840-2.15 states in part,

A. The federal Fair Labor Standards Act, 29 U.S.C., Section 201, et seq., provides for minimum standards for overtime entitlement, and spells out administrative procedures by which covered work time must be compensated. This section is not a comprehensive listing of the provisions of the Fair Labor Standards Act and regulations promulgated thereunder and is not intended to conflict with either the Act or the regulations. No agency, board, commission, department, institution, bureau, executive officer or other entity of the executive branch shall exceed the minimum overtime entitlement provisions of the Fair Labor Standards Act and regulations promulgated thereunder except as herein provided.

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Additionally, the *Rogers County Employee Handbook* states the following:

Timekeeping Requirements (Non-exempt employees)

Rogers County maintains records of time worked according to state and federal regulations to ensure accurate pay and benefit accruals for both exempt and nonexempt employees. While exempt employees are paid on a salary basis, the County is required by law to keep accurate records of the actual hours worked by the nonexempt employees, including hours worked each day and total hours worked each work week. Nonexempt employees must use time clocks, timecards, or other similar means of accurately recording their regular hours worked, meal periods, overtime, absences, holiday, and vacations. Time records should be carefully checked for accuracy as paychecks will be calculated according to the information shown on them unless the information is determined to be erroneous.

Overtime and Compensatory Time Off

When operating requirements or other needs cannot be met during regular working hours, nonexempt employees may be scheduled to work overtime hours. When possible, advance notification of these mandatory assignments will be provided. County employees receive compensatory time in the amount of one and one-half regular hours for any hours worked over 40 in a work week or, at the sole discretion of the Elected Official, are paid time and a half of the employee's regular rate of pay. This policy applies to all nonexempt Rogers County employees, with the exception of law enforcement.

SECTION 3—Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Finding 2021-008—Lack of Internal Controls Over the SEFA (Repeat Finding 2008-013, 2009-013, 2010-013, 2012-008, 2013-008, 2014-007, 2017-005, 2018-003, 2019-021, 2020-008)

PASS-THROUGH GRANTOR: Oklahoma Department of Emergency Management; Oklahoma Office of Management and Enterprise Services

FEDERAL AGENCY: U.S. Department of Treasury

ASSISTANCE LISTING: 21.019

FEDERAL PROGRAM NAME: Coronavirus Relief Fund

FEDERAL AWARD YEAR: 2021

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Costs Principles; and Period of Performance

QUESTIONED COSTS: \$-0-

Condition: During our review and reconciliation of the SEFA, as initially prepared by the County, we identified federal programs that were not reported accurately. These errors resulted in expenditures being understated by \$3,828,046.

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Cause of Condition: Policies and procedures have not been designed and implemented to ensure accurate reporting of expenditures for all federal awards.

Effect of Condition: This condition resulted in inaccurate recording of expenditures on the SEFA and could increase the potential for material noncompliance.

Recommendation: OSAI recommends county officials and department heads gain an understanding of federal programs awarded to Rogers County. Internal control procedures should be designed and implemented to ensure an accurate reporting of expenditures on the SEFA and to ensure compliance with federal requirements.

Management Response:

Board of County Commissioners: The BOCC is responsible for the overall fiscal concerns of the county. *See* OKLA. STAT. Title 19, § 345. The BOCC, with the cooperation and participation of all elected officials, reviews, develops and implements policies and procedures to create a strong internal control environment. Additionally, the BOCC conducts meetings with all elected officials and officers responsible for the receipt and/or expenditure of county funds. These meetings address fiscal matters, including but not limited to, policy discussions and implementation, financial reports, budget oversight, SEFA reporting, and legal compliance.

Policies and procedures, combined with fiscal oversight meetings, are intended to: 1) prevent or detect material misstatements in the financial statements; 2) prevent or detect fraud within the county; 3) increase communication between the BOCC and those elected officials and officers responsible for the receipt and/or expenditure of public funds; 4) provide oversight over the fiscal concerns of the county; 5) identify and address risks related to financial reporting; 6) ensure the accuracy of Rogers County's financial statements, Estimate of Needs, the SEFA; and 7) ensure compliance with all applicable federal and state laws, regulations, and/or codes.

The BOCC is responsible for preparing the financial statements. *See* OKLA. STAT. Title 68, § 3002(A). At the end of fiscal year 2020, the BOCC chose not to renew the contract with the budget maker. Beginning in fiscal year 2021, the BOCC and the Rogers County Treasurer developed and implemented a plan for the preparation and presentation of the financial statements by the Rogers County Treasurer beginning in fiscal year 2021. The purpose of this plan was to increase communication, involvement and oversight regarding the County's financial condition and for better accuracy and timeliness of the preparation and presentation of the financial statements.

The BOCC, with the cooperation of all elected officials and officers responsible for the receipt or expenditure of county funds, will evaluate the processes and procedures currently in place to detect and identify material misstatements in Rogers County's financial statements, detect fraud, and identify and address risks related to Rogers County's financial reporting. Where deficiencies are identified, processes and procedures will be implemented to identify fraud, detect material misstatements in the financial statements, and address risks related to financial reporting.

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County Clerk: The County Clerk works with the BOCC and all elected officials to develop and implement policies and procedures to prevent material misstatements in Rogers County's financial statements, detect fraud and identify and address risks related to Rogers County's financial reporting. These policies are intended to ensure the accuracy of the County's financial statements, Estimate of Needs, SEFA, and compliance with all applicable federal and state laws, regulations, and/or codes.

The County Clerk will continue to perform the duties of her office in accordance with Oklahoma law. Where appropriate, the County Clerk will participate in the development and implementation of policies and procedures to prevent material misstatements in Rogers County's financial statements, detect fraud and identify and address risks related to Rogers County's financial reporting.

County Treasurer: The County Treasurer was engaged to compile the SEFA report. Each department is responsible for reporting its own Federal revenues and expenditures.

County Sheriff: The County Sheriff will work with the BOCC and all elected officials to develop and implement policies and procedures to ensure Rogers County's SEFA is prepared timely and accurately.

Criteria: GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.23 states in part:

Objectives of an Entity – Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

2 CFR § 200.303(a) *Internal Controls* reads as follows:

The non-Federal entity must:

Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

2 CFR § 200.508(b) *Auditee responsibilities* reads as follows:

The auditee must:

Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §200.510 Financial statements.

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2 CFR § 200.510(b) *Financial statements* reads as follows:

Schedule of expenditures of Federal awards.

The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended.

Finding 2021-011—Lack of County-Wide Controls Over Major Federal Programs – Coronavirus Relief Fund (Repeat Finding 2008-019, 2010-23, 2012-009, 2013-009, 2014-008, 2018-011, 2020-012)

PASS-THROUGH GRANTOR: Oklahoma Department of Emergency Management; Oklahoma Office of Management and Enterprise Services

FEDERAL AGENCY: U.S. Department of Treasury

ASSISTANCE LISTING: 21.019

FEDERAL PROGRAM NAME: Coronavirus Relief Fund

FEDERAL AWARD YEAR: 2021

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Costs Principles; and Period of Performance

QUESTIONED COSTS: -\$0-

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

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the County complies with grant requirements.

Effect of Condition: This condition could result in noncompliance to grant requirements and loss of federal funds.

Recommendation: OSAI recommends that the County design and implement a system of internal controls to ensure compliance with grant requirements.

Management Response:

Board of County Commissioners: The BOCC is responsible for the overall fiscal concerns of the county. See OKLA. STAT. Title 19, § 345. The BOCC, with the cooperation and participation of all elected officials, reviews, develops and implements policies and procedures to create a strong internal control environment. The BOCC will work with all elected officials and with the state and local partners in each federal award to develop policies, procedures, and internal controls designed to accurately track grants, including the application process, verification, oversight, and reporting of grant requirements. These policies and procedures will be designed to identify requirements for recipients and sub-recipients of grants, ensure accurate equipment and real property management, procurement, recipient and subrecipient monitoring and

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reporting. Further, policies will ensure a proper understanding of all grant requirements and compliance of the same.

Criteria: 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.

Furthermore, 2 CFR § 200.303 Internal Controls (a) reads as follows:

The non-Federal entity must:

Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Finding 2021-0012—Lack of Internal Controls Over Major Federal Program - Coronavirus Relief Fund

PASS-THROUGH GRANTOR: Oklahoma Department of Emergency Management; Oklahoma Office Management and Enterprise Services

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FEDERAL AGENCY: U.S. Department of Treasury

ASSISTANCE LISTING: 21.019

FEDERAL PROGRAM NAME: Coronavirus Relief Fund

FEDERAL AWARD YEAR: 2021

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Costs Principles; and Period of Performance

QUESTIONED COSTS: \$-0-

Condition: During the process of documenting the County's internal controls regarding federal disbursements, we noted that Rogers County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Costs Principles; and Period of Performance.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure federal program expenditures are made in accordance with federal compliance requirements.

Effect of Condition: This condition attributed to the noncompliance with grant requirements and could lead to the loss of federal funds to the County.

Recommendation: OSAI recommends the County gain an understanding of requirements for this program and implement internal control procedures to ensure compliance with all requirements.

Management Response:

Board of County Commissioners: The BOCC is responsible for the overall fiscal concerns of the county. See OKLA. STAT. Title 19, § 345. The BOCC, with the cooperation and participation of all elected officials, reviews, develops and implements policies and procedures to create a strong internal control environment. The BOCC will work with all elected officials and with the state and local partners in each federal award to develop policies, procedures, and internal controls designed to accurately track grants, including the application process, verification, oversight, and reporting of grant requirements. These policies and procedures will be designed to identify requirements for recipients and sub-recipients of grants, ensure accurate equipment and real property management, procurement, recipient and subrecipient monitoring and reporting. Further, policies will ensure a proper understanding of all grant requirements and compliance of the same.

Criteria: 2 CFR § 200.303(a) *Internal Controls* reads as follows:

The non-Federal entity must:

Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

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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 Activities – The actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity's information system.

Finding 2021-013 – Lack of Internal Controls and Noncompliance Over Major Federal Program – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance – Coronavirus Relief Fund

PASS-THROUGH GRANTOR: Oklahoma Department of Emergency Management and Oklahoma Office and Management and Enterprise Services

FEDERAL AGENCY: U.S. Department of Treasury

ASSISTANCE LISTING NO: 21.019

FEDERAL PROGRAM NAME: Coronavirus Relief Fund

FEDERAL AWARD YEAR: 2021

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Costs Principles; and Period of Performance

QUESTIONED COSTS: \$731,856

Condition: The County submitted and received reimbursement for \$4,244,344 in expenditures related to the COVID-19 Pandemic. After performing testwork on 100% of the County's expenditures, \$731,856 was not expended in accordance with the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance due to ineligible costs.

- The County was reimbursed \$630,738 for payroll expenditures for the Northeast Oklahoma Enhanced 9-1-1 Trust Authority for the period of March 2020, through August 2020. The reimbursement of these funds was determined to be unallowable, as these costs were not expenditures of the County.
- The County was reimbursed \$63,000 for the October 2020 payment to the Tulsa Port of Catoosa (the Port) for proposed project costs of the Port. The reimbursement of these funds was determined to be unallowable, as this cost was not an allowable cost of Rogers County.
- The County was reimbursed \$24,620 for the September 2020 payment to the Rogers County Youth Services for estimated COVID related expenses of Rogers County Youth Services. The

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reimbursement of these funds was determined to be unallowable, as this cost was not an allowable cost of Rogers County.

- The County was reimbursed \$7,821 for the September 2020 payment to the City of Claremore for advertising expenses of the City of Claremore. The reimbursement of these funds was determined to be unallowable, as this cost was not an allowable cost of Rogers County.
- The County was reimbursed \$5,455 for duplicate expenses submitted between August 2020 and October 2020.
- The County was reimbursed \$650 for office supplies and equipment purchased in August 2020 when actual cost of the supplies and equipment was \$428 causing the County to be reimbursed \$222 more than allowed.
- The County relied on the Oklahoma Office of Management and Enterprise Services to ensure that the County reimbursement request was for eligible expenditures.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that the County has proper internal controls over federal grant expenditures and that the expenditures were for an allowable cost.

Effect of Condition: These conditions resulted in noncompliance with federal grant requirements. The County runs the risk of misappropriation of funds which could hinder the County from receiving future federal funding. Further, this could result in the repayment of funds.

Recommendation: OSAI recommends the County gain an understanding of requirements for this program and design and implement policies and procedures to ensure compliance with all applicable grant requirements.

Management Response:

Board of County Commissioners: The BOCC is responsible for the overall fiscal concerns of the county. See OKLA. STAT. Title 19, § 345. The BOCC, with the cooperation and participation of all elected officials, reviews, develops and implements policies and procedures to create a strong internal control environment. The BOCC will work with all elected officials and with the state and local partners in each federal award to develop policies, procedures, and internal controls designed to accurately track grants, including the application process, verification, oversight, and reporting of grant requirements. These policies and procedures will be designed to identify requirements for recipients and sub-recipients of grants, ensure accurate equipment and real property management, procurement, recipient and subrecipient monitoring and reporting. Further, policies will ensure a proper understanding of all grant requirements and compliance of the same.

The BOCC engaged a third party to assist in program evaluation, determination of eligible costs, subrecipient oversight and tracking, and grant documentation and reporting. Based on the third party's qualifications and experience, the BOCC relied upon the experience and expertise of the third party to oversee COVID-19 funds. Further, with respect to submissions to the Oklahoma Office of Management and Enterprise Services (OMES), the BOCC relied on OMES to ensure that expenses submitted for reimbursement were eligible expenses.

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Criteria: 42 United States Code § 801 – Coronavirus relief fund Section 801(d) requires the States, Tribal governments, or units of local government use the funds received to cover only those costs that (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); (2) were not accounted for in the budget most recently approved as of March 27, 2020, for the State or government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Additionally, 2 CFR § 200.303(a) *Internal Controls* reads as follows:

The non-Federal entity must:

Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

2 CFR § 200.403 - *Factors affecting allowability costs* states in relevant part,

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (f) not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- (g) Be adequately documented.

SECTION 4—This section contains certain matters not required to be reported in accordance with *Government Auditing Standards*. However, we believe these matters are significant enough to bring to management’s attention. We recommend that management consider these matters and take appropriate corrective action.

Finding 2021-010 – Lack of Internal Controls Over the Inmate Trust Fund Checking Account and Sheriff Commissary Fund (Repeat Finding)

Condition: Upon inquiry, observation of County procedures and records, and testwork for the Inmate Trust Fund Checking Account and the Sheriff Commissary Fund, OSAI noted the following:

Inmate Trust Fund Checking Account:

- The County does not have an adequate segregation of duties to ensure that duties assigned to individuals are done so in a manner that would not allow one individual to control both the recording function and the procedures relative to processing a transaction.
 - One employee is responsible for balancing the lock box collections, preparing the deposits, updating inmates’ account balances with credits and deductions, performing monthly bank

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reconciliations, acting as the direct contact for the bookkeeping system vendor, and serving as a check signer.

- There is no indication of independent monitoring or review of the bookkeeping functions of the Inmate Trust Fund Checking Account.
- Bank reconciliations prepared by the County Sheriff's employees are not signed by the individual who prepares them, and do not indicate being reviewed and approved by someone other than the preparer.
- Checks issued from the Inmate Trust Fund Checking Account are not always signed by an authorized signer. Additionally, the County Sheriff's name is sometimes signed by someone other than the County Sheriff.
- Access to the Inmate Trust Fund Checking Account check stock is not limited during business hours.

Sheriff Commissary Fund:

- The County Sheriff is required to file a financial report for the Sheriff Commissary Fund with the BOCC by January 15th of each year. During the review of this report, OSAI noted the following:
 - The beginning and ending balances reported by the Sheriff did not agree to the County Treasurer's beginning and ending balances. Additionally, there was no reconciliation presented to document the differences.

Reported Beginning Balance:	\$ 41,715
Treasurer's Ledger Balance:	<u>\$ 87,404</u>
Beginning Balance understated by:	<u>(\$ 45,689)</u>

Reported Ending Balance:	\$128,178
Treasurer's Ending Balance:	<u>\$120,500</u>
Ending Balance overstated by:	<u>\$ 7,678</u>

- There is no indication that the report was reviewed accuracy and approved by someone other than the preparer.
- Although the report was presented to the BOCC on January 11, 2021, and discussed in the BOCC meetings of January 11, 2021, January 19, 2021, and January 25, 2021, the BOCC never made a motion to approve or reject the report.

Cause of Condition: Policies and procedures have not been designed and implemented to strengthen internal controls.

Effect of Condition: These conditions resulted misstated financial reporting and undetected errors, and could result in unrecorded transactions and misappropriation of funds.

Recommendation: OSAI recommends that management be aware of these conditions and determine if duties can be properly segregated. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical

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functions of the office and having management monitor of accounting functions by performing reviews and approvals.

OSAI further recommends the County Sheriff implement procedures to ensure:

- There is clear indication of independent monitoring or review of the bookkeeping functions of the Inmate Trust Fund Checking Account. Reconciliations should be reviewed for accuracy, approved by someone other than the preparer, and denote the signature and date of both the preparer and the reviewer.
- All reconciling items should be identified and verified in a timely manner.
- All checks issued from the Inmate Trust Fund Checking Account are signed by two authorized employees, signers sign only their names, and check stock is secured at all times.
- Annual Commissary Fund report reconciles to underlying financial records, is reviewed for accuracy, and is approved by someone other than the preparer prior to being filed with the BOCC.

Management Response:

County Sheriff: The Sheriff's Office will review and revise the policies and procedures relating to the administration of the Inmate Trust Fund Checking Account and Sheriff Commissary Fund to ensure that proper administration and compliance with state law.

Criteria: Component objectives of effective internal control systems are to deter and detect fraud and to provide accurate and reliable information. Internal controls are designed to safeguard assets and to analyze and check accuracy, completeness, and authorization of transactions. Failure to perform tasks that are part of internal controls, such as segregating duties or implementing compensating reviews, performing bank reconciliations accurately and timely, and maintaining records in a manner to ensure compliance with state statutes and/or to minimize the risk of misappropriation, are deficiencies in internal control.

The GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.23 states in part:

Objectives of an Entity – Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

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

Segregation of duties

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

ROGERS COUNTY, OKLAHOMA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Accurate and timely recording of transactions

Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.

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

Internal Control System Monitoring

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

APPENDIX A

CORRECTIVE ACTION PLAN

(Prepared by County Management)



ROGERS COUNTY COMMISSIONERS

200 South Lynn Riggs Blvd · Claremore, Oklahoma 74017 · Office (918) 923-4798

Commissioner Dan DeLozier
District 1

Commissioner Steve Hendrix
District 2

Commissioner Ron Burrows
District 3

Corrective Action Plan in accordance with 2 CFR § 200.511c For the Fiscal Year ended June 30, 2021

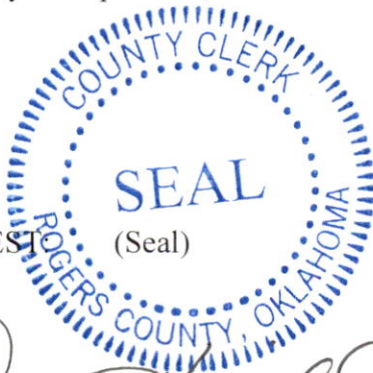
Finding No.	Title (Financial) or Assistance Listing No. (formerly CFDA No.) & Program Name (Federal)	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2021-003	Lack of Internal Controls Over the Reconciliation of Appropriation Ledger to the General Ledger	<p>The Board of County Commissioners, with the cooperation and participation of all elected officials, reviews, develops and implements policies and procedures to create a strong internal control environment. Additionally, the Board of County Commissioners conducts meetings with all elected officials and officers responsible for the receipt and/or expenditure of county funds. These meetings address fiscal matters, including but not limited to, policy discussions and implementation, financial reports, budget oversight, SEFA reporting, and legal compliance.</p> <p>Policies and procedures, combined with fiscal oversight meetings, are intended to: 1) prevent or detect material misstatements in the financial statements; 2) prevent or detect fraud within the county; 3) increase communication between the Board of County Commissioners and those elected officials and officers responsible for the receipt and/or expenditure of public funds; 4) provide oversight over the fiscal concerns of the county; 5) identify and address risks related to financial reporting; 6) ensure the accuracy of Rogers County's financial statements, Estimate of Needs, the Schedule of Federal Awards</p>	End of FY 25	Chairman, Board of County Comm'rs

		("SEFA"); and 7) ensure compliance with all applicable federal and state laws, regulations, and/or codes.		
2021-005	Lack of Internal Control and Noncompliance Over the Disbursement Process	The Board of County Commissioners will continue to work with all departments, the County Clerk, and the Purchasing Agent to draft, revise, and/or implement procedures and procedures to ensure that expenditures comply with all applicable laws and/or regulations and are supported by adequate documentation.	End of FY 25	Chairman, Board of County Comm'rs
2021-015	Lack of Internal Controls and Noncompliance Over Compensatory Time	This policy was implemented by a prior administration. The practice was continued after taking office based on the assumption that the previous District 2 County Commissioner obtained the necessary approval(s) for the practice. The practice was terminated in June 2022, after being notified by the Oklahoma State Auditor and Inspector's Office that the practice had not been approved.	End of FY 22	Chairman, Board of County Comm'rs
2021-008	21.019 - Coronavirus Relief Fund	<p>The Board of County Commissioners, with the cooperation and participation of all elected officials, reviews, develops and implements policies and procedures to create a strong internal control environment. Additionally, the Board of County Commissioners conducts meetings with all elected officials and officers responsible for the receipt and/or expenditure of count funds. These meetings address fiscal matters, including but not limited to, policy discussions and implementation, financial reports, budget oversight, SEFA reporting, and legal compliance.</p> <p>Policies and procedures, combined with fiscal oversight meetings, are intended to: 1) prevent or detect material misstatements in the financial statements; 2) prevent or detect fraud within the county; 3) increase communication between the Board of County Commissioners and those elected officials and officers responsible for the receipt and/or expenditure of public funds; 4) provide oversight over the fiscal concerns of the county; 5) identify and address risks related to financial reporting; 6) ensure the accuracy of Rogers County's financial statements, Estimate of Needs, the Schedule of Federal Awards</p>	End of FY 25	Chairman, Board of County Comm'rs

		<p>("SEFA"); and 7) ensure compliance with all applicable federal and state laws, regulations, and/or codes.</p> <p>The Board of County Commissioners, with the cooperation of all elected officials and officers responsible for the receipt or expenditure of county funds, will evaluate the processes and procedures currently in place to detect and identify material misstatements in Rogers County's financial statements, detect fraud, and identify and address risks related to Rogers County's financial reporting. Where deficiencies are identified, processes and procedures will be implemented to identify fraud, detect material misstatements in the financial statements, and address risks related to financial reporting.</p>		
2021-011	21.019 - Coronavirus Relief Fund	<p>The Board of County Commissioners, with the cooperation and participation of all elected officials, reviews, develops and implements policies and procedures to create a strong internal control environment. The Board of County Commissioners will work with work with all elected officials and with the state and local partners in each federal award to develop policies, procedures, and internal controls designed to accurately track grants, including the application process, verification, oversight, and reporting of grant requirements. These policies and procedures will be designed to identify requirements for recipients and sub-recipients of grants, ensure accurate equipment and real property management, procurement, recipient and subrecipient monitoring and reporting. Further, policies will ensure a proper understanding of all grant requirements and compliance of the same.</p>	End of FY 25	Chairman, Board of County Comm'rs
2021-012	21.019 - Coronavirus Relief Fund	<p>The Board of County Commissioners, with the cooperation and participation of all elected officials, reviews, develops and implements policies and procedures to create a strong internal control environment. The Board of County Commissioners will work with work with all elected officials and with the state and local partners in each federal award to develop policies, procedures, and internal controls designed to accurately track grants, including the application</p>	End of FY 25	Chairman, Board of County Comm'rs

		process, verification, oversight, and reporting of grant requirements. These policies and procedures will be designed to identify requirements for recipients and sub-recipients of grants, ensure accurate equipment and real property management, procurement, recipient and subrecipient monitoring and reporting. Further, policies will ensure a proper understanding of all grant requirements and compliance of the same.		
2021-013	Lack of Internal Controls and Noncompliance Over Major Federal Program – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance – Coronavirus Relief Fund 21.019 - Coronavirus Relief Fund	The Board of County Commissioners, with the cooperation and participation of all elected officials, reviews, develops and implements policies and procedures to create a strong internal control environment. The Board of County Commissioners will work with work with all elected officials and with the state and local partners in each federal award to develop policies, procedures, and internal controls designed to accurately track grants, including the application process, verification, oversight, and reporting of grant requirements. These policies and procedures will be designed to identify requirements for recipients and sub-recipients of grants, ensure accurate equipment and real property management, procurement, recipient and subrecipient monitoring and reporting. Further, policies will ensure a proper understanding of all grant requirements and compliance of the same.	End of FY 25	Chairman, Board of County Comm'rs

This Corrective Action Plan in accordance with 2 CFR § 200.511c for the fiscal year ended June 30, 2021, was reviewed and approved by the Board of County Commissioners of Rogers County on this 30th day of September, 2024.



ATTEST (Seal)


Jeanne M. Heidlage, County Clerk


Dan DeLozier, Chairman

APPENDIX B

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

(Prepared by County Management)



ROGERS COUNTY COMMISSIONERS

200 South Lynn Riggs Blvd · Claremore, Oklahoma 74017 · Office (918) 923-4798

Commissioner Dan DeLozier
District 1

Commissioner Steve Hendrix
District 2

Commissioner Ron Burrows
District 3

Summary Schedule of Prior Audit Findings in accordance with 2 CFR § 200.511b For the Fiscal Year ended June 30, 2021

FINANCIAL AUDIT FINDINGS

Finding: 2008-003, 2009-003, 2010-003, 2011-004, 2012-004, 2013-004, 2014-003, 2015-003, 2016-001, 2017-001, 2018-001, 2019-001, 2020-001

Lack of County-Wide Controls

Finding Summary: Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been fully designed and implemented.

Status: Fully Corrected.

Finding: 2016-007, 2017-007, 2018-004, 2019-004, 2020-003

Lack of Internal Controls Over the Financial Statement

Finding Summary: During review and reconciliation of the financial statement as initially prepared by the County, OSAI determined the financial statement was misstated as follows:

- Apportionments understated by \$1,151,545.
- Disbursements understated by \$1,151,525.
- Beginning fund balance understated by \$161,186.
- Ending fund balance understated by \$161,058.

Status: Fully Corrected.

Finding: 2008-013, 2009-013, 2010-013, 2012-008, 2013-008, 2014-007, 2017-005, 2018-003, 2019-021, 2020-008

Lack of Internal Controls Over the Schedule of Expenditures of Federal Awards (SEFA)

PASS THROUGH GRANTOR: Direct Grant and Oklahoma Department of Transportation

FEDERAL AGENCY: U.S. Department of Commerce and U.S. Department of Transportation

ASSISTANCE LISTING: 11.300 and 20.205

FEDERAL PROGRAM NAME: Investment for Public Works and Economic Development Facilities and Highway and Planning

FEDERAL AWARD NUMBER: ERSTP 266C(058), ERSTP 266C(076), ERSTP 266C(077), ERSTP 266C (082) and ERSTP 262C(075)

FEDERAL AWARD YEAR: 2020
CONTROL CATEGORY: All

Finding Summary: Federal program expenditures were not reported accurately on the County's SEFA resulting in federal expenditures being overstated by \$299,126.

Status: Not Corrected. To correct this issue the County plans to develop a Standard Operation Procedure ("SOP") to timely and accurately track and report federal revenues and expenditures on the SEFA. To ensure compliance with Federal requirements, the SOP will include internal control procedures to report expenditures and revenues for all federally awarded programs and internal controls to monitor compliance with laws and regulations pertaining to grant contracts. The SOP will be reviewed, adopted, and monitored by Rogers County through the Board of County Commissioners.

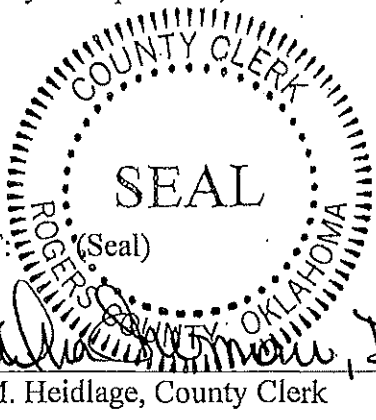
Finding: 2008-019, 2010-23, 2012-9, 2013-009, 2014-008, 2018-011, 2019-022, 2020-012
Lack of County-Wide Internal Controls Over Major Federal Programs

PASS-THROUGH GRANTOR: Direct Grant (11.300); Oklahoma Department of Transportation (20.205)
FEDERAL AGENCY: U.S. Department of Commerce; U.S. Department of Transportation
CFDA NO: 11.300 and 20.205
FEDERAL PROGRAM NAME: Investments for Public Works and Economic Development Facilities: Highway Planning and Construction
FEDERAL AWARD NUMBER: 08-79-05211; ERSTP-262C(075), ERSTP-226C(058), ERSTP-266C(076), ERSTP-226C(077), ERSTP-266C(082)
FEDERAL AWARD YEAR: 2019 and 2020
CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Costs Principles; Matching; Period of Performance, Procurement and Suspension and Debarment, Reporting; and Special Tests and Provisions.
QUESTIONED COSTS: \$-0-

Finding Summary: County-wide controls regarding Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been designed.

Status: Not Corrected

REVIEWED AND APPROVED by the Board of County Commissioners of Rogers County on this 18th day of September, 2024.



ATTEST: (Seal)

Jeanne M. Heidlage
Jeanne M. Heidlage, County Clerk

Dan DeLozier
Dan DeLozier, Chairman



Cindy Byrd, CPA | State Auditor & Inspector

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