

ROGERS COUNTY

FOR THE FISCAL YEAR ENDED
JUNE 30, 2007

COUNTY AUDIT



Oklahoma State Auditor
& Inspector

**ROGERS COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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August 13, 2009

TO THE CITIZENS OF
ROGERS COUNTY, OKLAHOMA

Transmitted herewith is the audit of Rogers County, Oklahoma for the fiscal year ended June 30, 2007. A report of this type is critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

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

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

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

**ROGERS COUNTY, OKLAHOMA
FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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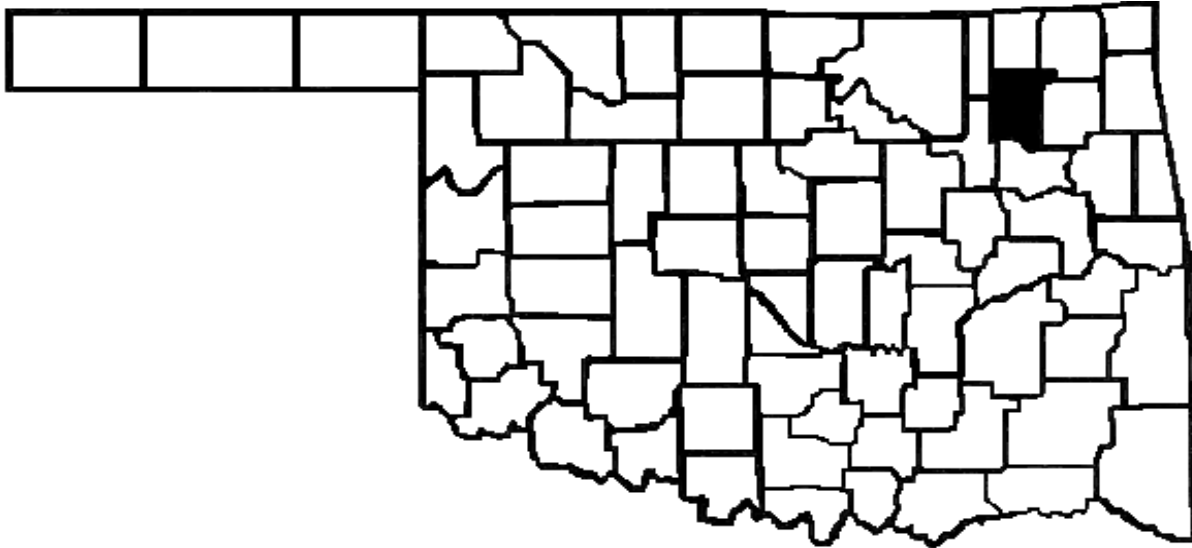
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**REPORT TO THE CITIZENS
OF
ROGERS COUNTY, OKLAHOMA**



Originally part of the Cherokee Nation, Rogers County was created at statehood, and named for Clem V. Rogers, member of the Oklahoma Constitutional Convention and father of famed Will Rogers.

Claremore, the county seat, was named for the Osage Chief Clermont, killed during the Clermont Mound Massacre. It claims as its own such notables as singer Patti Page and astronaut Stuart Roosa. Lynn Riggs, author of *Green Grow the Lilacs*, from which the musical *Oklahoma!* was adapted, was born three miles from Claremore. J.M. Davis, a local resident, owned a hotel and collected more than 20,000 guns in his lifetime.

Catoosa, now a port, was once a rail terminal, which saw the likes of the Daltons, Youngers, Doolins, and other outlaws pass through its boundaries. The waterway extends from the Verdigris and Arkansas to the Mississippi river and the Gulf of Mexico.

While agriculture is still basic, the mining of coal and shale has also been important to the economy of Rogers County. Points of interest in the county include the Will Rogers Memorial Museum in Claremore, which attracts nearly one million visitors annually; the J.M. Davis Gun Museum; Totem Pole Historical Park located east of Foyil; and the Belvidere Mansion in Claremore.

County Seat – Claremore

Area – 711.44 Square Miles

County Population – 80,757
(2005 est.)

Farms – 1,803

Land in Farms – 310,415 Acres

Primary Source: Oklahoma Almanac 2007-2008

See independent auditor's report.

**ROGERS COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

COUNTY ASSESSOR
Melissa Anderson

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

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

COUNTY CLERK
Peggy Armstrong

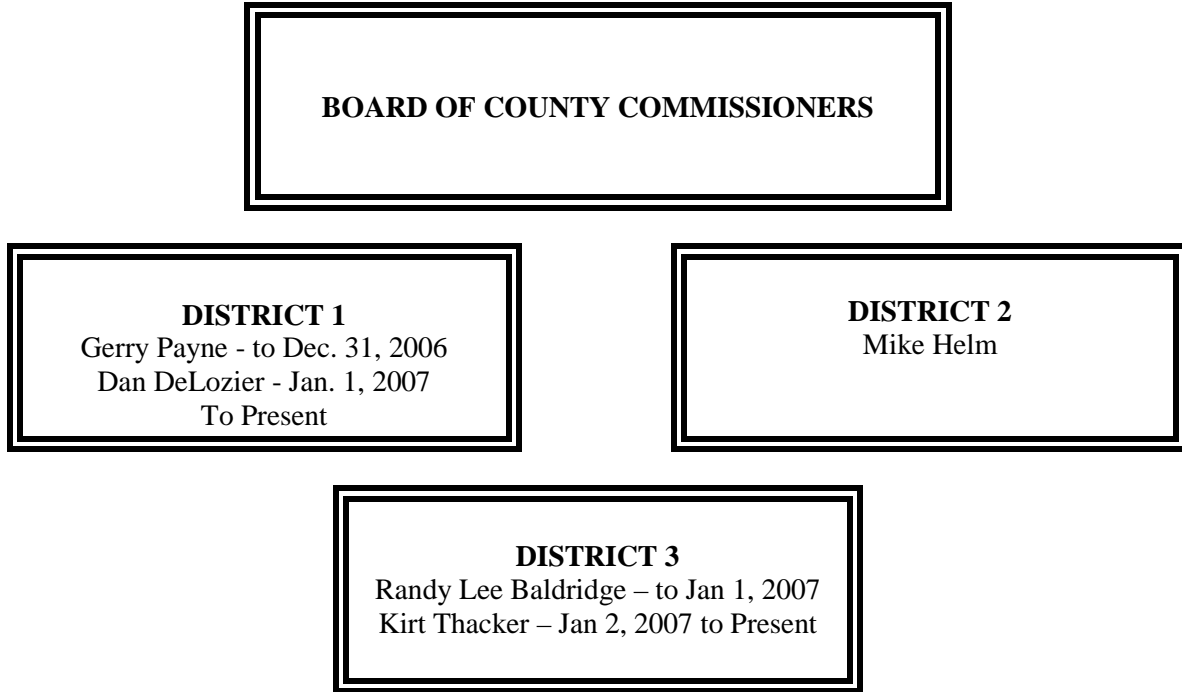
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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

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

See independent auditor's report.

**ROGERS COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**



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

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

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

See independent auditor's report.

**ROGERS COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

COUNTY SHERIFF
Jerry W. Prather

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

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

COUNTY TREASURER
Cathy Pinkerton Baker

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

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

See independent auditor's report.

**ROGERS COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

COURT CLERK
Candi Czapansky

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

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

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

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

DISTRICT ATTORNEY
Gene Haynes

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

See independent auditor's report.

**ROGERS COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

ELECTION BOARD SECRETARY
Terri Thomas

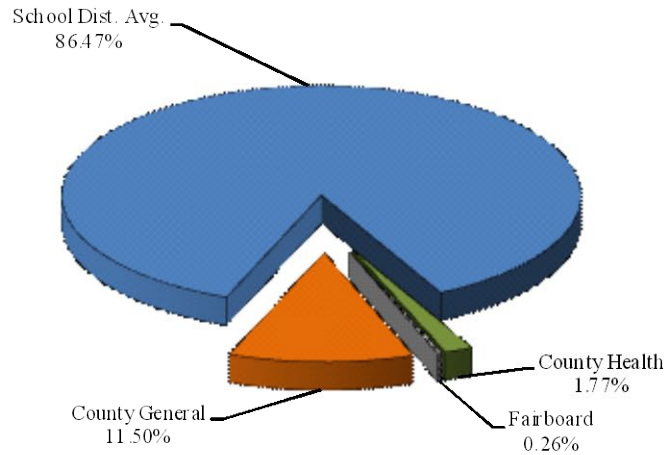
The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within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

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

See independent auditor's report.

**ROGERS COUNTY, OKLAHOMA
AD VALOREM TAX DISTRIBUTION
SHARE OF THE AVERAGE MILLAGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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



County-Wide Millages		School District Millages							
				Career					
			Gen.	Bldg.	Skg.	Tech	Common	Total	
County General	10.01	Claremore	1	35.97	5.14	23.79	11.27	4.099	80.269
County Health	1.54	Catoosa	2	35.46	5.06	12.52	13.18	4.099	70.319
Fairboard	0.23	Chelsea	3	36.51	5.22	18.89	11.27	4.099	75.989
		Oologah-Talala	4	35.38	5.05	7.87	11.27	4.099	63.669
		Inola	5	36.33	5.19	25.02	11.27	4.099	81.909
Oologah/Talala EMS	3.00	Sequoyah	6	36.69	5.24	20.24	11.27	4.099	77.539
		Foyil	7	36.42	5.20	20.62	11.27	4.099	77.609
		Verdigris	8	35.65	5.09	21.08	11.27	4.099	77.189
		Justus-Tiawah	9	36.48	5.21	14.50	11.27	4.099	71.559
		Tulsa-Collinsville	JT-6	36.47	5.60	21.41	11.27	4.099	78.849
Verdigris	10.3018	Tulsa-Owasso	JT-11	36.81	5.26	26.82	11.27	4.099	84.259
Limestone	14.2800	Mayes	JT-32	36.84	5.26	7.03	11.27	4.099	64.499
Northwest	11.6727								
NW Cities	11.6727								
Foyil	17.3620								
Tri-District	10.4390								

See independent auditor's report

**ROGERS COUNTY, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(UNAUDITED)**

Total net assessed value as of January 1, 2006		<u>\$ 529,406,745</u>
Debt limit - 5% of total assessed value		26,470,337
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	<u>-</u>	<u>-</u>
Legal debt margin		<u>\$ 26,470,337</u>

See independent auditor's report.

ROGERS COUNTY, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(UNAUDITED)

	2007
Estimated population	80,757
Net assessed value as of January 1, 2006	\$ 529,406,745
Gross bonded debt	-
Less available sinking fund cash balance	-
Net bonded debt	\$ -
Ratio of net bonded debt to assessed value	0.00%
Net bonded debt per capita	\$ -

See independent auditor's report.

**ROGERS COUNTY, OKLAHOMA
ASSESSED VALUE OF PROPERTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(UNAUDITED)**

<u>Valuation Date</u>	<u>Personal</u>	<u>Public Service</u>	<u>Real Estate</u>	<u>Homestead Exemption</u>	<u>Net Value</u>	<u>Estimated Fair Market Value</u>
1/1/2006	\$81,165,769	\$119,413,097	\$348,012,635	\$19,184,756	\$529,406,745	\$4,812,788,590

See independent auditor's report.

FINANCIAL SECTION

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

Independent Auditor's Report

TO THE OFFICERS OF
ROGERS COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Rogers County, Oklahoma, as of and for the year ended June 30, 2007, listed in the table of contents as the basic financial statement. This financial statement is the responsibility of Rogers County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement was prepared using accounting practices prescribed or permitted by Oklahoma state law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Rogers County as of June 30, 2007, or changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined total of receipts, disbursements, and changes in cash of Rogers County for the year ended June 30, 2007, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2009, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the combined total of all funds within the basic financial statement taken as a whole. The combining information is presented for purposes of additional analysis rather than to present the receipts, disbursements, and cash balances of the individual funds. Also, the other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis, and is not a required part of the basic financial statement. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole. Rogers County has not presented the budgetary comparison information for the Comparative Schedule of Receipts, Expenditures, and Changes in Cash Balances – Budget and Actual – Budgetary Basis – General Fund. Although not a part of the basic financial statement, such information is an integral part of the regulatory presentation for county government. The information listed in the table of contents under Introductory Section has not been audited by us, and accordingly, we express no opinion on it.



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

June 16, 2009

Basic Financial Statement

**ROGERS COUNTY, OKLAHOMA
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 (WITH COMBINING INFORMATION)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Beginning Cash Balances July 1, 2006	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2007
Combining Information:				
County General Fund	\$ 4,504,196	\$ 14,633,023	\$ 12,319,572	\$ 6,817,647
Use Tax	41,857	729,119	727,100	43,876
T-Highway	821,832	2,904,927	3,037,394	689,365
Sheriff Equipment Grant	10		10	
Resale Property	287,557	217,043	241,922	262,678
Civil Defense/Emergency Management	15,197	123,707	61,545	77,359
County Health	445,400	946,256	688,341	703,315
Sheriff Drug Enforcement	2,752		517	2,235
Sheriff Revolving	604		604	
Sheriff Civil Fee	103,571	393,275	369,878	126,968
County Clerk Lien Fee	16,352	26,681	36,602	6,431
Treasurer Mortgage Certification Fee	116,168	29,938	123,653	22,453
County Clerk Record Preservation	31,141	113,529	113,966	30,704
Planning Commission Engineering Fees	7,547	8,450	7,085	8,912
Sheriff Beacon Light Fund	636		636	
Sheriff Commissary	42,288	94,001	76,966	59,323
Sheriff Service Fees		23,196		23,196
Community Service	18		18	
Sheriff Jail Account	2,234,622	2,250,707	1,947,543	2,537,786
Justice Bureau Block Grant	14		14	
Safe Room Rebate	1	1,984	1,984	1
Attendant Care	6,715	13,755	18,434	2,036
CERT Emergency Management	153			153
CDBG RWD #9	80			80
Assessor Revolving	8,698	7,666	6,000	10,364
Combined Total- All County Funds	\$ 8,687,409	\$ 22,517,257	\$ 19,779,784	\$ 11,424,882

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, 2007**

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The accompanying basic financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds of Rogers County, Oklahoma. The funds presented as line items are not a part of the basic financial statement, but have been included as supplementary information within the basic financial statement. These separate funds are established by statute, and their operations are under the control of the County officials. The general fund is the County's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Fund Accounting

The 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 funds included as supplementary information within the financial statement:

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

Use Tax – revenues are from sales tax charged to out-of-county vendors on in-county sales. Disbursements are for any legal expense of the County.

T-Highway – revenues are from state imposed fuel taxes and disbursements are for the maintenance and construction of county roads and bridges.

Sheriff Equipment Grant – revenues are from a federal grant. Disbursements are for safety equipment for the Sheriff's employees.

Resale Property – revenues are from interest and penalties on ad valorem taxes paid late. Disbursements are to offset the expense of collecting delinquent ad valorem taxes.

Civil Defense/Emergency Management – revenues are from state and federal funds. Disbursements are for civil defense and emergency management services.

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

County Health – accounts for monies collected on behalf of the county health department from ad valorem taxes, state and local revenues, and miscellaneous fees charged by the health department. Disbursements are for the operation of the county health department.

Sheriff Drug Enforcement – revenues are from the sale of property forfeited in drug cases. Disbursements are for officer training, equipment, and crime prevention.

Sheriff Revolving – revenues are from the Department of Corrections for reimbursement for keeping inmates. Disbursements were made for maintenance of inmates within the jail (clothing, beds, etc.)

Sheriff Civil Fee – revenues are from fees charged for serving summons and notices. Disbursements are for any lawful expense of the Sheriff’s office.

County Clerk Lien Fee – revenues are from a fee charged by the County Clerk for filing liens. Disbursements are for any lawful expense of the County Clerk’s office.

Treasurer Mortgage Certification Fee – revenues are from a fee for certifying mortgages. Disbursements are for any lawful expense of the Treasurer’s office.

County Clerk Record Preservation – revenues are from a fee charged by the County Clerk for recording instruments. Disbursements are for the maintenance and preservation of public records.

Planning Commission Engineering Fees – revenues are from building permits, licenses, and engineering fees. Individuals put up \$500 for projects. Disbursements are made back to individuals once projects are approved.

Sheriff Beacon Light Fund – revenues are from donations from people in the community. Disbursements are made for the purchase of blinking light bulbs for the elderly people in the community.

Sheriff Commissary – revenues are from profits on commissary sales in the county jail. Disbursements are for jail improvements.

Sheriff Service Fees – revenues are from fees charged for servicing summons and notices. Disbursements are for any lawful expense of the Sheriff’s office.

Community Service – revenues are from state funds reimbursing the expenses of operating a community service sentencing program. Disbursements are for any activity or equipment needed for the people fulfilling community service sentences.

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Sheriff Jail Account – revenues are from a county sales tax. Disbursements are for the maintenance and operation of the jail, salaries, food, medical expenses, board of prisoners, and travel.

Justice Bureau Block Grant – revenues are from a federal grant from the Bureau of Justice. Disbursements are for equipment (rifles, sirens, etc.) and other capital outlay.

Safe Room Rebate – accounts for federal grant funds received for the reimbursement of storm shelter installation.

Attendant Care – revenues are from state funds. Disbursements are for the payment to counselors to sit and spend time with juveniles.

CERT Emergency Management – accounts for the receipt and disbursement of funds from federal and state sources for emergency management and other civil defense purposes.

CDBG RWD #9 – revenues are from a federal grant. Disbursements are for improvements to Rural Water District #9.

Assessor Revolving – revenues are from fees charged by the County Assessor (copies, etc.). Disbursements are for any legal expense of the Assessor's office.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, fire 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.

C. Basis of Accounting

The basic 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 cash basis financial presentation is not a comprehensive measure of economic condition or changes therein.

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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 by fund, office, or department and object. The County Board of Commissioners may approve changes of appropriations within the fund by office or department and object. To increase or decrease the budget by fund requires approval by the County Excise Board.

For the highway funds and other funds, which are not required to adopt a formal budget, appropriations are made on a monthly basis, according to the funds then available.

E. Cash

The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County's books. The balance in the pooled cash accounts is available to meet current operating requirements.

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

F. Investments

The County Treasurer has been authorized by the County's governing board to make investments. By statute (62 O.S. § 348.1 and § 348.3), the following types of investments are allowed:

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

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured.

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

G. Compensated Absences

Vacation benefits are earned by the employee during the year and may not be accumulated. Vacation leave is received in total on the employee's anniversary date. Employees with one to nine years of service earn two weeks of vacation. Employees with ten years or more earn three weeks of vacation.

Sick leave benefits are accrued at the rate of 8 hours per month and employees may accumulate up to 120 days. Sick leave is not paid upon termination.

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."

The assessed property value as of January 1, 2006, was approximately \$529,406,745.

Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10.01 mills for general fund operations, 1.54 mills for county health department, and .23 mill for the fairboard. In addition the County collects the ad valorem taxes assessed by cities and towns, emergency medical districts, fire districts, and school districts and remits the ad valorem taxes collected to the appropriate taxing units.

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

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

Current year tax collections for the year ended June 30, 2007, were approximately 95.38 percent of the tax levy.

3. Fuel Tax

The County receives major funding for roads and highways from a state imposed fuel tax. Taxes are collected by the Oklahoma Tax Commission. Taxes are imposed on all gasoline, diesel, and

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

special fuel sales statewide. The County's share is determined on formulas based on the County population, road miles, and land area and is remitted to the County monthly. These funds are earmarked for roads and highways only and are accounted for in the county highway fund.

4. Risk Management

The County is exposed to the various risks of loss shown in the following table:

Types of Loss	Method of Management	Risk of Loss Retained
General Liability <ul style="list-style-type: none"> • Torts • Errors and Omissions • Law Enforcement Officers Liability • Vehicle Physical Plant <ul style="list-style-type: none"> • Theft • Damage to Assets • Natural Disasters 	The County carries commercial insurance.	A judgment could be assessed for claims in excess of the coverage.
Workers' Compensation <ul style="list-style-type: none"> • Employees' Injuries 	The County carries commercial insurance.	A judgment could be assessed for claims in excess of the coverage.
Employee <ul style="list-style-type: none"> • Medical • Disability • Dental • Life 	The County carries commercial insurance.	None

Commercial Insurance – The County obtains commercial insurance coverage to pay legitimate workers' compensation claims and employees' insurance. Settled claims have not exceeded insurance coverage for each of the past three fiscal years. There have been no significant reductions in coverage from the prior fiscal year.

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

5. Long-term Obligations

Capital Leases

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

6. 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. County employees are required to contribute between 3.5% and 8.5% of earned compensation. The County contributes between 7.5% and 12.5% of earned compensation. Elected officials could contribute between 4.5% and 10% of their entire compensation. The County contributes 12.5% of earned compensation for elected officials. The County's contributions to the Plan for the years ending June 30, 2007, 2006, and 2005, were \$894,416, \$780,922, and \$641,174, respectively, equal to the required contributions for each year.

7. 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.

**ROGERS COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

8. Contingent Liabilities

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 Planning Area. The County won on summary judgment; however, the plaintiff filed a request for a new trial. The request for a new trial was overruled by the trial court. The plaintiff then filed a certificate of appeal. The Appellate Court affirmed in part, reversed in part, and remanded the case back to the District Court for further proceedings. This case is scheduled for jury trial beginning the week of August 3, 2009. Mediation of the claim was attempted, but did not result in a settlement of the action. However, pending the outcome of this case, an ad valorem tax levy could be assessed against all taxable property in Rogers County. The likelihood of an unfavorable outcome is uncertain; however, the range of potential loss from \$-0- to \$18,371,925 does not have any effect on the County's cash basis financial statement at June 30, 2007.

9. Sales Tax

On February 11, 2003, Rogers County voters approved the renewal of a one-cent sales tax, which originally began on April 1, 1988. The sales tax was renewed for a period of five years. Proceeds of the sales tax are to be used for the construction, operation, and maintenance for the county road and bridge system.

The voters of Rogers County approved a ½ % 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 ½ % sales tax became effective May 1, 1997, and continues thereafter, but reduces 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.

This sales tax revenue received by Rogers County is paid to the Rogers County Criminal Justice Authority, which maintains responsibility for the administration of such revenue for operating and maintaining the county jail.

The Criminal Justice Authority is a component unit of Rogers County. The Authority issued revenue bonds for the construction of the jail. Rogers County has no liability for the repayment of the revenue bonds.

OTHER SUPPLEMENTARY INFORMATION

ROGERS COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND
CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—
COUNTY HEALTH DEPARTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	County Health Department Fund			
	Original	Final	Actual	Variance
	Budget	Budget		
Beginning Cash Balances	\$ 445,400	\$ 445,400	\$ 445,400	\$ -
Less: Prior Year Outstanding Warrants	(13,191)	(13,191)	(13,191)	
Less: Prior Year Encumbrances	(23,268)	(23,268)	(20,377)	2,891
Less: Excess Collections	(23,527)	(23,527)		23,527
Beginning Cash Balances, Budgetary Basis	<u>385,414</u>	<u>385,414</u>	<u>411,832</u>	<u>26,418</u>
Receipts:				
Ad Valorem Taxes	764,697	764,697	788,825	24,128
Charges for Services			152,580	152,580
Intergovernmental			1,503	1,503
Miscellaneous Revenues		156,644	3,348	(153,296)
Total Receipts, Budgetary Basis	<u>764,697</u>	<u>921,341</u>	<u>946,256</u>	<u>24,915</u>
Expenditures:				
Health and Welfare	895,000	1,024,909	696,874	328,035
Capital Outlay	255,111	281,846	179,254	102,592
Total Expenditures, Budgetary Basis	<u>1,150,111</u>	<u>1,306,755</u>	<u>876,128</u>	<u>430,627</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	481,960	<u>\$ 481,960</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			68,922	
Add: Current Year Outstanding Warrants			152,433	
Ending Cash Balance			<u>\$ 703,315</u>	

The accompanying notes to the other supplementary information are an integral part of this schedule.
See independent auditor's report.

**ROGERS COUNTY, OKLAHOMA
NOTES TO OTHER SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Budgetary Schedules

The Comparative Schedule of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis for the General Fund has not been presented. Therefore, the legally adopted budget cannot be compared with actual data for the General Fund. The Comparative Schedule of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis for the County Health Department Fund presents comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Combined Statement of Receipts, Disbursements, and Changes in Cash Balances with Combining Information because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

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

See independent auditor's report.

INTERNAL CONTROL AND COMPLIANCE SECTION

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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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 the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Rogers County, Oklahoma, as of and for the year ended June 30, 2007, which comprises Rogers County’s basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated June 16, 2009. Our report on the basic financial statement was adverse because the statement is not a presentation in conformity with accounting principles generally accepted in the United States of America. Further, Rogers County has not presented budgetary comparison information for the general fund that should have been included as supplementary information. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rogers County’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity’s financial statements that is more than inconsequential will not be prevented or detected by the entity’s internal control. We consider the

deficiencies 2007-1, 2007-11, 2007-12, 2007-13, 2007-14, and 2007-17 as described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2007-1, 2007-12, 2007-13, and 2007-14 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rogers County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and responses as item 2007-2.

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

Rogers County's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Rogers County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management of Rogers County and should not be used for any other purpose. This report is also 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.



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

June 16, 2009

**ROGERS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

Finding 2007-1 – Estimate of Needs

Criteria: The adopted budget is an expression of public policy and financial intent and is a method of providing controls over that intent. Effective internal controls as they relate to government entities financial reporting should assist in fulfilling government's duty to be publicly accountable and should enable users access to that accountability by demonstrating whether resources were obtained and used in accordance with the entity's adopted budget.

Condition: During test work, OSAI noted an unidentified disbursement on the General Fund Estimate of Needs classified as a ledger adjustment in the amount of \$6,859.50. Management was unable to provide OSAI with information to determine the source or the cause of this adjustment.

Effect: This condition results in an incomplete and/or incorrect Estimate of Needs being approved by the Excise Board and results in the County being unable to present an accurate Comparative Schedule of Receipts, Expenditures, and Changes in Cash Balances – Budget and Actual – Budgetary Basis – General Fund because the County's disbursements as reflected on the County's Estimate of Needs did not agree with the County's disbursement records.

Recommendation: OSAI recommends the financial records of the County be a true and accurate reflection of the County's financial activity for the year. OSAI further recommends management take the appropriate steps to ensure there are no unidentified adjustments reported on the Estimate of Needs.

Views of responsible officials and planned corrective actions: Management chose not to respond.

Finding 2007-2 – Under-Collateralized

Criteria: Title 62 O.S. § 517.4.A. states, "A treasurer of a public entity shall require that financial institutions deposit collateral securities or instruments to secure the deposits of the public entity in each such institution. The amount of collateral securities or instruments to be pledged for the security of public deposits shall be established by the treasurer of the public entity consistent with the provisions of the Security for Local Public Deposits Act; provided, such amount shall not be less than the amount of the deposit to be secured, less the amount insured."

Condition: During the month of December 2006, the County was under-collateralized \$5,301,956.41 in one bank.

Effect: By being under-collateralized, not only is the County Treasurer in violation of state statutes, but there is an increased risk of losing county funds if a bank were to default.

**ROGERS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Recommendation: OSAI recommends the County Treasurer be aware of the amounts deposited in the individual banks, record pledge collateral at market value, and ensure amounts deposited are properly collateralized.

Views of responsible officials and planned corrective actions: Management chose not to respond.

Finding 2007-11 –Custody of Assets

Criteria: The overall goal of effective internal control as related to government entities is to demonstrate accountability and stewardship. To help ensure proper accounting of funds, those funds should be kept in a secure environment at all times.

Condition: OSAI noted that the County officers bring their official depository deposit into the County Treasurer's office throughout the day and place those deposits in a box on the top of the safe in the vault. The vault is left open all day and the deposits are in plain sight of all who walk by.

Effect: By not maintaining adequate security over assets, the County increases the risk of loss or misappropriation of those deposits.

Recommendation: OSAI recommends all funds being brought into the County Treasurer's office be maintained in a safe and secure environment. Additionally, a log should be maintained for all deposits not personally delivered to an employee in the Treasurer's office.

Views of responsible officials and planned corrective actions: Management chose not to respond.

Finding 2007-12 - Segregation of Duties (Repeat Finding)

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

Condition: Based on inquiries of County personnel and test work performed, it was noted that receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization within all County offices were not properly segregated to assure adequate internal control structure.

Effect: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's knowledge of office operations and a periodic review of operations.

**ROGERS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Views of responsible officials and planned corrective actions: We have received your recommendations and we are addressing each of them. We have also reviewed our operations and have determined a better method for segregation of duties. We hope the new protocols will satisfy the recommendation.

Since Scott Walton assumed the administrator's role at the Sheriff's office, several issues have been addressed. Included among them is the development of a departmental policy and procedure. We estimate the policy will be finished before year's end. We greatly appreciate the work you put into the audit and thank you for your recommendations.

Finding 2007-13 – Reconciliations (Repeat Finding)

Criteria: The overall goal of effective internal control as related to government entities is to demonstrate accountability and stewardship. To help ensure a proper accounting of funds, the County Treasurer and the County Clerk should reconcile warrants paid to warrants issued and general ledger balances to the appropriation ledger balances.

Condition: The County Treasurer and the County Clerk are not reconciling on a monthly basis.

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

Recommendation: OSAI recommends the County Treasurer and the County Clerk begin reconciling on a monthly basis in order to verify all warrants are properly posted, cancelled warrants are identified, and paid warrants are recorded.

Views of responsible officials and planned corrective actions: Management chose not to respond.

Finding 2007-14 – Bank Reconciliations (Repeat Finding)

Criteria: The overall goal of effective internal control as related to government entities is to demonstrate accountability and stewardship. To help ensure a proper accounting of funds, the County Treasurer's cash book should be reconciled to the bank balances on a monthly basis, with all reconciling items properly identified and reconciliations being reviewed and approved by someone other than the preparer.

Condition: OSAI noted the following:

- 1) No reconciliations were performed on the Credit Card Payment Account or the Telephone Payment Account.
- 2) Multiple reconciliations were performed on the General Account and each contained unidentified reconciling items. None of the reconciliations had been reviewed or approved by someone other than the preparer.

**ROGERS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

- 3) The reconciliations performed on the Official Depository Account were not reviewed or approved by someone other than the preparer.
- 4) CD #353565 in the amount of \$598,133.11 was purchased on January 4, 2007, but was not placed on the Treasurer's Monthly Statement (General Ledger) until March of 2007.

Effect: By not performing reconciliations, identifying all reconciling items, and obtaining a review and approval of the reconciliations, unrecorded transactions, misstated financial reports, errors, or misappropriation of assets could occur.

Recommendation: OSAI recommends the County Treasurer's "treasurer's statement" balance be reconciled to the bank on a monthly basis, all variances be identified, and reconciliations be reviewed and approved by someone other than the preparer.

Views of responsible officials and planned corrective actions: Management chose not to respond.

Finding 2007-17 – Policies & Procedures Manual

Criteria: The overall goal of effective internal controls as related to government entities is to demonstrate accountability and stewardship. Management should provide in writing to its employees a set guideline of employee policies and procedures.

Condition: OSAI noted that the County does not have an employees' policy and procedures handbook.

Effect: This condition could result in inconsistent policies and inequities regarding personnel issues.

Recommendation: OSAI recommends management prepare, approve, and issue employee policies and procedures in a written format to be distributed to all employees.

Views of responsible officials and planned corrective actions: Management chose not to respond.

SECTION 2—This section contains certain matters not required to be reported in accordance with *Government Auditing Standards*. However, we believe these matters are significant enough to bring to management's attention. We recommend that management consider these matters and take appropriate corrective action.

Finding 2007-10 – Consumable Inventory

Criteria: The overall goal of effective internal control is to demonstrate accountability and stewardship. To ensure proper accounting of consumable assets, consumable items records should be accurately

**ROGERS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

maintained, updated in a timely manner, and reconciled to physical count. Title 19 O.S. § 1502 prescribes the procedures to be used to account for supplies and materials used in the construction and maintenance of roads and bridges.

Condition: During test work of inventory items OSAI noted:

1. Weekly warehouse summaries of consumable items are not prepared at District 1.
2. Transfer documents are lacking dollar amounts and the disposition of the consumable stock at District 1.
3. Consumable stock cards at District 2 do not agree to physical count.
4. Consumable records are non-existent at District 3. Consumable stock cards and fuel logs are not maintained and weekly warehouse summaries and transfer documents are not prepared.

Effect: By not maintaining accurate consumable records, the County increases the risk of misappropriation of consumable inventory.

Recommendation: OSAI recommends consumable records be accurately maintained, physical counts of consumable items be performed every six months and a record of such be maintained, weekly warehouse summaries be prepared and filed with the Clerk, and transfer documents be completed for all consumable items removed from stock.

Views of responsible officials and planned corrective actions: Management chose not to respond.

2007-16 – OPERS Benefits (Repeat Finding)

Criteria: Title 74 O.S. § 925 states, "All employees of participating employers who are eligible or may hereafter become eligible to be members of the system as provided by this act shall, as a condition of continuing employment or as a condition of obtaining employment with a participating employer, become members of the system."

Also, 74 O.S. § 902(14) states, "Employee" means any officer or employee of a participating employer, whose employment is not seasonal or temporary and whose employment requires at least one thousand (1,000) hours of work per year and whose salary or wage is equal to the hourly rate of the monthly minimum wage for state employees..."

Condition: From test work performed, OSAI noted one part-time employee, who worked more than 1,000 hours in a one-year period based on the employee's anniversary date, did not receive eligible benefits in a timely manner. The employee was eligible for retirement benefits in February of 2007 but did not receive these benefits until April 2007.

Effect: An eligible employee may not have been participating in the pension plan. This could result in a possible liability to the County.

**ROGERS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Recommendation: OSAI recommends the County contact OPERS regarding the status of benefits to which this employee was eligible.

Views of responsible officials and planned corrective actions: Management chose not to respond.



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