

**ROGERS COUNTY, OKLAHOMA  
SPECIAL-PURPOSE FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED JUNE 30, 2004**

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April 12, 2006

TO THE CITIZENS OF  
ROGERS COUNTY, OKLAHOMA

Transmitted herewith is the audit of Rogers County, Oklahoma, for the fiscal year ended June 30, 2004. A report of this type is critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

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

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

Sincerely,

A handwritten signature in cursive script that reads "Jeff A. McMahon". The signature is written in black ink and is positioned above the printed name and title.

JEFF A. McMAHAN  
State Auditor and Inspector

**ROGERS COUNTY, OKLAHOMA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004**

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**ROGERS COUNTY, OKLAHOMA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004**

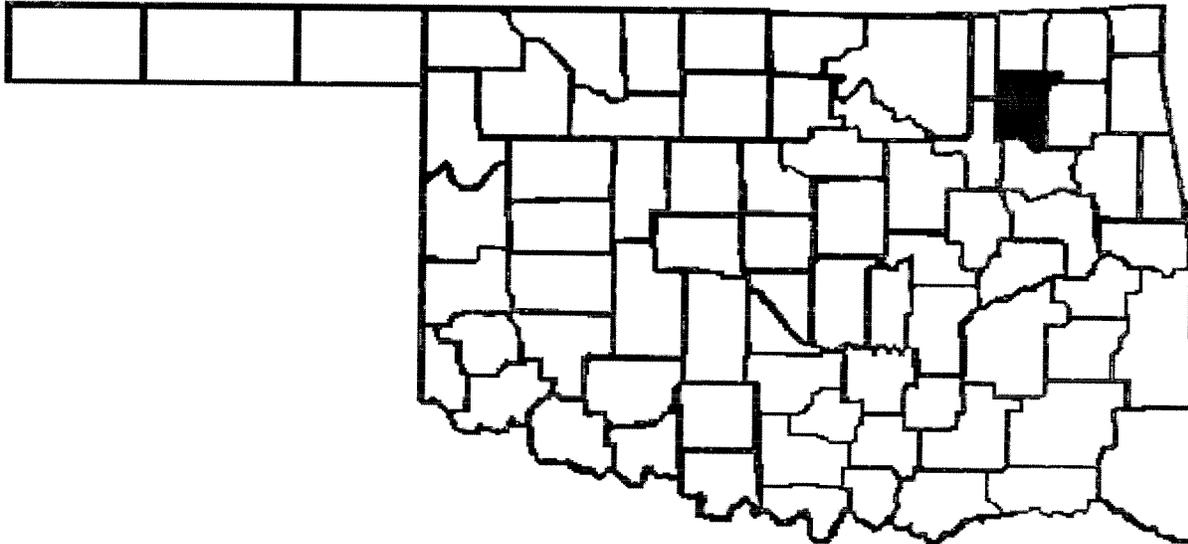
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REPORT TO THE CITIZENS  
OF  
ROGERS COUNTY, OKLAHOMA

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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, Arkansas, and Mississippi rivers to 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 – 675 Square Miles

County Population – 70,641  
(2000 est.)

Farms – 1,408 Land in Farms – 312,870 Acres

Source: Oklahoma Almanac 2003-2004

See independent auditor's report.

**ROGERS COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COUNTY ASSESSOR**

Melissa Anderson

(D) Chelsea

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

(D) Claremore

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.

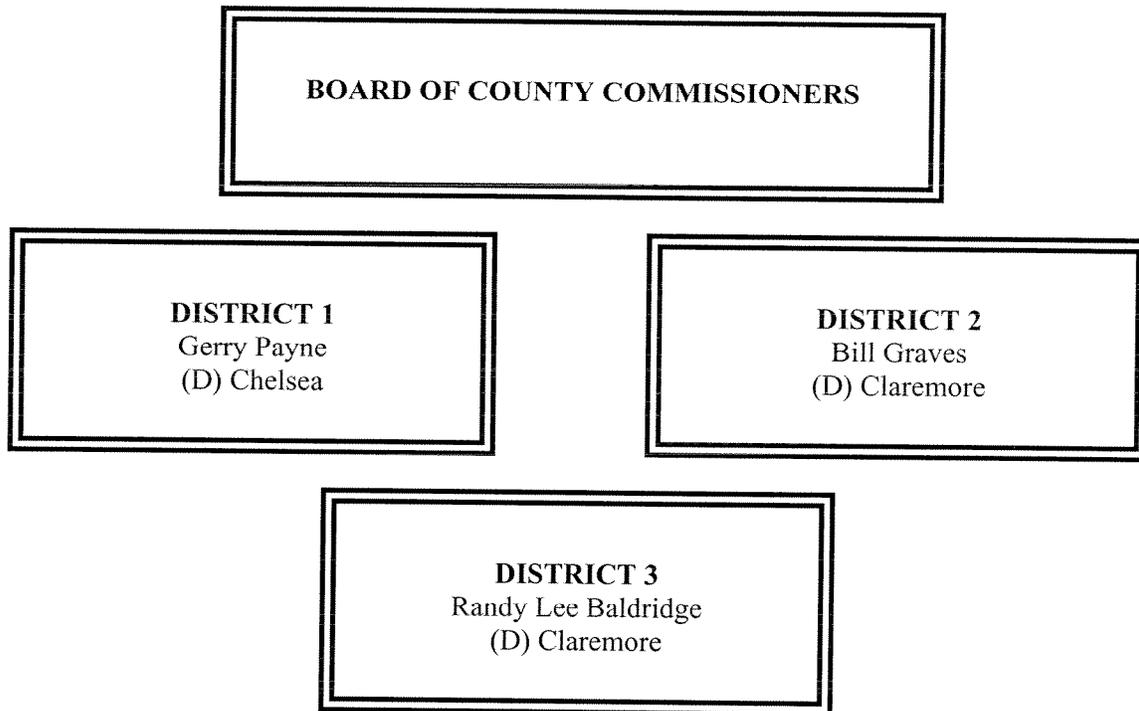
The County Clerk reviews all the claims for payment of goods and services purchased or contracted by the county, and prepares the proper warrants for payment of those goods and services and the county payroll. The County Clerk, or his or her designated deputy, serves as the purchasing agent for the county. 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**

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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**

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**COUNTY SHERIFF**  
Jerry W. Prather  
(D) Foyil

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  
(D) Claremore

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**

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**COURT CLERK**  
Candi Czpanksy  
(D) Chelsea

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  
(D) Claremore

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**

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**ELECTION BOARD SECRETARY**

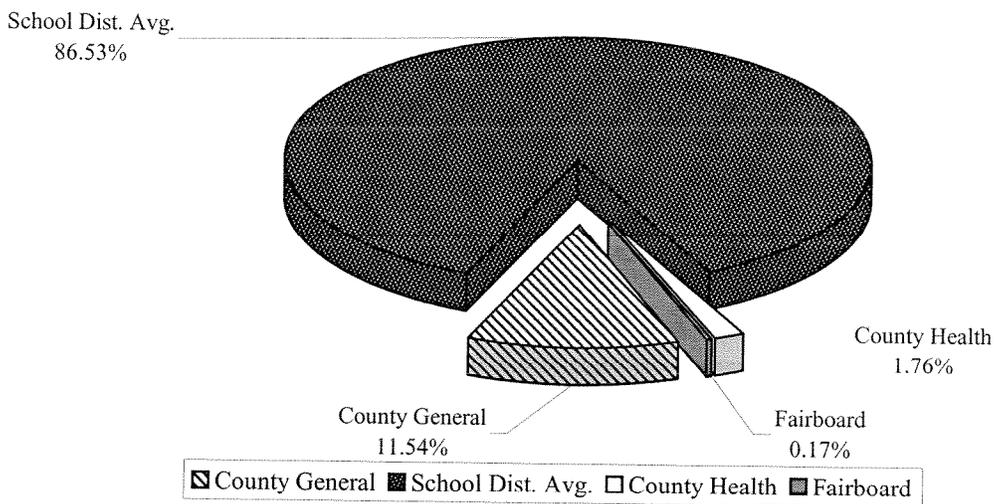
Terri Thomas  
(D) Claremore

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.

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

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



County-Wide Millages		School District Millages							
				Career					
			Gen.	Bldg.	Skg.	Tech	Common	Total	
Co. General	10.09								
County Health	1.54	Claremore	1	35.97	5.14	26.59	10.27	4.099	82.069
Fairboard	0.15	Catoosa	2	35.46	5.06	17.89	13.18	4.099	75.689
		Chelsea	3	36.51	5.22	23.11	10.27	4.099	79.209
		Oologah-Talala	4	35.38	5.05	10.58	10.27	4.099	65.379
		Inola	5	36.33	5.19	29.49	10.27	4.099	85.379
		Sequoyah	6	36.69	5.24	20.55	10.27	4.099	76.849
		Foyil	7	36.42	5.20	16.13	10.27	4.099	72.119
		Verdigris	8	35.65	5.09	22.29	10.27	4.099	77.399
		Justus-Tiawah	C009	36.48	5.21	14.04	10.27	4.099	70.099
		Tulsa-Collinsville	JC-6	36.47	5.60	16.23	10.27	4.099	72.669
		Tulsa-Owasso	JC-11	36.81	5.26	27.46	10.27	4.099	83.899
		Mayes	J-32	36.84	5.26	10.50	10.27	4.099	66.969

See independent auditor's report.

**FINANCIAL SECTION**

## **Independent Auditor's Report**

TO THE OFFICERS OF  
ROGERS COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Rogers County, Oklahoma, as of and for the year ended June 30, 2004, as listed in the table of contents. These special-purpose financial statements are the responsibility of Rogers County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Oklahoma Statutes, in addition to audit responsibilities, assign other responsibilities to the State Auditor and Inspector's Office. Those responsibilities include providing various information technology (IT) support for county government.

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

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of all funds of Rogers County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund and the county health department of the County, as of and for the year ended June 30, 2004, in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2005, 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 performed for the purpose of forming an opinion on the special-purpose financial statements of Rogers County, Oklahoma, taken as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the special-purpose financial statements. The information listed in the table of contents under *Introductory Section* and *Statistical Section* has not been audited by us, and accordingly, we express no opinion on it.

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

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

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

Sincerely,



JEFF A. McMAHAN  
State Auditor and Inspector

April 12, 2005

## **Special-Purpose Financial Statements**

**ROGERS COUNTY, OKLAHOMA  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004**

	Beginning Cash Balances July 1, 2003	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2004
<u>All County Funds</u>				
General Fund	2,994,327	\$ 11,775,858	\$ 10,816,647	\$ 3,953,538
Highway Cash	1,297,391	2,787,357	2,703,682	1,381,066
County Health Department	607,203	820,660	942,504	485,359
Fair Board	11,663	65,545	58,986	18,222
Resale Property	267,874	275,789	179,724	363,939
Civil Defense	17,813	49,448	46,772	20,489
Sheriff Drug Enforcement	3,876		2,150	1,726
Sheriff Revolving	621		17	604
Sheriff Civil Fees	73,951	259,167	256,936	76,182
Co. Clerk Lien Fees	37,071	18,723	39,080	16,714
Treasurer's Cert. Fees	113,106	37,217	20,676	129,647
Sheriff Beacon Light Fund	36	100		136
County Clerk Records Preservation	222,055	130,029	120,470	231,614
COPS Grant	3,747		3,747	
Sheriff Equipment Grant	6,903	57	4,821	2,139
Sheriff Jail Account	1,598,545	1,587,810	1,386,906	1,799,449
Justice Bureau Block Grant	554	57	597	14
RCHFA - Equipment and Sign Grid	10			10
Attendant Care	1,888	305	440	1,753
Assessor Visual Inspection	24,196	415	5,148	19,463
Assessor Revolving	6,258	6,130	5,982	6,406
Adult Drug Court		29,194	26,537	2,657
Planning Commission Eng. Fees	7,826	5,500	4,000	9,326
Sheriff Commissary	24,119	95,449	87,476	32,092
County Sinking	29,194			29,194
Cities and Towns	53,457	319,300	344,829	27,928
Official Depository	1,171,647	10,545,054	10,324,978	1,391,723
Cash in Office	1,203			1,203
Use Tax	33,475	322,072	331,287	24,260
County Deferred Savings Plan	86,060	74,645	129,495	31,210
Clearing Account	178,128	22,567,153	22,636,804	108,477
Community Service	1,035	70,985	62,327	9,693

continued on next page

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

**ROGERS COUNTY, OKLAHOMA  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES - ALL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004**

continued from previous page

	Beginning Cash Balances July 1, 2003	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2004
<u>All County Funds</u>				
Law Library	13,322	56,224	54,802	14,744
Emergency 911	67,872	202,341	229,725	40,488
NW Ambulance Service	618	318,743	318,762	599
CDBG - RWD #9	80	221,263	221,263	80
Unclaimed Property	67	467		534
Excess Resale Property Fund	14,819	579	3,037	12,361
Individual Redemption	4,066	448,884	447,905	5,045
Tax Refunds		329,306	279,884	49,422
Protest Taxes	22,884	148		23,032
Drug Court User Fees		3,226		3,226
County Clerk Investments	361,642		342,004	19,638
District Court Investments	50,260	108,527		158,787
Fire Districts	7,668	2,206,514	2,192,044	22,138
Schools	308,237	32,948,230	32,999,042	257,425
Certificate	1,000			1,000
<b>Total County Funds</b>	<u>\$9,727,767</u>	<u>\$88,688,471</u>	<u>\$87,631,486</u>	<u>\$10,784,752</u>

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

**ROGERS COUNTY, OKLAHOMA**  
**COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,**  
**AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL -**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 2,985,915	\$ 2,985,915	\$ 2,994,327	\$ 8,412
Less: Prior Year Outstanding Warrants	(703,823)	(703,823)	(691,298)	12,525
Less: Prior Year Encumbrances	(321,913)	(321,913)	(320,087)	1,826
Beginning Cash Balances, Budgetary Basis	<u>1,960,179</u>	<u>1,960,179</u>	<u>1,982,942</u>	<u>22,763</u>
Receipts:				
Ad Valorem Taxes	3,930,841	3,930,841	4,299,576	368,735
Charges for Services	3,912,755	3,912,755	4,799,696	886,941
Sales Tax	619,189	619,189	762,154	142,965
Intergovernmental Revenues	356,546	1,629,469	1,760,660	131,191
Miscellaneous Revenues	56,319	56,319	153,772	97,453
Total Receipts, Budgetary Basis	<u>8,875,650</u>	<u>10,148,573</u>	<u>11,775,858</u>	<u>1,627,285</u>
Expenditures:				
County Sheriff	1,241,312	1,246,312	1,107,069	139,243
Capital Outlay	50,562	50,562	48,338	2,224
Total County Sheriff	<u>1,291,874</u>	<u>1,296,874</u>	<u>1,155,407</u>	<u>141,467</u>
County Treasurer	370,344	370,344	337,014	33,330
Capital Outlay	1	1		1
Total County Treasurer	<u>370,345</u>	<u>370,345</u>	<u>337,014</u>	<u>33,331</u>
OSU Extension	152,483	146,983	121,986	24,997
Capital Outlay	1	5,501	5,477	24
Total OSU Extension	<u>152,484</u>	<u>152,484</u>	<u>127,463</u>	<u>25,021</u>
County Clerk	377,093	377,093	323,696	53,397
Capital Outlay	1	1		1
Total County Clerk	<u>377,094</u>	<u>377,094</u>	<u>323,696</u>	<u>53,398</u>
Court Clerk	254,196	264,574	242,172	22,402
Capital Outlay		663,372	663,372	
Total Court Clerk	<u>254,196</u>	<u>927,946</u>	<u>905,544</u>	<u>22,402</u>

continued on next page

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

**ROGERS COUNTY, OKLAHOMA  
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,  
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL -  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2004**

continued from previous page

	Original Budget	Final Budget	Actual	Variance
County Assessor	352,186	342,195	293,005	49,190
Capital Outlay	1,492	11,492	7,645	3,847
Total County Assessor	<u>353,678</u>	<u>353,687</u>	<u>300,650</u>	<u>53,037</u>
Revaluation of Real Property	363,193	354,193	337,992	16,201
Capital Outlay	1	9,001	2,162	6,839
Total Revaluation of Real Property	<u>363,194</u>	<u>363,194</u>	<u>340,154</u>	<u>23,040</u>
Charity	9,000	9,000	2,619	6,381
Total Charity	<u>9,000</u>	<u>9,000</u>	<u>2,619</u>	<u>6,381</u>
General Government	1,885,505	1,866,037	1,807,764	58,273
Capital Outlay	10,000	10,000	1,128	8,872
Total General Government	<u>1,895,505</u>	<u>1,876,037</u>	<u>1,808,892</u>	<u>67,145</u>
Excise-Equalization Board	5,750	5,750	3,231	2,519
Total Excise-Equalization Board	<u>5,750</u>	<u>5,750</u>	<u>3,231</u>	<u>2,519</u>
County Election Board	177,306	175,843	157,577	18,266
Capital Outlay	370	3,370	3,198	172
Total County Election Board	<u>177,676</u>	<u>179,213</u>	<u>160,775</u>	<u>18,438</u>
Civil Defense	38,551	39,803	39,698	105
Total Civil Defense	<u>38,551</u>	<u>39,803</u>	<u>39,698</u>	<u>105</u>
County Audit Budget Account	50,831	50,831	4,545	46,286
Total County Audit Budget Account	<u>50,831</u>	<u>50,831</u>	<u>4,545</u>	<u>46,286</u>
Highway	83,146	83,146	28,749	54,397
Total Highway	<u>83,146</u>	<u>83,146</u>	<u>28,749</u>	<u>54,397</u>

continued on next page

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

**ROGERS COUNTY, OKLAHOMA  
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,  
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL -  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2004**

continued from previous page

	Original Budget	Final Budget	Actual	Variance
Data Processing	118,542	130,110	113,176	16,934
Capital Outlay	20,000	9,000		9,000
Total Data Processing	<u>138,542</u>	<u>139,110</u>	<u>113,176</u>	<u>25,934</u>
Firefighting Services	4,347,394	4,671,877	4,571,200	100,677
Capital Outlay	400,000	673,144	387,869	285,275
Total Firefighting Services	<u>4,747,394</u>	<u>5,345,021</u>	<u>4,959,069</u>	<u>385,952</u>
County Engineer	232,402	243,750	218,638	25,112
Capital Outlay	1,751	3,051	2,811	240
Total County Engineer	<u>234,153</u>	<u>246,801</u>	<u>221,449</u>	<u>25,352</u>
Cemetery	84,223	84,223	38,735	45,488
Capital Outlay	8,000	8,000		8,000
Total Cemetery	<u>92,223</u>	<u>92,223</u>	<u>38,735</u>	<u>53,488</u>
Commissioners	192,193	192,193	189,642	2,551
Total Commissioners	<u>192,193</u>	<u>192,193</u>	<u>189,642</u>	<u>2,551</u>
Provision for Interest on Warrants	8,000	8,000		8,000
Total Expenditures, Budgetary Basis	<u>10,835,829</u>	<u>12,108,752</u>	<u>11,060,508</u>	<u>1,048,244</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	2,698,292	<u>\$ 2,698,292</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			771,796	
Add: Current Year Outstanding Warrants			483,450	
Ending Cash Balance			<u>\$ 3,953,538</u>	

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

**ROGERS COUNTY, OKLAHOMA  
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,  
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL -  
COUNTY HEALTH DEPARTMENT FUND  
FOR THE YEAR ENDED JUNE 30, 2004**

	County Health Department Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 607,203	\$ 607,203	\$ 607,203	\$ -
Less: Prior Year Outstanding Warrants	(7,298)	(7,298)	(7,293)	5
Less: Prior Year Encumbrances	(133,395)	(133,395)	(131,435)	1,960
Beginning Cash Balances, Budgetary Basis	<u>466,510</u>	<u>466,510</u>	<u>468,475</u>	<u>1,965</u>
Receipts:				
Ad Valorem Taxes	599,954	599,954	656,208	56,254
Charges for Services		167,057	153,028	(14,029)
Intergovernmental Revenues			3,364	3,364
Miscellaneous Revenues			8,060	8,060
Total Receipts, Budgetary Basis	<u>599,954</u>	<u>767,011</u>	<u>820,660</u>	<u>53,649</u>
Expenditures:				
Personal Services	600,000	622,503	429,622	192,881
Travel	50,000	50,000	9,620	40,380
M&O	228,813	301,362	189,219	112,143
Capital Outlay	187,651	259,656	187,876	71,780
Total Expenditures, Budgetary Basis	<u>1,066,464</u>	<u>1,233,521</u>	<u>816,337</u>	<u>417,184</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	472,798	<u>\$ 472,798</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			4,845	
Add: Current Year Outstanding Warrants			7,716	
Ending Cash Balance			<u>\$ 485,359</u>	

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

**ROGERS COUNTY, OKLAHOMA  
DETAILED STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH BALANCES – SINKING FUND  
FOR THE YEAR ENDED JUNE 30, 2004**

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Beginning Cash Balance	<u>\$ 29,194</u>
Receipts:	
Total Receipts	<u>-</u>
Disbursements:	
Total Disbursements	<u>-</u>
Ending Cash Balance	<u><u>\$ 29,194</u></u>

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

**ROGERS COUNTY, OKLAHOMA  
 DETAILED STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CHANGES IN CASH BALANCES - OFFICIAL DEPOSITORY ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2004**

Official Depository Accounts	Beginning Cash Balances July 1, 2003	Receipts	Disbursements	Ending Cash Balances June 30, 2004
District Court	\$ 439,299	\$ 4,933,662	\$ 4,686,249	\$ 686,712
Court Fund	141,417	1,814,432	1,722,456	233,393
Court Clerk Revolving Fund	104,896	63,885	14,533	154,248
District Attorney	129,022	1,195,039	1,169,892	154,169
County Clerk	16,624	944,539	953,620	7,543
County Sheriff	6,453	505,017	482,764	28,706
County Treasurer	308,160	582,822	805,340	85,642
Election Board	1,096	52,998	40,666	13,428
Health Department	5,545	175,506	176,253	4,798
County Assessor		6,003	5,991	12
Planning Commission	19,135	271,151	267,214	23,072
<b>Total Official Depository Accounts</b>	<b>\$ 1,171,647</b>	<b>\$ 10,545,054</b>	<b>\$ 10,324,978</b>	<b>\$ 1,391,723</b>

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

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash balances of all funds of Rogers County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund and county health department fund of the County. The funds presented are established by statute, and their operations are under the control of the County officials. The general fund is the County's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Fund Accounting

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

C. Basis of Accounting

The financial statements are prepared on a basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgetary Policies

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

Summary of Significant Accounting Policies (continued)

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

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

The Comparative Statements of Receipts, Expenditures, and Changes in Cash Balances - Budget and Actual – for the General Fund and the County Health Department 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 - All Funds because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

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

E. Cash and Investments

The County pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Investments are carried at cost, which approximates market value. All funds were fully invested or deposited in interest-bearing demand accounts at June 30, 2004.

F. Risk Management

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

**ROGERS COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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Summary of Significant Accounting Policies (continued)

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
General Liability - Torts - Errors and Omissions - Law Enforcement Officers Liability - Vehicle Physical Plant - Theft - Damage to Assets - Natural Disasters	The County carries commercial insurance for these types of risk.	A judgment could be assessed for claims in excess of coverage.
Workers' Compensation - Employee's Injuries	The County carries commercial insurance for these types of risk.	A judgment could be assessed for claims in excess of coverage.
Health and Life - Medical - Disability - Dental - Life	The County carries commercial insurance for these types of risk.	None

Commercial Insurance – The County obtains commercial insurance coverage to pay general liability, physical plant, legitimate workers' compensation claims, and employee's 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.

G. Compensated Absences

The County does not accrue any liability for future vacation benefits. Vacation benefits are earned by the employee during the year and may be accumulated. In management's opinion, the amount of accumulated unpaid vacation benefits is not material to the financial statements for the fiscal year ended June 30, 2004.

An employee earns up to 10 days per year of sick leave and may accumulate up to 60 days. When more than 60 days are accumulated, the amount over 60 is put into a sick leave bank and will be used by the employee for retirement purposes only. There is no history of sick leave usage from which to project future usage; hence, no liability for such has been recorded.

2. Stewardship, Compliance, and Accountability

Budgetary Compliance

On or before the first Monday in July of each year, each officer or department head submits an estimate of needs to the governing body. The budget is approved by fund, office, or department and object. The County Board of Commissioners may approve changes of appropriations within the fund by office or department and object. To increase or decrease the budget by fund requires approval by the County Excise Board.

3. Detailed Notes on Funds and Account Balances

A. Deposits

At year-end, the reported amount of the County's deposits was \$10,784,752 and the bank balance was \$10,698,356. Of the bank balance, all funds were covered by federal depository insurance or collateral held by the County's agent in the County's name.

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

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

B. Description of Funds

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

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

**ROGERS COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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Detailed Notes on Funds and Account Balances (continued)

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

Fair Board – revenues are from ad valorem taxes and miscellaneous collections. Disbursements are for the operations of the county fair.

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 – revenues are from state and federal funds. Disbursements are for emergency management services.

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

County Clerk Lien Fees – 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's Certification Fees – revenues are from a fee for certifying mortgages. Disbursements are for any lawful expense of the Treasurer's office.

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.

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

COPS Grant – balance of a federal grant received for the payroll of Sheriff's officers.

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

**ROGERS COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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Detailed Notes on Funds and Account Balances (continued)

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.

RCHFA – Equipment & Sign Grid – revenues are from interest earned by the Home Finance Authority. Disbursement of balance was made to T-Highway.

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

Assessor Visual Inspection – revenues are from fees charged to all entities receiving ad valorem taxes. Disbursements are for the re-valuation of all county property for ad valorem purposes.

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

Adult Drug Court – revenues are from state funds. Disbursements are for the operations of an adult drug court program.

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

County Sinking – residual balance of a paid off bond issue.

Cities and Towns – all funds collected on behalf of cities and towns are recorded in this fund and remitted to the individual cities and towns monthly.

Official Depository – all officers and agencies collecting fees deposit those fees to this account daily. At the end of each month the fees are distributed to the appropriate fund or agency.

Cash in Office – accounts for change funds held by various county offices.

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.

**ROGERS COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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Detailed Notes on Funds and Account Balances (continued)

County Deferred Savings Plan – funds are allocated from the general fund to match county employee money for deferred savings. Disbursements are made for funds matched to each employee who chooses to contribute to their deferred plan.

Clearing Account – revenues are from all direct deposits for the County, transfers and refunds. Disbursements are for transfers out of all funds deposited.

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.

Law Library – revenues are from an annual payment from the courts. Disbursements are for the operation of the county law library.

Emergency 911 – revenues are from a tariff charged to telephone customers. Disbursements are to offset the expense of the 911 emergency service.

NW Ambulance Service – revenues are from ad valorem taxes collected for the Emergency Medical Service. These collections are remitted to the EMS monthly.

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

Unclaimed Property – accounts for funds to be refunded to the property owner if they can be located.

Excess Resale Property Fund – revenues are from funds collected in excess of taxes owed when the County sells property for taxes. Disbursements are to the original landowner or eventually transferred to County Sinking.

Individual Redemption – revenues are from taxpayers who redeem tax certificates previously sold on their property. Disbursements are to reimburse the certificate holders for taxes paid, interest, penalties, and cost.

Tax Refunds – deposits are from overpayments of ad valorem taxes. Disbursements are made to refund these amounts to the payers.

Protest Taxes – ad valorem taxes paid under protest are held in this account until a court order is issued for their dispersal.

Drug Court User Fees – revenues are from fees charged to participants in the Adult Drug Court. Disbursements are to offset expenses of the Adult Drug Court.

**ROGERS COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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Detailed Notes on Funds and Account Balances (continued)

County Clerk Investments – revenues are from the interest on the investment of County Clerk’s liens. Disbursements are made to the lien holder.

District Court Investments – case balances invested by order of the courts.

Fire Districts – funds collected for local fire districts and remitted to them monthly.

Schools – all funds collected on behalf of the county schools are recorded in this fund and remitted to the individual schools monthly.

Certificate – this is a trust deposit held in escrow.

The following narrative details the official depository accounts.

District Court – accounts for the collection of bonds, fines, and fees. Money is disbursed for fees and restitution.

Court Fund – accounts for fees transferred from the Court Clerk account and interest earnings. Disbursements are for operating expense of the District Court.

Court Clerk Revolving Fund – revenues are from charges for each warrant. Disbursements are for any legal expense of the Court Clerk’s office.

District Attorney – accounts for monies received from DOC for Community Service Program, restitution, child support, grants, state witness fees, property forfeiture, donations, copies and bogus check fees. Disbursements are for various district attorney expenses as restricted by statute.

County Clerk – accounts for the collection of filing fees and disbursed to the Oklahoma Tax Commission and general fund.

County Sheriff – accounts for collections of all service fees and disbursed to the Sheriff’s Service Fee Fund and for refunds.

County Treasurer – accounts for the collection of fees in the Treasurer’s office, held in trust until the end of the month and disbursed to the appropriate fund.

Election Board – accounts for reimbursements for election cost and is disbursed for election board operations.

Health Department – accounts for fees charged by the county health department. Disbursements are to the county health department budget account monthly.

Detailed Notes on Funds and Account Balances (continued)

County Assessor – accounts for the collections for copies and proceeds from the sale of ownership books to be disbursed at the end of the month and deposited in the Assessor's revolving fund.

Planning Commission – accounts for fees collected by the Rogers County Planning Commission.

C. Ad Valorem Tax

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the County Assessor within the prescribed guidelines established by the Oklahoma Tax Commission and the State Equalization Board. Title 68 O.S. § 2820.A. states, ". . . Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the individual visual inspection of all taxable property within the county at least once each four (4) years."

The assessed property value as of January 1, 2003, was approximately \$428,535,637.

The County voted to repeal the personal property tax. The initiative provided that real property tax levies would be increased to make up for the loss of taxable personal property; therefore, the levy is now 10.09 mills (the legal maximum) for general fund operations, 1.54 mills for the county health department and .15 mill for the free fair board. In addition, the County also collects the ad valorem taxes assessed by cities and towns and school districts and remits the ad valorem taxes collected to the appropriate taxing units.

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

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, 2004, were approximately 95.65 percent of the tax levy.

D. Pension Plan

Plan Description. The County contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death

Detailed Notes on Funds and Account Balances (continued)

benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes the provisions of the Plan. OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73105 or by calling 1-800-733-9008.

E. Capital Leases

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

F. Fuel Tax

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

4. Contingent Liabilities

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

5. Sales Tax

On 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 of 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 purposes 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

**ROGERS COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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earlier of May 1, 2015, or the date of payment or provision for payment of all indebtedness, including refunding 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.

**INTERNAL CONTROL AND COMPLIANCE SECTION**

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

TO THE OFFICERS OF  
ROGERS COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Rogers County, Oklahoma, as of and for the year ended June 30, 2004, and have issued our report thereon dated April 12, 2005. Our report contains an explanatory paragraph discussing that the financial statements are not a complete presentation, and describes certain responsibilities of the State Auditor and Inspector's Office other than audit responsibilities. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements. The reportable condition is described in the accompanying schedule of findings as item 2002-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 2002-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rogers County's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

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

Sincerely,



JEFF A. McMAHAN  
State Auditor and Inspector

April 12, 2005

**ROGERS COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2004**

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**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 2002-1 – Segregation of Duties**

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

Condition: Based on inquiries of County personnel, it was noted that the duties of receiving, receipting, recording, and depositing collections were not adequately segregated. Payroll preparation, review and distribution are not adequately segregated.

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

Recommendation: We recommend management be aware of this condition and realize the 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.

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

**STATISTICAL SECTION**  
**(Unaudited)**

**ROGERS COUNTY, OKLAHOMA  
TOP TEN TAXPAYERS  
FOR THE YEAR ENDED JUNE 30, 2004  
(UNAUDITED)**

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Taxpayer	January 1, 2002 Net Assessed Valuation	% of Total Net Valuation
1. Public Service Co. of Okla.	\$ 79,612,328	18.58 %
2. Agricultural Minerals Ltd Prtn.	11,239,446	2.62
3. Southwestern Bell	8,541,895	1.99
4. General Motors Corp	8,109,008	1.89
5. Centrilift Hughes Pump	5,914,040	1.38
6. Union Pacific Railroad	4,851,301	1.13
7. Lafarge Corporation	3,572,845	0.84
8. ASEC Manufacturing	3,441,649	0.80
9. Enogex Inc.	3,148,509	0.74
10. Zebco/WC Bradley	<u>2,914,579</u>	<u>0.68</u>
Total	<u>\$ 131,345,600</u>	<u>30.65%</u>

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



**ROGERS COUNTY, OKLAHOMA  
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED  
VALUE AND NET BONDED DEBT PER CAPITA  
FOR THE YEAR ENDED JUNE 30, 2004  
(UNAUDITED)**

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	2004
Estimated population	70,641
Net assessed value as of January 1, 2003	\$ 428,535,637
Gross bonded debt	-
Less available sinking fund cash balance	29,194
Net bonded debt	\$ -
Ratio of net bonded debt to assessed value	0.00%
Net bonded debt per capita	\$ -

**ROGERS COUNTY, OKLAHOMA  
ASSESSED VALUE OF PROPERTY  
FOR THE YEAR ENDED JUNE 30, 2004  
(UNAUDITED)**

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<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>
1/1/2003	\$62,111,221	\$108,363,438	\$276,566,985	\$18,506,007	\$428,535,637	\$3,895,778,518