

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

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STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

August 31, 2005

TO THE CITIZENS OF  
SEMINOLE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Seminole 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. McMahan".

JEFF A. McMAHAN  
State Auditor and Inspector

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

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

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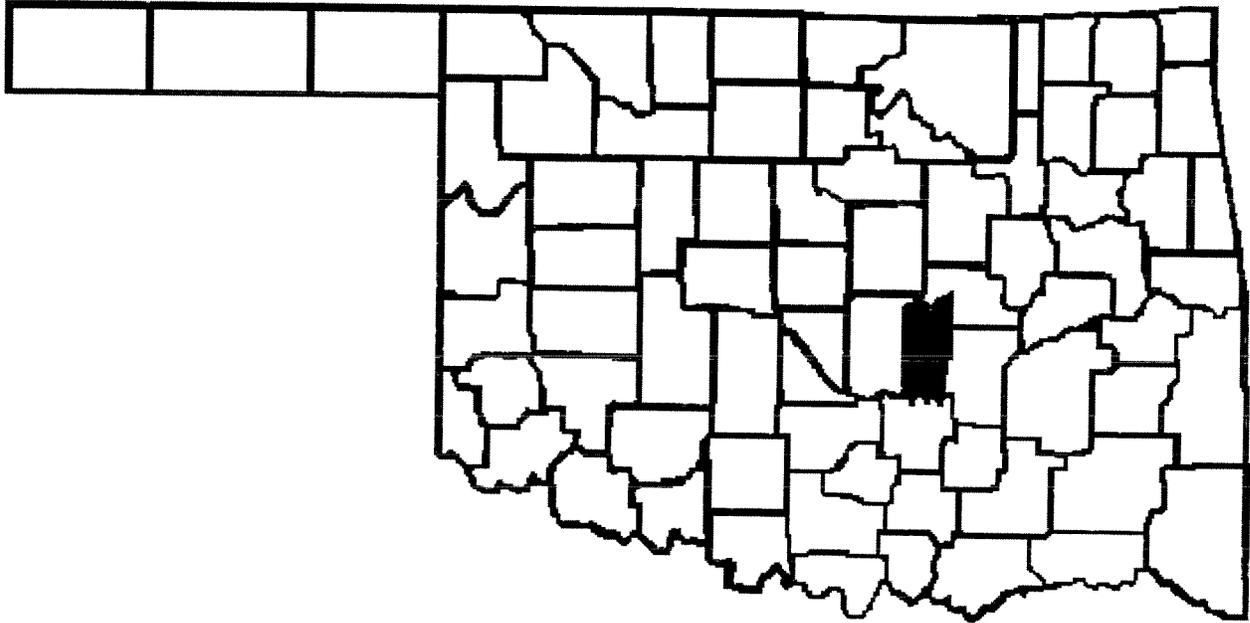
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REPORT TO THE CITIZENS  
OF  
SEMINOLE COUNTY, OKLAHOMA

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Taking its name from a Creek word meaning “runaway” or “those who camp at a distance,” this county was originally part of the Seminole Nation, Indian Territory. As a result of a treaty with the Creeks in 1856, the Seminoles received an estimated 2,169,080 acres of land in the Indian Territory where they could establish their own government and laws. They were the last of the Five Civilized Tribes to organize their government in this region.

Although oil exploration began near Wewoka as early as 1902, it was not until 1923 and the discovery of the Greater Seminole field that the county experienced an economic boom. By September 1929, this became the premier high-gravity oil field in the United States. Now, agriculture and manufacturing also contribute to the economy.

Businesses engaged in the production of clothing, oil field chemicals and tanks, air blasting equipment, and others are located in the area. Seminole State College continues the tradition first exemplified by the founding of the Mekasukee Academy for Seminole boys in 1891 and the Emahaka Boarding School for Seminole girls in 1893.

Sources for recreational activities include area lakes, as well as public golf courses in Seminole and Wewoka. For more information, call the county clerk’s office at 405-257-2501.

County Seat – Wewoka

Area – 632.5 Square Miles

County Population – 24,894 (2000 est.)

Farms – 1,018

Land in Farms – 277,535 Acres

Primary Source: Oklahoma Almanac 2003-2004

See independent auditor’s report.

**SEMINOLE COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COUNTY ASSESSOR**

Sharon Butler  
(D) Wewoka

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**

Tim Anderson  
(D) Wewoka

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.

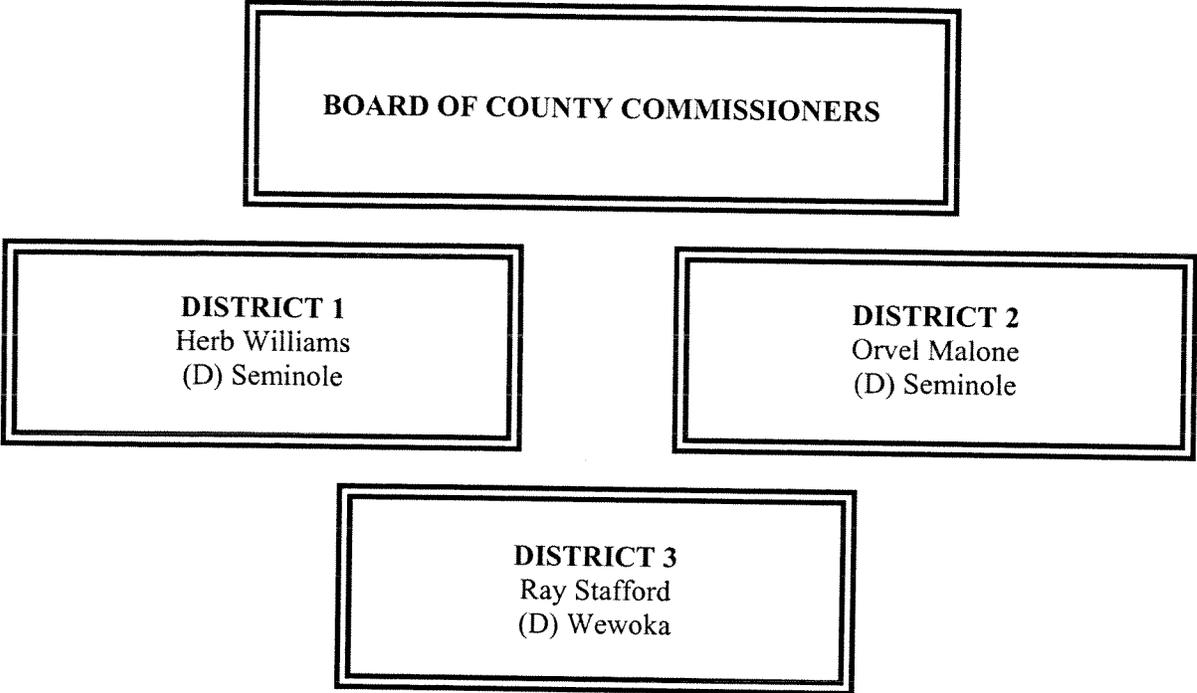
The County Clerk reviews all the claims for payment of goods and services purchased or contracted by the county, and prepares the proper warrants for payment of those goods and services and the county payroll. The County Clerk, or his or her designated deputy, serves as the purchasing agent for the county.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

**SEMINOLE 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.

**SEMINOLE COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COUNTY SHERIFF**  
Joe Craig  
(D) Seminole

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**  
Jim Hardin  
(D) Seminole

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.

**SEMINOLE COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COURT CLERK**  
Sharon Post  
(D) Seminole

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**  
William Peterson  
(D) Ada

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.

**SEMINOLE COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**ELECTION BOARD SECRETARY**

Mary Jo Rains  
(D) Konawa

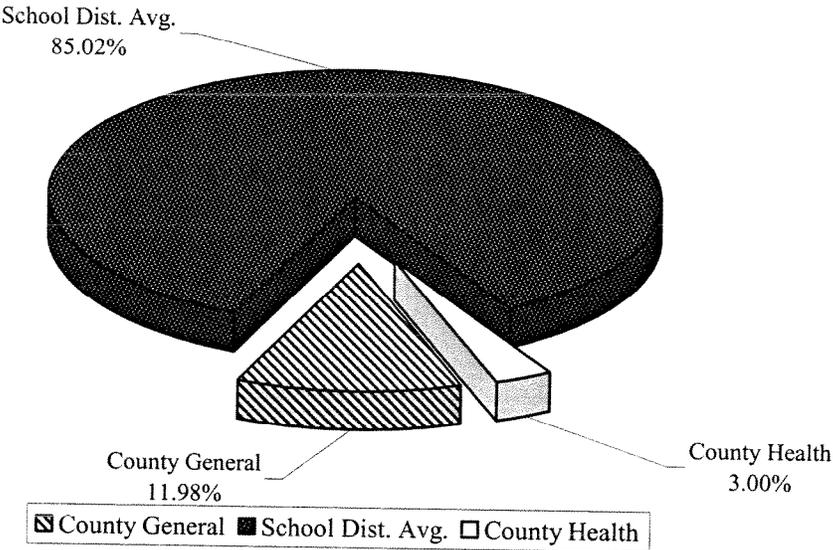
The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within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

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

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



County-Wide Millages		School District Millages								
				Gen.	Bldg	Skg	Tech Cntr	Tech Cntr Bldg	Common	Total
Co. General	10.44									
County Health	2.61	Seminole	I-1	36.17	5.17	14.56	10.50	5.25	4.18	75.83
		Wewoka	I-2	36.99	5.28	29.22	10.50	5.25	4.18	91.42
		Bowlegs	I-3	37.57	5.37	17.60	10.50	5.25	4.18	80.47
		Konawa	I-4	35.45	5.06	13.69			4.18	58.38
		PI Grove	I-5	37.83	5.40		10.50	5.25	4.18	63.16
		New Lima	I-6	37.59	5.37	10.54	10.50	5.25	4.18	73.43
		Varnum	I-7	38.33	5.48		10.50	5.25	4.18	63.74
		Sasakawa	I-10	37.91	5.42	12.53	10.83	2.00	4.18	72.87
		Strother	I-14	39.28	5.61	14.00	10.50	5.25	4.18	78.82
		Butner	I-15	38.11	5.44	20.65	10.50	5.25	4.18	84.13
		Justice	I-54	38.16	5.45		10.50	5.25	4.18	63.54
		Maud	I-117	37.83	5.40	19.65	10.50	5.25	4.18	82.81
		<b>Cities Sinking</b>								
Seminole	11.52									
Wewoka	9.61									
Konawa	18.44									

See independent auditor's report.

**FINANCIAL SECTION**



STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

**Independent Auditor's Report**

TO THE OFFICERS OF  
SEMINOLE COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Seminole 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 Seminole 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 Seminole 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 Seminole 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 Seminole County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund and the county health department fund 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 July 1, 2005, on our consideration of Seminole 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 special-purpose financial statements of Seminole 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,

A handwritten signature in cursive script that reads "Jeff A. McMahon".

JEFF A. McMAHAN  
State Auditor and Inspector

July 1, 2005

**Special-Purpose Financial Statements**

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

All County Funds	Beginning Cash Balances July 1, 2003	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2004
County General Fund	\$ 254,381	\$ 1,712,322	\$ 1,686,506	\$ 280,197
County Highway	771,717	2,593,431	2,639,968	725,180
Resale Property	24,565	109,965	109,728	24,802
County Health	443,705	256,457	279,565	420,597
County General Sales Tax	60,969	163,445	155,073	69,341
Highway Sales Tax	189,798	490,335	491,726	188,407
Sheriff Sales Tax	92,417	163,445	101,617	154,245
Treasurer Mortgage Fees	11,836	5,700	4,875	12,661
Emergency 911	142,125	96,755	117,644	121,236
County Clerk Lien Fee	11,560	7,602	13,671	5,491
Community Service	1,310			1,310
County Insurance Fund	71			71
Sheriff Service Fees	71,567	202,794	172,917	101,444
Sheriff OG&E	15,452	55,247	55,571	15,128
Sheriff Transport B-4	93,195	135,863	134,166	94,892
Civil Defense	2,540		536	2,004
Law Enforcement Grant	56			56
LEPC	2,487	2,220	1,646	3,061
Floodplain	330	30		360
Solid Waste - Trash Fund	3,170	1,309	2,000	2,479
COPS UHA	383		383	
Teen Court	2			2
CDBG District #2	19,380		19,380	
CDBG Rural Water District #1	1,434		1,434	
911 Grant	87			87
Assessor Revolving	10,245	6,864	12,741	4,368
COPS in Schools	50,402	28,950	79,352	
County Clerk Preservation	53,028	36,681	64,430	25,279
Special Road Project - BIA	13,320	65,889	79,209	
CDBG Building Grant #10515	5,159	50,900	56,059	
Hazard Mitigation		5,000	5,000	
LLEBG		6,026		6,026
Strother Fire Department		8,194	8,194	
Homeland Security		70,000	70,000	
Official Depository	466,642	2,379,192	2,461,428	384,406
Schools	1,716,186	9,105,656	9,097,041	1,724,801
Cities and Towns	14,262	494,558	495,059	13,761
Excess Resale		1,266		1,266
Individual Redemption	3,759	24,943	20,719	7,983
Law Library	4,760	21,979	23,331	3,408

continued on next page

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

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

continued from previous page

All County Funds	Beginning Cash Balances July 1, 2003	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2004
Protest Tax	192,318	46,290	193,302	45,306
Tax Refund	55	7,549	7,054	550
County Clerk Petty Cash	60			60
Sheriff Estray Cattle	1,450			1,450
Sheriff Commissary	4,999	24,866	20,880	8,985
<b>Total County Funds</b>	<b>\$ 4,751,182</b>	<b>\$ 18,381,723</b>	<b>\$ 18,682,205</b>	<b>\$ 4,450,700</b>

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

**SEMINOLE 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	\$ 254,381	\$ 254,381	\$ 254,381	\$ -
Less: Prior Year Outstanding Warrants	(87,463)	(87,463)	(87,463)	
Less: Prior Year Encumbrances	(12,819)	(12,819)	(11,290)	1,529
Beginning Cash Balances, Budgetary Basis	<u>154,099</u>	<u>154,099</u>	<u>155,628</u>	<u>1,529</u>
Receipts:				
Ad Valorem Taxes	899,033	899,033	984,681	85,648
Charges for Services	322,051	322,051	316,078	(5,973)
Intergovernmental Revenues	282,478	282,478	289,312	6,834
Miscellaneous Revenues	93,507	104,373	122,251	17,878
Total Receipts, Budgetary Basis	<u>1,597,069</u>	<u>1,607,935</u>	<u>1,712,322</u>	<u>104,387</u>
Expenditures:				
District Attorney	3,500	3,500	3,419	81
Total District Attorney	<u>3,500</u>	<u>3,500</u>	<u>3,419</u>	<u>81</u>
County Sheriff	283,256	283,256	282,232	1,024
Capital Outlay	2,000	2,000	1,995	5
Total County Sheriff	<u>285,256</u>	<u>285,256</u>	<u>284,227</u>	<u>1,029</u>
County Treasurer	75,992	77,512	77,451	61
Capital Outlay	1,500			
Total County Treasurer	<u>77,492</u>	<u>77,512</u>	<u>77,451</u>	<u>61</u>
County Commissioners	26,900	26,900	25,257	1,643
Capital Outlay	1	1		1
Total County Commissioners	<u>26,901</u>	<u>26,901</u>	<u>25,257</u>	<u>1,644</u>
OSU Extension	26,818	26,818	26,501	317
Capital Outlay	1	1		1
Total OSU Extension	<u>26,819</u>	<u>26,819</u>	<u>26,501</u>	<u>318</u>
County Clerk	125,029	125,029	124,652	377
Capital Outlay	1	1		1
Total County Clerk	<u>125,030</u>	<u>125,030</u>	<u>124,652</u>	<u>378</u>

continued on next page

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

**SEMINOLE 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
Court Clerk	100,760			
Total Court Clerk	100,760	-	-	-
County Assessor	112,445	112,853	111,724	1,129
Capital Outlay	1	1		1
Total County Assessor	112,446	112,854	111,724	1,130
Revaluation of Real Property	241,942	239,644	236,297	3,347
Capital Outlay	1	2,299	2,298	1
Total Revaluation of Real Property	241,943	241,943	238,595	3,348
District Court	224,378	249,977	249,222	755
Total District Court	224,378	249,977	249,222	755
General Government	129,569	149,549	147,954	1,595
Total General Government	129,569	149,549	147,954	1,595
Excise-Equalization Board	4,200	4,200	3,107	1,093
Total Excise-Equalization Board	4,200	4,200	3,107	1,093
County Election Board	52,551	53,009	53,009	
Capital Outlay	1	1		1
Total County Election Board	52,552	53,010	53,009	1
Insurance	295,000	360,161	304,695	55,466
Total Insurance	295,000	360,161	304,695	55,466
County Audit Budget	9,472	9,472	9,472	
Total County Audit Budget	9,472	9,472	9,472	-
County Cemetery	25,469	24,769	24,621	148
Capital Outlay	1,581	2,281	1,979	302
Total Cemetery	27,050	27,050	26,600	450
Free Fair Budget	8,800	8,800	8,700	100
Total Free Fair Budget	8,800	8,800	8,700	100

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

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

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continued from previous page

	Original Budget	Final Budget	Actual	Variance
Provisions for Interest on Warrants			1,935	(1,935)
Total Expenditures, Budgetary Basis	1,751,168	1,762,034	1,696,520	65,514
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ -	171,430	\$ 171,430
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			7,398	
Add: Current Year Outstanding Warrants			101,369	
Ending Cash Balance			\$ 280,197	

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

**SEMINOLE 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	\$ 443,705	\$ 443,705	\$ 443,705	\$ -
Less: Prior Year Outstanding Warrants	(2,559)	(2,559)	(2,559)	
Less: Prior Year Encumbrances	(104,104)	(104,104)	(93,511)	10,593
Beginning Cash Balances, Budgetary Basis	<u>337,042</u>	<u>337,042</u>	<u>347,635</u>	<u>10,593</u>
Receipts:				
Ad Valorem Taxes	224,758	224,758	246,170	21,412
Charges for Services		2,824	3,468	644
Miscellaneous Revenues			6,819	6,819
Total Receipts, Budgetary Basis	<u>224,758</u>	<u>227,582</u>	<u>256,457</u>	<u>28,875</u>
Expenditures:				
Health and Welfare	300,000	302,824	224,123	78,701
Capital Outlay	261,800	261,800		261,800
Total Expenditures, Budgetary Basis	<u>561,800</u>	<u>564,624</u>	<u>224,123</u>	<u>340,501</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	379,969	<u>\$ 379,969</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			13,856	
Add: Current Year Outstanding Warrants			26,772	
Ending Cash Balance			<u>\$ 420,597</u>	

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

**SEMINOLE 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			Cancelled Vouchers	Ending Cash Balances June 30, 2004
	July 1, 2003	Receipts	Disbursements		
Court Clerk - Wewoka	\$ 95,235	\$ 888,454	\$ 810,168	\$ 249	\$ 173,770
Court Fund	21,352	571,577	573,538	621	20,012
District Attorney Bogus Check	10,243	217,336	219,546	871	8,904
County Clerk	16,016	179,839	179,073		16,782
County Sheriff - Special	886	5,493	2,706		3,673
Court Clerk - Seminole	202,553	165,505	367,176	9,252	10,134
County Sheriff	566	87,167	87,678		55
County Treasurer	40,146	30,042	33,442		36,746
County Health Department		7,206	7,206		
County Election Board		37,544	35,142	1,076	3,478
District Attorney Court Ordered	21,317	42,485	36,608	1,480	28,674
District Attorney Evidence Fund	491				491
District Attorney Drug Enforcement	15,313	24,491	37,390		2,414
District Attorney Witness Fund	195	21,344	21,223	371	687
Sheriff Drug - Federal	49				49
Sheriff Drug	542	10,599	2,301		8,840
Sheriff Training	1,899	1,800	1,800		1,899
Sheriff Service Fee	1,132	12,477	12,472		1,137
County Fair	4,085	5,647	4,400	150	5,482
Revolving Court Fund	4,287	19,625	6,822		17,090
County Assessor		6,864	6,864		
Incarceration Costs	1,785				1,785
Sheriff Estray		2,505	2,320		185
DPA	2,379	12,583	13,513	210	1,659
MDT-CAMA Fund	26,171	18,564	14,330		30,405
Sheriff Commissary				10	10
District Attorney Supervision Fee		10,045			10,045
<b>Total Official Depository Accounts</b>	<u>\$ 466,642</u>	<u>\$ 2,379,192</u>	<u>\$ 2,475,718</u>	<u>\$ 14,290</u>	<u>\$ 384,406</u>

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 Seminole 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.

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.

Summary of Significant Accounting Policies (continued)

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

The 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:

<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 participates in a public entity risk pool; Association of County Commissioners of Oklahoma-Self-Insurance Group. (See ACCO-SIG.)	If claims exceed the authorized deductibles, the County could have to pay its share of any pool deficit. A judgment could be assessed for claims in excess of the pool's limits.

SEMINOLE COUNTY, OKLAHOMA  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2004

Summary of Significant Accounting Policies (continued)

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
Worker's Compensation - Employees' Injuries	The County carries commercial insurance for these types of risk.	A judgment could be assessed for claims in excess of coverage.
Employee - Medical - Disability - Dental - Life	The County carries commercial insurance for these types of coverage.	None

ACCO-SIG - The pool operates as a common risk management and insurance program and is to be self-sustaining through member premiums. Each participating county chooses a \$10,000, \$25,000, or a \$50,000 deductible amount. The County has chosen a \$50,000 deductible for each insured event as stated in the County's "Certificate of Participation." The risk pool will pay legitimate claims in excess of the deductible amount for replacement value up to \$100,000 for property, and up to \$500,000 for general liability. The pool has acquired commercial reinsurance in the amount of \$1,000,000 to cover claims that exceed the pool's risk retention limits. 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.

Commercial Insurance - The County obtains commercial insurance coverage to pay legitimate worker's 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.

Management believes coverage is sufficient to preclude any significant uninsured losses to the County.

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. All full-time Seminole County employees shall be entitled to annual leave that is accrued on an annual basis in accordance with the schedule outlined below:

ACCRUAL RATES

<u>Years of Service</u>	<u>Annual Leave</u>
1-5 years	80 hours
Over 5 years	120 hours

Summary of Significant Accounting Policies (continued)

The County does not record any liability for sick leave. An employee earns up to 12 days per year and may accumulate up to 60 days.

2. Stewardship, Compliance, and Accountability

Budgetary Compliance

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

3. Detailed Notes on Funds and Account Balances

A. Deposits

At year-end, the reported amount of the County's deposits was \$4,450,700 and the bank balance was \$4,488,300. 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

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

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

Detailed Notes on Funds and Account Balances (continued)

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

County Health - accounts for monies collected on behalf of the county health department from ad valorem taxes and state and local revenues.

County General Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Highway Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Sheriff Sales Tax – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Treasurer Mortgage Fees – accounts for the collection of fees by the Treasurer for mortgage tax certificates and the disbursement of the funds restricted by statutes.

Emergency 911 – accounts for monies received from private telephone companies for the operation of emergency 911 services.

County Clerk Lien Fee – accounts for lien collections and disbursement of sheriff process service fees as restricted by statutes.

Community Service – accounts for the collection of funding through the State Department of Corrections for administrative expenses and supervision of offenders.

County Insurance Fund – established to administer the County’s self-insurance and accounts for insurance receipts and disbursements.

Sheriff Service Fees– accounts for the collection and disbursement of sheriff process service fees as restricted by statute.

Sheriff OG&E – accounts for payments from OG&E for deputies’ salaries for patrolling OG&E premises and the surrounding area.

Sheriff Transport B-4 – accounts for the monies received from the State of Oklahoma for the boarding and feeding of DOC prisoners and for service fees received for transportation of inmates and juveniles.

Civil Defense – accounts for the receipt and disbursement of funds from state and local governments for civil defense purposes.

Detailed Notes on Funds and Account Balances (continued)

Law Enforcement Grant – accounts for grant monies received from the U.S. Department of Justice Local Law Enforcement Block Grant Program used for the Sheriff's office.

LEPC – accounts for state funds received for local emergency planning.

Floodplain – accounts for fees collected from inspections and assessments of flood plain areas and is used for the general operations of the emergency management office.

Solid Waste – Trash Fund – accounts for grant funds received from the State of Oklahoma for the enforcement of trash and litter laws.

COPS UHA – accounts for grant monies received from the U.S. Department of Justice Community Oriented Policing Services Program used for deputies' salaries in the Sheriff's office.

Teen Court – accounts for the remaining match funds for a federal grant for juvenile court.

CDBG District #2 – accounts for federal grant funds received for the purpose of constructing water lines in Rural Water District #2.

CDBG Rural Water District #1 - accounts for federal grant funds received for the purpose of constructing water lines in Rural Water District #1.

911 Grant – accounts for the remaining match from a state grant from the Corporation Commission for the development of an emergency 911 system.

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

COPS in Schools – accounts for grant monies received from the U.S. Department of Justice Community Oriented Policing Services Program used for deputies' salaries in the public school system.

County Clerk Preservation – accounts for fees collected for instruments filed in the Registrar of Deeds as restricted by statute for preservation of records.

Special Road Project – BIA – accounts for federal grant funds from the Bureau of Indian Affairs used for special road projects.

CDBG Building Grant #10515 – accounts for federal grant funds received for the purpose of updating county barns.

Hazard Mitigation – accounts for the federal funds passed through the Oklahoma Department of Civil Emergency Management for the purpose of avoiding or limiting the impact of natural hazards.

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

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Detailed Notes on Funds and Account Balances (continued)

LLEBG – accounts for grant monies received from the U.S. Department of Justice Local Law Enforcement Block Grant Program used for the Sheriff's office.

Strother Fire Department – accounts for REAP grant funds received for the purpose of purchasing a fire truck.

Homeland Security – accounts for federal grant funds passed through the Oklahoma Office of Homeland Security used to enhance courthouse security.

Official Depository - accounts for the collection and distribution of officer and board fees held in trust until the end of the month.

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

Cities and Towns – accounts for monies collected on behalf of the cities and towns in Seminole County from ad valorem taxes, state and local revenues, and remitted to them monthly.

Excess Resale – accounts for the proceeds of sale of property in excess of tax against property to be held in trust for a two-year period.

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

Law Library – accounts for monies received for disbursement from the state for the law library board.

Protest Tax – accounts for ad valorem taxes collected in protest.

Tax Refund – accounts for reimbursements to taxpayers for overpayment of taxes.

Court Clerk Petty Cash – accounts for County Clerk's cash on hand.

Sheriff Estray Cattle – accounts for the monies received from the sale of stray animals or reimbursement of expenses from the owners of animals. These funds are to be used for the care, transportation, and sale of lost animals.

Sheriff Commissary – accounts for the collection of fees transferred from the inmate trust money for commissary items and disbursement of funds are restricted by state statute.

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

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Detailed Notes on Funds and Account Balances (continued)

The following narrative details the official depository accounts.

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

Court Fund – accounts for fees transferred from district court and interest. Money is disbursed for the purpose of fees for various entities, salaries, and the operation of the office.

District Attorney Bogus Check – accounts for the collection of district attorney fees transferred from the merchant account and disbursement of funds restricted by state statutes.

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

County Sheriff - Special – accounts for all collection of foreign service fees and private donations. Monies are vouchered out at the end of the month to the sheriff service fee account and Court Clerk.

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

County Sheriff – accounts for the collection of cash bonds. Monies are vouchered out at the end of the month to the Court Clerk or returned to the defendant.

County Treasurer – accounts for the overpayments of ad valorem taxes, tax payments made under protest, collection of motor vehicle stamps, and the collection of pre-paid mobile home taxes.

County Health Department – accounts for the collection of state funds and charges for services. Money is disbursed on a monthly basis to be transferred to the county health department cash account.

County Election Board – accounts for reimbursement of elections and is disbursed for refunds of election fees and maintenance and operation of the office.

District Attorney Court Ordered – accounts for collections received by court orders to reimburse victims.

District Attorney Evidence Fund – accounts for fees paid by defendants for the purpose of presenting evidence for jury trials.

District Attorney Drug Enforcement – accounts for monies collected from the disposition of property seized during drug abuse cases.

Detailed Notes on Funds and Account Balances (continued)

District Attorney Witness Fund – accounts for collections received from the state to reimburse the County for witness expenses.

Sheriff Drug – Federal – accounts for monies collected from the disposition of property seized during federal drug abuse cases.

Sheriff Drug – accounts for monies collected from the disposition of property seized during drug abuse case.

Sheriff Training – accounts for the funds collected from the disposition of unclaimed property for the purpose of purchasing equipment, materials, or supplies that may be used in crime prevention.

Sheriff Service Fee – accounts for all collection of foreign service fees. Monies are vouchered out at the end of the month to the sheriff service fee account and Court Clerk.

County Fair – accounts for entry fees and donations used for fair expenses.

Revolving Court Fund – accounts for a charge of \$5.00 for each warrant. Money is disbursed in the same manner as court fund.

County Assessor – accounts for the collection of fees that are transferred to the Assessor's cash account.

Incarceration Costs – accounts for court ordered collections by the Court Clerk and remitted to the District Attorney for incarceration costs of defendants.

Sheriff Estray – accounts for the monies received from the sale of stray animals or reimbursement of expenses from the owners of animals. These funds are to be used for the care, transportation, and sale of lost animals.

DPA – accounts for collected court costs in lieu of charges filed pertaining to deferred prosecution agreements and is disbursed as per court orders.

MDT-CAMA Fund – accounts for the state funds to operate the child advocacy center.

Sheriff Commissary – accounts for money held in trust for inmates to be used for commissary purposes.

District Attorney Supervision Fee – accounts for collections received from the Court Clerk for offenders ordered to supervision by the district attorney. Disbursement of funds are for the operation of the District Attorney's office.

Detailed Notes on Funds and Account Balances (continued)

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 \$94,725,696.

Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10.44 mills for general fund operations and 2.61 mills for the county health department. 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 94.41 percent of the tax levy.

D. Pension Plan

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

Detailed Notes on Funds and Account Balances (continued)

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 August 22, 2000, the Seminole County voters approved a ½ of one percent sales tax for a period of five years to begin September 1, 2000. Proceeds of the tax are designated as follows:

- 60% - county road fund for repair or replacement of county roads, bridges, and equipment
- 20% - county sheriff
- 20% - county general government for maintenance and operations on county property and operating expenses

**INTERNAL CONTROL AND COMPLIANCE SECTION**



STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

**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  
SEMINOLE COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Seminole County, Oklahoma, as of and for the year ended June 30, 2004, and have issued our report thereon dated July 1, 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 Seminole 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 certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2004-1, 2004-2, and 2004-3.

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, of the reportable conditions described above, we consider item 2004-1 to be a material weakness.

### Compliance and Other Matters

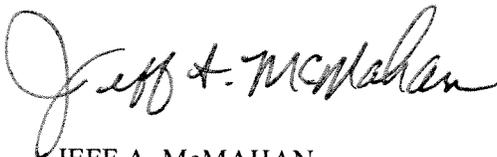
As part of obtaining reasonable assurance about whether Seminole County's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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*. However, we noted certain matters that we reported to management of Seminole County and are included in Section 2 of the schedule of findings, contained within this report.

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

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

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

Sincerely,



JEFF A. McMAHAN  
State Auditor and Inspector

July 1, 2005

**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 2004-1 - Segregation of Duties (Repeat Finding)**

Criteria: Segregation of duties over asset custody, transaction authorization, bookkeeping and reconciliation is an important element of effective internal control over government assets and resources.

Condition: The limited number of office personnel within several County offices prevents a proper segregation of accounting functions, which is necessary to assure adequate internal control structure.

Recommendation: We recommend management be aware of this condition 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.

Views of responsible officials and planned corrective actions: We concur with the auditor's findings. Management does have knowledge of office operations and will perform a periodic review of these operations.

**Finding 2004-2 - Sheriff's Official Depository**

Criteria: Effective internal controls include the issuance of receipts in sequential order for all monies received. Also, receipts should be complete with mode of pay indicated. Title 19 O.S. 2001, § 682 states, "It shall be the duty of each and every county officer...to deposit daily in the official depository designated in Section 681 of this title, all monies, checks, drafts, orders, vouchers, property, fees, fines, forfeitures, and public charges of every kind received or collected by virtue or under color of office..."

Condition: While performing cash compositions for the Sheriff's Official Depository Account, the following was noted:

1. The Sheriff's office is not retaining the original voided cash bond receipts,
2. Cash bond receipt numbers 2421 and 2422 were missing from the receipt book,
3. Receipts were written from the cash bond receipt book for commissary monies,
4. Cash bond receipt #2429 in the amount of \$107.33 could not be traced to a deposit,
5. Cash bond receipt #2432 in the amount of \$217.50 could not be traced to a deposit,
6. Sheriff service fee receipts were not written for all monies deposited,
7. Sheriff service fee receipts are not issued in sequence.

Recommendation: We recommend the issuance of receipts in sequential order for all monies received in the Sheriff's office. In addition, we recommend all original voided receipts be retained in the receipt book.

Views of responsible officials and planned corrective actions: We concur with the auditors' findings and are implementing procedures to correct this problem

**Finding 2004-3 - Inmate Trust Account**

Criteria: Safeguarding controls are an aspect of internal controls. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failure to perform tasks that are part of internal controls, such as reconciliations not prepared or not timely prepared are deficiencies in internal control.

Condition: The Sheriff's Inmate Trust Account is not reconciled with the bank statements each month. Bank statements should be reconciled to an inmate trust ledger, which the Sheriff does not maintain.

Recommendation: We recommend the Sheriff maintain an inmate ledger and reconcile it to the bank statement each month.

Views of responsible officials and planned corrective actions: We concur with the auditors' findings and are implementing procedures to correct this problem.

**SECTION 2 - Other Findings - This section contains findings not required to be reported in 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*, but which we believed were significant enough to bring to the County's attention. We recommend that the County consider these matters and take appropriate corrective action.**

**Finding 2004-4 - Inmate Trust Receipts/Deposits**

Criteria: Title 19 O.S. 2001, § 531 states, "the county sheriff shall deposit all monies collected from the inmates incarcerated in the county jail into the Inmate Trust Fund Checking Account." Title 28 O.S. 2001, § 9 states, "Every officer charging fees shall give a receipt therefore."

Condition: The Sheriff's office is not writing receipts for all inmate monies received and deposited in the Inmate Trust Fund Checking Account. It was also noted that some receipts could not be traced to the Inmate Trust Fund deposit. Of the deposits tested, a net variance of \$240.21 long was noted.

Recommendation: We recommend that pre-numbered receipts be issued for all inmate monies received and deposited in the Inmate Trust Fund Checking Account. We further recommend that all monies received be deposited daily.

Views of responsible officials and planned corrective actions: We concur with the auditors' findings and are implementing procedures to correct this problem.

**Finding 2004-5 - General Fixed Assets Inventory (Repeat Finding)**

Criteria: Title 19 O.S. 2001, § 178.1 states, “The board of county commissioners in each county of this state shall take, or cause to be taken, an inventory of all working tools, apparatus, machinery and equipment belonging to the county or leased or otherwise let to it or to any department thereof, other than that which is affixed to and made a part of lands and buildings, the cost of which as to each complete working unit thereof is more than Two Hundred Fifty Dollars (\$250.00), and therefore maintain or cause to be maintained a continuous inventory record thereof and of like tools, apparatus, machinery and equipment purchased, leased, or otherwise coming into custody of the county or of any office, board, department, commission or any or either thereof, and the disposition thereof whether sold, exchanged, leased, or let where authorized by statute, junked, strayed or stolen, and biennially thereafter....”

Condition: All offices do not perform a biennial verification of the fixed assets inventory.

Recommendation: We recommend that the Board of County Commissioners cause a biennial inventory to be taken of all working tools, apparatus, machinery, and equipment belonging to the County. We also recommend that these inventories be documented on form #3512.

Views of responsible officials and planned corrective actions: All officers will work together to compile a complete listing of County inventory. We will also try to conduct a physical inventory of all items once every two years.

**STATISTICAL SECTION  
(Unaudited)**

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

<u>TAXPAYER NAME</u>	<u>ASSESSED VALUE</u>	<u>% OF TOTAL NET VALUATION</u>
OG&E	\$ 27,382,342	28.91%
Enogex	4,788,099	5.06%
Southwestern Bell Telephone	3,467,775	3.66%
V F Jeanswear/Blue Bell	3,108,034	3.28%
Seaway Crude Pipeline	1,443,098	1.52%
George Fisher Disa Goff Inc	645,235	0.68%
Union Pacific Railroad	616,668	0.65%
Oneok	601,932	0.64%
Sunoco Pipeline	539,149	0.57%
Wal-Mart	504,432	0.53%
Total	<u>\$ 43,096,764</u>	<u>45.50%</u>

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

**SEMINOLE COUNTY, OKLAHOMA  
COMPUTATION OF LEGAL DEBT MARGIN  
FOR THE YEAR ENDED JUNE 30, 2004  
(UNAUDITED)**

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Total net assessed value as of January 1, 2003		<u>\$ 94,725,696</u>
Debt limit - 5% of total assessed value		4,736,285
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	-	<u>-</u>
Legal debt margin		<u>\$ 4,736,285</u>

**SEMINOLE 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	24,894
Net assessed value as of January 1, 2003	\$ 94,725,696
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	\$ -

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

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Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2003	\$11,883,846	\$42,449,005	\$46,567,649	\$6,174,804	\$94,725,696	\$680,045,814