

**TEXAS 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

July 22, 2005

TO THE CITIZENS OF
TEXAS COUNTY, OKLAHOMA

Transmitted herewith is the audit of Texas 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

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

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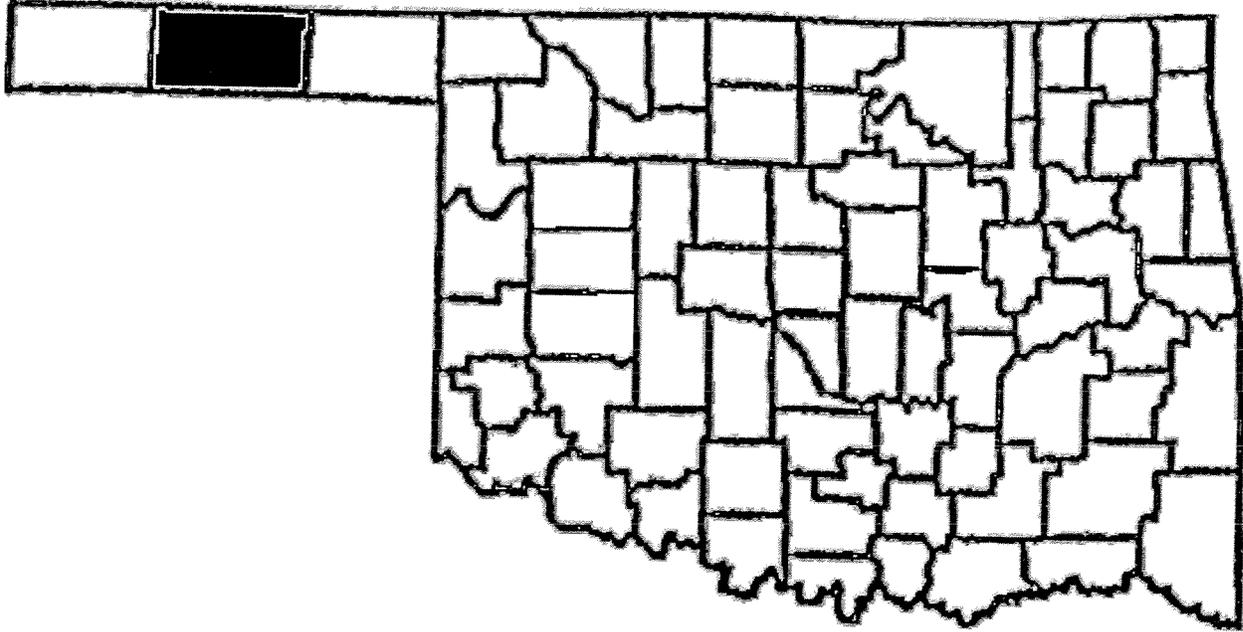
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**TEXAS COUNTY, OKLAHOMA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

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REPORT TO THE CITIZENS
OF
TEXAS COUNTY, OKLAHOMA



Texas County was formed at statehood from the central one-third of “Old Beaver County,” also known as “No Man’s Land.” It took its name from the state of Texas.

The Beaver River is the principal stream in Texas County, rising in northeastern New Mexico. It is joined by Wolf Creek near Fort Supply and from there becomes known as the North Canadian River and emptying into the Canadian River near Eufaula.

Texas County consists of level plains and rolling hills. Many trees, especially cottonwood, grow along the streams. A large number of irrigation wells in the County help stabilize farming.

Wheat, grain sorghums, and cattle are the chief agricultural industries, ranking near the top among counties of the state in all three. The County ranks high in natural gas and petroleum, being first in gas production among all counties of the United States.

County Seat - Guymon

Area - 2037.3 Square Miles

County Population – 20,107
(2000 est.)

Farms - 785

Land in Farms - 1,086,667 Acres

Source: Oklahoma Almanac 2003-2004

See independent auditor’s report.

**TEXAS COUNTY OFFICIALS
AND RESPONSIBILITIES**

COUNTY ASSESSOR
Thyra Grounds
(D) Guymon

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
Marcia Hollingshead
(D) Guymon

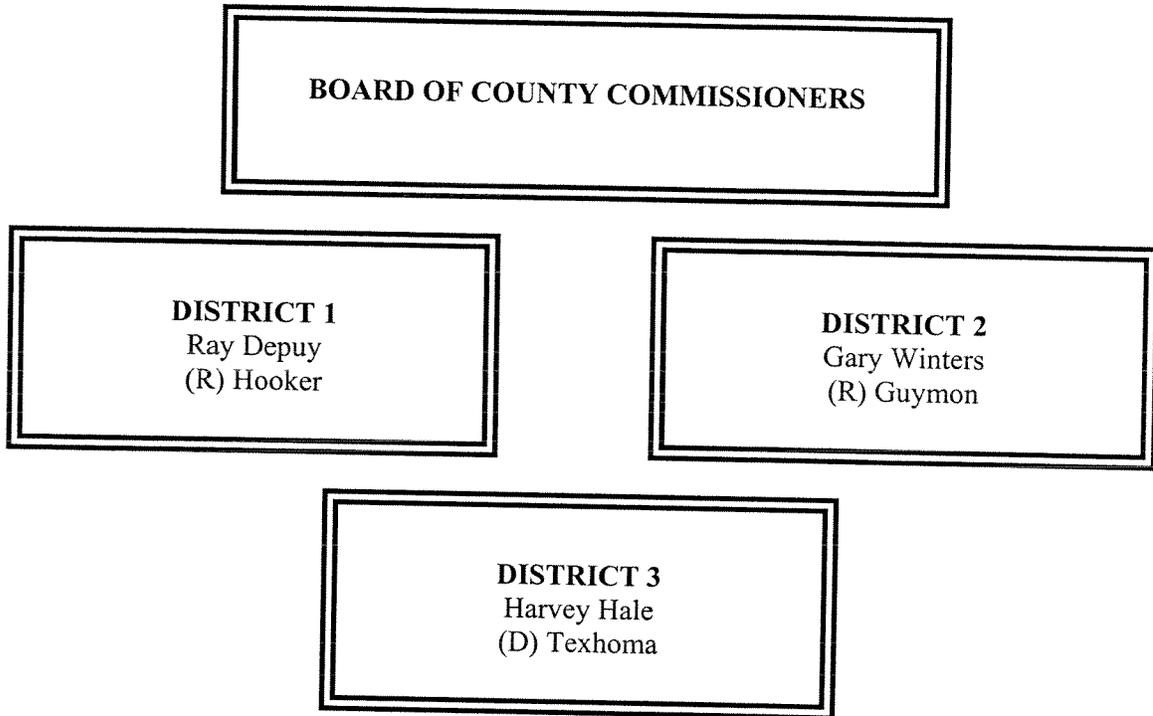
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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.

**TEXAS COUNTY OFFICIALS
AND RESPONSIBILITIES**



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

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

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

See independent auditor's report.

**TEXAS COUNTY OFFICIALS
AND RESPONSIBILITIES**

COUNTY SHERIFF
Arnold Peoples
(D) Goodwell

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
Rita Wise
(D) Guymon

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.

**TEXAS COUNTY OFFICIALS
AND RESPONSIBILITIES**

COURT CLERK
Karen Parish
(D) Guymon

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
James M. Boring
(D) Guymon

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.

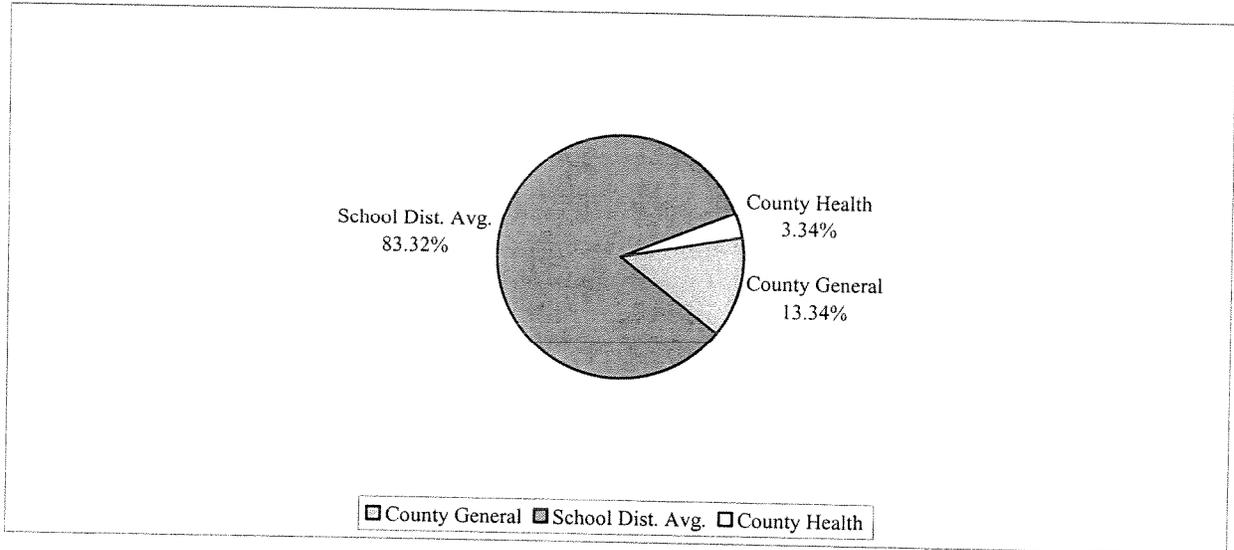
ELECTION BOARD SECRETARY
Connie Hardesty
(D) Guymon

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.

**TEXAS 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.	Common	Total
Co. General	10.00	Guymon	8	35.00	5.00	6.75	4.00	50.75
County Health	1.60	Hardesty	15	35.00	5.00	4.79	4.00	48.79
		Hooker	23	35.00	5.00	6.40	4.00	50.40
		Tyrone	53	35.00	5.00	7.03	4.00	51.03
<u>City-Wide Millages</u>		Goodwell	60	35.00	5.00	6.48	4.00	50.48
Goodwell	10.80	Texhoma	61	35.00	5.00	11.46	4.00	55.46
		Cimarron County	Jt. 11	35.00	5.00	6.19	4.00	50.19
		Beaver County	Jt. 128	35.00	5.00	10.41	4.00	54.41
		Yarborough	I-1	35.00	5.00	5.85	4.00	49.85
		Straight	D-80	35.00	5.00		4.00	44.00
		Optima	D-9	35.00	5.00		4.00	44.00

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
TEXAS COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Texas 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 Texas 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 Texas County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general and county health department funds 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 Texas 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 Texas County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund and 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 May 31, 2005, on our consideration of Texas 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 Texas County, Oklahoma, taken as a whole. The introductory section and statistical tables 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 such information.

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

May 31, 2005

Special-Purpose Financial Statements

**TEXAS 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 Appportioned	Disbursements	Cancelled Vouchers	Ending Cash Balances June 30, 2004
County General Fund	\$ 3,295,359	\$ 2,413,157	\$ 2,039,365	\$	\$ 3,669,151
Highway Cash	5,568,794	6,992,954	7,077,712		5,484,036
County Commissioner Reward Fund	250				250
Health Department Cash	158,358		158,308		50
Health Department Levy	491,636	668,580	653,474		506,742
Resale Property	37,336	75,467	59,968		52,835
Treasurer's Mortgage Tax Certification Fee	3,671	3,910	5,573		2,008
County Clerk Lien Fee	64,988	21,736	11,889		74,835
County Clerk Records Preservation Fee	53,214	26,418			79,632
Assessor Revolving	14,556	2,293			16,849
Assessor Visual Inspection	2,564		2,176		388
Assessor Hardware Upgrade	101				101
OSU Extension	187				187
Sheriff Service Fee	368,918	411,318	377,648		402,588
Sheriff Commissary	52,730	87,551	88,359		51,922
Sheriff Training	370	584			954
Local Emergency Planning Commission	19,543	5,920	307		25,156
Sheriff Special Revenue	20,902	229,922	114,081		136,743
Sheriff Estray Cattle	746				746
Community Service Sentencing Program	1,721				1,721
Juvenile Detention	198,422	327,626	331,081		194,967
Child Nutrition	12,706	7,549	3,300		16,955
Sales Tax:					
County Sales Tax Proceeds	1,244,833	1,060,691	794,950		1,510,574
Sales Tax Investment	977,187	33,241			1,010,428
County Building	288,594	2,258			290,852
Sinking Fund	5				5
Schools	141,047	9,068,537	9,083,917		125,667
Cities and Towns	16,488	272,932	268,009		21,411
Law Library	8,381	30,979	31,384		7,976
Tax Refund		952	952		
Protest Tax	18,189	1,220,006			1,238,195
Free Fair/Activity Center	34,036	45,573	43,804		35,805
Texas County Development Authority	5,825	1,646,848	1,639,673		13,000
Official Depository	1,788,105	9,028,956	10,020,272	40,203	836,992
Total County Funds	\$ 14,889,762	\$ 33,685,958	\$ 32,806,202	\$ 40,203	\$ 15,809,721

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

**TEXAS 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	\$ 3,295,359	\$ 3,295,359	\$ 3,295,359	\$ -
Less: Prior Year Outstanding Warrants	(116,269)	(116,269)	(116,269)	
Less: Prior Year Encumbrances	(60,146)	(60,146)	(84,064)	23,918
Beginning Cash Balances, Budgetary Basis	<u>3,118,944</u>	<u>3,118,944</u>	<u>3,095,026</u>	<u>23,918</u>
Receipts:				
Ad Valorem Taxes	1,560,387	1,560,387	1,728,155	167,768
Sales Tax			157,271	157,271
Charges for Services	45,237	45,237	100,083	54,846
Intergovernmental Revenues	68,638	68,708	354,559	285,851
Miscellaneous Revenues			73,089	73,089
Total Receipts, Budgetary Basis	<u>1,674,262</u>	<u>1,674,332</u>	<u>2,413,157</u>	<u>738,825</u>
Expenditures:				
District Attorney	18,000	14,233	13,633	600
Capital Outlay	2,000	887	887	
Total District Attorney	<u>20,000</u>	<u>15,120</u>	<u>14,520</u>	<u>600</u>
County Sheriff	322,029	328,058	325,517	2,541
Capital Outlay	1	1		
Total County Sheriff	<u>322,030</u>	<u>328,059</u>	<u>325,517</u>	<u>2,542</u>
County Treasurer	119,639	123,838	123,762	76
Capital Outlay	1	1		
Total County Treasurer	<u>119,640</u>	<u>123,839</u>	<u>123,762</u>	<u>77</u>
County Commissioners	117,455	120,225	117,988	2,237
Capital Outlay	1	1		
Total County Commissioners	<u>117,456</u>	<u>120,226</u>	<u>117,988</u>	<u>2,238</u>
OSU Extension	14,750	13,617	13,224	393
Capital Outlay	1	1,134	1,133	1
Total OSU Extension	<u>14,751</u>	<u>14,751</u>	<u>14,357</u>	<u>394</u>
County Clerk	280,373	285,179	259,382	25,797
Capital Outlay	1	1		
Total County Clerk	<u>280,374</u>	<u>285,180</u>	<u>259,382</u>	<u>25,798</u>
Court Clerk	88,908	91,249	90,833	416
Capital Outlay				
Total Court Clerk	<u>88,908</u>	<u>91,249</u>	<u>90,833</u>	<u>416</u>
County Assessor	74,201	76,931	74,686	2,245
Capital Outlay	1	591	589	2
Total County Assessor	<u>74,202</u>	<u>77,522</u>	<u>75,275</u>	<u>2,247</u>
Revaluation of Real Property	212,972	209,235	193,604	15,631
Capital Outlay	1	3,805	3,719	86
Total Revaluation of Real Property	<u>212,973</u>	<u>213,040</u>	<u>197,323</u>	<u>15,717</u>
Juvenile	72,600	72,600	64,599	8,001
Capital Outlay				
Total Juvenile	<u>72,600</u>	<u>72,600</u>	<u>64,599</u>	<u>8,001</u>
District Court	65	65		65
Capital Outlay	935	935	653	282
Total District Court	<u>1,000</u>	<u>1,000</u>	<u>653</u>	<u>347</u>

continued on next page

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

**TEXAS 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
General Government	441,363	444,359	139,966	304,393
Capital Outlay	300,000	300,000	34,599	265,401
Total General Government	741,363	744,359	174,565	569,794
Excise-Equalization Board	4,900	4,908	2,648	2,260
Capital Outlay	1	1		1
Total Excise-Equalization Board	4,901	4,909	2,648	2,261
County Election Board	49,046	50,603	47,341	3,262
Capital Outlay	1	1,902	1,902	
Total County Election Board	49,047	52,505	49,243	3,262
Insurance	1,317,350	1,289,140	336,144	952,996
Total Insurance	1,317,350	1,289,140	336,144	952,996
Charity	11,000	11,000	7,727	3,273
Total Charity	11,000	11,000	7,727	3,273
Fire Fighting	12,000	12,000	6,909	5,091
Total Fire Fighting	12,000	12,000	6,909	5,091
Public Defender	55,398	55,398	54,877	521
Total Public Defender	55,398	55,398	54,877	521
Civil Defense	4,999	6,874	5,802	1,072
Capital Outlay	1	526	521	5
Total Civil Defense	4,999	6,874	5,802	1,077
Highway Budget	7,619	7,619	6,446	1,173
Total Highway Budget	7,619	7,619	6,446	1,173
County Audit Budget	17,164	17,164	17,164	
Total County Audit Budget	17,164	17,164	17,164	
Free Fair Budget	35,344	35,932	35,018	914
Capital Outlay	1	181	180	1
Total Free Fair Budget	35,344	35,932	35,018	914
Library Budget	1,200	1,200	958	242
Total Library Budget	1,200	1,200	958	242
County Hospital Budget	42,911	42,911	42,911	
Total County Hospital Budget	42,911	42,911	42,911	
Building Maintenance	1,144,056	1,144,054	26,560	1,117,494
Total Building Maintenance	1,144,056	1,144,054	26,560	1,117,494
Provision for Interest on Warrants	1,000	1,000		1,000
 Total Expenditures, Budgetary Basis	 4,769,288	 4,769,358	 2,051,882	 2,717,476
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	3,456,301	<u>\$ 3,456,301</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			91,114	
Add: Current Year Outstanding Warrants			121,683	
Add: Estopped Warrants			53	
Ending Cash Balance			<u>\$ 3,669,151</u>	

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

**TEXAS 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			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 491,686	\$ 491,686	\$ 491,636	\$ (50)
Less: Prior Year Outstanding Warrants	(2,376)	(2,376)	(2,376)	
Less: Prior Year Encumbrances	(211,623)	(211,623)	(210,286)	1,337
Beginning Cash Balances, Budgetary Basis	<u>277,687</u>	<u>277,687</u>	<u>278,974</u>	<u>1,287</u>
Receipts:				
Ad Valorem Taxes	249,662	249,662	276,504	26,842
Charges for Services			166,880	166,880
Intergovernmental Revenue		406,347	221,159	(185,188)
Miscellaneous Revenues			4,037	4,037
Total Receipts, Budgetary Basis	<u>249,662</u>	<u>656,009</u>	<u>668,580</u>	<u>12,571</u>
Expenditures:				
Health and Welfare	527,348	872,410	484,452	387,958
Capital Outlay	1	61,286	3,914	57,372
Total Expenditures Budgetary Basis	<u>527,349</u>	<u>933,696</u>	<u>488,366</u>	<u>445,330</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	459,188	<u>\$ 459,188</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			24,593	
Add: Current Year Outstanding Warrants			22,961	
Ending Cash Balance			<u>\$ 506,742</u>	

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

**TEXAS 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	Cancelled Vouchers	Ending Cash Balances June 30, 2004
District Court Clerk	\$ 720,077	\$ 2,190,208	\$ 2,670,636	\$ 674	\$ 240,323
District Court Fund	200,178	937,159	957,776	31	179,592
Court Clerk Revolving	34,919	28,217	37,008	80	26,208
County Treasurer	679,071	3,470,054	3,905,820	24,719	268,024
Interest Earned		10,309	10,309		
County Assessor Revolving		2,293	2,293		
County Clerk	17,103	200,096	204,765	313	12,747
Film Library			380	380	
County Sheriff		261,338	261,338		
911 Account		70,526	70,526		
Panhandle Dispute Mediation	320	2,055	1,470		905
Juvenile Detention		327,626	327,626		
County Health Department	2,368	179,234	179,928	10	1,684
County Election Board	51	28,655	25,206	1,027	4,527
District Attorney	134,018	1,321,186	1,365,191	12,969	102,982
Total Official Depository Accounts	\$ 1,788,105	\$ 9,028,956	\$ 10,020,272	\$ 40,203	\$ 836,992

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 Texas 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 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. Funds presented are established by statute, and their operations are under the control of the County officials.

B. Fund Accounting

A government entity 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 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 Fund 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 Fund 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 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	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.
- Torts		
- Errors and Omissions		
- Law Enforcement Officers Liability		
- Vehicle		
Physical Plant		
- Theft		
- Damage to Assets		
- Natural Disasters		

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.
Employees - Medical - Disability - Dental - Life	The County participates in the Oklahoma Public Employees Health and Welfare Plan. (See OPEH&WP.)	If claims exceed pool assets, the members would have surcharges assessed to pay the excess claims.

ACCO-SIG - The pool operates as a common risk management and insurance program and is to be self-sustaining through member premiums. Each participating county chooses a \$10,000, \$25,000, or a \$50,000 deductible amount. The County has chosen a \$25,000 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. 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.

OPEH&WP - The County has entered into an interlocal agreement with other governmental entities to participate in a pooled self-insurance fund to provide insurance coverage. The pool provides for surcharges to be assessed for claims in excess of pool assets to offset pool deficits. 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

All full time Texas County employees shall be entitled to annual leave that is accrued on a monthly basis. Depending on years of service, an employee can earn from 5 days of vacation leave to 15 days of vacation leave per year. Employees may carry over no more than 240 hours or 30 days of vacation at any time.

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 \$15,809,721 and the bank balance was \$15,913,000. 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.

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

County Commissioner Reward Fund - accounts for money received through the District Court and disbursed to citizens reporting crime in the County in which a reward is offered.

Detailed Notes on Funds and Account Balances (continued)

Health Department Cash – accounts for monies collected on behalf of the county health department from state and local revenues. This fund is not used to budget the estimate of needs for the ensuing year.

Health Department Levy – accounts for monies collected on behalf of the county health department from ad valorem tax revenues.

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

Treasurer's Mortgage Tax Certification Fees - account for the collection of fees by the Treasurer for mortgage tax certificates and the disbursement of the funds as restricted by statute.

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

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

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

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

Assessor Hardware Upgrade – accounts for the collection and disbursement of funds received from the State of Oklahoma for the upgrade of Assessor computer equipment.

OSU Extension – accounts for the collection of sales tax money and disbursement for the operation of the Extension office.

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

Sheriff Commissary – accounts for the collection of fees from purchases of commissary goods by prisoners. Disbursements account for the maintenance and operations of the Sheriff's office and stocking of the commissary goods.

Sheriff Training – accounts for the collection of miscellaneous receipts and disbursement for the training of sheriff deputies.

Local Emergency Planning Commission – accounts for the collection of fees received from pipeline companies and disbursement of funds may be used for emergency planning, training, and equipment.

Detailed Notes on Funds and Account Balances (continued)

Sheriff Special Revenue – accounts for the collection of medical fees reimbursed from prisoners and disbursements are made for general operation of the Sheriff's office.

Sheriff Estray Cattle – accounts for the collection of selling cattle found and unclaimed. Disbursements are made for the general operation of the Sheriff's office.

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

Juvenile Detention – accounts for the collections from the State of Oklahoma and other Oklahoma Counties for the housing of juvenile offenders. Disbursements are for the operation of the juvenile detention center.

Child Nutrition – accounts for the collection of state and federal funds for the breakfast and lunch program for juveniles housed in the detention facility.

County Sales Tax Proceeds – account for the collection of reserve sales tax monies received from the Texas County Development Authority in excess of bond issue payments. Disbursements are for the general operation of the county jail.

Sales Tax Investment – accounts for the collection of interest on investments of sales tax money not immediately needed for the operation of the jail.

County Building – accounts for the collection of funds used for the maintenance and remodeling of county buildings.

Sinking Fund – accounts for monies collected on behalf of Texas County from ad valorem taxes, used to pay principal and interest on bonds outstanding. There has been no activity in this fund for several years.

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

Cities and Towns – account for Oklahoma Tax Commission collections distributed to the cities and towns of Texas County.

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

Tax Refund – accounts for collections of ad valorem taxes in excess of the amount owed and disbursements account for refunds to the taxpayers of Texas County.

Detailed Notes on Funds and Account Balances (continued)

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

Free Fair/Activity Center – accounts for the collection of sales tax money and disbursement for the operation of the free fair organization.

Texas County Development Authority – accounts for the collection of sales tax proceeds for the payment of bond issues related to the building of the county jail.

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

Additionally, the following official depository accounts are described as follows:

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

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

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

County Treasurer – accounts for the collection of pre-paid ad valorem taxes, pre-paid mobile homes, and the sale of motor vehicle stamps. Disbursements are for refunds and vehicle collections disbursed to the Oklahoma Tax Commission, schools, and the County Treasurer Mortgage Certification Fee Account.

Interest Earned – accounts for interest earned on the official depository bank account and interest is disbursed to the general fund.

County Assessor Revolving – accounts for the collection of copy fees and disbursed to the County Assessor Revolving Fund Account.

County Clerk – accounts for the collection of filing fees and disbursed to Oklahoma Tax Commission and the County Clerk Lien Fee Account.

Film Library – accounts for collection of film rental fees. Disbursements are for maintenance, operation, and purchase of films for the film library.

County Sheriff – accounts for the collection of foreign service fees. Monies are disbursed to the Sheriff Service Fee Account.

Detailed Notes on Funds and Account Balances (continued)

911 Account - accounts for tax collection and disbursed for the operation of the emergency 911 phone system.

Panhandle Dispute Mediation – accounts for fees for mediation services. Fees are transferred to the county general fund for reimbursement of payroll expense.

Juvenile Detention – accounts for collections from the State of Oklahoma and other Oklahoma counties for the housing of juvenile offenders. Transfers to the operation fund for the juvenile detention center are made to reimburse expenses of housing juveniles.

County Health Department – accounts for the collection of charges for services performed by the health department. Disbursements are made to the Health Department Cash Fund.

County Election Board – accounts for reimbursement of election expense and disbursements are for refunds of election fees and maintenance and operation of the office.

District Attorney– accounts for the collection of fees, restitution payments, drug related cases involving the drug task force and state reimbursements or grants. Disbursements of funds are restricted by state statutes as authorized by each source of fees collected.

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 \$171,642,623.

The County levied 10 mills (the legal maximum) for general fund operations and 1.60 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.

Detailed Notes on Funds and Account Balances (continued)

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

Current year tax collections for the year ended June 30, 2004, were approximately 91 percent of the tax levy.

D. Pension Plan

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

E. Capital Leases

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

F. Fuel Tax

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

4. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; although, the government expects such amounts, if any, to be immaterial.

Contingent Liabilities (continued)

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

5. Sales Tax

The Texas County Development Authority is supported by a one percent tax on certain retail sales occurring in Texas County, Oklahoma. The sales tax is to be used for the constructing and equipping of a county jail facility and providing certain funds for the Memorial Hospital of Texas County, the Texas County Firefighters Emergency Services, the Texas County Free Fair, and the general operations of the County including the payment of debt service on bonds. The one percent sales tax will be in effect for the period beginning August 1, 1994 through July 31, 2009.

For the fiscal year ended, June 30, 2004, sales tax receipts apportioned to the Texas County Development Authority (TCDA) were \$1,646,848. The County general fund received \$157,271. The sales tax and user revenue not required to meet bond obligations and interest payments and operational needs for the county jail facility were apportioned to the County sales tax proceeds fund in the amount of \$1,060,691.

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
TEXAS COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Texas County, Oklahoma, as of and for the year ended June 30, 2004, and have issued our report thereon dated May 31, 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 Texas 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 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 believe the reportable condition described above is not a material weakness.

Compliance and Other Matters

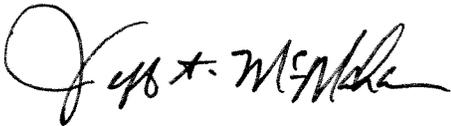
As part of obtaining reasonable assurance about whether Texas County's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 a certain matter that we reported to management of Texas County and is 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

May 31, 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 2002-1 - Ad Valorem Receipts (Repeat Finding)

Criteria: Effective internal controls include the issuance of prenumbered duplicate receipts documenting the date received, the receipt number, mode of payment, and the amount paid.

Condition: For ad valorem tax receipts, the County Treasurer does not document the date received, receipt number, mode of payment, or if all or half of the taxes were paid.

Recommendation: We recommend all ad valorem receipts be documented by a date received, receipt number, the mode of payment, and if all or half of the ad valorem tax was paid.

Views of responsible officials and planned corrective actions: Our County did not purchase the validators with our computers because of the cost and to put the receipt number on our receipt would require more manpower, which we do not have the funds for. We have a daily listing with each account paid and the receipt number. We also have a till report for each till that payments were posted on and it shows receipt (control number), if it was a check or cash, an account number and who paid it. We do write on the receipt if it was a check or cash, the bank the check was drawn on and if it is first or second half. The taxpayer keeps the top part of the statement and we mark it for them and we do not mail out receipts after the statements are posted because of the cost. We mark the top part of the statement when the taxpayer pays cash, date and initial it.

Auditor response: In order to provide effective internal controls over the ad valorem tax collection process, we continue to recommend that the actual receipts be documented such that the mode of payment, and the amount paid appears on the receipt. We further recommend that the Treasurer implement these procedures in the data processing of ad valorem tax collections.

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 2002-5 - Fixed Assets Equipment Inventory (Repeat Finding)

Criteria: In accordance with 69 O.S. 2001, § 645, county-owned automobiles, trucks, road machinery and equipment shall be conspicuously and legibly marked PROPERTY OF (name of county) COUNTY, and leased automobiles, trucks, road machinery and equipment shall be conspicuously and legibly marked LEASED BY (name of county) COUNTY, on EACH side, in upper case letters, on a background of sharply contrasting color.

Condition: The inventory of District 3 County Commissioner revealed only very few pieces of equipment were marked on each side. Many items had no county identification number and were verified only by serial number.

Effect: The purpose of the statute is to make it easier for the public to identify county-owned equipment and to permit the public to make judgments concerning the appropriate location and use of the equipment. The lack of marking diminishes this control intended by the legislature.

Recommendation: The Board of County Commissioners should evaluate its policies and procedures for marking its equipment and make the necessary changes to improve its compliance with the above statute.

Views of responsible officials and planned corrective actions: The County Commissioners will make efforts to conspicuously mark each side of county-owned equipment.

STATISTICAL SECTION
(Unaudited)

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

TAXPAYER	JANUARY 1, 2003 NET ASSESSED VALUATION	% OF TOTAL NET VALUATION
Seaboard Farms Inc.	\$ 34,528,158	20.12%
Duke Energy Field Services Inc.	8,625,037	5.03%
Williams Field Services Co.	7,815,918	4.55%
Duke Energy Field Services Inc.	5,234,558	3.05%
Hitch Enterprises Inc.	5,205,255	3.03%
Timberland Gathering & Process	4,399,924	2.56%
Vall In an Oklahoma Corporation	3,764,152	2.19%
Oneok Gas Processing LLC	2,751,822	1.60%
JW Operating	2,015,005	1.18%
Panhandle Field Services Co.	1,858,571	1.08%
Total	<u>\$ 76,198,400</u>	<u>44.39%</u>

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

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

Total net assessed value as of January 1, 2003		<u>\$ 171,642,623</u>
Debt limit - 5% of total assessed value		\$ 8,582,131
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	<u>5</u>	<u>-</u>
Legal debt margin		<u>\$ 8,582,131</u>

TEXAS 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)

	2004
Estimated population	20,107
Net assessed value as of January 1, 2003	\$ 171,642,623
Gross bonded debt	-
Less available sinking fund cash balance	5
Net bonded debt	\$ -
Ratio of net bonded debt to assessed value	0.00%
Net bonded debt per capita	\$ -

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

<u>Valuation Date</u>	<u>Personal</u>	<u>Public Service</u>	<u>Real Estate</u>	<u>Homestead Exemption</u>	<u>Net Value</u>	<u>Estimated Fair Market Value</u>
1/1/2003	\$63,318,008	\$24,075,089	\$87,838,365	\$3,588,839	\$171,642,623	\$24,518,306