

**WASHITA 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

March 21, 2005

TO THE CITIZENS OF  
WASHITA COUNTY, OKLAHOMA

Transmitted herewith is the audit of Washita 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 black ink that reads "Jeff A. McMahan". The signature is written in a cursive style with a large initial "J" and "M".

JEFF A. McMAHAN  
State Auditor and Inspector

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

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

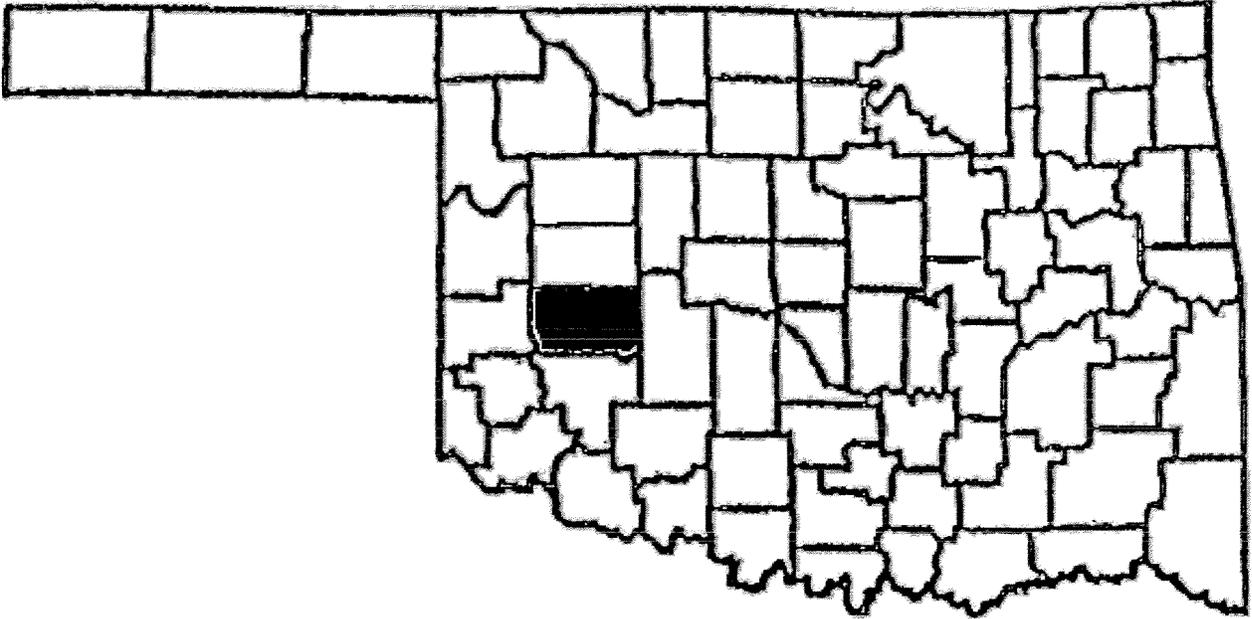
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REPORT TO THE CITIZENS  
OF  
WASHITA COUNTY, OKLAHOMA

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Part of the Cheyenne-Arapaho lands opened to settlement in the Land Run of April 19, 1892, this area was settled originally in 1886, when a white man named John M. Seger and 500 Indians left the old Cheyenne-Arapaho Agency at Darlington, near El Reno, and established a colony on the banks of Cobb Creek. This settlement was on the site of present-day Colony in eastern Washita County.

Designated as County "H," it was named Washita after the Washita River, and is derived from two Choctaw words meaning "big hunt." Washita County has ranked as one of Oklahoma's leading agricultural counties, and later the Anadarko Basin made it famous for oil and gas production.

County Seat - Cordell

Area - 1003.5 Square Miles

County Population - 11,508  
(2000 est.)

Farms - 994

Land in Farms - 585,851 Acres

Source: Oklahoma Almanac 2003-2004

See independent auditor's report.

**WASHITA COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COUNTY ASSESSOR**

Janie Batt Bellah

(D) Cordell

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**

Marita McKee

(D) Cordell

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.

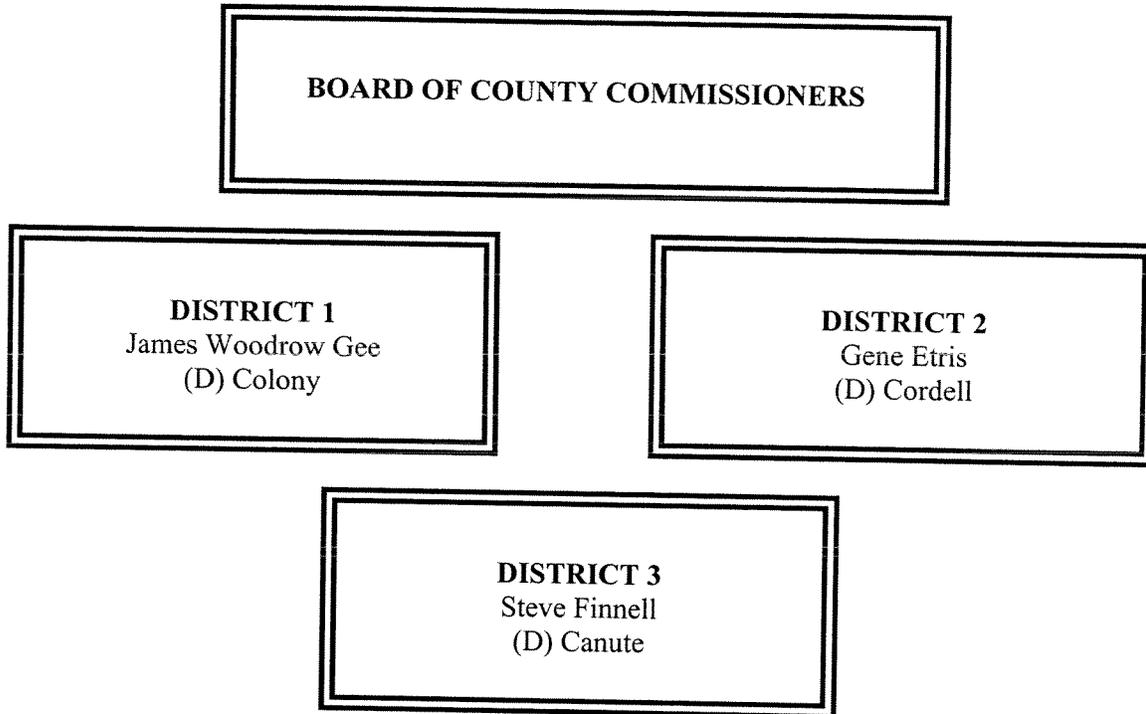
The County Clerk reviews all the claims for payment of goods and services purchased or contracted by the county, and prepares the proper warrants for payment of those goods and services and the county payroll. The County Clerk, or his or her designated deputy, serves as the purchasing agent for the county.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

**WASHITA 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.

**WASHITA COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COUNTY SHERIFF**

Ron Mazurek  
(D) Cordell

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**

Byron Gore  
(D) Gotebo

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.

**WASHITA COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**COURT CLERK**  
Tena Arganbright  
(D) Cordell

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**  
Dennis Smith  
(D) Clinton

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.

**WASHITA COUNTY OFFICIALS  
AND RESPONSIBILITIES**

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**ELECTION BOARD SECRETARY**

June Wesner  
(D) Cordell

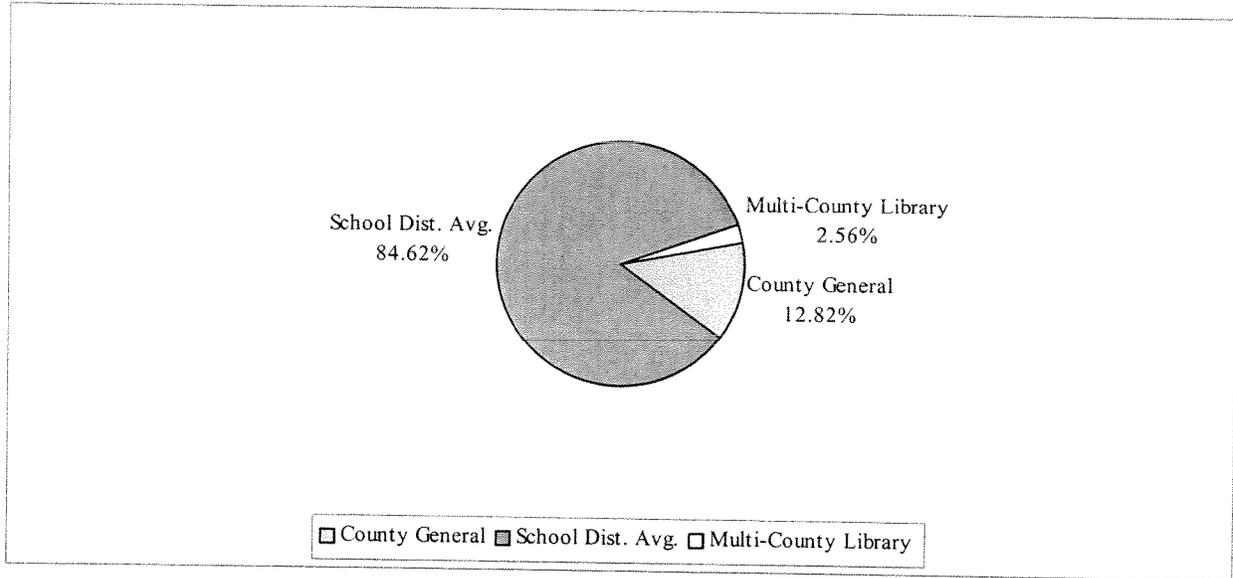
The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within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

**WASHITA 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 Center	Tech Center Building	Common	Total
Co. General	10.41									
Multi-County Library	2.08									
		Cordell	I-1	36.21	5.17	6.80	10.33	2.00	4.16	64.67
		Burns Flat-Dill City	I-10	35.97	5.14	9.37	10.33	2.00	4.16	66.97
		Canute	I-11	35.82	5.12	7.48	10.33	2.00	4.16	64.91
		Sentinel	I-78	36.52	5.22	12.96	10.33	2.00	4.16	71.19
		Washita Heights	I-9	38.02	5.43	4.93	10.33		4.16	62.87
		Mt. View-Gotebo	J-003	36.95	5.28		10.33	1.05	4.16	57.77
		Merritt	J-11	36.54	5.22	22.81	10.33	1.05	4.16	80.11
		Elk City	J-2	35.00	5.00	9.16	10.33	2.00	4.16	65.65
		Carnegie	J-26	36.18	5.17	25.65	10.33	2.00	4.16	83.49
		Eakly	J-33	36.28	5.18	13.56	10.33	1.05	4.16	70.56
		Weatherford	J-6	35.94	5.13	12.07	10.33	2.00	4.16	69.63
		Clinton	J-99	35.94	5.13	9.00	10.33	2.00	4.16	66.56

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  
WASHITA COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Washita 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 Washita 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 Washita 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 Washita 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 Washita 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 March 7, 2005, on our consideration of Washita 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.

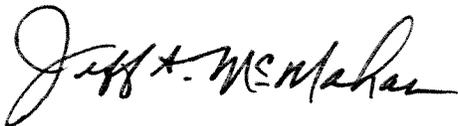
Our audit was performed for the purpose of forming an opinion on the special-purpose financial statements of Washita County, Oklahoma, taken as a whole. The information listed in the table of contents under *Introductory Section* and *Statistical Section* has not been audited by us, and accordingly, 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

March 7, 2005

**Special-Purpose Financial Statements**

**WASHITA 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	Cancelled Vouchers	Ending Cash Balances June 30, 2004
County General Fund	\$ 647,737	\$ 1,506,489	\$ 1,415,740	\$	\$ 738,486
Highway Cash	4,742,058	5,037,200	4,949,074		4,830,184
Homeland Security	6,263	1,330	7,593		
County Health Department	11,239				11,239
Resale Property	63,152	31,720	13,371		81,501
Treasurer's Mortgage Tax Certification Fee	6,453	6,027	3,159		9,321
County Clerk Lien Fee	31,694	20,000	17,329		34,365
County Clerk Records Management Fee	54,045	37,825	51,608		40,262
Assessor Revolving	3,107	4,942	5,355		2,694
Assessor Visual Inspection	1,569		1,326		243
Assessor Hardware Upgrade	46				46
Sheriff Service Fee	99,614	57,317	27,307		129,624
Sheriff Department of Corrections	1,335				1,335
Sheriff Training	1,559				1,559
Sheriff Estray Cattle	711				711
Community Service Sentencing Program	103,892	13,943	44,860		72,975
Emergency Fund	67	10,684	10,719		32
County Insurance Building Fund	451				451
County Sales Tax Proceeds	165,191	189,000	219,986		134,205
Canute Transportation Bond	119,135	30,865	150,000		
Canute Building Bond	250,000		191,856		58,144
Washita County Industrial Sinking	1,200				1,200
Washita County Industrial Sinking Chicken Plant	5,806	10			5,816
Schools	761,955	5,449,484	5,187,831		1,023,608
I-11 Insurance	11,740				11,740
Cities and Towns	8,390	126,482	124,043		10,829
Law Library	3,186	19,203	19,156		3,233
County Library	467	131,208	126,172		5,503
Court Clerk Investment	1,208	127			1,335
Excess Resale	209				209
Protest Tax Investment	83,505	170,975	241,435		13,045
Protest Tax Sinking	2,674	1,072	1,198		2,548
Advance Taxes	5,309	6,813	6,906		5,216
Fair Building	646,170	134,039	780,175		34
Official Depository Investment	9,170	1,486			10,656
Official Depository	224,733	1,686,794	1,714,382	8,719	205,864
Hazard Mitigation		5,148	5,148		
<b>Total County Funds</b>	<u>\$ 8,075,040</u>	<u>\$ 14,680,183</u>	<u>\$ 15,315,729</u>	<u>\$ 8,719</u>	<u>\$ 7,448,213</u>

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

**WASHITA 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	\$ 647,737	\$ 647,737	\$ 647,737	\$ -
Less: Prior Year Outstanding Warrants	(85,655)	(85,655)	(85,364)	291
Less: Prior Year Encumbrances	(106,525)	(106,525)	(78,088)	28,437
Beginning Cash Balances, Budgetary Basis	<u>455,557</u>	<u>455,557</u>	<u>484,285</u>	<u>28,728</u>
Receipts:				
Ad Valorem Taxes	599,228	599,227	656,154	56,927
Sales Tax	210,779	210,779	393,773	182,994
Charges for Services	83,094	83,094	105,370	22,276
Intergovernmental Revenues	54,227	146,004	108,158	(37,846)
Miscellaneous Revenues	30,000	30,000	243,034	213,034
Total Receipts, Budgetary Basis	<u>977,328</u>	<u>1,069,104</u>	<u>1,506,489</u>	<u>437,385</u>
Expenditures:				
District Attorney	2,800	2,800	2,741	59
Capital Outlay				
Total District Attorney	<u>2,800</u>	<u>2,800</u>	<u>2,741</u>	<u>59</u>
County Sheriff	500,316	500,316	488,326	11,990
Capital Outlay	2,000	2,000	479	1,521
Total County Sheriff	<u>502,316</u>	<u>502,316</u>	<u>488,805</u>	<u>13,511</u>
County Treasurer	110,750	110,800	110,746	54
Capital Outlay				
Total County Treasurer	<u>110,750</u>	<u>110,800</u>	<u>110,746</u>	<u>54</u>
County Commissioners	37,152	23,641	23,641	
Capital Outlay	30,000	6,500		6,500
Total County Commissioners	<u>67,152</u>	<u>30,141</u>	<u>23,641</u>	<u>6,500</u>
County Clerk	180,589	180,589	177,256	3,333
Capital Outlay				
Total County Clerk	<u>180,589</u>	<u>180,589</u>	<u>177,256</u>	<u>3,333</u>
Court Clerk	83,271	175,291	175,085	206
Capital Outlay				
Total Court Clerk	<u>83,271</u>	<u>175,291</u>	<u>175,085</u>	<u>206</u>
County Assessor	91,253	90,824	88,507	2,317
Capital Outlay		429	429	
Total County Assessor	<u>91,253</u>	<u>91,253</u>	<u>88,936</u>	<u>2,317</u>
Revaluation of Real Property	63,797	63,911	56,862	7,049
Capital Outlay				
Total Revaluation of Real Property	<u>63,797</u>	<u>63,911</u>	<u>56,862</u>	<u>7,049</u>
District Court	2,500	2,500	265	2,235
Capital Outlay				
Total District Court	<u>2,500</u>	<u>2,500</u>	<u>265</u>	<u>2,235</u>
General Government	223,356	254,309	239,849	14,460
Capital Outlay				
Total General Government	<u>223,356</u>	<u>254,309</u>	<u>239,849</u>	<u>14,460</u>

continued on next page

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

**WASHITA 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
Excise-Equalization Board	6,180	6,180	4,208	1,972
Capital Outlay				
Total Excise-Equalization Board	6,180	6,180	4,208	1,972
County Election Board	55,949	61,599	56,568	5,031
Capital Outlay	100	100	50	50
Total County Election Board	56,049	61,699	56,618	5,081
Highway Budget	30,000	30,000	29,818	182
Capital Outlay				
Total Highway Budget	30,000	30,000	29,818	182
County Audit Budget	6,332	6,332	6,332	
Total County Audit Budget	6,332	6,332	6,332	-
 Total Expenditures, Budgetary Basis	 1,432,885	 1,524,661	 1,467,702	 56,959
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	 \$ -	 \$ -	 523,072	 \$ 523,072
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			116,092	
Add: Current Year Outstanding Warrants			99,322	
Ending Cash Balance			<u>\$ 738,486</u>	

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

**WASHITA 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	\$ 11,239	\$ 11,239	\$ 11,239	\$ -
Beginning Cash Balances, Budgetary Basis	11,239	11,239	11,239	
Receipts:				
Total Receipts, Budgetary Basis	-	-	-	-
Expenditures:				
Health and Welfare	11,239	11,239		11,239
Total Expenditures Budgetary Basis	11,239	11,239	-	11,239
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Ending Cash Balance			<u>\$ 11,239</u>	

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

**WASHITA 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		Receipts	Disbursements	Cancelled Vouchers	Ending Cash Balances June 30, 2004
	July 1, 2003					
District Court Clerk	\$ 83,843	\$ 780,547	\$ 797,800	\$ 458	\$ 67,048	
District Court Fund	81,433	398,215	412,491	8,000	75,157	
Court Clerk Revolving	8,577	21,020	15,029		14,568	
County Treasurer Motor Vehicle Stamps	158	3,836	3,504		490	
County Treasurer Excess Resale	34	40,176	40,171	7	46	
County Treasurer Farm Implement	1,452	5,778	5,532		1,698	
County Treasurer Trust	3,578	152,835	152,574	253	4,092	
County Commissioners	1,476	650	650		1,476	
County Assessor Revolving		4,945	4,942		3	
County Clerk		183,332	183,332	1	1	
County Sheriff Service Fee	5,502	39,778	42,085		3,195	
County Sheriff Cash Bond		23,319	22,798		521	
County Sheriff Tax Warrant		3,150	3,150			
County Sheriff Narcotics	34,232		1,121		33,111	
County Sheriff Reserve Deputy	1,000				1,000	
County Election Board	261	16,723	15,492		1,492	
District Attorney Bogus Check Restitution	1,449	11,790	11,527		1,712	
District Attorney Witness Fee	1,674	700	2,184		190	
District Attorney Community Service						
District Attorney Restitution	64				64	
<b>Total Official Depository Accounts</b>	<u>\$ 224,733</u>	<u>\$ 1,686,794</u>	<u>\$ 1,714,382</u>	<u>\$ 8,719</u>	<u>\$ 205,864</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 Washita 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 Health Department remains inactive because it no longer is funded by Washita County ad valorem taxes or fees for services.

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	If claims exceed
- Torts	in a public entity risk	the authorized
- Errors and Omissions	pool; Association of	deductibles, the
- Law Enforcement	County Commissioners of	County could have to
Officers Liability	Oklahoma-Self-Insurance	pay its share of any
- Vehicle	Group. (See ACCO-SIG.)	pool deficit. A
Physical Plant		judgment could be
- Theft		assessed for claims in
- Damage to Assets		excess of the pool's
- Natural Disasters		limits.

**WASHITA 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.
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 \$10,000 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 employees are entitled to annual leave that is accrued on a monthly basis. After 1 year of service, the employee is entitled to 5 days of vacation. Employees with 2 years to 9 years of service are entitled to 10 days of vacation. Those with 10 to 14 years of service are entitled to 15 days vacation. Employees with 15 or more years of service are entitled to 20 days of vacation. No more than 2 vacation days are allowed as carry-over, any additional time shall be forfeited.

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 \$7,448,213 and the bank balance was \$7,488,188. Of the bank balance, all funds were covered by federal depository insurance or collateral held by the County's agent in the County's name.

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

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

B. Description of Funds

General Fund - 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.

Homeland Security - accounts for federal funds used for the preparation and publication of the Washita County Emergency Operation Plan.

Detailed Notes on Funds and Account Balances (continued)

County Health Department - accounts for monies collected on behalf of the county health department from ad valorem taxes and state and local 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 Fee - accounts 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 Management Preservation Fee - accounts for fees collected for instruments filed with 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's Visual Inspection - accounts for the collection and expenditure of monies by the Assessor as restricted by state statute for the visual inspection program.

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

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

Sheriff Department of Corrections - accounts for state receipts and disbursements for the purpose of maintaining the Department of Corrections' inmates.

Sheriff Training - accounts for the collection of miscellaneous receipts and disbursements for the training of Sheriff deputies.

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.

Emergency Fund - accounts for collection of ad valorem taxes and remitted to the emergency service monthly.

County Insurance Building Fund - accounts for the collections of insurance funds remaining from repair of County buildings.

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

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Detailed Notes on Funds and Account Balances (continued)

County Sales Tax Proceeds – accounts for collection of sales tax and disbursed to various entities for general operations and distributed to the OSU Extension, Free Fair, County Maintenance, and County Health.

Canute Transportation Bond – accounts for the collections of bond proceeds sold by the school to be used for the purchase of school buses and repayment of the bond by ad valorem taxes remitted to the school.

Canute Building Bond – accounts for the collection of bond proceeds sold by the school to be used for repair of school buildings and repayment of the bond by ad valorem taxes paid to the school.

Washita County Industrial Sinking – accounts for the remaining balance from the closure of the Robertson Factory.

Washita County Industrial Sinking Chicken Plant – accounts for the remaining balance from the closure of the chicken plant.

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

I-11 Insurance - accounts for the collection of insurance monies received from school building damage.

Cities and Towns – accounts for Oklahoma Tax Commission collections distributed to the cities of the County and for cemetery investments.

Law Library - accounts for monies received for disbursement from the state for the Law Library Board.

County Library - accounts for collection of donations, fundraisers, and memorials. Also, appropriations come from the County along with grant money received from the state. Disbursements are made for salary and maintenance and operations of the library.

Court Clerk Investment – accounts for the investment of funds from case number P-96-24.

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.

Protest Tax Investment – accounts for ad valorem collected under protest and invested by the County Treasurer and interest is placed in the Protest Tax Sinking Fund.

Detailed Notes on Funds and Account Balances (continued)

Protest Tax Sinking – accounts for the collection of interest earned on the protest tax investment.

Advance Taxes – accounts for the collection of interest earned on the protest tax investment.

Fair Building – accounts for collection of insurance money received and expended for construction of the fair building after tornado damage.

Official Depository Investment - accounts for the collection of interest on investments made from the official depository accounts.

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

Hazard Mitigation – accounts for federal funds for administrative fees for the Washita County Hazard Mitigation Plan.

The accounts within the Official Depository Fund 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 Clerk Account and interest. Money is disbursed for the purpose of fees for various entities, salaries, and the operation of the office.

Court Clerk Revolving – accounts for the collection of service fees for each warrant issued. Disbursements are made in accordance with state statutes to defray the expense of the court.

County Treasurer Motor Vehicle Stamps – accounts for the collection for the sale of Motor Vehicle Stamps. Disbursements are made to the Oklahoma Tax Commission and to the Treasurer's Mortgage Certification Fee Account.

County Treasurer Excess Resale – accounts for the proceeds of the sale of property in excess of tax against property to tax sales on delinquent taxes.

County Treasurer Farm Implement – accounts for all collections of the sale of farm implement stamps. Disbursements are for the purpose of farm implement stamps and vouchers to Oklahoma Tax Commission.

County Treasurer Trust – accounts for collections of pre-paid ad valorem taxes. Disbursements are for the purpose of refunds and vouchers to the unapportioned tax account.

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

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Detailed Notes on Funds and Account Balances (continued)

County Commissioners – account for the rental on the Washita County Activity Center. Disbursements are for the upkeep on the Activity Center.

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 OTC and the County Clerk Lien Fee Fund.

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

County Sheriff Cash Bond – accounts for collection of cash bonds and disbursement to the Court Clerk into the case file or for refund.

County Sheriff Tax Warrant – accounts for collection of delinquent taxes from the sale of confiscated property. Disbursements are used for the purpose of paying delinquent taxes and a sheriff fee is disbursed to the Sheriff Service Fee Account.

County Sheriff Narcotics – accounts for the grant money received and disbursed for the purpose of drug related purchases.

County Sheriff Reserve Deputy – accounts for collection and disbursement of training and supplies for Sheriff Reserve Deputies.

County Election Board – accounts for the reimbursements of election and is disbursed for refunds of election fees and maintenance and operations of the office.

District Attorney Bogus Check Restitution – accounts for the collection of restitution payments from defendants and disbursed to vendors for the restitution of false and bogus checks.

District Attorney Witness Fee – accounts for state receipts to reimburse the County for witness expenses.

District Attorney Community Service – accounts for money received from the state. Disbursements are made to defray the expense of the community service program.

District Attorney Restitution – accounts for restitution and fees received. Disbursements are made to reimburse merchants for bogus checks.

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 \$63,318,901.

Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10.41 mills (the legal maximum) for general fund operations and 2.08 mills for the Multi-County Library. 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 98 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 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.

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 voters of Washita County approved a five-eighths cent sales tax effective April 1, 1999. This sales tax will have a life no longer than 60 months. The sales tax is distributed among the following entities: OSU Extension Office (49.5%), not to exceed \$93,555; Fair Board (9%), not to exceed \$17,101; Senior Citizen Center (10%), not to exceed \$18,900; County Maintenance (15%), not to exceed \$28,350; and County Health (16.5%), not to exceed \$31,185. All collections over these amounts shall go to the County General Fund. For the fiscal year, the general fund received \$393,773. Total sales tax revenue for fiscal year 2004 was \$582,773. The 5/8 cent sales tax was extended by the voters of Washita County in February 2004 and is effective October 2004, to extend no longer than 60 months.

**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  
WASHITA COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Washita County, Oklahoma, as of and for the year ended June 30, 2004, and have issued our report thereon dated March 7, 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 Washita 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 2000-2 and 2003-3.

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 2000-2 to be a material weakness.

### Compliance and Other Matters

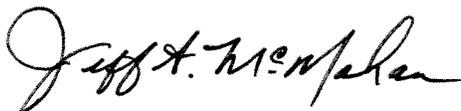
As part of obtaining reasonable assurance about whether Washita County's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

March 7, 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 2000-2 - Segregation of Duties (Repeat Finding)**

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

Condition: The limited number of office personnel within the County Sheriff's office and the County Clerk's office prevents a proper segregation of accounting functions, which is necessary to assure an adequate internal control structure.

Cause: This lack of segregation of duties is caused by the limited number of employees.

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

Recommendation: We recommend management be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in management's knowledge of office operations and periodic review of those operations.

Management Response: We concur with the auditor's comments and will conduct periodic reviews of office operations. Additionally, the County Clerk's office now segregates this duty between two of the deputies

**Finding 2003-3 - Time Accounting-Standardized and Signed Time Sheets (Repeat Finding)**

Criteria: Effective accounting practices and procedures include the submission of employee timesheets each pay period, that at a minimum include the day and date of each day worked, the hours worked each day and the leave used each day. Additionally, effective accounting procedures require the employee to sign the timesheet acknowledging the validity and the supervisor/county official sign the timesheet approving the hours worked and leave time used.

Condition: The County Sheriff did not require deputies to sign timesheets, nor did the officials sign the timesheets as the approving officer.

Recommendation: We recommend all County employees be required to complete timesheets, which reflect actual hours worked, annual leave, sick leave and overtime used. Additionally, we recommend that these timesheets be signed by the employee and the County official approving the time reported.

Management Response: The County is working to implement a standardized approved timesheet to reflect time worked and leave taken.

**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 2003-4 – Consumable Inventory Reporting (Repeat Finding)**

Criteria: According to 19 O.S. 2001, § 1502 A and B, the county is required to implement an inventory system for all supplies and materials purchased in lots of \$500 or more. Additionally, according to 19 O.S. 2001, § 1505(G)(2), "...a monthly report of the road and bridge projects completed during said period shall be prepared by the consuming department and filed with the county clerk. The report shall contain a record of the date, place and the purpose for the use of the road or bridge items or materials."

Condition: The County's Highway District 3 did not maintain current records for consumable inventory items. Also, transfer documents and receiving reports are either inadequate or not maintained. Recent purchases could not be recorded without a proper inventory system. Additionally, fuel logs have not been maintained for each district highway department.

Recommendation: The District road and bridge inventory officers should implement an inventory system and begin filing monthly reports of consumable road and bridge materials used, as required by 19 O.S. 2001, § 1505 A and B and § 1505(G)(2).

Management Response: No corrective action taken

**Finding 2003-5 – 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: Our tests of statutory compliance over District 2 County assets inventory revealed numerous pieces of road equipment and machinery were marked on one side only or not marked on either side of the equipment.

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 69 O.S. 2001, § 645.

Management Response: The County Commissioner has now identified those items with County emblems.

**Finding 2004-1 – Commissary Account Reporting**

Criteria: The Sheriff's Commissary operations should be established as a separate cash fund entitled Sheriff's Commissary Account in accordance with 19 O.S. § 180.43. Additionally, the Sheriff will file an annual report of the activity of the Commissary Account with the Board of County Commissioners no later than January 15<sup>th</sup> for the previous year.

Condition: The Sheriff did not establish a commissary fund as a cash account on the general ledger. The profits from the sale of commissary items were deposited in the Sheriff Service Fee Account. Additionally, the Sheriff did not file an annual report of operations.

Recommendation: We recommend the County Sheriff file an annual report with the County Clerk's office by January 15 of each year of the Commissary operations per 19 O.S. § 180.43. We further recommend that the Sheriff establish the commissary fund as a cash account on the Treasurer's general ledger.

Management Response: The Treasurer's office will establish a separate cash fund for the commissary fund and the Sheriff will file the annual report.

**Statistical Section  
(Unaudited)**

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

<b>TAXPAYER</b>	<b>JANUARY 1, 2003 NET ASSESSED VALUATION</b>	<b>% OF TOTAL NET VALUATION</b>
Enogex Inc.	\$ 4,134,516	6.53%
Enogex Gas Gathering LLC	3,831,007	6.05%
Alltel Oklahoma Inc.	1,974,065	3.12%
Natural Gas Pipeline Co.	1,658,983	2.62%
ETC Oklahoma Pipeline	1,621,556	2.56%
Southwestern Bell Telephone	1,562,649	2.47%
Enogex Products Corp	1,399,125	2.21%
Public Service Co. of Ok	1,046,495	1.65%
Nabors Drilling USA Inc.	964,500	1.52%
Centerpoint Energy Field Service	931,610	1.47%
Total	<u>\$ 19,124,506</u>	<u>30.20%</u>

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

**WASHITA 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>\$ 63,318,901</u>
Debt limit - 5% of total assessed value		\$ 3,165,945
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	-	<u>-</u>
Legal debt margin		<u>\$ 3,165,945</u>

**WASHITA 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	11,508
Net assessed value as of January 1, 2003	\$ 63,318,901
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	\$ -

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

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<u>Valuation Date</u>	<u>Personal</u>	<u>Public Service</u>	<u>Real Estate</u>	<u>Homestead Exemption</u>	<u>Net Value</u>	<u>Estimated Fair Market Value</u>
1/1/2003	\$20,880,282	\$12,419,513	\$32,817,916	\$2,798,810	\$63,318,901	\$9,579,871