

**WOODS 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

September 15, 2005

TO THE CITIZENS OF
WOODS COUNTY, OKLAHOMA

Transmitted herewith is the audit of Woods 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

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

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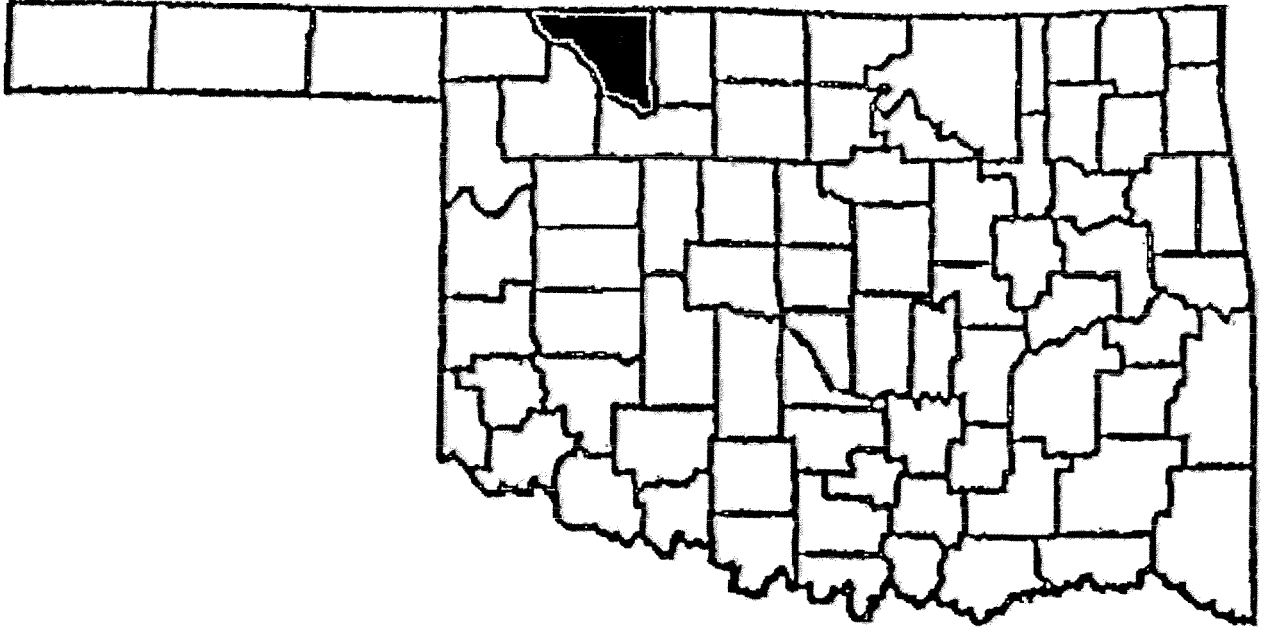
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**WOODS COUNTY, OKLAHOMA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

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REPORT TO THE CITIZENS
OF
WOODS COUNTY, OKLAHOMA



Woods County was created at statehood from portions of Woods and Woodward counties, Oklahoma Territory. It was part of the Cherokee Outlet, given to the Cherokees in 1828 as a hunting outlet. In 1893, the Cherokee Outlet was opened to white settlement by a land run, the greatest horserace in history. The area, which was to become Woods County, was originally designated as County "M."

The Constitutional Convention divided old Woods County. The eastern portion became Alfalfa County; a southern portion became Major County; and part of Woodward County north and east of the Cimarron River was added to the remainder to make up present-day Woods County.

County Seat – Alva

Area – 1286.6 Square Miles

County Population – 9,089
(2000 est.)

Farms – 705

Land in Farms – 804,637 Acres

Source: Oklahoma Almanac 2003-2004

See independent auditor's report.

**WOODS COUNTY OFFICIALS
AND RESPONSIBILITIES**

COUNTY ASSESSOR
Monica Schmidt
(D) Alva

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
Pam Inman
(D) Dacoma

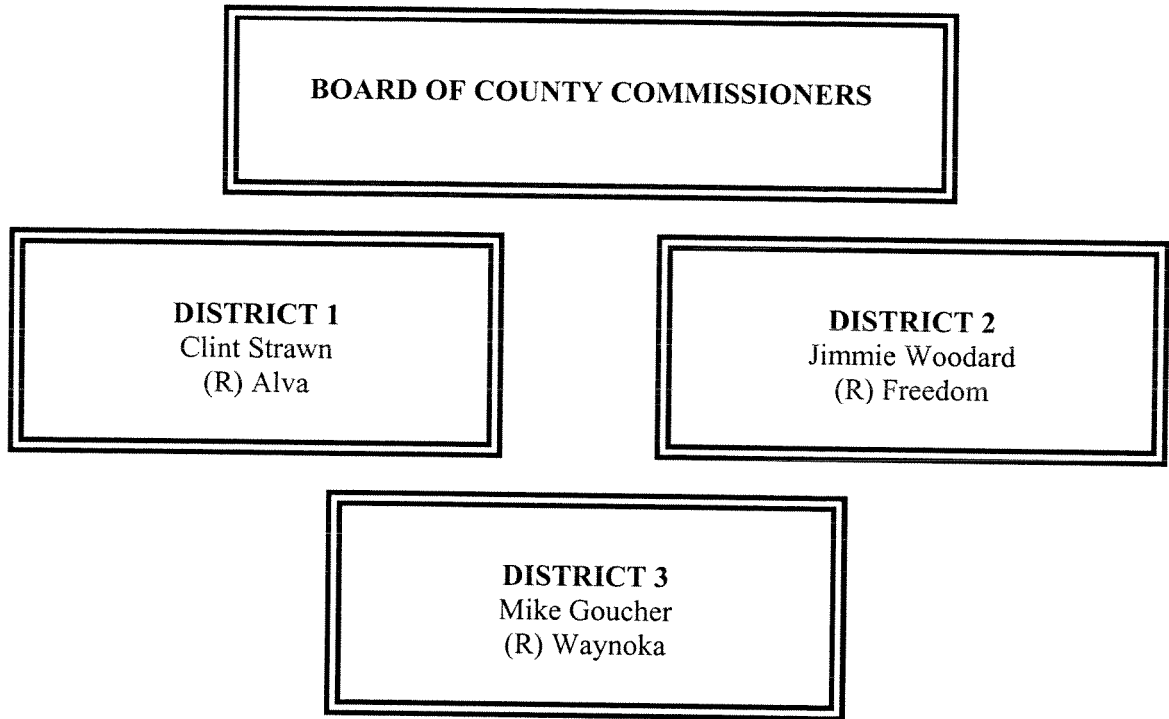
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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.

**WOODS 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.

**WOODS COUNTY OFFICIALS
AND RESPONSIBILITIES**

COUNTY SHERIFF
Rudy Briggs Jr.
(D) Alva

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
Barbara Long
(D) Alva

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.

**WOODS COUNTY OFFICIALS
AND RESPONSIBILITIES**

COURT CLERK
Della Dunnigan
(R) Alva

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
Ray Don Jackson
(D) Woodward

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.

**WOODS COUNTY OFFICIALS
AND RESPONSIBILITIES**

ELECTION BOARD SECRETARY

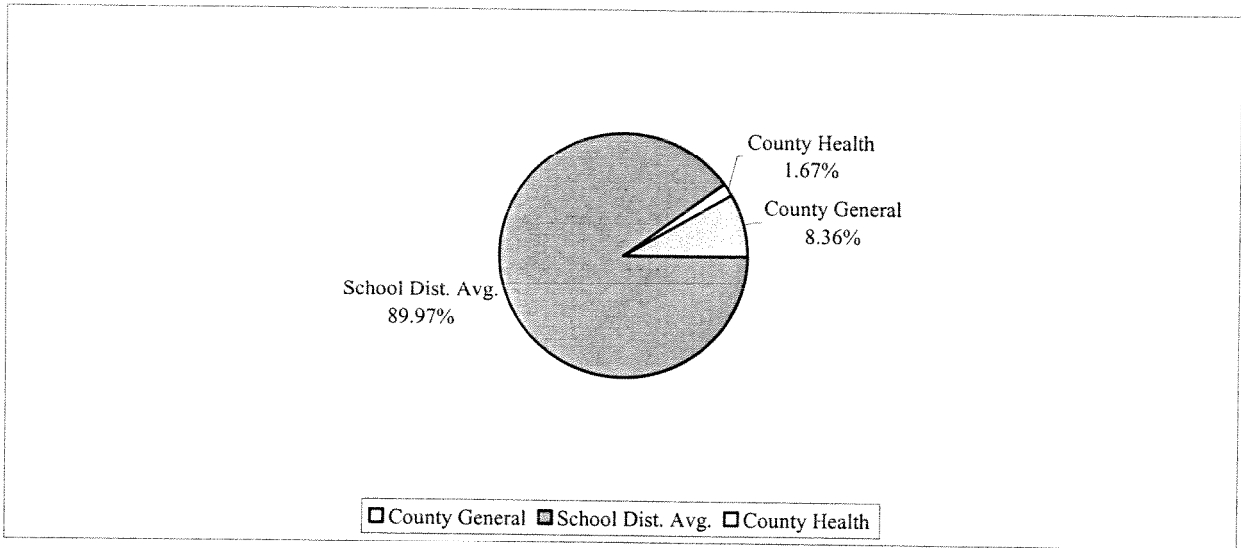
Wylodean Linder
(D) Alva

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.

**WOODS 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 | | | | | | |
|----------------------|-------|--------------------------|-------|-------|---------------------------|----------------------------|--------|-------|
| | | | | | Technology Center General | Technology Center Building | Common | Total |
| Co. General | 10.56 | | | | | | | |
| County Health | 1.37 | | | | | | | |
| | | Gen. | Bldg. | Skg. | | | | |
| | | Alva | 5.21 | 6.17 | 10.56 | 3.17 | 4.22 | 65.81 |
| | | Capron | 5.21 | 6.17 | 10.56 | 3.17 | 4.22 | 65.81 |
| | | Dacoma | 5.21 | 6.17 | 10.56 | 3.17 | 4.22 | 65.81 |
| | | Waynoka | 5.38 | 10.78 | 10.56 | 3.17 | 4.22 | 71.75 |
| | | Avard | 5.38 | 10.78 | 10.56 | 3.17 | 4.22 | 71.75 |
| | | Freedom | 5.52 | 11.31 | 10.56 | 3.17 | 4.22 | 73.42 |
| | | Rural Area | 5.52 | 11.31 | 10.56 | 3.17 | 4.22 | 73.42 |
| | | Major Joint | 5.56 | 3.96 | 10.56 | 3.17 | 4.22 | 66.37 |
| | | Alfalfa Joint | 5.00 | 8.05 | | | 4.22 | 52.27 |

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
WOODS COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Woods 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 Woods 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 Woods 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 Woods 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 Woods 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 September 12, 2005, on our consideration of Woods 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.

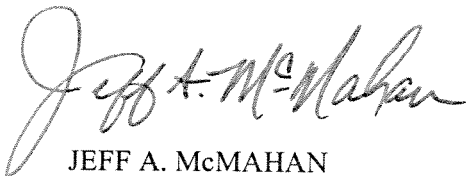
Our audit was performed for the purpose of forming an opinion on the special-purpose financial statements of Woods County, Oklahoma, taken as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the special-purpose financial statements. The information listed in the table of contents under *Introductory Section* and *Statistical Section* has not been audited by us, and accordingly, we express no opinion on it.

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

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

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

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMahen". The signature is written in a cursive, flowing style.

JEFF A. McMAHAN
State Auditor and Inspector

September 12, 2005

Special-Purpose Financial Statements

WOODS 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 | \$ 744,617 | \$ 1,470,445 | \$ 1,379,017 | \$ | \$ 836,045 |
| Highway Cash | 1,175,317 | 3,325,432 | 2,907,275 | | 1,593,474 |
| County Health Department | 166,204 | 96,530 | 80,543 | | 182,191 |
| Resale Property | 26,602 | 13,483 | 19,893 | | 20,192 |
| Sheriff Service Fee | 37,605 | 24,432 | 13,658 | | 48,379 |
| Sheriff Contract Prisoner Revolving | 61,051 | 37,702 | | | 98,753 |
| Sheriff Equipment Grant | 11,111 | 4,936 | 11,111 | | 4,936 |
| Juvenile Justice Grant | 10,571 | 4,936 | 4,519 | | 10,988 |
| Juvenile Affairs | 2,439 | | | | 2,439 |
| Community Service Sentencing Program | 4,373 | 2,306 | 6,304 | | 375 |
| County Clerk Records Preservation Fee | 30,670 | 17,995 | 11,277 | | 37,388 |
| County Clerk Lien Fee | 39,644 | 10,163 | 4,332 | | 45,475 |
| Treasurers Mortgage Tax Certification Fee | 7,681 | 2,198 | 1,800 | | 8,079 |
| Assessor Revolving Fee | 5,813 | 1,819 | 450 | | 7,182 |
| Assessor Visual Inspection | 1,909 | 42 | 366 | | 1,585 |
| Special Insurance | 1,577 | 5,540 | 5,540 | | 1,577 |
| Schools | 5,657,854 | 15,254,684 | 15,283,368 | | 5,629,170 |
| Cities and Towns | 8,236 | 132,850 | 131,017 | | 10,069 |
| Official Depository | 562,516 | 2,085,354 | 1,497,201 | 12,263 | 1,162,932 |
| Court Clerk Investment | 1,098,201 | 20,925 | | | 1,119,126 |
| Law Library | 2,259 | 12,315 | 7,330 | | 7,244 |
| E 911 | 128,678 | 110,981 | 120,997 | | 118,662 |
| Unapportioned Tax | 2,500 | | | | 2,500 |
| Woods County Withholding | 37,856 | 488,714 | 483,419 | | 43,151 |
| Free Fair | 20,117 | 18,234 | 13,682 | | 24,669 |
| VAP Sinking | 228,473 | 259,721 | 267,900 | | 220,294 |
| Official Depository Cash | 171 | | | | 171 |
| Unapportioned Miscellaneous | | 1,754,561 | 1,754,561 | | |
| Total County Funds | <u>\$ 10,074,045</u> | <u>\$ 25,156,298</u> | <u>\$ 24,005,560</u> | <u>\$ 12,263</u> | <u>\$ 11,237,046</u> |

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

WOODS 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 | \$ 744,617 | \$ 744,617 | \$ 744,617 | \$ - |
| Less: Prior Year Outstanding Warrants | (89,331) | (89,331) | (89,331) | |
| Less: Prior Year Encumbrances | (28,054) | (28,054) | (22,823) | 5,231 |
| Beginning Cash Balances, Budgetary Basis | <u>627,232</u> | <u>627,232</u> | <u>632,463</u> | <u>5,231</u> |
| Receipts: | | | | |
| Ad Valorem Taxes | 596,451 | 596,451 | 697,625 | 101,174 |
| Sales Tax | 293,205 | 293,205 | 464,993 | 171,788 |
| Charges for Services | 47,067 | 47,067 | 65,410 | 18,343 |
| Intergovernmental Revenues | 187,851 | 187,851 | 180,424 | (7,427) |
| Miscellaneous Revenues | | | 61,993 | 61,993 |
| Total Receipts, Budgetary Basis | <u>1,124,574</u> | <u>1,124,574</u> | <u>1,470,445</u> | <u>345,871</u> |
| Expenditures: | | | | |
| District Attorney | 15,000 | 15,000 | 11,297 | 3,703 |
| Capital Outlay | | | | |
| Total District Attorney | <u>15,000</u> | <u>15,000</u> | <u>11,297</u> | <u>3,703</u> |
| County Sheriff | 237,306 | 238,006 | 227,628 | 10,378 |
| Capital Outlay | 1,000 | 300 | 300 | |
| Total County Sheriff | <u>238,306</u> | <u>238,306</u> | <u>227,928</u> | <u>10,378</u> |
| County Treasurer | 98,940 | 98,940 | 98,791 | 149 |
| Capital Outlay | 100 | 100 | | 100 |
| Total County Treasurer | <u>99,040</u> | <u>99,040</u> | <u>98,791</u> | <u>249</u> |
| County Commissioners | 125,700 | 125,700 | 3,891 | 121,809 |
| Capital Outlay | | | | |
| Total County Commissioners | <u>125,700</u> | <u>125,700</u> | <u>3,891</u> | <u>121,809</u> |
| County Commissioners OSU Extension | 51,744 | 51,744 | 44,996 | 6,748 |
| Capital Outlay | 2,000 | 2,000 | | 2,000 |
| Total County Commissioners OSU Extension | <u>53,744</u> | <u>53,744</u> | <u>44,996</u> | <u>8,748</u> |
| County Clerk | 125,640 | 125,640 | 125,131 | 509 |
| Capital Outlay | 100 | 100 | | 100 |
| Total County Clerk | <u>125,740</u> | <u>125,740</u> | <u>125,131</u> | <u>609</u> |
| Court Clerk | 93,940 | 93,940 | 92,994 | 946 |
| Capital Outlay | | | | |
| Total Court Clerk | <u>93,940</u> | <u>93,940</u> | <u>92,994</u> | <u>946</u> |
| County Assessor | 100,120 | 100,120 | 98,043 | 2,077 |
| Capital Outlay | 2,555 | 2,555 | 1,223 | 1,332 |
| Total County Assessor | <u>102,675</u> | <u>102,675</u> | <u>99,266</u> | <u>3,409</u> |
| Revaluation of Real Property | 122,582 | 122,582 | 109,104 | 13,478 |
| Capital Outlay | 3,250 | 3,250 | 984 | 2,266 |
| Total Revaluation of Real Property | <u>125,832</u> | <u>125,832</u> | <u>110,088</u> | <u>15,744</u> |
| Juvenile | 3,500 | 3,500 | 663 | 2,837 |
| Capital Outlay | | | | |
| Total Juvenile | <u>3,500</u> | <u>3,500</u> | <u>663</u> | <u>2,837</u> |
| General Government | 226,424 | 224,290 | 167,788 | 56,502 |
| Capital Outlay | 60,500 | 60,500 | | 60,500 |
| Total General Government | <u>286,924</u> | <u>284,790</u> | <u>167,788</u> | <u>117,002</u> |

continued on next page

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

**WOODS 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 | \$ 4,050 | \$ 4,050 | \$ 2,754 | \$ 1,296 |
| Capital Outlay | | | | |
| Total Excise-Equalization Board | 4,050 | 4,050 | 2,754 | 1,296 |
| County Election Board | 46,796 | 47,130 | 43,919 | 3,211 |
| Capital Outlay | 1,000 | 1,300 | 1,249 | 51 |
| Total County Election Board | 47,796 | 48,430 | 45,168 | 3,262 |
| Insurance - Benefits | 309,531 | 311,031 | 238,661 | 72,370 |
| Capital Outlay | | | | |
| Total Insurance - Benefits | 309,531 | 311,031 | 238,661 | 72,370 |
| Charity | 2,500 | 2,500 | | 2,500 |
| Capital Outlay | | | | |
| Total Charity | 2,500 | 2,500 | | 2,500 |
| Highway | 26,450 | 26,450 | 25,665 | 785 |
| Capital Outlay | 600 | 600 | | 600 |
| Total Highway | 27,050 | 27,050 | 25,665 | 1,385 |
| County Audit Budget | 6,778 | 6,778 | 6,778 | |
| Capital Outlay | | | | |
| Total County Audit Budget | 6,778 | 6,778 | 6,778 | - |
| Free Fair Budget | 67,700 | 68,631 | 68,631 | |
| Capital Outlay | 15,000 | 14,069 | 14,069 | |
| Total Free Fair Budget | 82,700 | 82,700 | 82,700 | - |
| Provision for Interest on Warrants | 1,000 | 1,000 | | 1,000 |
| Total Expenditures, Budgetary Basis | 1,751,806 | 1,751,806 | 1,384,559 | 367,247 |
| Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis | \$ - | \$ - | 718,649 | \$ 718,649 |
| Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances | | | | |
| Add: Current Year Encumbrances | | | 21,130 | |
| Add: Current Year Outstanding Warrants | | | 96,566 | |
| Ending Cash Balance | | | \$ 836,045 | |

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

**WOODS 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 | Final | Actual | Variance |
| | Budget | Budget | | |
| Beginning Cash Balances | \$ 166,204 | \$ 166,204 | \$ 166,204 | \$ - |
| Less: Prior Year Outstanding Warrants | (938) | (938) | (938) | |
| Less: Prior Year Encumbrances | (803) | (803) | (784) | 19 |
| Beginning Cash Balances, Budgetary Basis | <u>164,463</u> | <u>164,463</u> | <u>164,482</u> | <u>19</u> |
| Receipts: | | | | |
| Ad Valorem Taxes | 77,380 | 77,380 | 92,229 | 14,849 |
| Miscellaneous Revenues | | 1,187 | 4,301 | 3,114 |
| Total Receipts, Budgetary Basis | <u>77,380</u> | <u>78,567</u> | <u>96,530</u> | <u>17,963</u> |
| Expenditures: | | | | |
| Health and Welfare | 133,000 | 134,187 | 84,105 | 50,082 |
| Capital Outlay | 108,843 | 108,843 | 250 | 108,593 |
| Total Expenditures Budgetary Basis | <u>241,843</u> | <u>243,030</u> | <u>84,355</u> | <u>158,675</u> |
| Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis | <u>\$ -</u> | <u>\$ -</u> | 176,657 | <u>\$ 176,657</u> |
| Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances | | | | |
| Add: Current Year Encumbrances | | | 1,227 | |
| Add: Current Year Outstanding Warrants | | | 4,307 | |
| Ending Cash Balance | | | <u>\$ 182,191</u> | |

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

**WOODS 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 |
|---|--|---------------------|---------------------|-----------------------|--|
| County Treasurer Tax Trust | \$ 7,297 | \$ 79,502 | \$ 91,787 | \$ 8,567 | \$ 3,579 |
| County Treasurer Auto Stamp | 372 | 1,490 | 1,862 | | |
| County Treasurer Protest Tax | 387,832 | 83,856 | 58,862 | | 412,826 |
| County Treasurer Implement Stamp | (348) | 11,988 | 11,640 | | |
| District Court Clerk | 40,516 | 1,391,884 | 817,644 | 1,062 | 615,818 |
| District Court Fund | 71,901 | 295,108 | 309,180 | 100 | 57,929 |
| Court Clerk Revolving | 7,388 | 12,060 | 5,394 | | 14,054 |
| County Clerk | 4,967 | 104,046 | 101,656 | 1,575 | 8,932 |
| District Attorney | 9,081 | 6,946 | 7,327 | | 8,700 |
| County Sheriff | 32,173 | 81,275 | 75,783 | | 37,665 |
| Sheriff Estray Cattle | 699 | | | | 699 |
| County Health Department | | 3,451 | 3,822 | 371 | |
| County Election Board | 638 | 13,748 | 12,244 | 588 | 2,730 |
| Total Official Depository Accounts | \$ 562,516 | \$ 2,085,354 | \$ 1,497,201 | \$ 12,263 | \$ 1,162,932 |

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

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

Summary of Significant Accounting Policies (continued)

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

The Comparative Statements of Receipts, Expenditures, and Changes in 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 | | |

Summary of Significant Accounting Policies (continued)

| <u>Types of Loss</u> | <u>Method Managed</u> | <u>Risk of Loss Retained</u> |
|--|---|---|
| Physical Plant - Theft - Damage to Assets - Natural Disasters | The County has contracted with Employees Mutual Casualty Company to provide insurance coverage. | If claims exceed authorized deductibles, the County would have to pay the balance of the claim. |
| Worker's Compensation - Employees' Injuries | The County carries commercial insurance for these types of risk. | A judgment could be assessed for claims in excess of coverage. |
| Employee - Medical - Disability - Dental - Life | The County carries commercial insurance for these types of coverage. | None |

ACCO-SIG - The pool operates as a common risk management and insurance program and is to be self-sustaining through member premiums. Each participating county chooses a \$10,000, \$25,000, or a \$50,000 deductible amount. The County has chosen a \$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 and employees' insurance. Settled claims have not exceeded insurance coverage in any of the past three fiscal years. There have been no significant reductions in coverage from the prior fiscal year.

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

G. Compensated Absences

All full-time employees are entitled to vacation leave that is accrued on a monthly basis in accordance with the following schedule:

Summary of Significant Accounting Policies (continued)

| <u>Years of Service</u> | <u>Weeks per Year</u> | <u>Hours Per Year Based Upon Work Week</u> | | <u>Carry Over Limit</u> |
|-------------------------|-----------------------|--|--------------------------|-------------------------|
| | | <u>35 Hours Per Week</u> | <u>40 Hours Per Week</u> | |
| 1 Year | 1 Week | 35 hours | 40 hours | |
| 2 to 4 Years | 2 Weeks | 70 hours | 80 hours | |
| 5 to 15 Years | 2 2/5 Weeks | 84 hours | 96 hours | |
| 16 Years or More | 3 Weeks | 105 hours | 120 hours | 6 Weeks |

All full-time employees are entitled to sick leave with pay that is accrued on a monthly basis. Sick leave is accrued at a rate of 10 hours for each calendar month of service to the County. It may be accrued up to a maximum of 152 hours.

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 \$11,237,046 and the bank balance was \$11,196,343. 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

Detailed Notes on Funds and Account Balances (continued)

- 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 for the purpose of constructing and maintaining county roads and bridges.

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.

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

Sheriff Contract Prisoner Revolving – accounts for the collection of monies from the Oklahoma Department of Corrections and disbursements are for the purpose of maintaining the jail.

Sheriff Equipment Grant – accounts for Local Law Enforcement Block Grant fund received to be disbursed for sheriff equipment.

Juvenile Justice Grant – accounts for grant funds received from the Oklahoma Juvenile Justice Agency to be used to house, feed, and transport juveniles in the custody of Woods County Sheriff.

Juvenile Affairs – accounts for the balance remaining of a prior juvenile grant.

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

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.

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

Treasurer 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.

Detailed Notes on Funds and Account Balances (continued)

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

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

Special Insurance – accounts for the balance remaining of prior insurance reimbursements made to the County for property losses.

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

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

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

Court Clerk Investment – accounts for the interest earned on a court-ordered investment held in trust by the Court Clerk.

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

E911 – accounts for the collection and remittance of tax, to be used for emergency contacts.

Unapportioned Taxes - accounts for taxes collected and held for apportionment to various government entities.

Woods County Withholding – accounts for the receipt and distribution of payroll taxes for the County.

Free Fair – accounts for the fees collected and used by the free fair.

VAP Sinking – accounts for the balance remaining from a county project for which the debt was paid with a special ad valorem tax levy.

Official Depository Cash – accounts for cash used to make change for citizens making transactions in cash.

Unapportioned Miscellaneous – accounts for the collections from miscellaneous sources that are apportioned at the end of each month.

Detailed Notes on Funds and Account Balances (continued)

Additionally, the following accounts are included in the official depository account.

County Treasurer Tax Trust – accounts for collection of taxes paid in advance.

County Treasurer Auto Stamp – accounts for the fees collected from automobile dealerships for tagging of vehicles.

County Treasurer Protest Tax – accounts for collections of ad valorem taxes which have been protested and are held until a decision is made on tax cases filed and released as directed by the courts.

County Treasurer Implement Stamp – accounts for the fees collected from farm implement dealerships for registration of farm machinery.

District Court Clerk – accounts for the collection of bond money, court fines and fees. Money is disbursed for overpayment of fees and restitution with a portion transferred to the District Court.

District Court Fund – accounts for fees transferred from District Court and interest earned on those funds. Funds are disbursed for the salaries, equipment and the operation of the Court Clerk's office.

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

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

District Attorney – accounts for the appropriated money from DAC for witness fees.

County Sheriff – accounts for all collection of foreign service fees and bonds. Monies are disbursed at the end of the month to the Sheriff Service Fee Fund and District Court Clerk Account.

Sheriff Estray Cattle – accounts for the proceeds from the sale of estray cattle, and is disbursed for the expenses related to the care of the cattle.

County Health Department – accounts for the fees for services performed by the county health department and transferred to the special revenue fund for general operations.

County Election Board – accounts for reimbursement of election cost by entities within the County and is disbursed for refund of election fees and cost of election.

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 \$67,778,496.

Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10.56 mills (the legal maximum) for general fund operations and 1.37 mills for the county health department. In addition, the County also collects the ad valorem taxes assessed by cities and towns and school districts and remits the ad valorem taxes collected to the appropriate taxing units.

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

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

Current year tax collections for the year ended June 30, 2004, were approximately 96.91 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.

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

Woods County voters elected to have a ½ cent sales tax for an unlimited time. The tax is not earmarked, but is to be apportioned to the general fund for general operations. The County began collecting the tax April 1, 1992. The County received \$464,993 for the fiscal year ended June 30, 2004.

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
WOODS COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Woods County, Oklahoma, as of and for the year ended June 30, 2004, and have issued our report thereon dated September 12, 2005. Our report contains an explanatory paragraph discussing that the financial statements are not a complete presentation, and describes certain responsibilities of the State Auditor and Inspector's Office other than audit responsibilities. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Woods 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 2003-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 2003-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Woods 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 Woods 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

September 12, 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 2003-1 – Segregation of Duties (Repeat Finding)

Criteria: Demonstration of accountability and stewardship are goals in the evaluation of 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: Due to the limited number of employees in the Sheriff's office, there are individuals who are primarily responsible for all or most of the calculating, reviewing, approving, disbursing and reporting of disbursements from official depository accounts. The office currently has one person who performs the apportionment process and all other bookkeeping duties (including posting to daily reports, general ledger, monthly reports, and reconciling bank statements).

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. It is desirable to review transactions and cross train employees to perform various duties, and then periodically change the division of the duties. This would provide some level of segregation of duties and increase the possibility for the detection of error or fraud.

Views of responsible officials and planned corrective actions: Management is aware of the situation, and is currently conducting cross training, in an effort to correct the problem.

SECTION 2 – Other Findings – This section contains findings not required to be reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, but which we believed were significant enough to bring to the County's attention. We recommend that the County consider these matters and take appropriate corrective action.

Finding 2003-2 – Pledged Collateral (Repeat Finding)

Criteria: Title 19 O.S. 2001, § 121 states "...before the deposit of any such funds the county treasurer shall take from each of such banks security in a sum equal to the largest approximate amount that may be deposited in each bank respectively at any one time. Such security is required to be pledged, taken, approved, held and withdrawn under the provisions of the Security for Local Public Deposits Act..."

Condition: The County's deposits were underpledged on two occasions at one bank. On April 30, 2004, the amount underpledged was \$776,000 and on June 30, 2004, the amount underpledged was \$61,000.

Recommendation: We recommend the County Treasurer maintain a detailed Investment and Pledged Security ledger to easily monitor securities pledged for each bank in accordance with 19 O.S. 2001, § 121.

Views of responsible officials and planned corrective actions: A listing of collateral for each bank by month is now being maintained, beginning with July 2004. At June 30, 2005, the Treasurer was adequately pledged at Alva State Bank.

Finding 2003-4 - Encumbrance of Purchase Orders (Repeat Finding)

Criteria: In accordance with 62 O.S. 2001, § 310.1 which states in part, "...The purchasing officer, having authority to purchase or contract against all budget appropriation accounts as authorized by law shall submit all purchase orders and contracts prior to the time the commitment is made to the officer charged with keeping the appropriation and expenditure records..."

Condition: The test of 38 purchase orders revealed seven instances (21%), in which goods or services were received prior to the purchase order being encumbered in the Sheriff's office and the three County Commissioner's Districts.

Recommendation: We recommend the officers prepare and forward to the purchasing agent, the purchase order, so that funds are encumbered for all purchases before any partial or actual services are performed, in accordance with 62 O.S. 2001, § 310.1

Views of responsible officials and planned corrective actions: The Sheriff and County Commissioners will strive to comply with proper encumbrance requirements.

Finding 2003-6 - Identification of County Owned Equipment (Repeat Finding)

Criteria: In accordance with 19 O.S. 2001, § 1502.B states, "The board of county commissioners shall:

1. Prescribe a uniform identification system for all supplies, materials and equipment for a county not used in the construction and maintenance of roads and bridges; and
2. Create and administer an inventory system for all:
 - Equipment of a county having an original cost of (\$250) or more and not used in the construction and maintenance of roads and bridges, and..."

Condition: Several inventory items at District 1, District 2 and the Sheriff's office were not properly identified as required by 19 O.S. 2001, § 1502.B.

**WOODS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS
JUNE 30, 2004**

Recommendation: The Board of County Commissioners should evaluate its policies and procedures for identifying 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 are having decals made to mark equipment properly.

STATISTICAL SECTION
(Unaudited)

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

| TAXPAYER | JANUARY 1, 2003 NET ASSESSED VALUATION | % OF TOTAL NET VALUATION |
|--------------------------------|---|---|
| CMS Pan Gas Storage | \$ 4,198,139 | 6.19% |
| Panhandle Eastern Pipeline Co. | 3,621,885 | 5.34% |
| Burlington Northern Sante Fe | 3,088,148 | 4.56% |
| Western Gas Resources-Westana | 2,886,937 | 4.26% |
| Value Added Products | 1,714,186 | 2.53% |
| Oklahoma Gas & Electric | 1,273,069 | 1.88% |
| Great Plains Pipeline | 1,205,291 | 1.78% |
| Southern Star Central Gas | 1,165,564 | 1.72% |
| Duke Energy Field Service Inc. | 1,164,000 | 1.72% |
| Southwestern Bell Telephone | 1,046,777 | 1.54% |
| Total | <u>\$ 21,363,996</u> | <u>31.52%</u> |

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

**WOODS 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>\$ 67,778,496</u> |
| Debt limit - 5% of total assessed value | | \$ 3,388,925 |
| Total bonds outstanding | - | |
| Total judgments outstanding | - | |
| Less cash in sinking fund | - | - |
| Legal debt margin | | <u>\$ 3,388,925</u> |

WOODS 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 | 9,089 |
| Net assessed value as of January 1, 2003 | \$ 67,778,496 |
| 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 | \$ - |

**WOODS 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 | \$17,291,716 | \$18,093,516 | \$34,748,858 | \$2,355,594 | \$67,778,496 | \$504,962,067 |