

**WOODWARD COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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March 20, 2006

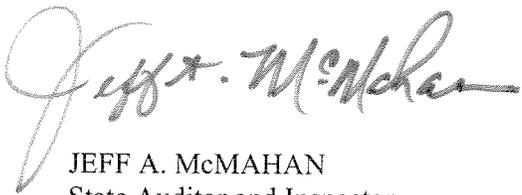
TO THE CITIZENS OF  
WOODWARD COUNTY, OKLAHOMA

Transmitted herewith is the audit of Woodward County, Oklahoma, for the fiscal year ended June 30, 2005. 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 serving the public interest by providing independent oversight and by issuing 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. McMahán". The signature is written in dark ink and is positioned above the printed name and title.

JEFF A. McMAHAN  
State Auditor and Inspector

**WOODWARD COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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**TABLE OF CONTENTS**

INTRODUCTORY SECTION (Unaudited)

Report to the Citizens of Woodward County .....	iii
County Officials and Responsibilities .....	iv
Ad Valorem Tax Distribution.....	ix
Computation of Legal Debt Margin .....	x
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita .....	xi
Assessed Value of Property.....	xii

FINANCIAL SECTION

Report of State Auditor and Inspector.....	1
Basic Financial Statement:	
Combined Statement of Receipts, Disbursements, and Changes in Cash Balances (with Combining Information).....	3
Notes to the Financial Statement .....	4

OTHER SUPPLEMENTARY INFORMATION

Comparative Schedule of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis—General Fund .....	12
Comparative Schedule of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis—County Health Department Fund.....	15
Notes to Other Supplementary Information.....	16

**WOODWARD COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

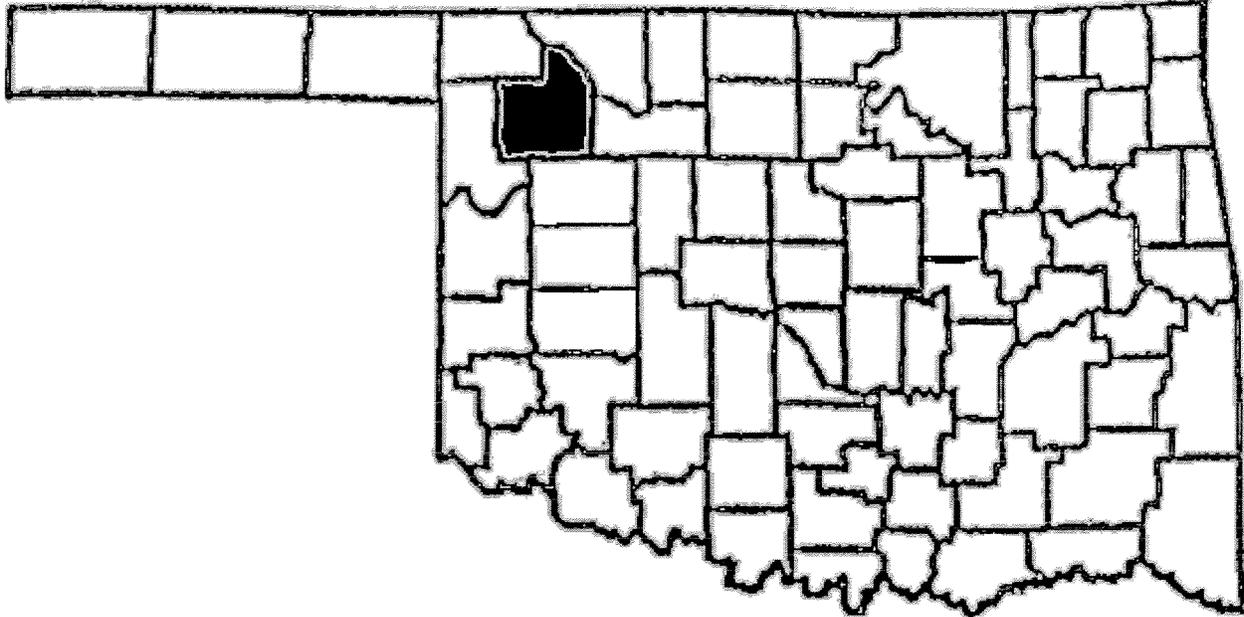
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INTERNAL CONTROL AND COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	17
Schedule of Findings and Responses.....	19

REPORT TO THE CITIZENS  
OF  
WOODWARD COUNTY, OKLAHOMA

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When the Cherokee Outlet was opened to settlement in 1893, the name “Woodward” was given to the Atchison, Topeka, and Santa Fe station in central “N” County, Oklahoma Territory. The name was given later to the County.

Agriculture and petroleum have contributed to the County’s economy.

Scenic areas include Boiling Springs State Park northeast of Woodward, and Alabaster Caverns State Park in the northern section of the County. Fort Supply Reservoir provides hunting, fishing, camping, and swimming activities.

County Seat - Woodward

Area – 1,246.01 Square Miles

County Population - 18,741  
(2004 est.)

Farms – 842

Land in Farms – 726,473 Acres

Primary Source: Oklahoma Almanac 2005-2006

See independent auditor’s report.

**WOODWARD COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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**COUNTY ASSESSOR**  
Debbie Gentry  
(D) Woodward

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**  
Ron Hohweiler  
(R) Woodward

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.

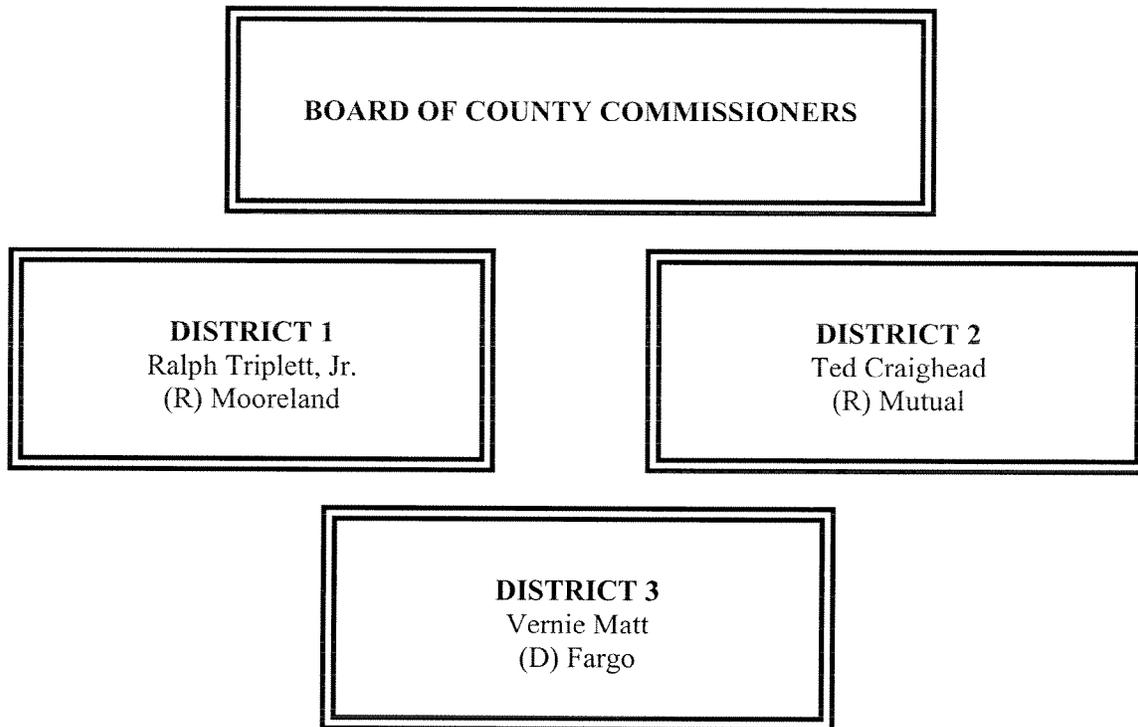
The County Clerk reviews all the claims for payment of goods and services purchased or contracted by the county, and prepares the proper warrants for payment of those goods and services and the county payroll. The County Clerk, or his or her designated deputy, serves as the purchasing agent for the county.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

**WOODWARD COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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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.

**WOODWARD COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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**COUNTY SHERIFF**  
Leslie Morton  
(D) Woodward

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**  
Wilma Blaylock  
(R) 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.

**WOODWARD COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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**COURT CLERK**  
Jenny Hopkins  
(D) Woodward

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.

**WOODWARD COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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**ELECTION BOARD SECRETARY**

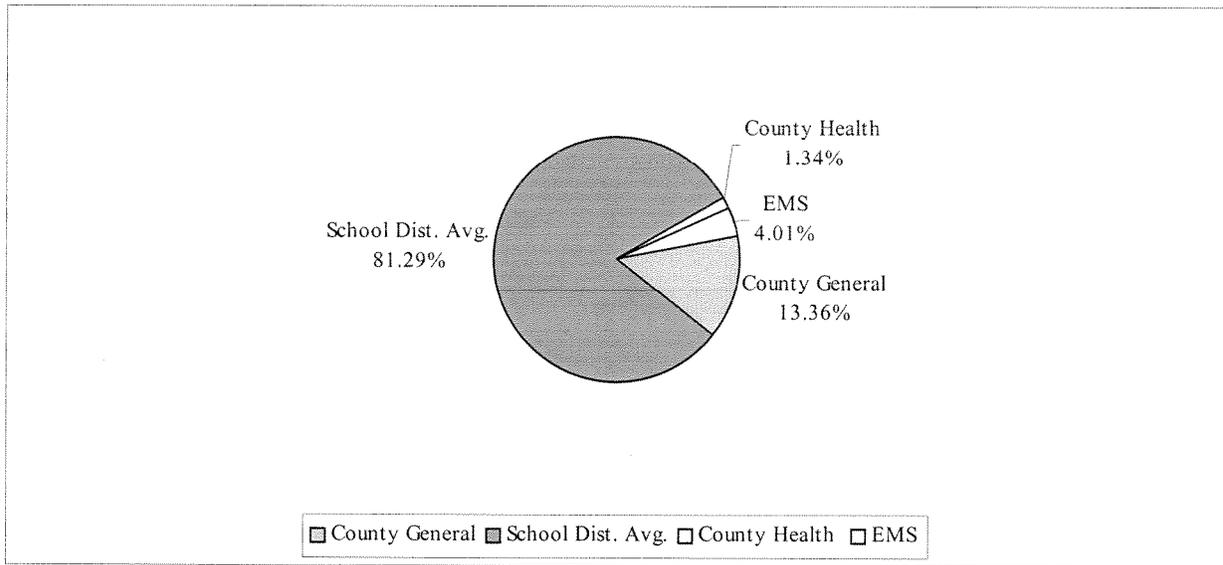
Carolyn Carrell  
(D) Woodward

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.

**WOODWARD COUNTY, OKLAHOMA  
AD VALOREM TAX DISTRIBUTION  
SHARE OF THE AVERAGE MILLAGE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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.	Career Tech	Common	Total
County General	10.46								
County Health	1.05	Woodward	I-1	36.20	5.17	10.37	12.54	4.18	68.46
EMS	3.14	Mooreland	I-2	37.25	5.32	6.26	12.54	4.18	65.55
		Sharon/Mutual	I-3	37.50	5.36	6.85	12.54	4.18	66.43
		Fort Supply	I-5	37.24	5.32	7.90	12.54	4.18	67.18
		Ellis	Jt I-26	37.31	5.33	4.70	12.54	4.18	64.06
		Ellis	Jt I-3	39.60	5.58	4.19		4.18	53.55
		Dewey	Jt I-5	38.11	5.44	12.46		4.18	60.19
		Dewey	Jt I-8	35.72	5.10	4.77		4.18	49.77
		Woods	Jt I-3	36.56	5.22	9.75	13.83	4.18	69.54
		Woods	Jt I-6	37.37	5.34	10.93	13.83	4.18	71.65

See independent auditor's report.

**WOODWARD COUNTY, OKLAHOMA  
COMPUTATION OF LEGAL DEBT MARGIN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
(UNAUDITED)**

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Total net assessed value as of January 1, 2004		<u>\$ 120,536,163</u>
Debt limit - 5% of total assessed value		6,026,808
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	-	<u>-</u>
Legal debt margin		<u>\$ 6,026,808</u>

See independent auditor's report.

**WOODWARD COUNTY, OKLAHOMA  
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED  
VALUE AND NET BONDED DEBT PER CAPITA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
(UNAUDITED)**

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	2005
Estimated population	18,741
Net assessed value as of January 1, 2004	\$ 120,536,163
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	\$ -

See independent auditor's report.

**WOODWARD COUNTY, OKLAHOMA  
ASSESSED VALUE OF PROPERTY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
(UNAUDITED)**

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Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2004	\$36,536,701	\$18,998,578	\$69,509,805	\$4,508,921	\$120,536,163	\$1,006,213,716

See independent auditor's report.

**FINANCIAL SECTION**

## Independent Auditor's Report

TO THE OFFICERS OF  
WOODWARD COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Woodward County, Oklahoma, as of and for the year ended June 30, 2005, listed in the table of contents as the basic financial statement. This financial statement is the responsibility of Woodward County's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.

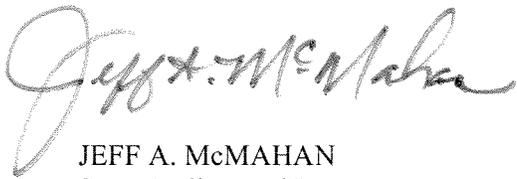
As described in Note 1, this financial statement was prepared using accounting practices prescribed by Oklahoma state law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Woodward County as of June 30, 2005, or changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined total of receipts, disbursements, and changes in cash of Woodward County, for the year ended June 30, 2005, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2006, on our consideration of Woodward County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the combined total of all funds within the basic financial statement taken as a whole. The combining information is presented for purposes of additional analysis rather than to present the receipts, disbursements, and cash balances of the individual funds. Also, the other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis, and is not a required part of the basic financial statement. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole. The information listed in the table of contents under Introductory Section has not been audited by us, and accordingly, we express no opinion on it.



JEFF A. McMAHAN  
State Auditor and Inspector

February 27, 2006

**Basic Financial Statement**

**WOODWARD COUNTY, OKLAHOMA  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
(WITH COMBINING INFORMATION)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	Beginning Cash Balances July 1, 2004	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2005
Combining Information:				
County General Fund	\$ 1,059,978	\$ 1,822,418	\$ 1,761,625	\$ 1,120,771
County Highway Cash	1,462,268	3,445,333	3,168,768	1,738,833
County Health Department	85,497	150,603	89,373	146,727
Resale Property	50,393	71,659	46,844	75,208
Treasurer Mortgage Tax Certification Fee	30,834	5,850	5,318	31,366
County Clerk Lien Fee	23,481	19,206	4,347	38,340
County Clerk Records Preservation Fee	25,336	37,800	18,186	44,950
County Assessor Visual Inspection	15,699			15,699
County Assessor Revolving	12,079	6,374	4,180	14,273
Sheriff Jail Commissary	3,732	12,716	9,289	7,159
Fort Supply Lake Patrol	11,702	9,190	10,300	10,592
Sheriff Prisoner Revolving	46,156	113,519	116,024	43,651
Sheriff Service Fee	72,293	87,372	85,889	73,776
Sheriff Special	1,246			1,246
Sheriff Training	110			110
Sheriff Grant B-11		10,000	10,000	
NW Oklahoma Juvenile Detention Center	22,611	87		22,698
NW Oklahoma Cattle/Rural	1,020			1,020
County Sales Tax	510,423	610,885	467,925	653,383
UTPHONE E-911		296		296
Sanitary Landfill	579,430	607,081	544,087	642,424
Emergency Shelter Grant Program		19,396	19,396	
Community Development Block Grant		138,100	138,100	
CDBG-EDIF/Harrison Gypsum		72,729	72,729	
<b>Combined Total--All County Funds</b>	<u>\$ 4,014,288</u>	<u>\$ 7,240,614</u>	<u>\$ 6,572,380</u>	<u>\$ 4,682,522</u>

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

**WOODWARD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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**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 basic financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds of Woodward County, Oklahoma. The funds presented as line items are not a part of the basic financial statement, but have been included as supplementary information within the basic financial statement. These separate funds are established by statute, and their operations are under the control of the County officials. The general fund is the County's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

**B. Fund Accounting**

The County 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.

Following are descriptions of the funds included as supplementary information within the financial statement:

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

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

County 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 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.

**WOODWARD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

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

Sheriff Jail Commissary – accounts for the profit on collection of funds on items sold to prisoners and used to purchase additional merchandise to be sold.

Fort Supply Lake Patrol – accounts for the collections from the State of Oklahoma to pay a sheriff deputy to patrol Fort Supply Lake Area.

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

Sheriff Special – accounts for donations given to the Sheriff's office and used to purchase ammunition.

Sheriff Training – accounts for the monies collected from the sale of unclaimed personal property. The statutes allow for the purchase of equipment, materials, or supplies that may be used in crime prevention, education, training, or programming.

Sheriff Grant B-11 – accounts for the collection of grant funds to purchase a patrol vehicle.

Northwest Oklahoma Juvenile Detention Center - accounts for all grants to support the programs and services provided at the Juvenile Detention facility.

Northwest Oklahoma Cattle/Rural – accounts for restitution and donations to combat cattle theft.

County Sales Tax – accounts for the sales tax collected and spent on behalf of the following entities: fire fighting services (37.5%), county fair board (16.5%), OSU Extension Office (16.5%), fire safety and prevention (12%), and drug abuse assistance education (17.5%).

UTPHONE E-911 – accounts for five percent of a wireless 911 fee received from Excel Phone Company. Monies are being held until the County's 911 system is in place.

**WOODWARD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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Sanitary Landfill – accounts for the fees collected for the use of the landfill and the expense of operation of the landfill.

Emergency Shelter Grant Program - accounts for the federal grant that passes through the County to the North West Domestic Crisis Service.

Community Development Block Grant – accounts for grant monies received for the Quinlain Water to extend water lines.

CDBG-EDIF/Harrison Gypsum – accounts for grant monies received for the economic development of the rail spur at the Harrison Gypsum plant.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, school districts and cities and towns. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement, those funds play no part in the County's operations.

**C. Basis of Accounting**

The basic financial statement is 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. This cash basis financial presentation is not a comprehensive measure of economic condition or changes therein.

**D. Budget**

Under current Oklahoma Statutes, the general fund and the county health department fund are the only funds required to adopt a formal budget. 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.

For the highway funds and other funds, which are not required to adopt a formal budget, appropriations are made on a monthly basis, according to the funds then available.

**WOODWARD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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**E. Cash**

The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County's books. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County's deposits. The amount of collateral securities to be pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

**F. Investments**

The County Treasurer has been authorized by the County's governing board to make investments. By statute (62 O.S. § 348.1 and § 348.3), the following types of investments are allowed:

- 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

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured.

**G. Compensated Absences**

The County's employee personnel policy handbook (2001) sets forth the following for annual leave benefits:

<b>Years of Service</b>	<b>Accrual Rate</b>	<b>Accrual Limits</b>
1 year	5 days vacation	5 days vacation
2 to 4 years	10 days vacation	5 days vacation
5 to 14 years	12 days vacation	5 days vacation
15 or more	15 days vacation	5 days vacation

**WOODWARD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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Vacation must be earned before it is taken. No vacation will be longer than 10 consecutive working days without permission of the appropriate elected official. Vacation schedules are subject to elected official approval.

Upon separation, an employee will be paid for the balance of accrued annual leave up to the accumulation limit.

For less than 10 years of service, employees receive ½ day for every month worked for sick leave benefits. For over 10 years of service, employees receive 1 day for every month worked for sick leave benefits. An employee cannot accrue more than 45 days of sick leave.

**2. 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, 2004, was approximately \$120,536,163.

Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10.46 mills for general fund operations, 1.05 mills for county health department, and 3.14 mills for the emergency medical service. In addition, the County 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, 2005, were approximately 93.69 percent of the tax levy.

**WOODWARD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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**3. 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. Risk Management**

The County is exposed to the various risks of loss shown in the following table:

<b>Types of Loss</b>	<b>Method of Management</b>	<b>Risk of Loss Retained</b>
General Liability <ul style="list-style-type: none"> <li>• Torts</li> <li>• Errors and Omissions</li> <li>• Law Enforcement Officers Liability</li> <li>• Vehicle</li> </ul>	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.
Physical Plant <ul style="list-style-type: none"> <li>• Theft</li> <li>• Damage to Assets</li> <li>• Natural Disasters</li> </ul>		
Worker's Compensation <ul style="list-style-type: none"> <li>• Employees' Injuries</li> </ul>	The County carries commercial insurance.	A judgment could be assessed for claims in excess of coverage.
Employee <ul style="list-style-type: none"> <li>• Medical</li> <li>• Disability</li> <li>• Dental</li> <li>• Life</li> </ul>	The County carries commercial insurance.	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 \$25,000 deductible for each insured event as stated in the County's "Certificate of Participation." The risk pool will pay legitimate claims in excess of the deductible amount for replacement value up to \$100,000 for property, and up to \$500,000 for general liability. The pool has acquired commercial reinsurance

**WOODWARD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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in the amount of \$1,000,000 to cover claims that exceed the pool's risk retention limits. Settled claims have not exceeded insurance coverage for each of the past three fiscal years. There have been no significant reductions in coverage from the prior fiscal year.

Commercial Insurance - The County obtains commercial insurance coverage to pay legitimate worker's compensation claims and employees' insurance. Settled claims have not exceeded insurance coverage for each of the past three fiscal years. There have been no significant reductions in coverage from the prior fiscal year.

**5. Long-term Obligations**

**Capital Leases**

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

**6. 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.

Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates. County employees are required to contribute between 3.5% and 8.5% of earned compensation. The County contributes between 5.0% and 10.0% of earned compensation. Elected officials could contribute between 4.5% and 10% of their entire compensation. The County contributes 10.0% of earned compensation for elected officials. The County's contributions to the Plan for the years ending June 30, 2005, 2004, and 2003 were \$333,180, \$333,055, and \$344,407, respectively, equal to the required contributions for each year.

**WOODWARD COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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**7. Other Post Employment Benefits (OPEB)**

In addition to the pension benefits described in the Pension Plan note, OPERS provides post-retirement health care benefits of up to \$105 each for retirees who are members of an eligible group plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the County is not available nor can it be reasonably estimated.

**8. 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 County expects such amounts, if any, to be immaterial.

The County 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 County.

**OTHER SUPPLEMENTARY INFORMATION**

**WOODWARD COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 1,059,978	\$ 1,059,978	\$ 1,059,978	\$ -
Less: Prior Year Outstanding Warrants	(109,192)	(109,192)	(109,192)	
Less: Prior Year Encumbrances	(7,504)	(7,504)	(5,980)	1,524
Beginning Cash Balances, Budgetary Basis	<u>943,282</u>	<u>943,282</u>	<u>944,806</u>	<u>1,524</u>
Receipts:				
Ad Valorem Taxes	1,146,189	1,146,189	1,244,216	98,027
Charges for Services	88,404	88,404	146,387	57,983
Intergovernmental Revenues	112,013	112,013	313,675	201,662
Miscellaneous Revenues	7,435	8,769	118,140	109,371
Total Receipts, Budgetary Basis	<u>1,354,041</u>	<u>1,355,375</u>	<u>1,822,418</u>	<u>467,043</u>
Expenditures:				
District Attorney	19,900	19,900	19,044	856
Total District Attorney	<u>19,900</u>	<u>19,900</u>	<u>19,044</u>	<u>856</u>
County Sheriff	585,475	585,475	571,711	13,764
Capital Outlay	1	1		1
Total County Sheriff	<u>585,476</u>	<u>585,476</u>	<u>571,711</u>	<u>13,765</u>
County Treasurer	168,014	168,014	157,312	10,702
Capital Outlay	1	1		1
Total County Treasurer	<u>168,015</u>	<u>168,015</u>	<u>157,312</u>	<u>10,703</u>
County Commissioners	131,929	139,929	17,189	122,740
Capital Outlay	51,000	51,000	1,768	49,232
Total County Commissioners	<u>182,929</u>	<u>190,929</u>	<u>18,957</u>	<u>171,972</u>
County Clerk	247,912	247,912	226,532	21,380
Capital Outlay	1	1		1
Total County Clerk	<u>247,913</u>	<u>247,913</u>	<u>226,532</u>	<u>21,381</u>
Court Clerk	195,714	195,714	193,963	1,751
Capital Outlay	1	1		1
Total Court Clerk	<u>195,715</u>	<u>195,715</u>	<u>193,963</u>	<u>1,752</u>

continued on next page

The accompanying notes to the other supplementary information are an integral part of this schedule.  
See independent auditor's report.

**WOODWARD COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

continued from previous page

	Original Budget	Final Budget	Actual	Variance
County Assessor	143,015	143,015	138,836	4,179
Capital Outlay	1	1		1
Total County Assessor	<u>143,016</u>	<u>143,016</u>	<u>138,836</u>	<u>4,180</u>
Revaluation of Real Property	140,397	141,037	132,609	8,428
Capital Outlay	1	1		1
Total Revaluation of Real Property	<u>140,398</u>	<u>141,038</u>	<u>132,609</u>	<u>8,429</u>
Juvenile	21,000	21,000	17,343	3,657
Total Juvenile	<u>21,000</u>	<u>21,000</u>	<u>17,343</u>	<u>3,657</u>
General Government	372,049	371,359	185,460	185,899
Capital Outlay	86,000	86,000	4,977	81,023
Total General Government	<u>458,049</u>	<u>457,359</u>	<u>190,437</u>	<u>266,922</u>
Excise-Equalization Board	3,500	3,500	2,488	1,012
Capital Outlay	1	1		1
Total Excise-Equalization Board	<u>3,501</u>	<u>3,501</u>	<u>2,488</u>	<u>1,013</u>
County Election Board	62,722	63,101	61,178	1,923
Capital Outlay	1	956	955	1
Total County Election Board	<u>62,723</u>	<u>64,057</u>	<u>62,133</u>	<u>1,924</u>
Charity	2,000	2,000	350	1,650
Total Charity	<u>2,000</u>	<u>2,000</u>	<u>350</u>	<u>1,650</u>
County Audit Budget Account	12,054	12,054	12,054	
Total County Audit Budget Account	<u>12,054</u>	<u>12,054</u>	<u>12,054</u>	<u>-</u>
Civil Defense	35,133	35,183	26,288	8,895
Capital Outlay	1	1		1
Total Civil Defense	<u>35,134</u>	<u>35,184</u>	<u>26,288</u>	<u>8,896</u>
Recording Account	11,000	11,000	6,548	4,452
Total Recording Account	<u>11,000</u>	<u>11,000</u>	<u>6,548</u>	<u>4,452</u>
Provision for Interest on Warrants	500	500		500

continued on next page

The accompanying notes to the other supplementary information are an integral part of this schedule.  
See independent auditor's report.

**WOODWARD COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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continued from previous page

	Original Budget	Final Budget	Actual	Variance
Total Expenditures, Budgetary Basis	2,297,323	2,298,657	1,776,605	522,052
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ -	990,619	\$ 990,619
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			116,196	
Add: Current Year Outstanding Warrants			13,956	
Ending Cash Balance			\$ 1,120,771	

The accompanying notes to the other supplementary information are an integral part of this schedule.  
See independent auditor's report.

**WOODWARD COUNTY, OKLAHOMA  
COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND  
CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—  
COUNTY HEALTH DEPARTMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	County Health Department Fund			
	Original	Final	Actual	Variance
	Budget	Budget		
Beginning Cash Balances	\$ 85,498	\$ 85,498	\$ 85,497	\$ -
Less: Prior Year Outstanding Warrants	(2,783)	(2,783)	(2,783)	
Less: Prior Year Encumbrances	(8,706)	(8,706)	(8,162)	544
Beginning Cash Balances, Budgetary Basis	<u>74,009</u>	<u>74,009</u>	<u>74,552</u>	<u>543</u>
Receipts:				
Ad Valorem Taxes	115,055	115,055	125,288	10,233
Charges for Services		24,057	24,702	645
Intergovernmental			613	613
Total Receipts, Budgetary Basis	<u>115,055</u>	<u>139,112</u>	<u>150,603</u>	<u>11,491</u>
Expenditures:				
Health and Welfare	135,000	154,057	91,701	62,356
Capital Outlay	54,064	59,064	3,765	55,299
Total Expenditures, Budgetary Basis	<u>189,064</u>	<u>213,121</u>	<u>95,466</u>	<u>117,655</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	129,689	<u>\$ 129,689</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			8,494	
Add: Current Year Outstanding Warrants			8,544	
Ending Cash Balance			<u>\$ 146,727</u>	

The accompanying notes to the other supplementary information are an integral part of this schedule.  
See independent auditor's report.

**WOODWARD COUNTY, OKLAHOMA  
NOTES TO OTHER SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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**1. Budgetary Schedules**

The Comparative Schedules of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis, 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 Combined Statement of Receipts, Disbursements, and Changes in Cash Balances with Combining Information because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

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 these funds. At the end of the year, unencumbered appropriations lapse.

**INTERNAL CONTROL AND COMPLIANCE SECTION**

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

TO THE OFFICERS OF  
WOODWARD COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Woodward County, Oklahoma, as of and for the year ended June 30, 2005, which comprises Woodward County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated February 27, 2006. Our report on the basic financial statement was adverse because the statement is not a presentation in conformity with accounting principles generally accepted in the United States of America. Also, our report 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 Woodward County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement 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 Woodward County's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statement. The reportable condition is described in the accompanying schedule of findings and responses as item 2000-1.

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 statement 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 2000-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Woodward County's financial statement is 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 the management of Woodward County, which are included in Section 2 of the schedule of findings and responses contained in this report.

This report is intended solely for the information and use of the management of Woodward County and should not be used for any other purpose. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S., section 24A.1 et seq.), and shall be open to any person for inspection and copying.

A handwritten signature in black ink, reading "Jeff A. McMahen". The signature is written in a cursive style with a large initial "J" and "M".

JEFF A. McMAHAN  
State Auditor and Inspector

February 27, 2006

**WOODWARD COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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**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 2000-1 - Segregation of Duties (Repeat Finding)**

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

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

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

Views of responsible officials and planned corrective actions: Although a shortage in personnel keeps our department from segregating all duties, supervisors maintain control by performing periodic and random checks of all employees who have access to accounting records and cash.

**SECTION – This section contains certain matters not required to be reported in accordance with *Government Auditing Standards*. However, we believe these matters are significant enough to bring to management's attention. We recommend that management consider these matters and take appropriate corrective action.**

**Finding 2005-1 – Blanket Purchase Orders**

Criteria: According to 19 O.S. § 1501 and 62 O.S. § 310.8.A.2, repairs in excess of \$2,500 shall be submitted on a blanket purchase order and an itemized list of goods or services purchased pursuant to the blanket purchase order shall be attached to the vendor's invoice if said invoice does not contain an itemized list of goods or services purchased pursuant to the blanket purchase order.

Condition: The audit of 45 purchase orders revealed 8 purchase orders for repairs did not have an estimate from the vendor.

Additionally, during the review of disbursements, it was determined that there were three of these purchase orders for repairs that were over \$2,500 and should have had blanket purchase orders issued.

**WOODWARD COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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Recommendation: We recommend that all recurring purchases of repairs over \$2,500 be issued a blanket purchase order and that all repairs have an estimate before the purchase order is encumbered in accordance with 19 O.S. § 1501 and 62 O.S. § 310.8.A.2.

Views of responsible officials and planned corrective actions: Future repairs estimated at over \$2,500 will be issued a blanket purchase order and repairs will have an estimate before the purchase order is encumbered in accordance with 19 O.S. § 1501 and 62 O.S. § 310.8.A.2.

**Finding 2005-2 – Purchase Orders**

Criteria: In accordance with 19 O.S. § 1500-1505, encumbrances should be made prior to ordering or receiving the goods or services, and bid awards should be documented in the board minutes.

Condition: The test of 45 purchase orders revealed 8 instances where goods or services were purchased before the funds were encumbered.

Recommendation: We recommend encumbrances be made prior to ordering or receiving of the goods

Views of responsible officials and planned corrective actions: Fire Departments, Sheriff's Department, County Clerk and Commissioners have been apprised of 19 O.S. § 1500-1505 requirements that encumbrances must be made prior to ordering or receiving goods or services.

**Finding 2005-3 – Sheriff Inmate Trust Account**

Criteria: Title 19 O.S. § 682 requires all monies received be issued a receipt and those funds received be deposited daily in the official depository under color of office. In addition, 19 § 531.A. states, "Notwithstanding any other provisions of law, the county sheriff may establish a checking account, to be designated the "Inmate Trust Fund Checking Account", to be managed by the county sheriff and maintained separately from regular county funds. The checking account shall be subject to audit by the State Auditor and Inspector. The county sheriff shall deposit all monies collected from inmates incarcerated in the county jail into this checking account and may write checks to the Sheriff's Commissary Account for purchases made by the inmate during his or her incarceration and to the inmate from unencumbered balances due the inmate upon his or her discharge."

Title 19 O.S. § 531.C. states, "The State Auditor and Inspector shall prescribe procedures for the operation of the Inmate Trust Fund Checking Account." SA&I Bulletin 93-26 states that prenumbered duplicate receipts should be issued and that the receipts be deposited daily.

Furthermore, effective accounting procedures include prenumbering duplicate receipts and issuance in sequential order and the amount of the receipt be the same amount reflected on the deposit slip.

**WOODWARD COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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Condition: The following exceptions were noted in our audit of the activity in the Sheriff Inmate Trust Account:

1. The audit of all deposits and receipts of funds in the Inmate Trust Account revealed 156 instances where monies received was not deposited in a timely manner. (within two days)
2. There were 42 instances where receipts could not be located for funds deposited.
3. There were 6 instances totaling \$305.25 where funds receipted were not deposited in the Inmate Trust Account.
4. There were 5 instances where funds deposited in the Inmate Trust Account were not receipted.
5. Receipts were not issued in chronological order, in many instances, making it difficult to determine if receipts were deposited in a timely manner.
6. Receipts totaling \$109.20 were dated 11-26-98 through 01-15-00; however, these receipts were deposited throughout fiscal year 2005.
7. One instance was noted where the receipt did not reflect the amount deposited. Receipt #2117 was issued for \$30.00; however, the deposit slip reflected \$105.00 was deposited.

Recommendation: We recommend the Woodward County Sheriff implement policies and procedures to comply with 19 O.S. §682, and deposit daily all monies received under color of office. We further recommend the Sheriff manage the "Inmate Trust Fund Checking Account" as provided in 19 O.S. §531.A. and SA&I Bulletin 93-26, and maintain individual ledgers on each inmate's money received and expended. We also recommend that prenumbered duplicate receipts be issued in chronological order and that the receipts be deposited daily.

Views of responsible officials and planned corrective actions: Recently, our department signed a contract with Canteen Correctional Services. This company will be responsible for all records, cash, orders, and inventory. Records will be readily available for the auditors' inspection. This solution should resolve any further issue with our Inmate Trust Account.

**Finding 2005-4– Sheriff Service Fee and Cash Bond**

Criteria: Title 28 O.S. § 9 states, "Every officer charging fees, shall give a receipt therefore". Title 19 O.S. § 682 states, "To deposit daily in the official depository...all monies, checks, drafts, orders, vouchers, funds, rentals, penalties, cost, proceeds of sale of property, fees, fines, forfeitures and public charges of every kind received or collected by virtue or under color of office."

**WOODWARD COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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Condition: The test of 100% of cash bonds and service fees collected, revealed seven instances where cash bonds and service fees were not receipted, and two instances where it could not be determined if the service fee receipted was deposited.

Recommendation: We recommend all collections be receipted in accordance with 28 O.S. § 9 and deposited daily in accordance with 19 O.S. § 682.

Views of responsible officials and planned corrective actions: There were seven instances where deposits were not found for various fees or bonds. These were not deposited “daily” and may have been overlooked because of our department’s lack of timeliness in depositing them. There were two instances where receipts were made and deposits were not located – again, these were not deposited “daily” and also may have been overlooked. Our solution is to ensure that all fees and bonds are deposited on a daily basis as required by law.