

WOODWARD COUNTY

FOR THE FISCAL YEAR ENDED
JUNE 30, 2007

COUNTY AUDIT



Oklahoma State Auditor
& Inspector

**WOODWARD COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

December 8, 2008

TO THE CITIZENS OF
WOODWARD COUNTY, OKLAHOMA

Transmitted herewith is the audit of Woodward County, Oklahoma, for the fiscal year ended June 30, 2007. 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,

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

MICHELLE R. DAY, ESQ.
DEPUTY STATE AUDITOR & INSPECTOR

**WOODWARD COUNTY, OKLAHOMA
FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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**REPORT TO THE CITIZENS
OF
WOODWARD COUNTY, OKLAHOMA**



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 - 19,088
(2005 est.)

Farms – 842

Land in Farms - 726,473 Acres

Primary Source: Oklahoma Almanac 2007-2008

See independent auditor’s report.

**WOODWARD COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

COUNTY ASSESSOR

Debbie Gentry

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

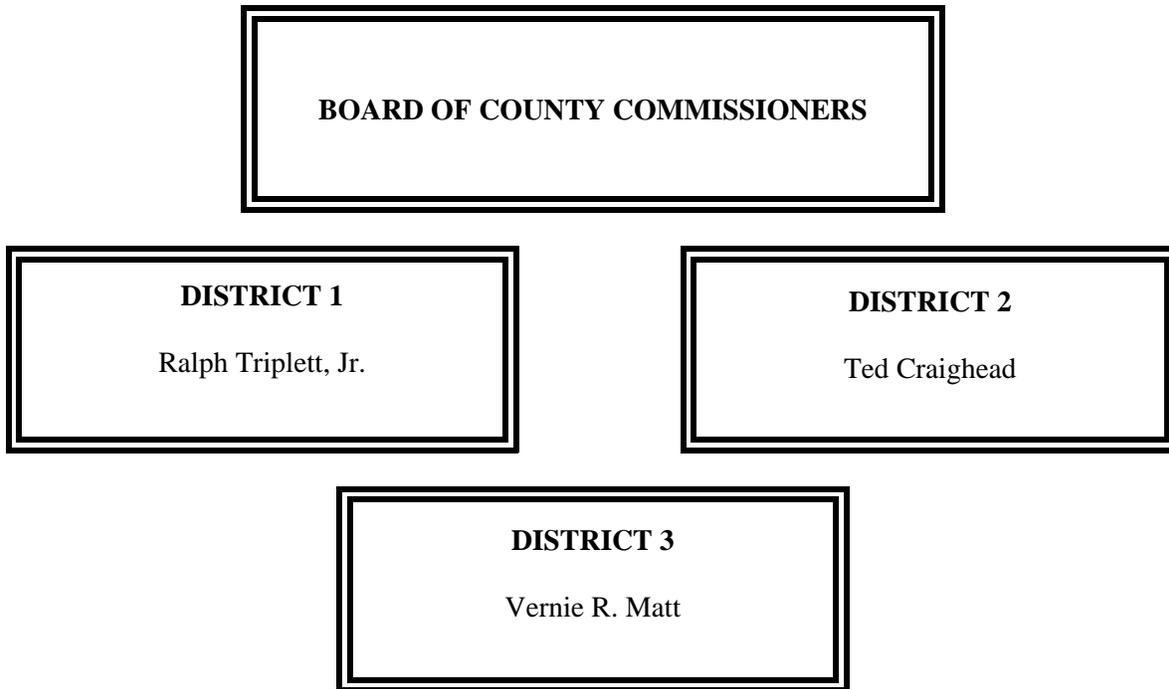
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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, 2007**



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, 2007**

COUNTY SHERIFF

Leslie Morton

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

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, 2007**

COURT CLERK

Jenny Hopkins

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

Hollis Thorp

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, 2007**

ELECTION BOARD SECRETARY

Carol Carrell

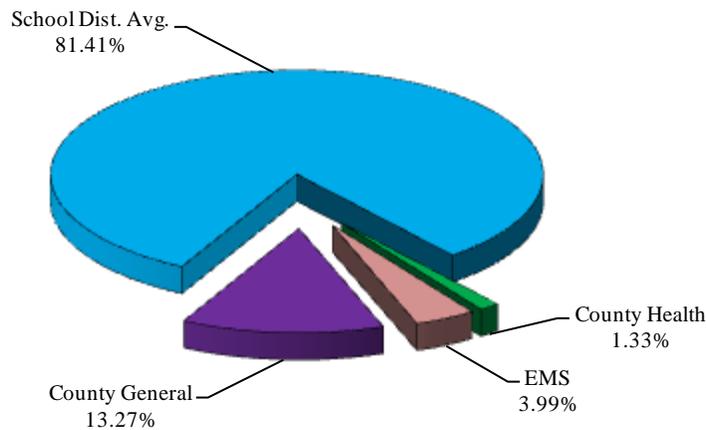
The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within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

To finance the operation of the County Election Board, the County Excise Board must appropriate sufficient funds annually. The state and counties split the election costs, but counties must pay for any county elections not held concurrently with state elections.

See independent auditor's report.

**WOODWARD COUNTY, OKLAHOMA
AD VALOREM TAX DISTRIBUTION
SHARE OF THE AVERAGE MILLAGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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	11.46	12.54	4.18	69.55
EMS	3.14	Mooreland	I-2	37.25	5.32	12.91	12.54	4.18	72.20
		Sharon/Mutual	I-3	37.50	5.36	5.73	12.54	4.18	65.31
		Fort Supply	I-5	37.24	5.32	10.23	12.54	4.18	69.51
		Ellis	Jt I-26	37.31	5.33	11.18	12.54	4.18	70.54
		Ellis	Jt I-3	39.06	5.58	4.88		4.18	53.70
		Dewey	Jt I-5	38.11	5.44	12.23		4.18	59.96
		Dewey	Jt I-8	35.72	5.10	4.43		4.18	49.43
		Woods	Jt I-3	36.56	5.22	7.61	13.83	4.18	67.40
		Woods	Jt I-6	37.37	5.34	3.10	13.83	4.18	63.82

See independent auditor's report.

**WOODWARD COUNTY, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(UNAUDITED)**

Total net assessed value as of January 1, 2006		<u>\$ 135,663,306</u>
Debt limit - 5% of total assessed value		6,783,165
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	-	<u>-</u>
Legal debt margin		<u>\$ 6,783,165</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, 2007
(UNAUDITED)**

	2007
Estimated population	19,088
Net assessed value as of January 1, 2006	\$ 135,663,306
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, 2007
(UNAUDITED)**

Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2006	\$45,719,309	\$22,292,359	\$72,087,197	\$4,435,559	\$135,663,306	\$1,168,527,794

See independent auditor's report.

FINANCIAL SECTION

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

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, 2007, 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 or permitted 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, 2007, 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, 2007, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2008, 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.



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR



MICHELLE R. DAY, ESQ.
DEPUTY STATE AUDITOR & INSPECTOR

October 27, 2008

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, 2007**

	Beginning Cash Balances July 1, 2006	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2007
Combining Information:				
County General Fund	\$ 1,200,153	\$ 2,200,301	\$ 2,013,873	\$ 1,386,581
County Highway Cash	2,174,831	4,125,506	4,053,115	2,247,222
County Health Department	151,118	147,741	147,431	151,428
Resale Property	100,161	28,882	29,946	99,097
Treasurer Mortgage Tax Certification Fee	31,731	5,855	4,310	33,276
County Clerk Lien Fee	58,121	36,537	8,167	86,491
County Clerk Records Preservation Fee	72,705	47,790	56,237	64,258
County Assessor Visual Inspection	11,480		2,946	8,534
County Assessor Revolving	14,758	9,051	6,031	17,778
Sheriff Jail Commissary	10,132	7,168	9,991	7,309
Fort Supply Lake Patrol	21,383	8,613	10,633	19,363
Sheriff Prisoner Revolving	38,179	116,280	130,462	23,997
Sheriff Service Fee	78,424	91,674	77,600	92,498
Sheriff Special	1,746			1,746
Sheriff Training	140			140
Sheriff Grant	7,222		7,222	
Northwest Oklahoma Juvenile Detention Center	22,836	3,785		26,621
Northwest Oklahoma Cattle/Rural	1,020			1,020
County Sales Tax	744,858	814,019	780,094	778,783
UTPHONE E-911	194	294,734	110,909	184,019
Sanitary Landfill	668,485	850,074	764,322	754,237
Sara Title III	17,097	1,088	11,764	6,421
Wireless 911 Cell Phones		62,530		62,530
Combined Total--All County Funds	\$ 5,426,774	\$ 8,851,628	\$ 8,225,053	\$ 6,053,349

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, 2007**

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, 2007**

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 – 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.

**WOODWARD COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

Sara Title III - accounts for the \$20 fee for the Local Emergency Planning Committee for filing hazardous material reports, and for the donations to defray the cost of searching for the body of Logan Tucker.

Wireless 911 Cell Phones – accounts for the revenue from fees charged on cell phones in order to fund the E911 system. The funds are collected through OEDA and passed on to the County. They are kept separate from the landline fees, because the cellular 911 phase of the system is not functional.

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. Any trust or agency funds maintained by the County are not included in this presentation.

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 for the respective fund by 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, 2007**

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. All funds were covered by federal depository insurance or collateral held by the County's agent in the County's name.

G. Compensated Absences

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

Years of Service	Accrual Rate	Accrual Limits
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, 2007**

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 5 years of service, employees receive ½ day for every month worked for sick leave benefits. For over 5 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, 2006, was approximately \$135,663,306.

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 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, 2007, were approximately 97.99 percent of the tax levy.

**WOODWARD COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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:

Types of Loss	Method of Management	Risk of Loss Retained
General Liability <ul style="list-style-type: none"> • Torts • Errors and Omissions • Law Enforcement Officers Liability • Vehicle 	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"> • Theft • Damage to Assets • Natural Disasters 		
Workers’ Compensation <ul style="list-style-type: none"> • Employees’ Injuries 	The County carries commercial insurance.	A judgment could be assessed for claims in excess of coverage.
Employee <ul style="list-style-type: none"> • Medical • Disability • Dental • Life 	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, 2007**

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 workers' 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 7.5% and 12.5% of earned compensation. Elected officials could contribute between 4.5% and 10% of their entire compensation. The County contributes 12.5% of earned compensation for elected officials. The County's contributions to the Plan for the years ending June 30, 2007, 2006, and 2005, were \$312,486, \$278,110, and \$232,603, respectively, equal to the required contributions for each year.

**WOODWARD COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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.

As of the end of the fiscal year, there were no claims or judgments that would have a material adverse effect on the financial condition of the County; however, the outcome of any lawsuit would not be determinable.

9. Sales Tax

An unlimited one-fifth percent sales tax became effective June 1, 1994. The sales tax is distributed among 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%).

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, 2007

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 1,200,153	\$ 1,200,153	\$ 1,200,153	\$ -
Less: Prior Year Outstanding Warrants	(89,075)	(89,075)	(89,075)	
Less: Prior Year Encumbrances	(10,429)	(10,429)	(5,313)	5,116
Beginning Cash Balances, Budgetary Basis	<u>1,100,649</u>	<u>1,100,649</u>	<u>1,105,765</u>	<u>5,116</u>
Receipts:				
Ad Valorem Taxes	1,290,035	1,290,035	1,318,857	28,822
Charges for Services	98,827	98,827	202,582	103,755
Intergovernmental Revenues	113,760	113,760	397,260	283,500
Miscellaneous Revenues	7,035	7,035	281,602	274,567
Total Receipts, Budgetary Basis	<u>1,509,657</u>	<u>1,509,657</u>	<u>2,200,301</u>	<u>690,644</u>
Expenditures:				
Law Library	3,000	3,000	2,945	55
County Sheriff	670,234	670,234	647,323	22,911
County Treasurer	188,903	188,903	181,827	7,076
County Commissioner	199,999	199,999	19,788	180,211
County Clerk	279,741	279,741	267,943	11,798
Court Clerk	222,253	222,253	219,807	2,446
County Assessor	159,404	159,404	157,921	1,483
Revaluation of Real Property	154,397	154,397	149,325	5,072
Juvenile Shelter	26,800	26,800	15,569	11,231
General Government	593,230	593,230	281,492	311,738
Excise-Equalization Board	3,501	3,501	2,397	1,104
County Election Board	70,097	70,097	67,494	2,603

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, 2007**

continued from previous page

	Original Budget	Final Budget	Actual	Variance
Charity	2,000	2,000	350	1,650
Recording Account	11,000	11,000	8,662	2,338
Civil Defense	11,681	11,681	11,458	223
County Audit Budget Account	13,566	13,566	13,566	-
Provision for Interest on Warrants	500	500	-	500
Total Expenditures, Budgetary Basis	2,610,306	2,610,306	2,047,867	562,439
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	1,258,199	<u>\$ 1,258,199</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			13,338	
Add: Current Year Outstanding Warrants			115,044	
Ending Cash Balance			<u>\$ 1,386,581</u>	

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, 2007**

	County Health Department Fund			
	Original	Final	Actual	Variance
	Budget	Budget		
Beginning Cash Balances	\$ 151,118	\$ 151,118	\$ 151,118	\$ -
Less: Prior Year Outstanding Warrants	(3,242)	(3,242)	(3,242)	
Less: Prior Year Encumbrances	(4,327)	(4,326)	(4,326)	
Beginning Cash Balances, Budgetary Basis	<u>143,549</u>	<u>143,550</u>	<u>143,550</u>	<u>-</u>
Receipts:				
Ad Valorem Taxes	129,497	129,497	132,390	2,893
Charges for Services		10,149	14,685	4,536
Intergovernmental			666	666
Total Receipts, Budgetary Basis	<u>129,497</u>	<u>139,646</u>	<u>147,741</u>	<u>8,095</u>
Expenditures:				
Health and Welfare	273,046	283,196	187,581	95,615
Total Expenditures, Budgetary Basis	<u>273,046</u>	<u>283,196</u>	<u>187,581</u>	<u>95,615</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	103,710	<u>\$ 103,710</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			18,059	
Add: Current Year Outstanding Warrants			29,659	
Ending Cash Balance			<u>\$ 151,428</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, 2007**

Budgetary Schedule

The Comparative Schedule 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.

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

INTERNAL CONTROL AND COMPLIANCE SECTION

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

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, 2007, 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 October 27, 2008. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies 2007-3 and 2007-5 as described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 2007-5 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as items 2007-1, 2007-2, 2007-4, 2007-6, and 2007-8.

We noted a certain matter that we reported to the management of Woodward County, which is included in Section 2 of the schedule of findings and responses contained in this report.

Woodward County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Woodward County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use 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.



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR



MICHELLE R. DAY, ESQ.
DEPUTY STATE AUDITOR & INSPECTOR

October 27, 2008

**WOODWARD COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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 2007-1 – Purchasing/Encumbering

Criteria: Statutory control requirements have been established for county government for the acquisition of supplies and inventory. Title 19 O.S. § 1505, requires procedures for the purchase of goods or services shall be as follows:

- D.1.a. The county purchasing agent shall prepare a purchase order and submit it to the county clerk.
- D.2.b. The county clerk shall then encumber the amount stated on the purchase order and assign a sequential number to the purchase order.

Additionally, 19 O.S. § 1505.E(2)(3) states, “Upon the delivery of an item, the receiving officer shall determine if a purchase order exists for the item being delivered. If no such purchase order has been provided the receiving officer shall refuse delivery of the item.”

Condition: The test of 62 purchase orders (19%) revealed 12 instances in which purchase order invoice dates were before the encumbrance dates:

Office	Warr #	Paid To:	Purpose	Enc Date	Inv Date
Sheriff	601	G&G Electronics	Install antennas	09/01/06	08/31/06
Assessor	886	Fleetcor Tech	Fuel	11/28/06	11/20/06
Commissioner #3	1098	Sherman-Williams	Painting supplies	01/11/07	01/09/07
Co. Clerk	1299	Devine's Stationary	Office supplies	03/02/07	02/15/07
Sheriff	130	Fleetcor Tech	Fuel	06/01/07	05/14/07
Commissioner #1	2086	Cent'l Ford New Holland	Backhoe Door Latch	05/23/07	05/22/07
Commissioner #2	1969	Whites Welding	Welding & I Beams	04/24/07	04/20/07
Commissioner #2	1950	Wm S Key	Inmate Cost	05/09/07	05/04/07
Commissioner #3	429	B&H Paving	Chip Sealing	09/12/06	09/08/06
Commissioner #2	563	Compliance Source	Drug Testing	10/05/06	09/30/06
Sales Tax	481	Wasson Computers	Power Supply	12/21/06	08/11/06
Sales Tax	500	Pressure Solutions	Pressure switch	01/17/07	01/10/07

Effect: Unencumbered expenditures are being incurred by the County.

Recommendation: OSAI recommends the County officers encumber the funds before the purchase commitment is made.

Views of responsible officials and planned corrective actions: Administration is re-evaluating encumbrance procedures. Purchase numbers will be assigned prior to purchase, and proper purchase and encumbering protocol will be addressed in the Woodward County Sheriff’s Office Policy and Procedure Manual and comply with the state statute.

**WOODWARD COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Woodward County District One will continue to make every effort to obtain a purchase order prior to purchasing any goods or services. This policy is continually reviewed with the District One employees.

Woodward County District Three will strive to encumber funds prior to receiving goods or services.

Finding 2007-2 – Purchasing/Delivery Documents

Criteria: Title 19 O.S. § 1505.E.4 states, “If a purchase order is on file, the receiving agent shall obtain a delivery ticket, bill of lading, or other delivery document and compare it with the purchase order.”

Condition: The test of 62 purchase orders resulted in one instance in which warrant #130 to Fleetcor Technologies, paid from the Sheriff Service Fee account for \$945.11, did not have the fuel tickets attached to the purchase order.

Effect: This circumstance results in unaccountability for expenditures and may lead to error in disbursements.

Recommendation: OSAI recommends that all necessary documentation of fuel purchased be attached to the purchase order as outlined in 19 O.S. § 1505.E.4.

Views of responsible officials and planned corrective actions: The Woodward County Sheriff’s Office will attach all fuel receipts to purchase orders turned in to County purchasing clerk per 19 O.S. §1505.E.4.

Finding 2007-3 – Payroll Program/Determination of Full Time Status for Employees and Filing of Leave Reports

Criteria: The Handbook for County Commissioners of Oklahoma, Seventh Edition, chapter one states, “The County Clerk is the principal record keeper of the County.”

Additionally, Woodward County’s personnel handbook (page 13) states, “Each elected official shall be responsible for keeping records of the leave taken by his/her employees and shall make monthly reports to the County Clerk.”

Condition: Currently, records are not maintained for the total number of hours worked by all County employees. Each officer or department head is responsible for keeping track of the number of hours worked for each part-time person employed. When the part-time employee has reached 1,000 hours, the officer is then responsible for notifying the payroll clerk of the employee’s status change in order for him/her to receive full-time benefits including retirement.

Additionally, each department did not file monthly reports of accrued leave taken for each employee with the County Clerk.

**WOODWARD COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Effect: All eligible employees may not be participating in the employment retirement system.

Recommendation: OSAI recommends that all officers provide sick/annual leave reports for each of their employees with the monthly payroll claim, and the number of hours worked by all employees to ensure all employees are receiving benefits. We further recommend that the payroll department review reports to ensure that leave is accrued and used according to policy.

Views of responsible officials and planned corrective actions: County Commissioners revised the Policy Handbook wording, first paragraph on page 6, regarding the Leave Benefits Reports. A resolution was made and passed by the Commissioners in the November 3, 2008, meeting.

Finding 2007-4 – Official Depository Receipts/Sheriff Cash Bonds

Criteria: Title 28 O.S. § 9 states, “Every officer charging fees shall give a receipt therefor.” Title 19 O.S. § 682 states, “It shall be the duty of each and every county officer...to deposit daily in the official depository...all monies, checks, drafts, orders, vouchers, funds, rentals, penalties, costs, proceeds of sale of property, fees, fines, forfeitures and public charges of every kind received or collected by virtue or under color of office...”

Condition: The audit of 100% of Sheriff depository receipts, for cash bonds, revealed the following conditions:

- A. More than 2 days lapsed between the receipt and deposit of 62 receipts.
- B. Two receipts did not agree to the amounts deposited.

DATE	RECEIPT #	PURPOSE	RECEIPT AMOUNT	DEPOSIT AMOUNT	VARIANCE
10/01/06	6084	Bond	\$504.00	\$500	\$4
05/01/07	6355	Bond	\$1,554.00	\$1,504	\$50

- C. Receipts were not always listed in chronological date sequence.
- D. Seven receipts did not have corresponding official depository deposits; however, they were deposited on miscellaneous receipts or Court Clerk receipts.

**WOODWARD COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

DATE	RECEIPT #	PURPOSE	AMOUNT
06/07/07	Bond #6370	Bond	\$504.00
01/05/07	222	Payroll reimb	\$360.00
01/05/07	222a	Mileage reimb	\$333.42
01/05/07	222b	Meals	\$41.34
03/01/07	251	Fingerprint fees	\$15.00
03/16/07	281	Inmate transport	\$974.60
04/11/07	307	Inmate transport	\$250.00

- E. Two deposits did not have corresponding receipts on the Sheriff's bookkeeping system, but did have bond receipts.

DATE	RECEIPT #	PURPOSE	AMOUNT
05/25/07	6365	Bond	\$1,000.00
05/29/07	6366	Bond	\$504.00

One deposit was listed on the Sheriff's bookkeeping system, but did not have a bond receipt issued.

DATE	RECEIPT #	PURPOSE	AMOUNT
04/02/07	295	Bond	\$168.40

Effect: Inconsistent recordkeeping increases likelihood of errors and provides opportunities for misappropriation of funds.

Recommendation: OSAI recommends that all collections be receipted on pre-numbered duplicate receipts and deposited daily in order to comply with 28 O.S. § 9 and 19 O.S. § 682. We further recommend that the deposits be made by someone other than the person issuing the receipts, to provide effective internal controls over collections.

Views of responsible officials and planned corrective actions: Deposit of all monies will be performed in a timely manner to comply with 28 O.S. § 9. Deposits will be entered in chronological order to comply with state statutes. The bookkeeping depository system is not performed solely through the Treasurer's official depository. All corrective actions will be addressed with the new Sheriff.

Finding 2007-5 - Segregation of Duties (Repeat Finding)

Criteria: Segregation of duties over asset custody, transaction authorization, bookkeeping, and reconciliations are important elements of effective internal control over government assets and resources.

Condition: It was noted that asset custody, transaction authorization, bookkeeping, and reconciliations in the Sheriff's office were not being properly segregated to assure adequate internal control structure.

**WOODWARD COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

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: Corrective actions will be addressed by the new Sheriff.

Finding 2007-6 – Expenditures From Commissary Funds

Criteria: Title 19 O.S. § 180.43.D states, "The sheriff shall be permitted to expend any surplus in the Sheriff's Commissary Account for administering expenses for training equipment, travel or for capital outlay expenditures."

Condition: The Sheriff purchased items from the commissary account that did not appear to be an allowable expenditure. PO #3347 issued to Symbol Arts was used to purchase 1 ½ inch "challenge coins." The coins were \$4.50 a piece, which resulted in a total cost of \$1,172.50. The coins were given to law enforcement officers as tokens of appreciation for the services performed.

Effect: This condition results in expenditures that may not be for the purposes set forth as training equipment, travel or capital outlay.

Recommendation: OSAI recommends only training equipment, travel or capital outlay expenses be paid from the surplus from the Sheriff's Commissary Account in accordance with 19 § 180.43.D.

Views of responsible officials and planned corrective actions: Account expenditures have been resolved. The account will be used for travel, training equipment and capital outlay expenditures.

Finding 2007-8 – Annual Commissary Report (Repeat Finding)

Criteria: Title 19 O.S. § 180.43.D states, "The sheriff shall file an annual report on any said commissary under his or her operation no later than January 15 of each year."

Condition: The Annual Commissary Reports for 2006 and 2007 were not filed with the Board of County Commissioners.

Effect: This condition results in a lack of management oversight that is especially crucial when a lack of segregation of duties exist.

**WOODWARD COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Recommendation: OSAI recommends that the Sheriff submit an annual report of the commissary to the County Commissioners by January 15, in compliance with 19 O.S. §180.43.D.

Views of responsible officials and planned corrective actions: An annual report will be submitted to the County Commissioners by January 15, in compliance with 19 O.S. § 180.43.D.

SECTION 2 – 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 2007-7 – Inmate Trust Voided Checks

Criteria: Title 60 O.S. § 657.A states, “Intangible property held for the owner by a court, state or other government, governmental subdivision or agency, public corporation, or public authority which remains unclaimed by the owner for more than one (1) year after becoming payable or distributable is presumed abandoned.”

Title 60 O.S. § 661 states, “A person holding property, tangible or intangible, presumed abandoned and subject to custody as unclaimed property under the Uniform Unclaimed Property Act, shall report to the State Treasurer concerning the property....” Further, it states in 60 O.S. § 657.E, that written notice shall be given to the owner 120 days before filing the report.

Condition: The Sheriff’s office voided unclaimed refund checks to inmates totaling \$345.11 and transferred the money into the commissary account.

Effect: Unclaimed refund checks are not managed in accordance with state statutes.

Recommendation: OSAI recommends that the Sheriff’s office manage unclaimed inmate checks in accordance with 60 O.S. § 657 and § 661.

Views of responsible officials and planned corrective actions: We will send our unclaimed inmate checks to the Unclaimed Property Fund in accordance with 60 O.S. § 657 and § 661.



**OFFICE OF THE STATE AUDITOR AND INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896**

WWW.SAI.OK.GOV