

**OSAGE COUNTY, OKLAHOMA
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2004**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

December 22, 2005

TO THE CITIZENS OF
OSAGE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Osage County, Oklahoma, for the fiscal year ended June 30, 2004. A report of this type is critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our audit.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the state to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in cursive script that reads "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

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

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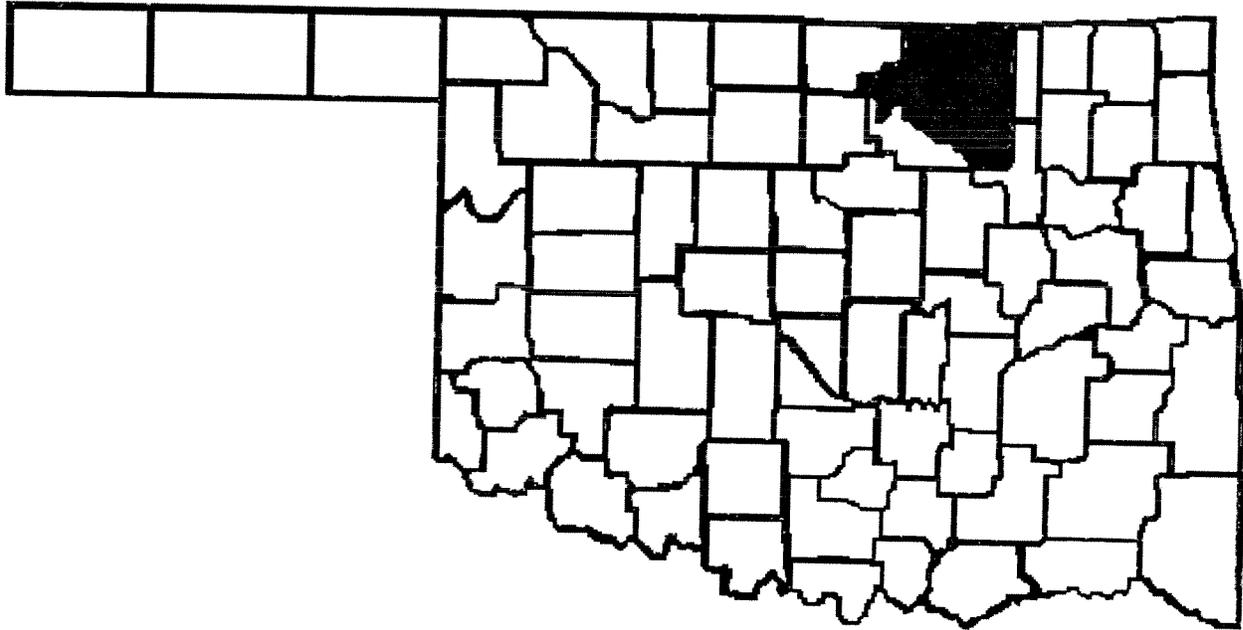
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**OSAGE COUNTY, OKLAHOMA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

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REPORT TO THE CITIZENS
OF
OSAGE COUNTY, OKLAHOMA



In 1872, the United States Government purchased land from the Cherokee Nation for the Osage tribe and it was then that the tribe moved to Indian Territory. At statehood, in 1907, this Osage Reservation became Osage County, the largest county in Oklahoma. Oil and gas, as well as horse and cattle ranching on the famous bluestem grass, contribute to the economy of Osage County. Attractions include Indian and western cultural activities, museums, lakes, creeks, rivers, the Tall Grass Prairie Reserve, the Osage Tribal Museum and Headquarters in Pawhuska, and Osage Hills State Park.

County Seat – Pawhuska

Area – 2,251 Square Miles

County Population – 44,437
(2000 est.)

Farms – 1,196

Land in Farms – 1,207,462 Acres

Source: Oklahoma Almanac 2003-2004

See independent auditor's report.

**OSAGE COUNTY OFFICIALS
AND RESPONSIBILITIES**

COUNTY ASSESSOR
Gail Hedgcoth
(D) Pawhuska

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
Toby Bighorse (to 7/31/03)
(D) Pawhuska
Denny Hutson (8/1/03 to present)
(D) Pawhuska

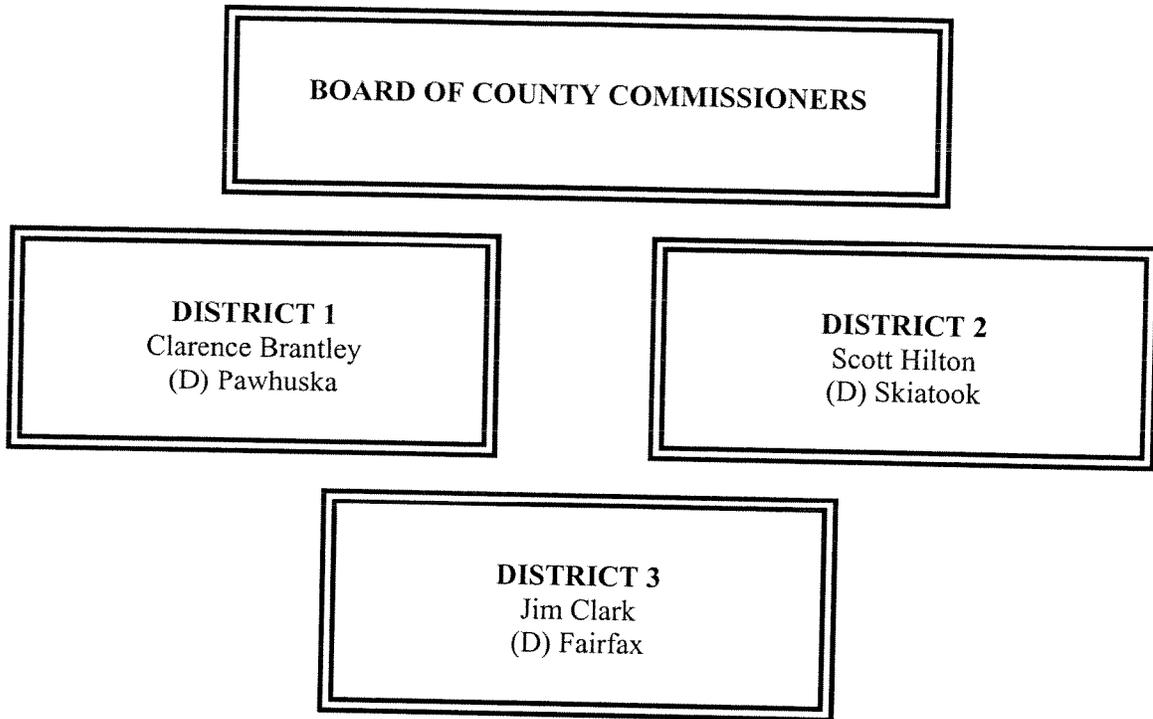
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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.

**OSAGE COUNTY OFFICIALS
AND RESPONSIBILITIES**



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

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

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

See independent auditor's report.

**OSAGE COUNTY OFFICIALS
AND RESPONSIBILITIES**

COUNTY SHERIFF
Russell Cottle
(D) Pawhuska

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
Joyce Hathcoat
(D) Pawhuska

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.

**OSAGE COUNTY OFFICIALS
AND RESPONSIBILITIES**

COURT CLERK

Sharon Casebolt (to 12/31/03)
(D) Pawhuska

Angie Bruce (1/1/04 to present)
(D) Pawhuska

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

Larry D. Stuart
(D) Hominy

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.

**OSAGE COUNTY OFFICIALS
AND RESPONSIBILITIES**

ELECTION BOARD SECRETARY

Renee Weyl
(D) Burbank

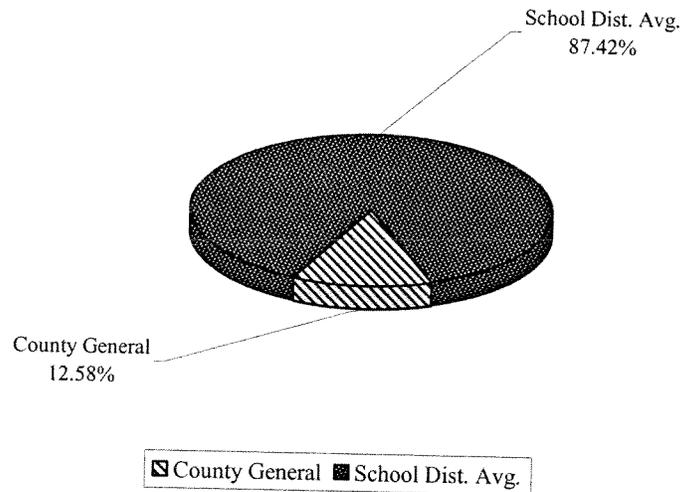
The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within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

**OSAGE COUNTY, OKLAHOMA
AD VALOREM TAX DISTRIBUTION
SHARE OF THE AVERAGE MILLAGE**

Property taxes are calculated by applying a millage rate to the assessed valuation of property. Millage rates are established by the Oklahoma Constitution. One mill equals one-thousandth of a dollar. For example, if the assessed value of a property is \$1,000.00 and the millage rate is 1.00, then the tax on that property is \$1.00. This chart shows the different entities of the County and their share of the various millages as authorized by the Constitution.



County-Wide Millages	
Co. General	10.00
Cities and Towns	
Tulsa	11.16
Sand Springs	11.16
Anderson	8.7
Dewey	15.00
Bartlesville	15.00

	School District Millages						Total
	Gen.	Bldg.	Skg.	Career-Tech	Common		
Pawhuska	35.00	5.00	16.39		4.00	60.39	
Osage Hills	35.00	5.00	10.29	15.00	4.00	69.29	
Bowring	35.00	5.00	19.39		4.00	63.39	
Shidler	35.00	5.00	8.39		4.00	52.39	
Barnsdall	35.00	5.00	14.60	15.00	4.00	73.60	
Wynona	35.00	5.00	19.32	15.00	4.00	78.32	
Avant	35.00	5.00		15.00	4.00	59.00	
Hominy	35.00	5.00	23.52	13.00	4.00	80.52	
Prue	35.00	5.00	22.06		4.00	66.06	
Anderson	35.00	5.00	10.97		4.00	54.97	
McCord	35.00	5.00	9.61	15.00	4.00	68.61	
Woodland	35.00	5.00	7.04		4.00	51.04	
Fairfax	35.00	5.00	7.04		4.00	51.04	
Tulsa	35.00	5.00	24.59	13.00	4.00	81.59	
Sand Springs	35.00	5.00	23.87	13.00	4.00	80.87	
Skiatook	35.00	5.00	25.16	13.00	4.00	82.16	
Sperry	35.00	5.00	25.16	13.00	4.00	82.16	
Dewey	35.00	5.00	13.33	15.00	4.00	72.33	
Cleveland	35.00	5.00	31.59	13.00	4.00	88.59	
Caney Valley	35.00	5.00	11.56	15.00	4.00	70.56	
Bartlesville	35.00	5.00	18.59	15.00	4.00	77.59	
Ponca City	35.00	5.00	20.75		4.00	64.75	

See independent auditor's report.

FINANCIAL SECTION



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

Independent Auditor's Report

TO THE OFFICERS OF
OSAGE COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Osage County, Oklahoma, as of and for the year ended June 30, 2004, as listed in the table of contents. These special-purpose financial statements are the responsibility of Osage County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Oklahoma Statutes, in addition to audit responsibilities, assign other responsibilities to the State Auditor and Inspector's Office. Those responsibilities include providing various information technology (IT) support for county government.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of all funds of Osage County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund of the County, and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Osage County in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of all funds of Osage County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund of the County, as of and for the year ended June 30, 2004, in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2005, on our consideration of Osage County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other

matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

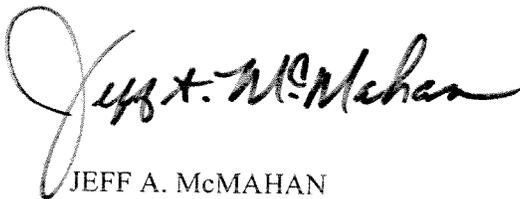
Our audit was performed for the purpose of forming an opinion on the special-purpose financial statements of Osage County, Oklahoma, taken as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the special-purpose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

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

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

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

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMAHAN". The signature is written in a cursive style with a large, looping initial "J".

JEFF A. McMAHAN
State Auditor and Inspector

May 18, 2005

Special-Purpose Financial Statements

**OSAGE COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES - ALL FUNDS
FOR THE YEAR ENDED, JUNE 30, 2004**

All County Funds	Beginning Cash Balances July 1, 2003	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2004
General Fund	\$ 1,663,393	\$ 2,609,002	\$ 2,680,591	\$ 1,591,804
Highway Cash	2,916,635	5,886,377	6,442,723	2,360,289
Health Department	27,030	11,008	4,973	33,065
Resale Property	492,504	207,596	127,473	572,627
Excess Resale	8,538	19,357	529	27,366
Sheriff B-4	41,322	206,238	162,421	85,139
Sheriff Equipment	632	200		832
County Clerk Lien Fee	22,944	13,550	4,369	32,125
Preservation Fee	68,655	59,314	12,064	115,905
Treasurer's Mortgage Cert. Fees	45,228	14,525	7,554	52,199
Assessor's Cash Fund	12,303	11,725	9,195	14,833
Special Insurance	48,697			48,697
Special E-911	4,562	32,446	3,720	33,288
CDBG Water Grant		47,306	47,306	
Capital Outlay & Equipment	1,037			1,037
Osage County Nutrition Program	150	433,364	370,284	63,230
Nutrition Program FY 01/02	1,886		1,886	
Nutrition Program FY 02/03	54,116	145,675	199,784	7
Sheriff Cash/Jail Account	47,378	279,779	150,782	176,375
VOCA #2	1,673		1,673	
Osage Co. Trash COP	340		100	240
Law Enforcement Block Grant	8,384	12,670	15,172	5,882
Jail Canteen Fund	4,487	28,340	26,636	6,191
VOCA Grant		23,450	23,450	
DARE Sheriff	2		2	
COPS Grant	400		400	
DA Drug Grant #12	2,033		2,033	
Fairground Cash Account	7,788	18,111	15,983	9,916
DA Drug Enforcement Grant		144,814	133,762	11,052
DA Bogus Check Fee Account	6,219	6,962	8,138	5,043
DA Incarceration Fee	14,485	29,348	36,542	7,291
DA Evidence Account	2	4,625	1,011	3,616
DA Drug Asset Forfeiture Acct	36,791	75,607	92,573	19,825
Sales Tax	6,312,964	2,953,132	2,593,924	6,672,172

continued on next page

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

**OSAGE COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES - ALL FUNDS
FOR THE YEAR ENDED, JUNE 30, 2004**

continued from previous page

All County Funds	Beginning Cash Balances July 1, 2003	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2004
Use Tax	648,404	752,111	623,327	777,188
Emergency Mgmt Grant	14,815	7,373	15,949	6,239
Sinking Fund	2,085	14		2,099
County Building Fund	1,013			1,013
Schools	2,147,735	17,580,848	16,732,645	2,995,938
Cities and Towns	20,964	471,514	468,127	24,351
Official Depository	484,704	4,131,552	4,095,579	520,677
Protest Tax	150,381	179	150,560	
Law Library	5,483	24,054	23,606	5,931
Fairground Improv. Gift Trust Fund	7,752		81	7,671
Community Service	5,335	1,500	120	6,715
Treasurer's Suspense Account	27,774	48,703	25,969	50,508
Individual Redemption	19,297	140,967	143,277	16,987
Free Fair	860	485	1,200	145
Trash Reward Fund		31		31
Court Clerk Payroll		99,438	82,487	16,951
Total County Funds	<u>\$ 15,389,180</u>	<u>\$ 36,533,290</u>	<u>\$ 35,539,980</u>	<u>\$ 16,382,490</u>

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

OSAGE COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 1,642,546	\$ 1,642,546	\$ 1,663,393	\$ 20,847
Less: Prior Year Outstanding Warrants	(199,144)	(199,144)	(199,185)	(41)
Less: Prior Year Encumbrances	(52,814)	(52,814)	(50,438)	2,376
Beginning Cash Balances, Budgetary Basis	<u>1,390,588</u>	<u>1,390,588</u>	<u>1,413,770</u>	<u>23,182</u>
Receipts:				
Ad Valorem Taxes	1,539,432	1,539,432	1,700,189	160,757
Charges for Services	248,547	248,547	293,873	45,326
Intergovernmental Revenues	463,422	463,422	513,572	50,150
Miscellaneous Revenues	107,311	107,311	101,368	(5,943)
Total Receipts, Budgetary Basis	<u>2,358,712</u>	<u>2,358,712</u>	<u>2,609,002</u>	<u>250,290</u>
Expenditures:				
Total District Attorney	94,138	94,138	91,853	2,285
Total County Sheriff	54,881	59,831	59,831	-
Total County Treasurer	144,213	144,213	144,213	-
Total County Commissioner	146,642	146,642	146,642	-
OSU Extension	84,736	84,736	81,668	3,068
Capital Outlay	3,000	3,000	2,135	865
Total OSU Extension	87,736	87,736	83,803	3,933
County Clerk	219,313	219,263	217,237	2,026
Capital Outlay	2,500	2,500	2,002	498
Total County Clerk	221,813	221,763	219,239	2,524
Total Court Clerk	130,803	130,803	128,436	2,367
County Assessor	254,286	253,930	239,469	14,461
Capital Outlay		356	356	
Total County Assessor	254,286	254,286	239,825	14,461
Total Revaluation of Real Property	462,333	462,333	430,686	31,647
General Government	465,500	464,500	182,611	281,889
Capital Outlay	537,293	537,293	37,419	499,874
Total General Government	1,002,793	1,001,793	220,030	781,763
Total Excise-Equalization Board	<u>7,000</u>	<u>7,000</u>	<u>6,559</u>	<u>441</u>

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

**OSAGE COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004**

continued from previous page

	Original Budget	Final Budget	Actual	Variance
Total County Election Board	82,445	82,445	82,197	248
Total Insurance	462,683	457,733	386,749	70,984
Total Juvenile Shelter Bureau	30,000	30,000	30,000	-
Total County Audit Budget	16,934	16,934	16,934	-
Total Purchasing Agent	20,400	20,450	20,450	-
Total Data Processing	35,000	35,000	16,167	18,833
Total Charity	2,000	3,000	2,250	750
Total Planning and Zoning	93,500	93,500	81,154	12,346
Fairgrounds	34,700	34,700	23,672	11,028
Capital Outlay	10,000	10,000		10,000
Total Fairgrounds	44,700	44,700	23,672	21,028
Total Free Fair	6,000	6,000	4,857	1,143
Total Safety and Hazard	4,500	4,500	1,309	3,191
Total E-911	312,600	312,600	293,782	18,818
Total Civil Defense	26,900	26,900	18,813	8,087
Provision for Interest on Warrants	5,000	5,000	-	5,000
Total Expenditures, Budgetary Basis	<u>3,749,300</u>	<u>3,749,300</u>	<u>2,749,451</u>	<u>999,849</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	1,273,321	<u>\$ 1,273,321</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			117,386	
Add: Current Year Outstanding Warrants			201,097	
Ending Cash Balance			<u>\$ 1,591,804</u>	

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

**OSAGE COUNTY, OKLAHOMA
DETAILED STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BALANCES – SINKING FUND
FOR THE YEAR ENDED JUNE 30, 2004**

Beginning Cash Balance	\$ 2,085
	<u> </u>
Receipts:	
Ad Valorem Taxes	14
Total Receipts	<u>14</u>
	<u> </u>
Total Disbursements	<u>-</u>
	<u> </u>
Ending Cash Balance	<u>\$ 2,099</u>

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

**OSAGE COUNTY, OKLAHOMA
 DETAILED STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN CASH BALANCES - OFFICIAL DEPOSITORY ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2004**

Official Depository Accounts	Beginning Cash Balances July 1, 2003	Receipts	Disbursements	Ending Cash Balances June 30, 2004
District Court Fund	\$ 123,465	\$ 932,268	\$ 892,717	\$ 163,016
District Attorney Bogus Check	1,434	238,744	238,525	1,653
District Attorney Substance Abuse Treat. Prog.	5,268	51,343	55,753	858
County Clerk	3,481	431,786	431,591	3,676
Court Clerk - Division 1	224,931	1,771,372	1,764,235	232,068
Court Clerk - Revolving	50,340	25,854	16,323	59,871
County Treasurer	1,631	87,757	83,942	5,446
County Assessor		11,725	11,725	
County Sheriff	2,400	160,612	160,296	2,716
Training Fund	10	9,321	3,337	5,994
Sheriff Tax Warrant	71			71
County Election Board	1,259	37,902	37,739	1,422
Health Department		11,008	11,008	
Motor Vehicles		3,129	3,129	
District Attorney Special Drug	48,332	111,645	139,878	20,099
Treasurer's Trust Account	14,840	78,868	77,946	15,762
DA Victims' Restitution	7,098	163,907	163,600	7,405
State's Witness Fee Account	144	4,311	3,835	620
Total Official Depository Accounts	<u>\$ 484,704</u>	<u>\$ 4,131,552</u>	<u>\$ 4,095,579</u>	<u>\$ 520,677</u>

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

1. Summary of Significant Accounting Policies

A. Reporting Entity

Counties were created by the Constitution of Oklahoma. One county officer is appointed; however, most county officers are locally elected by their constituents. All county powers are delegated by the state.

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash balances of all funds of Osage County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund of the County. The funds presented 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 government uses funds to report on receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

C. Basis of Accounting

The financial statements are prepared on a basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgetary Policies

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

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

Summary of Significant Accounting Policies (continued)

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

The Comparative Statement of Receipts, Expenditures, and Changes in Cash Balances - Budget and Actual - for the General Fund presents comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Statement of Receipts, Disbursements, and Changes in Cash Balances - All Funds because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, county or city-county health departments, school districts and cities and towns. These other budgetary entities produce and file their own financial statements and estimates of needs (budgets). These related cash receipts and disbursements of other budgetary entities are not included in the County's Estimate of Needs.

E. Cash

The County pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Investments are carried at cost, which approximates market value. All funds were fully invested or deposited in interest-bearing demand accounts at June 30, 2004.

F. Risk Management

The County is exposed to various risks of loss as follows:

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
General Liability - 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 - Theft - Damage to Assets - Natural Disasters		

Summary of Significant Accounting Policies (continued)

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
Worker's Compensation - Employees' Injuries	The County carries commercial insurance for these types of risk.	A judgment could be assessed for claims in excess of coverage.
Employee - Medical - Disability - Dental - Life	The County carries commercial insurance for these types of risk.	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 \$50,000 deductible for each insured event as stated in the County's "Certificate of Participation." The risk pool will pay legitimate claims in excess of the deductible amount for replacement value up to \$100,000 for property, and up to \$500,000 for general liability. The pool has acquired commercial reinsurance in the amount of \$1,000,000 to cover claims that exceed the pool's risk retention limits. Settled claims have not exceeded insurance coverage for each of the past three fiscal years. There have been no significant reductions in coverage from the prior fiscal year.

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

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

2. Stewardship, Compliance, and Accountability

Budgetary Compliance

On or before the first Monday in July of each year, each officer or department head submits an estimate of needs to the governing body. The budget is approved by fund, office, or department and object. The County Board of Commissioners may approve changes of appropriations within the fund by office or department and object. To increase or decrease the budget by fund requires approval by the County Excise Board.

3. Detailed Notes on Funds and Account Balances

A. Deposits

At year-end, the reported amount of the County's deposits was \$16,382,490 and the bank balance was \$16,464,210. Of the bank balance, all funds were covered by federal depository insurance or collateral held by the County's agent in the County's name.

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

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

B. Description of Funds

General Fund – revenues are from ad valorem taxes, officers' fees, interest earnings, and miscellaneous collections of the County. Disbursements are for the general operations of the County.

Highway Cash – revenues are from state imposed fuel taxes and disbursements are for the maintenance and construction of county roads and bridges.

Health Department – accounts for monies collected for performing health and related services for the elderly. Disbursements are for expenditures for performing these services.

Resale Property – revenues are from interest and penalties on delinquent ad valorem taxes. Disbursements are to offset the expense of collecting delinquent ad valorem taxes.

Excess Resale – revenues are from amounts received above the amount of tax due when property is sold for taxes. Disbursements are to the original owner of the property.

Sheriff B-4 – accounts for the collection and disbursement of sheriff process service fees as restricted by statute.

Detailed Notes on Funds and Account Balances (continued)

Sheriff Equipment – accounts for donations received for the purpose of purchasing special equipment for the Sheriff's department.

County Clerk Lien Fee – revenues are from a fee charged by the County Clerk for filing liens. Disbursements are for any lawful expense of the County Clerk's office.

Preservation Fee – revenues are from a fee charged by the County Clerk for recording instruments. Disbursements are for the maintenance and preservation of public records.

Treasurer's Mortgage Certification Fees – revenues are from a fee for certifying mortgages. Disbursements are for any lawful expense of the Treasurer's office.

Assessor's Cash Fund – revenues are from fees charged by the County Assessor (copies, etc.). Disbursements are for any legal expense of the Assessor's office.

Special Insurance – accounts for insurance reimbursements received for damages to County property. Disbursements were for repairs to county property.

Special E-911 – accounts for the collection of fees charged on telephone bills for the County's emergency 911 system. Disbursements are for expenditures related to providing these services.

CDBG Water Grant – accounts for grant funds received for community development of water district projects.

Capital Outlay & Equipment – accounts for the collection and disbursement of funds collected to support capital improvements.

Osage County Nutrition Program – accounts for the collection and disbursement of federal and state grant funds received for the nutrition program during fiscal year 2000/2001.

Nutrition Program FY 01/02 - accounts for the collection and disbursement of federal and state funds received for the nutrition program during fiscal year 2001/2002.

Nutrition Program FY 02/03 – accounts for the collection and disbursement of federal and state grant funds received for the nutrition program during fiscal year 2002/2003.

Sheriff Cash/Jail Account – accounts for the collection and disbursement of money supplied to the Sheriff's office for the housing of prisoners for towns, tribes, and other counties. This money can be used for any lawful sheriff expenditure.

VOCA #2 – accounts for the collection and disbursement of grant money from the Department of Justice, which is provided to the County to assist victims of crimes.

Detailed Notes on Funds and Account Balances (continued)

Osage County Trash COP – accounts for monies collected from fines and apportionments used to prevent the dumping of trash throughout the County.

Law Enforcement Block Grant – accounts for the collection and disbursement of grant money supplied to the County by the Department of Justice for local law enforcement agencies.

Jail Canteen Fund – accounts for monies collected (from prisoners) and used as a checking account for the prisoners to make purchases during their incarceration.

VOCA Grant – accounts for the collection and disbursement of grant money from the Department of Justice, which is provided to the County to assist victims of crimes.

DARE Sheriff – accounts for the collection and disbursement of monies used by the Sheriff to combat drug trafficking.

COPS Grant – accounts for the collection and disbursement of grant money supplied to the County by the Department of Justice for local law enforcement agencies.

DA Drug Grant #12 – accounts for the collection and disbursement of monies used by the District Attorney to combat drug trafficking.

Fairground Cash Account – accounts for the collection and disbursement of monies received from rental of fair property and donations used for the upkeep and operations of the fair.

DA Drug Enforcement Grant – accounts for the collection and disbursement of monies used by the District Attorney to combat drug trafficking.

DA Bogus Check Fee Account – accounts for the collection and disbursement of monies to provide businesses with the service of the collection of bad checks written to them, pressing charges and issuing fines against the writers of the checks.

DA Incarceration Fee – accounts for the collection and disbursement of monies and fees ordered by the court used to provide boarding to prisoners incarcerated in the county jail.

DA Evidence Account – accounts for the collection of evidence used in crimes and the disbursement of the evidence per court order.

DA Drug Asset Forfeiture Account – accounts for the seizure and disposition of cash and property obtained by the District Attorney's office in drug related cases.

Sales Tax – accounts for sales tax collections received for operating and maintaining the County jail.

Detailed Notes on Funds and Account Balances (continued)

Use Tax – accounts for receipts of Oklahoma Tax Commission collections of county use tax. Disbursements are made for the construction, purchase, and/or maintenance of county buildings.

Emergency Management Grant – accounts for the receipt and disbursement of funds from state and local governments for emergency management and other civil defense purposes.

Sinking Fund – revenues are from flood control funds from the state. Disbursements are for the payment of principal and interest on judgments against the County.

County Building Fund – accounts for funds remaining from building projects.

Schools – All funds collected on behalf of the County schools are recorded in this fund and remitted to the individual schools monthly.

Cities and Towns – All funds collected on behalf of cities and towns are recorded in this fund and remitted to the individual cities and towns monthly.

Official Depository – All officers and agencies collecting fees deposit those fees to this account daily. At the end of each month the fees are distributed to the appropriate fund or agency.

Protest Tax – used to account for collection and disbursement of ad valorem taxes collected and held under protest.

Law Library – revenues are from an annual payment from the courts. Disbursements are for the operation of the County law library.

Fairground Improvement Gift Trust Fund – accounts for collections received from private donations for fairground improvement projects. Disbursements are for fairground projects.

Community Service – revenues are from state funds for reimbursement of administrative expenses for people sentenced to community service.

Treasurer's Suspense Account – accounts for the collection of ad valorem taxes that have yet to be apportioned. Disbursements will occur at the end of the month when the funds are apportioned.

Individual Redemption – revenues are from taxpayers who redeem tax certificates previously sold on their property. Disbursements are to reimburse the certificate holders for taxes paid, interest, penalties, and cost.

Free Fair – accounts for the collection and disbursement of monies received from entry fees and other miscellaneous income received for the upkeep and operations of the fair board.

Detailed Notes on Funds and Account Balances (continued)

Trash Reward Fund – revenues are from fines paid by litterers. Disbursements are for litter prevention.

Court Clerk Payroll – This is a clearing account to route state court fund salaries through the County Clerk's payroll system.

The following narrative details the official depository accounts.

District Court Fund – accounts for fees transferred from the district court monthly. Disbursements are for the operation of the district court.

District Attorney Bogus Check – accounts for the collection of bogus check restitution agreements. Disbursements are made to vendors for payment of bogus checks and to the District Attorney's Council for payment of monthly fees.

District Attorney Substance Abuse Treatment Program – accounts for court fees and fines received from drug cases. Disbursements are to the Court Clerk's office for court costs and to the District Attorney's incarceration fee and drug enforcement accounts.

County Clerk – accounts for the collection of filing and copy fees received in the office. Money is disbursed to OTC and the County Clerk Lien Fee account.

Court Clerk, Division 1 – accounts for the collection of bonds, fines, and fees. Money is disbursed for fees and restitution.

Court Clerk Revolving – accounts for funds received for warrants issued and the Court Clerk's portion of inmate incarceration fees. Money is disbursed in the same manner as the Court Fund.

County Treasurer – accounts for all collections of pre-paid ad valorem taxes, pre-paid mobile home taxes, and the sale of motor vehicle tax stamps. Disbursements are to the proper recipient monthly.

County Assessor – accounts for fees charged by the County Assessor and remitted to the Assessor's Revolving Fund monthly.

County Sheriff – accounts for collections of foreign service fees, bond monies, and concealed weapons fees. Monies are disbursed to the sheriff service fee account and to the District Court Clerk.

Training Fund – accounts for collection from sheriff sales as well as from stray livestock. Money is disbursed for deputy sheriffs' training costs.

Detailed Notes on Funds and Account Balances (continued)

Sheriff Tax Warrant – accounts for the collection of fees from OTC for serving of tax warrants. Money is disbursed for fees relating to serving these warrants.

County Election Board – accounts for reimbursements for election cost and is disbursed for election board operations.

Health Department – accounts for fees charged by the county health department. Disbursements are to the county health department budget account monthly.

Motor Vehicles – accounts for collection from the sale of motor vehicle stamps. Disbursements are for vehicle collections in which 98% of the funds are deposited in the county general fund and 2% of the collections are remitted back to the OTC.

District Attorney Special Drug – accounts for cash obtained through drug related cases and proceeds received from seized property sales. Disbursements are for drug fund assessments, releasing seized property, and to law enforcement agencies for proceeds earned on seized property sales.

Treasurer's Trust Account – accounts for collection of prepaid taxes, certification fees and collections on tax warrants. Disbursements are for the purpose of remits to OTC, schools, and County Treasurer mortgage certification fees.

DA Victims' Restitution – accounts for collections received after charges are filed in a case. These fees are for restitution and are ordered by the court. Disbursements are to victims and to the District Attorney's Bogus Check account.

State's Witness Fee Account – collections are from the State of Oklahoma for state witness fees. Disbursements are for payment of fees paid to state witnesses.

C. Ad Valorem Tax

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the County Assessor within the prescribed guidelines established by the Oklahoma Tax Commission and the State Equalization Board. Title 68 O.S. § 2820.A. states, ". . . Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the individual visual inspection of all taxable property within the county at least once each four (4) years."

Detailed Notes on Funds and Account Balances (continued)

The assessed property value as of January 1, 2003, was approximately \$159,587,311.

The County levied 10.00 mills (the legal maximum) for general fund operations. In addition, the County also collects the ad valorem taxes assessed by cities and towns and school districts and remits the ad valorem taxes collected to the appropriate taxing units.

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

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

Current year tax collections for the year ended June 30, 2004, were approximately 95.2 percent of the tax levy.

D. Pension Plan

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

E. Capital Leases

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

Detailed Notes on Funds and Account Balances (continued)

F. Fuel Tax

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

4. Contingent Liabilities

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

5. Sales Tax

On February 8, 1994, Osage County voters approved a 1% (one-cent) county-wide sales tax. The sales tax is to be used as follows:

- 1% Collection and enforcement of the sales tax.
- 99% For the payment of debt service incurred for the construction of new county jail facilities, and for maintenance and operation of the new jail, and increased personnel, equipment, and operation costs of the Osage County Sheriff's Office.

Annual collections are to first be applied to fully satisfy annual debt service and the remainder of annual collections to be applied towards the other specified purposes. The sales tax became effective July 1, 1994, and has duration of 20 years.

6. Related Party Transactions

One member of the Board of County Commissioners currently leases a substantial amount of pasture land from one of the County's major suppliers of road material. These transactions have been reviewed and approved by the District Attorney.

The District Attorney has determined that no conflict of interest exists and that this relationship will have no effect on the County's financial statements for the year ended June 30, 2004.

INTERNAL CONTROL AND COMPLIANCE SECTION



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

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

TO THE OFFICERS OF
OSAGE COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Osage County, Oklahoma, as of and for the year ended June 30, 2004, and have issued our report thereon dated May 18, 2005. Our report contains an explanatory paragraph discussing that the financial statements are not a complete presentation, and describes certain responsibilities of the State Auditor and Inspector's Office other than audit responsibilities. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Osage County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements. The reportable condition is described in the accompanying schedule of findings as item 00-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 00-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Osage County's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

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

Sincerely,



JEFF A. McMAHAN
State Auditor and Inspector

May 18, 2005

**OSAGE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004**

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 00-1 - Segregation of Duties (Repeat Finding)

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

Condition: Based on inquiries of County personnel, it was noted that the duties of receiving, receipting, recording, and depositing collections were not adequately segregated. Payroll preparation, review and distribution are not adequately segregated.

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

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

STATISTICAL SECTION
(Unaudited)

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

<u>TAXPAYER NAME</u>	<u>ASSESSED VALUE</u>	<u>% OF TOTAL NET VALUATION</u>
Conoco/Phillips	\$ 6,624,528	4.15%
Public Service Co. of Oklahoma	3,486,178	2.19%
Southwestern Bell Telephone	3,340,626	2.09%
Williams Pipeline Co.	2,724,879	1.71%
Oneok (all systems)	2,063,649	1.29%
BP Pipeline	1,871,764	1.17%
Chevron Phillips Chemical Co.	1,793,693	1.12%
Enbridge Pipeline	1,751,920	1.10%
Petrolite Corp Bareco Div.	1,544,608	0.97%
Enogex Inc.	1,383,088	0.87%
Total	<u>\$ 26,584,933</u>	<u>16.66%</u>

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

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

Total net assessed value as of January 1, 2003		<u>\$ 159,587,311</u>
Debt limit - 5% of total assessed value		7,979,366
Total bonds outstanding	-	
Total judgments outstanding	-	
Cash in sinking fund	<u>\$ 2,085</u>	<u>-</u>
Legal debt margin		<u>\$7,979,366</u>

OSAGE COUNTY, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
FOR THE YEAR ENDED JUNE 30, 2004
(UNAUDITED)

	2004
Estimated population	44,437
Net assessed value as of January 1, 2003	\$ 159,587,311
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	\$ -

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

Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2003	\$23,694,661	\$26,309,199	\$119,974,714	\$10,391,263	\$159,587,311	\$1,329,894,258