

OKMULGEE COUNTY CRIMINAL JUSTICE AUTHORITY

FINANCIAL STATEMENTS

AND

AUDITORS' REPORT

FOR THE YEAR ENDED

JUNE 30, 2011

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Okmulgee County Criminal Justice Authority
Okmulgee, Oklahoma

We have audited the accompanying financial statements of the Okmulgee County Criminal Justice Authority, a component unit of the County of Okmulgee, Oklahoma, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of Okmulgee County Criminal Justice Authority'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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Okmulgee County Criminal Justice Authority as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2011 on our consideration of the Okmulgee County Criminal Justice Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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.

The management's discussion and analysis information on pages I through III is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Okmulgee County Criminal Justice Authority's basic financial statements. The budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in cursive script that reads "Clothier & Company CPAs".

Clothier & Company, CPA's, P.C.

October 19, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

Our discussion and analysis of the Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2011.

USING THIS ANNUAL REPORT

This annual report consists of three parts; Management's Discussion and analysis, Financial Statements, and Required Supplementary Information. The Financial Statements also includes notes that explain in detail some of the information in the financial statements.

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long term financial information about its activities. The Balance Sheet includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). All of the current year's revenues and expenses are accounted for in the Income Statement. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its fees and other charges, profitability, and credit worthiness. The final required statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, capital and non-capital financing activities.

FINANCIAL HIGHLIGHTS

Assets	<u>\$2,188,432</u>	Revenues	<u>\$1,732,121</u>
Liabilities	\$ 343,960	Expenditures	<u>\$2,226,702</u>
Fund Balance	<u>\$1,844,472</u>	Interest Income	\$ <u>7,464</u>
	<u>\$2,188,432</u>	Net Income	<u>\$ (487,117)</u>

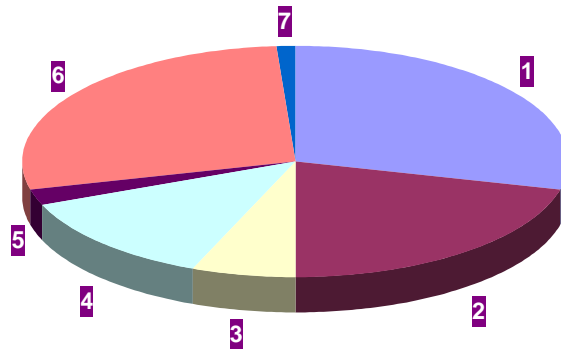
AUTHORITY'S ACTIVITIES

During the fiscal year the Authority maintained jail operations and additional contract bed funding. Emergency Management was moved from the Authority to the supervision of the Okmulgee County Commissioners. Security systems of the facility were improved with the purchase of new equipment. Revenues decreased and expenditures increased from last fiscal year. The fund balance this year shows a deficit.

BUDGETARY HIGHLIGHTS

The 2010-2011 budget was for a full 12 month period. We were unable to fund 5% step raises for employees and two FTE remain unfilled.

REVENUES BY SOURCE



Source	Amount	Percentage
1) Department of Corrections (DOC)	\$508,052	29%
2) 911 (County Transfers)	\$358,513	21%
3) Phone Commissions	\$111,561	6%
4) Incarceration fees	\$217,626	13%
5) Other	\$34,677	2%
6) Sales Tax	\$481,692	28%
7) Revenue	\$20,000	1%

DEBT ADMINISTRATION

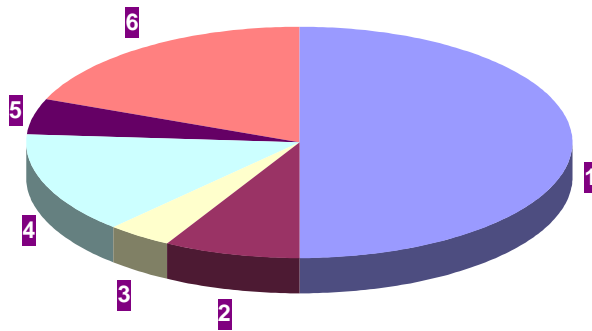
Okmulgee County Governmental Building Authority is responsible for the debt incurred on the jail and major assets. We have no long or short term debt.

FIXED ASSETS

We had a reporting of assets as follows:

Land/Improvements	\$200,235
Equipment	\$619,121

EXPENDITURES BY SOURCE



Source	Amount	Percentage
1) Salaries	\$1,105,194	50%
2) Inmate Expense	\$172,820	8%
3) Depreciation	\$88,186	4%
4) Employee Benefits	\$311,713	14%
5) Utilities & Telephone	\$112,215	5%
6) General Administrative	\$436,574	19%

NEXT YEAR'S ACTIVITIES

The Authority will continue contract bed services. Efforts to improve income revenue and preserve assets will be made.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our taxpayers and board trustees with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Authority's office at 918-752-0983.

Okmulgee County Criminal Justice Auth.
BALANCE SHEET
As of June 30, 2011

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,516,666
Cash In Bank-Inmate Trust Fund	191,477
Accounts Receivable	312,314
Salaries Receivable	<u>24,192</u>

Total Current Assets 2,044,649

PROPERTY AND EQUIPMENT

Office Equipment	288,516
Mobil Equipment	87,835
Land/Improvements	213,235
Equipment Other	231,841
Less: Accumulated Depreciation	<u>(479,404)</u>

Net Property and Equipment 342,023

TOTAL ASSETS \$ 2,386,672

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	\$ 64,109
Accrued Vacation Payable	114,488
Inmate Trust Fund Payable	<u>191,477</u>

Total Current Liabilities 370,074

LONG-TERM LIABILITIES

Total Liabilities 370,074

FUND BALANCE

Invested in Capital Assets	342,023
Unrestricted Fund Balance	<u>1,674,575</u>

Total Fund Balance 2,016,598

TOTAL LIABILITIES AND FUND BALANCE \$ 2,386,672

Okmulgee County Criminal Justice Auth.
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCE
June 30, 2011

Sales

Sales Tax Revenue	\$ 502,404
Phone Commission Revenue	58,298
DOC Revenue	1,180,562
Incarceration Fees Revenue	120,198
Transfer - Okmulgee County	397,404
Other income	56,369
	<hr/>
Total Sales	2,315,235

Operating Expenses

Salary	1,018,242
Salary-Overtime	29,676
Health Benefits	135,108
Life Insurance	1,447
Retirement Expense	152,987
Osdi & Medicare	79,157
Unemployment Ins.	8,906
Uniforms	3,732
Travel and Training	4,180
Vacation/Sick Expense	759
Inmate Food	128,243
Medical Supplies	7,558
Janitorial Supplies	17,738
Office Supplies	7,855
Operating Supplies	2,070
Maintenance Supplies	14,550
Fuel & Oil	9,258
Safety Supplies	524
Equipment / Small Tools	185
Building & Grounds	4,867
Miscellaneous	867
Kitchen Supplies	2,314
Indigent Supplies	3,381
Inmate Uniforms	53
Bedding Supplies	5,363
Postage Expense	1,315
911 Equipment Expense	39,621
Depreciation Expense	87,096
Insurance	88,381
Utilities-Electric	71,965
Utilities-Gas	12,371
Utilities-Water/Sewer	29,224

See accompanying footnotes and auditors' report.

Okmulgee County Criminal Justice Auth.
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCE
June 30, 2011

Utilities-Telephone	27,953
Communications	9,268
Contract Services	13,751
Rentals & Leases	11,820
Advertisement	103
Printing	2,475
Professional Services	108,993
Other Service Fees	430
Office Furniture	499
Equipment Other	353
Total Operating Expenses	<u>2,144,638</u>
Operating Income (Loss)	<u>170,597</u>
Other Income (Expense)	
Interest Income	<u>20,254</u>
Total Other Income (Expense)	<u>20,254</u>
Change in Fund Balance	<u><u>\$ 190,851</u></u>

See accompanying footnotes and auditors' report.

Okmulgee County Criminal Justice Authority
STATEMENT OF CASH FLOWS
June 30, 2011

Cash Flow From Operating Activities:

Cash received from customers	\$1,347,616
Cash received from other sources	956,177
Cash paid to employees	(1,038,661)
Cash paid to suppliers	(992,767)
Net Cash Flows from Operating Activities	<u>272,365</u>

Cash Flows from Capital and Related Financing Activities:

Disposal of capital assets	(26,185)
Purchase of capital assets	(2,071)
Net Cash Used for capital and related financing activities	<u>(28,256)</u>

Cash Flows from Investing Activities:

Receipt of interest	20,254
Net Cash Provided by Investing Activities	<u>20,254</u>

Net Increase (Decrease) in Cash and Cash Equivalents 264,363

Cash and Cash Equivalents Beginning of Year 1,443,780

Cash and Cash Equivalents End of Year \$1,708,143

Reconciliation of Operating Income to Net Cash Flows From Operating Activities:

Net Income	\$170,597
Add Depreciation Expense	87,096
(Increase)/Decrease in Current Assets:	
Accounts receivables, net	(11,442)
Increase/(Decrease) in Current Liabilities:	
Accounts payable	16,857
Accrued expenses	9,257
Elimination of Emergency Management	<u>0</u>
Net cash Flows from Operating Activities	<u><u>\$272,365</u></u>

See accompanying footnotes and auditors' report.

Okmulgee County Criminal Justice Authority
DEPARTMENTAL BALANCE SHEET
As of June 30, 2011

	Jail	911	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$1,472,244	\$44,422	\$1,516,666
Inmate Trust Fund	191,477	0	191,477
Accounts Receivable	157,863	154,451	312,314
Salaries Receivable	24,192	0	24,192
Total Current Assets	<u>1,845,776</u>	<u>198,873</u>	<u>2,044,649</u>
Property and Equipment			
Office Equipment	37,969	250,547	288,516
Mobile Equipment	87,835	0	87,835
Equipment Other	231,841	0	231,841
Land & Improvements	213,235	0	213,235
Less: Accum. Depreciation	<u>(302,140)</u>	<u>(177,264)</u>	<u>(479,404)</u>
Net Property & Equipment	<u>268,740</u>	<u>73,283</u>	<u>342,023</u>
Total Assets	<u><u>\$2,114,516</u></u>	<u><u>\$272,156</u></u>	<u><u>\$2,386,672</u></u>
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accounts Payable	\$39,380	\$24,729	\$64,109
Accrued Payroll Expenses	98,213	16,275	114,488
Inmate Trust Fund Payable	<u>191,477</u>	<u>0</u>	<u>191,477</u>
Total Liabilities	<u>329,070</u>	<u>41,004</u>	<u>370,074</u>
Fund Balance			
Invested in Capital Assets	268,740	73,283	342,023
Unrestricted Fund Balance	<u>1,516,706</u>	<u>157,869</u>	<u>1,674,575</u>
Total Fund Balance	<u>1,785,446</u>	<u>231,152</u>	<u>2,016,598</u>
Total Liabilities and Fund Balances	<u><u>\$2,114,516</u></u>	<u><u>\$272,156</u></u>	<u><u>\$2,386,672</u></u>

See accompanying footnotes and auditors' report.

Okmulgee County Criminal Justice Auth.
DEPARTMENTAL INCOME STATEMENT
June 30, 2011

	Jail	911	TOTAL
Sales			
Sales Tax Revenue	\$ 502,404	\$ 0	\$ 502,404
Phone Commission Revenue	58,298	0	58,298
DOC Revenue	1,180,562	0	1,180,562
Incarceration Fees Revenue	120,198	0	120,198
Transfer - Okmulgee County	0	397,404	397,404
Other income	56,369	0	56,369
	<hr/>	<hr/>	<hr/>
Total Sales	1,917,831	397,404	2,315,235
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Operating Expenses			
Salary	767,362	250,880	1,018,242
Salary-Overtime	26,188	3,488	29,676
Health Benefits	94,076	41,032	135,108
Life Insurance	787	660	1,447
Retirement Expense	114,948	38,039	152,987
Osdi & Medicare	62,205	16,952	79,157
Unemployment Ins.	7,943	963	8,906
Uniforms	3,331	401	3,732
Travel and Training	2,618	1,562	4,180
Vacation/Sick Expense	3,428	(2,669)	759
Inmate Food	128,243	0	128,243
Medical Supplies	7,558	0	7,558
Janitorial Supplies	17,738	0	17,738
Office Supplies	5,209	2,646	7,855
Operating Supplies	2,070	0	2,070
Maintenance Supplies	14,550	0	14,550
Fuel & Oil	6,548	2,710	9,258
Safety Supplies	524	0	524
Equipment / Small Tools	185	0	185
Building & Grounds	4,867	0	4,867
Miscellaneous	840	27	867
Kitchen Supplies	2,314	0	2,314
Indigent Supplies	3,381	0	3,381
Inmate Uniforms	53	0	53
Bedding Supplies	5,363	0	5,363
Postage Expense	1,315	0	1,315
911 Equipment Expense	0	39,621	39,621
Depreciation Expense	40,237	46,859	87,096
Insurance	88,381	0	88,381
Utilities-Electric	71,965	0	71,965
Utilities-Gas	12,371	0	12,371
Utilities-Water/Sewer	29,224	0	29,224
Utilities-Telephone	15,528	12,425	27,953
Communications	9,268	0	9,268
Contract Services	5,516	8,235	13,751
Rentals & Leases	8,732	3,088	11,820
Advertisement	103	0	103
Printing	2,475	0	2,475

See accompanying footnotes and auditors' report.

Okmulgee County Criminal Justice Auth.
DEPARTMENTAL INCOME STATEMENT
June 30, 2011

	Jail	911	TOTAL
Professional Services	98,725	10,268	108,993
Other Service Fees	430	0	430
Office Furniture	499	0	499
Equipment Other	<u>62</u>	<u>291</u>	<u>353</u>
Total Operating Expenses	<u>1,667,160</u>	<u>477,478</u>	<u>2,144,638</u>
Operating Income (Loss)	<u>250,671</u>	<u>(80,074)</u>	<u>170,597</u>
Other Income (Expense)			
Interest Income	<u>20,254</u>	<u>0</u>	<u>20,254</u>
Total Other Income (Expense)	<u>20,254</u>	<u>0</u>	<u>20,254</u>
Net Income (Loss)	<u>\$ 270,925</u>	<u>\$ (80,074)</u>	<u>\$ 190,851</u>

See accompanying footnotes and auditors' report.

Okmulgee County Criminal Justice Authority
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ending June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Okmulgee County Criminal Justice Authority was formed May 8, 2000. The Okmulgee Criminal Justice Authority operates under a Trustee form of management. The Authority's major operations are to oversee the Okmulgee County adult inmate population.

The Okmulgee County Criminal Justice Authority's financial statements are prepared in accordance with generally accepted accounting principles. The Governmental Accounting Standards Board is responsible for establishing generally accepted accounting principles for state and local governments through its pronouncements. Governments are also required to follow the pronouncements of the Financial Accounting Standard Board issued through November 30, 1989 that do not conflict with or contradict generally accepted accounting principles pronouncements.

Reporting Entity these financial statements present the Okmulgee County Criminal Justice Authority, a legally separate component unit of the County of Okmulgee, State of Oklahoma.

Basis of Presentation – In June 1999, the Governmental Accounting Standards Board ("GASB") issued Statement No. 34 *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting in over twenty years and requires implementation by Okmulgee County Criminal Justice Authority for fiscal years ending after June 30, 2003.

In June 2001, GASB issued Statement No. 38, *Certain Financial Statement Note Disclosures*, which in part addressed the need to reevaluate certain existing disclosure requirements in the context of the reporting model in Statement No. 34. Okmulgee County Criminal Justice Authority implemented Statement No. 38 in conjunction with Statement 34.

Basis of Accounting the financial statements are presented on an accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

Cash and cash equivalents the Authority has defined cash and cash equivalents to include cash on hand, demand deposits and money market accounts with original maturities of 3 months or less. Deposits not covered by the FDIC are to be collateralized.

Property, Plant and Equipment is depreciated on a straight-line basis over the useful lives of the assets. Useful life of the assets is considered to be from 5 to 7 years. Assets having a value \$250 or greater are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Vacation and Sick Leave employees may accumulate up to 20 days vacation and 130 days sick leave. Employees will be paid for vacation time accrued upon termination. A liability for vacation time has been accrued for the leave available at June 30, 2011 in the financial statements in the amount of \$76,838. Available accrued sick leave balance as of June 30, 2011 is \$144,161.

Okmulgee County Criminal Justice Authority

Revenues the primary source of operating revenue is from the Department of Corrections for housing state inmates. The Authority receives an incarceration fee paid according to the number of inmates jailed each day. In addition, the Authority also receives sales tax revenue from the Okmulgee County Governmental Building Authority, another Governmental Trust Organization. The Authority also receives an incarceration fee for inmates jailed from surrounding communities and the U. S. Marshals Service. A commission is received from Legacy based on the collect phone calls made by inmates. All revenue is recognized when earned.

Expenditures are recognized when the related liability is incurred.

Use of Estimates the preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Accordingly, actual results could differ from those estimates.

2. RELATED PARTY TRANSACTIONS

The Okmulgee County Criminal Justice Authority receives funding from the Okmulgee County Building Authority. The Authorities operate under the supervision of the same Board of Trustees and the same County Commissioners.

The Okmulgee County Building Authority owns the jail facility. The Okmulgee County Criminal Justice Authority is responsible for the daily operations and maintenance of the facility.

The revenues are derived primarily from sales tax collections. The Building Authority receives the revenues, and then a portion is allocated to the Criminal Justice Authority. In the year ended June 30, 2011, the Okmulgee County Criminal Justice Authority received \$502,404 from the Okmulgee County Building Authority in sales tax revenue.

The equipment used in the 911 operations is the property of A T & T. As compensation for use of the equipment A T & T retains two and one-half percent of the total emergency tax revenues remitted each month. The agreement with A T & T is renewable annually.

3. CONTINGENCIES

Okmulgee County Criminal Justice Authority is presently not involved in any matters of litigation. Additionally, the Authority's management believes that the Authority's insurance programs would cover some of any potential loss that could have an unfavorable outcome.

4. CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that in the event of a bank failure the Authority's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance. The Authority maintains deposits at several financial institutions located in Okmulgee, Oklahoma. A public unit is insured through its official custodian. If the same individual or

Okmulgee County Criminal Justice Authority

individuals are official custodian for more than one public unit, they are treated as one official custodian if action or consent by all of these individuals is required for the exercise of control over funds of a single public unit. Deposits insured by the Federal Deposit Insurance Corporation up to \$250,000 at each financial institution or \$500,000 total. As of June 30, 2011 cash balances totaled \$1,472,459. The Authority has collateralized receipts for \$1,380,000. The under insured or collateralized receipts is \$0.

5. PROPERTY, PLANT AND EQUIPMENT

	Beginning Balance	Acquisitions/ Dispositions	Accumulated Depreciation	Ending Balance
Land/Improvements	200,235	0	(24,832)	175,403
Building Improvements	0	13,000	(1,238)	11,762
Office Equipment	37,969	0	(36,130)	1,839
Mobile Equipment	87,835	0	(81,505)	6,330
Equipment - Other	183,508	12,516	(132,788)	63,236
Janitorial Equipment	2,656	0	(2,656)	0
Medical Equipment	9,056	0	(8,669)	387
911 Equipment	248,634	1,913	(177,264)	73,283
Safety Equipment	23,282	824	(14,324)	9,782
	<u>793,175</u>	<u>28,253</u>	<u>(479,406)</u>	<u>342,022</u>

The Authority has \$87,096 in depreciation expense for the year ending June 30, 2011.

6. EMERGENCY MANGEMENT TRANSFER

July 1, 2010 the Emergency Management department operations and assets were transferred to the Okmulgee County Commissioners control. The Authority was not structured to provide the funding necessary to operate the department as needed by the county.

7. RETIREMENT AND PENSION PLAN

The Authority is a member of the State Employee Retirement Program and contributes 10% of its employees' base salary to the retirement account. Employees can also choose to contribute a percentage of their base salary to the retirement account and are responsible for the management of the funds in their account.



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**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**

Board of Trustees
Okmulgee County Criminal Justice Authority
Okmulgee, Oklahoma

We have audited the financial statements of the Okmulgee County Criminal Justice Authority, a component unit of Okmulgee County, Oklahoma, as of and for the year ended June 30, 2011, and have issued our report thereon dated October 19, 2011. 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

Management of Okmulgee County Criminal Justice Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Okmulgee County Criminal Justice's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements and not to for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in

internal control over financial reporting we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Okmulgee County Criminal Justice Authority's 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 statements 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*.

We noted certain matters that we reported to management of Okmulgee County Criminal Justice Authority in a separate letter dated October 19, 2011.

This report is intended solely for the information and use of management, Board of Trustees, the State Auditor and Inspector, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Clothier & Company CPAs".

Clothier & Company, CPA's, P.C.
October 19, 2011

SUPPLEMENTAL INFORMATION

OKMULGEE COUNTY CRIMINAL JUSTICE AUTHORITY
JAIL BUDGET TO ACTUAL
June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenue:				
Department of Corrections	804,175	804,175	1,180,562	(376,387)
Phone Commissions	108,000	108,000	58,298	49,702
Incarceration Fees	229,300	229,300	120,198	109,102
Sales tax	540,000	540,000	502,404	37,596
Interest	14,025	14,025	20,254	(6,229)
Other & Canteen	79,700	79,700	56,369	23,331
Total Revenue	1,775,200	1,775,200	1,938,085	(162,885)
Expenditures:				
Salaries	757,058	739,771	761,183	(21,412)
Overtime	22,712	22,712	26,188	(3,476)
Health Benefits	141,754	139,170	94,076	45,094
Life Insurance	1,423	1,368	787	581
Retirement	124,915	122,062	114,948	7,114
Osdi & Medicare	57,915	56,592	62,205	(5,613)
Unemployment insurance	7,571	7,398	7,943	(545)
Uniforms & allowance	2,500	6,500	3,331	3,169
Travel and training	3,500	3,500	2,618	882
Inmate food	124,830	124,830	128,243	(3,413)
Medical supplies	12,775	12,775	7,558	5,217
Janitorial supplies	12,000	12,000	17,738	(5,738)
Office supplies	4,200	4,200	5,209	(1,009)
Operating supplies	2,000	2,000	2,070	(70)
Maintenance supplies	8,000	8,000	14,550	(6,550)
Fuel & Oil	12,385	11,385	6,548	4,837
Safety supplies	200	200	524	(324)
Equipment/small tools	250	250	185	65
Building and grounds	1,000	1,000	4,867	(3,867)
Miscellaneous	250	250	140	110
Kitchen supplies	500	500	2,314	(1,814)
Indigent supplies	300	2,574	3,381	(807)
Inmate uniforms	3,000	2,000	53	1,947
Bedding supplies	3,000	2,000	5,363	(3,363)
Postage	1,300	1,300	1,315	(15)
Insurance	95,000	95,000	88,381	6,619
Utilities-electric	73,000	73,000	71,965	1,035

See accompanying footnotes and auditors' report.

	Original Budget	Final Budget	Actual	Variance
Utilities-gas	16,300	16,300	12,371	3,929
Utilities- water/sewer	20,000	20,000	29,224	(9,224)
Telephone	14,000	14,000	15,528	(1,528)
Communications	8,300	8,300	9,268	(968)
Contract Services	10,000	10,000	5,516	4,484
Rentals & Leases	9,800	9,800	8,732	1,068
Advertisement	500	500	103	397
Printing	1,000	1,000	2,475	(1,475)
Professional services	70,200	70,200	98,725	(28,525)
Legal services	24,000	24,000	0	24,000
Other service fees	500	500	430	70
C. O. office, computers.	1,500	1,500	499	1,001
C. O. mobile equipment	0	21,000	0	21,000
C .O. safety equipment	1,000	1,000	0	1,000
C. O. equipment - other	500	500	679	(179)
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Total Expenditures	1,650,938	1,650,937	1,617,233	33,704
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See accompanying footnotes and auditors' report.

OKMULGEE COUNTY CRIMINAL JUSTICE AUTHORITY
911 BUDGET TO ACTUAL
June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenue:				
911 Tariff/County Transfer	418,965	418,965	442,498	23,533
Okmulgee Co. Sheriff Office	60,000	60,000	0	(60,000)
Other Revenue	0	0	0	0
Account Interest	2,599	2,599	0	(2,599)
Total Revenue	481,564	481,564	442,498	(39,066)
Expenditures:				
Salaries	263,580	263,580	248,375	15,205
Overtime	0	0	3,488	(3,488)
Health Benefits	53,136	53,136	41,032	12,104
Life Insurance	547	547	628	(81)
Retirement	40,855	40,855	38,039	2,816
Osdi & Medicare	20,164	20,164	16,952	3,212
Unemployment Insurance	2,636	2,636	963	1,673
Uniforms	500	500	401	99
Travel and Training	1,000	1,000	1,562	(562)
Office Supplies	1,000	1,000	2,646	(1,646)
Automotive Parts	300	300	0	300
Fuel & Oil	1,500	1,500	2,710	(1,210)
Miscellaneous	0	0	30	(30)
911 Equipment Expense	33,227	33,227	40,321	(7,094)
Utilities/Telephone	2,000	2,000	12,425	(10,425)
Contract Services	17,000	17,000	8,235	8,765
Rents & Leases	3,000	3,000	3,088	(88)
Professional Services	1,700	1,700	10,268	(8,568)
Other Service Fees	300	300	0	300
C. O. Computers/software	594	594	0	594
C. O. Other Equipment	0	0	0	0
Total Expenditures	443,039	443,039	431,163	11,876

See accompanying footnotes and auditors' report.