

June 23, 2003

The regularly scheduled meeting of the Cleveland County Budget Board was called to order this 23rd day of June, 2003, in the conference room of the County Office Building by Chairman Leroy Krohmer. Roll was called by Dorinda Harvey, County Clerk/Secretary and those present were:

Leroy Krohmer, Chairman
Denise Heavner, Vice-Chairman
Dorinda Harvey, Secretary
Saundra DeSelms, Member
Bill Graves, Member
George Skinner, Member

Members F. DeWayne Beggs and Rhonda Hall were absent.

Others present were: John Rahhal, Jack Graham, Terron Manning, Tammy Howard, Donna Roberts, Lawrence McKiddy Jr., Paula Roberts, and Ricky Branch.

After the reading of the minutes of the special meeting of June 12, 2003, and there being no additions or corrections, Bill Graves moved that the minutes be approved. Denise Heavner seconded the motion.

The vote was: Leroy Krohmer, yes; Denise Heavner, yes; Dorinda Harvey, yes; Saundra DeSelms, abstain; Bill Graves, yes; George Skinner, yes.

Motion carried.

Chairman Krohmer called for presentation by John Rahhal on alternative audit procedures. John Rahhal and Jack Graham from the State Auditor's and Inspector's Office were present to present an alternative audit procedure. Mr. Rahhal stated that the auditor's office can't prepare the financial statements because of the new yellow book independent standard and unfortunately that comes when the county is going to have to implement GASB 34. Also budget board counties are required by law to prepare GAP financial statements. Mr. Rahhal stated that the Governor vetoed House Bill 1676 which would remove that requirement. There are about 3000 governmental entities in Oklahoma and only about 2 or 3 that are required to have GAP financial statements. City, school districts, fire districts, and most authorities don't have to do this, but when the budget board law was created that language was put in it. Mr. Rahhal stated that he can not tell the Budget Board not to follow the law and not do GAP financial statements and continued stating what the auditor's office will do. The auditor's office will do cash basis financial statements and from an accountably and audit perspective the Officials probably will not notice any difference in the audit. The auditor's office is going to be doing the same things, checking receipts and deposits, making sure deposits are collateralized, testing for compliance with purchasing laws, and testing expenditures. Virtually the same things that have been done before, but the financial statements will look different than in the past. There probably will have to include a finding

that says there is a law that states the county is required to prepare GAP financial statements and did not do so. Mr. Rahhal does not know what the county's response would be, but probably would be that the cost didn't outweigh the benefit and the auditor's might even put that in the cause if that is what they are told that the county determined the excessive costs. Mr. Rahhal stated that is what the result would be as it stands right now and that is what the auditor would do if the county does not prepare GAP financial statements. Saundra DeSelms stated that she thought that the Board was going to do this but just didn't have the time to do it this year.

Chairman Krohmer stated that no decision had been made yet.

Mr. Rahhal stated that if the Board was going to be in accordance with GAP than the Board is required to do it this year. If you don't do it this year and do it eventually that would be the result for this year.

Saundra DeSelms asked if there would be an adverse opinion on the audit and Mr. Rahhal stated that there would be a compliance comment in the compliance section of the audit saying that you did not adhere.

Ms. DeSelms wanted to know about the bonding capacity in the future

Chairman Krohmer stated that the County has triple A rating.

Mr. Rahhal stated it would not affect the capacity but it could affect the rating but nobody can tell the auditors by what amount.

Chairman Krohmer stated that he would like to see what is going to happen next session before that kind of money is spent.

Denise Heavner stated that it is too late to do anything this year so why can't we work legislative and also get some hard figures about the cost so a decision can be made and if the Board decides that it is just way too expensive.....

Chairman Krohmer stated that the Board of County Commissioners would be making the decision.

Ms. Heavner stated that if the legislation would go through, and it not then get some cost and the Commissioners can make that decision with having the information.

Mr. Rahhal stated that if the Board is going to do it next year there are things that need to be done and he explained what had to be done and the time frame.

More discussion took place.

Mr. Rahhal added one more thing telling the Board that if the County is thinking about going with this in the future then make sure that the County's Trust Authorities have GASB 34 GAP financial statements and gave the reasons why.

George Skinner moved, seconded by Leroy Krohmer, to strike Item "2" discussion, consideration, and/or action on implementing alternative audit procedures.

The vote was: Leroy Krohmer, yes; Denise Heavner, yes; Dorinda Harvey, yes; Saundra DeSelms, yes; Bill Graves, yes; George Skinner, yes.

Motion carried.

Denise Heavner moved, seconded by Saundra DeSelms, to strike Item "3" discussion, consideration, and/or action on Officials Salaries.

The vote was: Leroy Krohmer, yes; Denise Heavner, yes; Dorinda Harvey, yes; Saundra DeSelms, yes; Bill Graves, yes; George Skinner, yes.

Motion carried.

Bill Graves moved, seconded by Dorinda Harvey, to approve the following Transfers of Appropriation:

- a. From Free Fair Personal Services Part Time, SF1B, \$788.94 and Free Fair Capital Outlay, SF3, \$6,967.00, to Free Fair Personal Services Full Time, SF1A, \$6,967.00, and Free Fair Maintenance & Operation, SF2, \$788.94.
- b. From Fair Board Capital Outlay, FF3, \$7.00, to Fair Board Personal Services, Part Time, FF1B.
- c. From Sheriff's Revolving Fund Maintenance & Operation, CFBRE2, \$12,000.00, to Sheriff's Revolving Capital Outlay, CFBRE3.

The vote was: Leroy Krohmer, yes; Denise Heavner, yes; Dorinda Harvey, yes; Sandra DeSelms, yes; Bill Graves, yes; George Skinner, yes.

Motion carried.

There being no further business to come before the Board, George Skinner moved that the meeting be adjourned. Denise Heavner seconded the motion.

The vote was: Leroy Krohmer, yes; Denise Heavner, yes; Dorinda Harvey, yes; Sandra DeSelms, yes; Bill Graves, yes; George Skinner, yes.

Motion carried.