



# CIRCUIT ENGINEERING DISTRICT #5

## Operational Audit

For the period of July 1, 2021 through June 30, 2022

**Cindy Byrd, CPA**  
State Auditor & Inspector

**CIRCUIT ENGINEERING DISTRICT #5  
OPERATIONAL AUDIT  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by [69 O.S. § 687.1](#), has not been printed, but is available on the agency's website ([www.sai.ok.gov](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



**OKLAHOMA**  
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

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July 17, 2023

**TO THE BOARD OF THE  
CIRCUIT ENGINEERING DISTRICT #5**

We present the audit report of the Circuit Engineering District #5 for the period of July 1, 2021 through June 30, 2022. The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

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

This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.) and shall be open to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

**CIRCUIT ENGINEERING DISTRICT #5  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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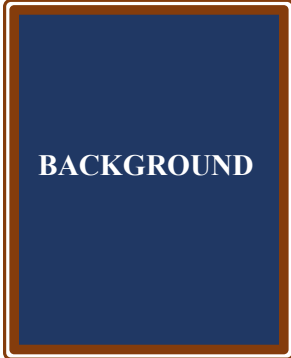
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PRESENTED FOR INFORMATIONAL PURPOSES ONLY**

**CIRCUIT ENGINEERING DISTRICT #5  
DISTRICT INFORMATION AND OFFICIALS  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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Pursuant to 69 O.S. § 687.1, counties may “create a circuit engineering district with any other county or counties” to allow county governments to “make the most efficient use of their powers [...] that will accord best with geographic, economic, population and other factors influencing the needs and development of county government.” The District is considered a political subdivision of the state.

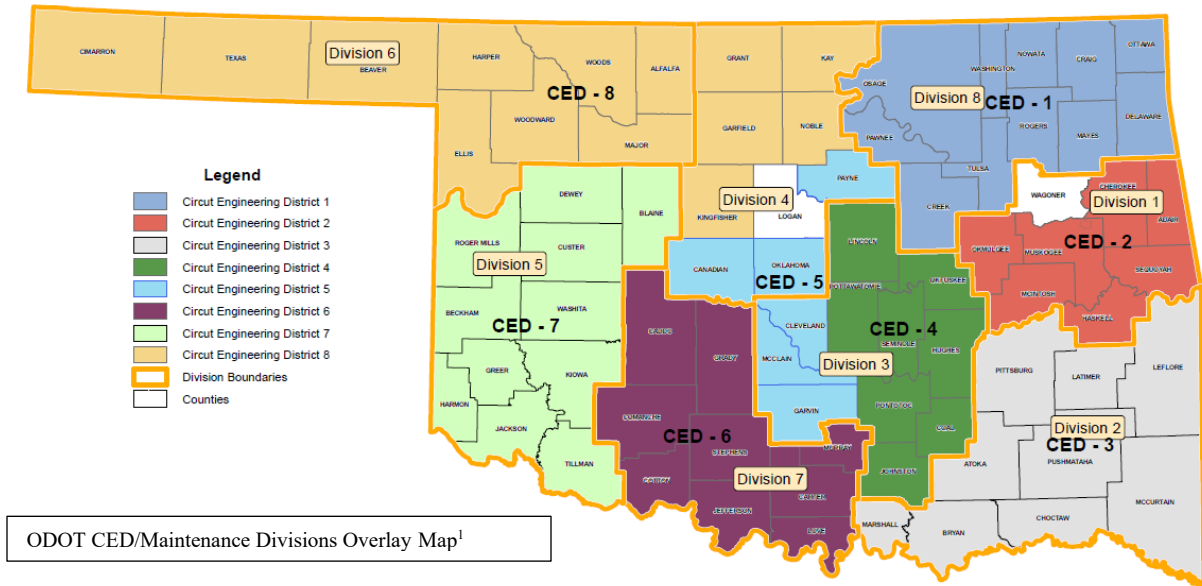
The circuit engineering district provides project-focused assistance for its member counties, a shared engineer between counties in an advisory capacity, engineering expertise that counties could not afford alone, help for small, rural counties, and help with a county five-year construction work plan.

Each participating county in the District has an appointed county commissioner or county representative to serve as members from the District’s respective county seats. Each District then elects officers from the members as follows: President, Vice-President, and Secretary/Treasurer.

Darry Stacy  
Wilson Lyles  
Carrie Blumert  
Marc Hader  
Gary Ayres  
Zachary Cavett

President, Cleveland County  
Vice-President, McClain County  
Secretary/Treasurer, Oklahoma County  
Canadian County  
Garvin County  
Payne County

**CIRCUIT ENGINEERING DISTRICT #5  
DISTRICT AREA  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**



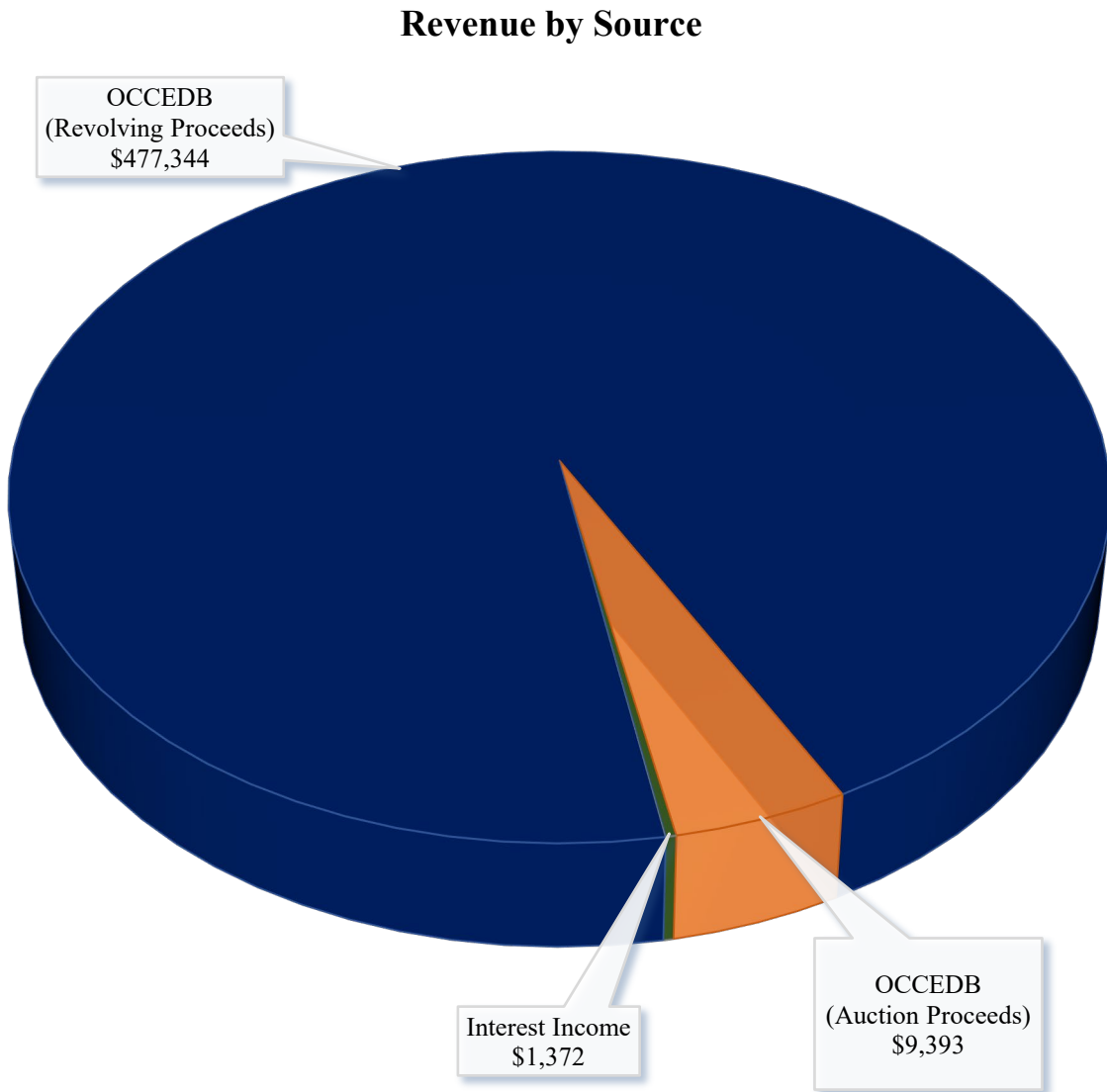
Circuit Engineering District #5 (the District) is comprised of a six-county region, in the central part of the state including: Canadian, Cleveland, Garvin, McClain, Oklahoma, and Payne counties<sup>1</sup>. Logan County withdrew participation in District #5 on June 30, 2021.

<sup>1</sup>Map <https://oklahoma.gov/content/dam/ok/en/odot/documents/cirb/pdfs/cirb-engr-dist.pdf>

**CIRCUIT ENGINEERING DISTRICT #5**  
**REVENUE BY SOURCE**  
**FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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The District is funded by state and local revenues. The chart below summarizes the revenue sources.



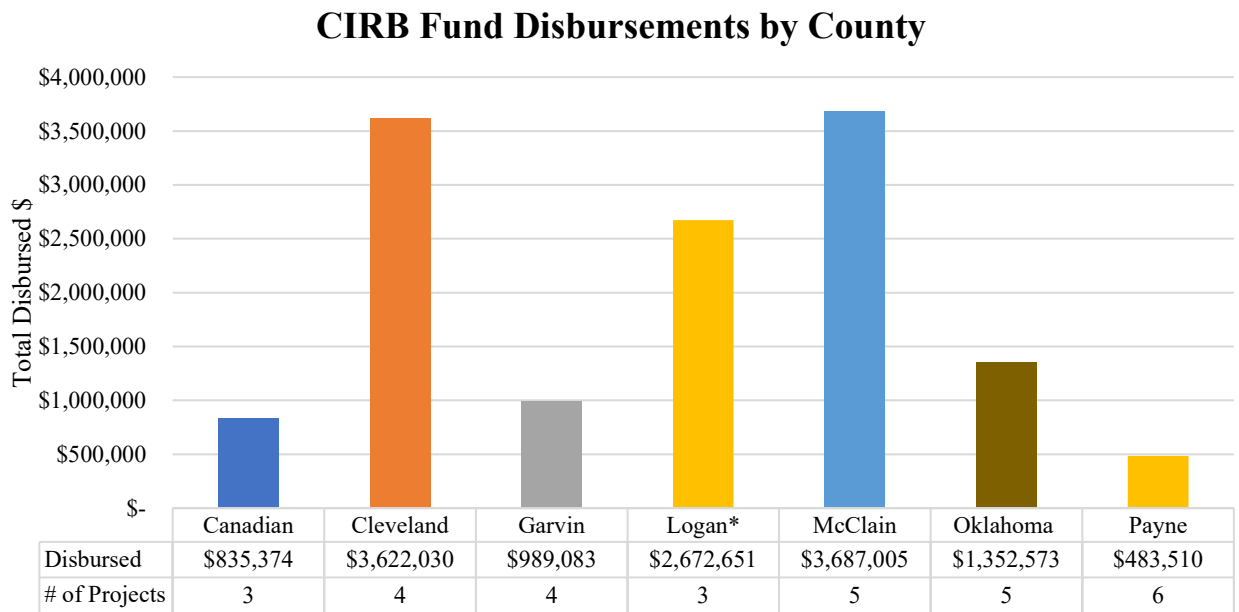
During the period the District collected \$486,737 in total revenue from the Oklahoma Cooperative Circuit Engineering Districts Board (OCCEDB). Revolving proceeds are derived from motor fuel and gross production collections passed from the state through OCCEDB to the District. Auction proceeds are derived from the sale of equipment at auctions hosted by the OCCEDB at a rate of 2% of the gross sale price. The remaining \$1,372 was interest income from the District's Money Managers account. These funds are used for the administration and management of the District.



**CIRCUIT ENGINEERING DISTRICT #5  
CIRB FUND DISBURSEMENTS BY COUNTY  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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Below represents fiscal year 2022 disbursements made from the County Improvements for Roads and Bridges (CIRB) fund for projects in District #5 totaling \$13,642,226. This amount includes funds budgeted during fiscal years 2017 through 2022 listed by beneficiary County.



\* Logan County withdrew participation in District #5 on June 30, 2021. However, Logan County's information will be presented within the unaudited sections of this report.

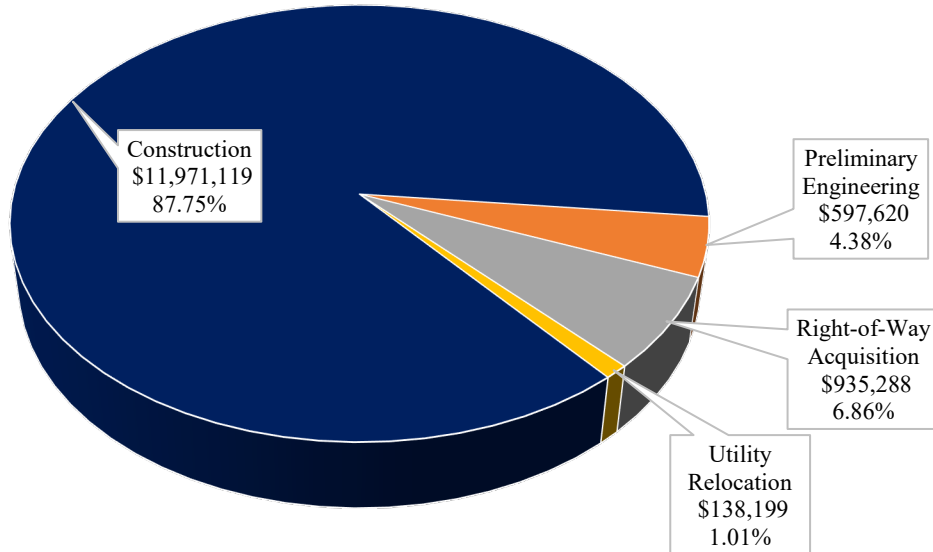
*Source: Information provided from ODOT PFS report and the Statewide Accounting System – Summary of Receipts and Disbursement reports and Allotment Budget and Available Cash Reports (presented for informational purposes).*

**CIRCUIT ENGINEERING DISTRICT #5  
CIRB FUND DISBURSEMENTS BY JOB PHASE  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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Below represents fiscal year 2022 disbursements made from the County Improvements for Roads and Bridges (CIRB) fund for District #5 totaling \$13,642,226. This amount includes funds budgeted during fiscal years 2017 through 2022 listed by job phase.

**CIRB Fund Disbursements by Job Phase**



Preliminary Engineering (P.E.) – this job phase accounts for the design portion of the PDP (Project Development Process) that includes collection of survey, geotechnical, and other design data. Further, this phase includes the application of design standards to a proposed typical section/bridge location; hydraulic analysis for all drainage structures; and compilation into a plan set. Also, this phase can include environmental clearance requirements through the National Environmental Policy Act (NEPA) when utilizing federal funding and a checklist clearance when 100% state funded.

Right-of-Way Acquisition – this job phase consists of acquiring the needed property to relocate utilities and construct the project to current design standards based on the application of the design to the existing facility.

Utility Relocation – this job phase consists of moving existing utilities (electric, water, phone, gas lines, etc.) from being in conflict with the cut and fill of the earthwork and bridge structure so the construction site is free from conflict and hazards.

Construction – this job phase consists of building the project as proposed and designed. Further, this phase includes preparing project for letting which involves compiling all bid specifications, plans and estimates.

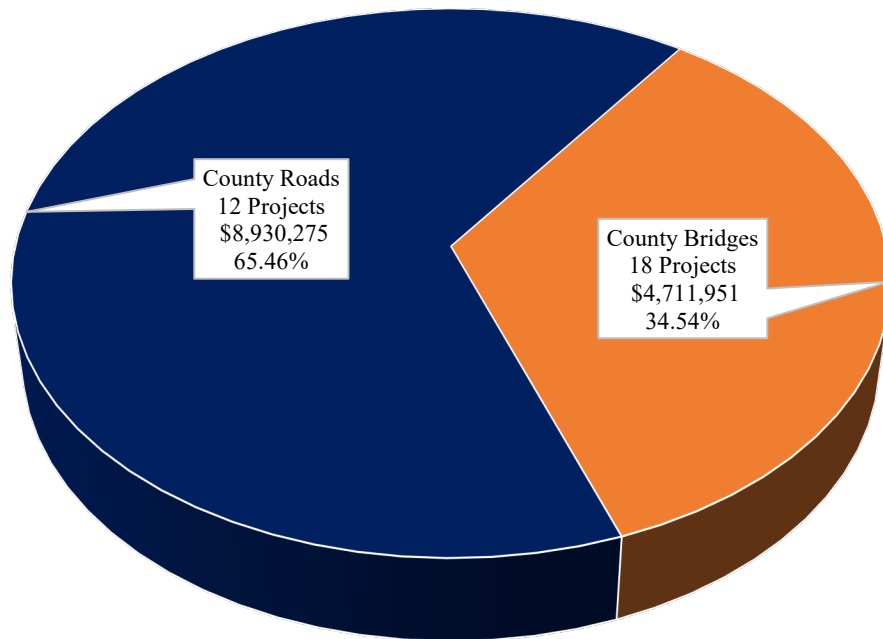
*Source: Information provided from ODOT PFS report and the Statewide Accounting System – Summary of Receipts and Disbursement reports and Allotment Budget and Available Cash Reports (presented for informational purposes).*

**CIRCUIT ENGINEERING DISTRICT #5  
CIRB FUND DISBURSEMENTS BY PROJECT TYPE  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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Below represents the amount of disbursements made from the County Improvements for Roads and Bridges (CIRB) fund for District #5 totaling \$13,642,226. This amount includes funds budgeted during fiscal years 2017 through 2022 listed by project type. Title 69 O.S. § 507(B) defines the purpose of the 5 year construction work plan as “construction or reconstruction of county roads or bridges on the county highway system that are of the highest priority as defined by the Transportation Commission.”

**CIRB Fund Disbursements by Project Type**



*Source: Information provided from ODOT PFS report and the Statewide Accounting System – Summary of Receipts and Disbursement reports and Allotment Budget and Available Cash Reports (presented for informational purposes).*

**CIRCUIT ENGINEERING DISTRICT #5  
CIRB FUND DISBURSEMENTS BY YEAR ENCUMBERED  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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The following chart depicts the total amount of \$13,642,225 disbursed for County Roads and County Bridge projects for District #5 during fiscal year 2022. The chart also reflects the year the funds were set aside by encumbrances that were later disbursed (paid) in fiscal year 2022.

**Fiscal Year 2022 Disbursements by Year Encumbered**

County	2017	2018	2019	2020	2021	2022	Total
Canadian	\$ 5,138	\$ 10,050	\$ 90,000	\$ 15,712	\$ 26,082	\$ 688,391	\$ 835,373
Cleveland	-	46,721	-	59,407	3,467,568	48,334	\$ 3,622,030
Garvin	-	-	39,034	-	720,777	229,272	\$ 989,083
Logan*	-	6,852	-	-	224,316	2,441,483	\$ 2,672,651
McClain	-	-	-	24,658	853,574	2,808,773	\$ 3,687,005
Oklahoma	-	-	-	26,724	913,603	412,247	\$ 1,352,574
Payne	-	-	5,500	854	194,769	282,386	\$ 483,509
<b>Total</b>	<b>\$ 5,138</b>	<b>\$ 63,623</b>	<b>\$ 134,534</b>	<b>\$ 127,355</b>	<b>\$ 6,400,689</b>	<b>\$ 6,910,886</b>	<b>\$ 13,642,225</b>

\*Logan County withdrew participation in District #5 on June 30, 2021. However, Logan County's information will be presented within the unaudited sections of this report.

**CIRCUIT ENGINEERING DISTRICT #5  
PRESENTATION OF REVENUES, EXPENDITURES,  
AND FUND BALANCES OF DISTRICT FUNDS  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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**Presentation of District #5 Funds for the Period of July 1, 2021 through June 30, 2022**

	General Fund
Beginning Cash Balance, July 1	\$ 586,819
Revenues:	
OCCEDB	
Revolving Proceeds	477,344
Auction Proceeds	9,393
Interest Income	1,372
Total Revenues	488,109
Expenditures:	
Audit & Accounting	8,000
Distribution Funds	270,000
Program Funds	105,000
Outside Services	1,692
Travel	2,524
Total Expenditures	387,216
Ending Cash Balance, June 30	\$ 687,712

*Source: District's Financial Report (presented for informational purposes).*

**CIRCUIT ENGINEERING DISTRICT #5  
DESCRIPTION OF THE DISTRICT'S FUNDS  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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**Description of the District's Funds**

The District uses funds to report on revenues, expenditures, and fund balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Following are descriptions of the District's funds within the Presentation of Revenues, Expenditures, and Fund Balances of District Funds:

Circuit Engineering District #5 General Fund – the General Fund is the primary operating fund of the District and is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**CIRCUIT ENGINEERING DISTRICT #5  
PURPOSE, SCOPE, GENERAL METHODOLOGY  
AND INTERNAL CONTROL CONSIDERATIONS  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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**PURPOSE, SCOPE,  
GENERAL  
METHODOLOGY,  
AND INTERNAL  
CONTROL  
CONSIDERATIONS**

This audit was conducted in response to 69 O.S. § 687.1, which requires the State Auditor and Inspector's Office to audit the books and accounts of the circuit engineering district.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In planning and conducting our audit, we focused on the major financial related areas of operations based on assessment of materiality and risk for the period July 1, 2021 through June 30, 2022.

Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of the District's operations. We utilized sampling of transactions to achieve our objectives. To ensure the samples were representative of the population and provided sufficient, appropriate evidence, the random sample methodology was used. We identified specific attributes for testing each of the samples. Further details regarding our methodology are included under each objective.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, errors or fraud may occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

***Internal Control Considerations***

The Government Accountability Office (GAO) emphasizes the importance of internal controls at all levels of government entities. Their *Standards for Internal Control*<sup>2</sup> outline the five overarching components of internal control: the control environment, risk assessment, information and communication, monitoring, and detailed control activities. Each of these components includes a subset of principles that are expected to be operating at government entities.

The *Standards for Internal Control*<sup>2</sup> underscore that an internal control system is effective only when the five components of internal control are effectively designed, implemented, and operating together in an integrated manner. As required by *Government Auditing Standards*<sup>3</sup>, we have identified the aspects of internal control components and underlying principles significant to each audit objective in this engagement.

Any internal control deficiencies are documented in the findings included under each objective in this report. Because our audit was limited to the internal control

**CIRCUIT ENGINEERING DISTRICT #5  
PURPOSE, SCOPE, GENERAL METHODOLOGY  
AND INTERNAL CONTROL CONSIDERATIONS  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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components and underlying principles deemed significant to our audit objectives, it may not have disclosed all internal control deficiencies that may have existed at the time of the audit.

<sup>2</sup> *Standards for Internal Control in the Federal Government*, or the “Green Book,” sets standards and the overall framework for an effective internal control system in federal agencies and is treated as best practices for other levels of government. Last update 2014, accessible online at <https://www.gao.gov/products/GAO-14-704G>

<sup>3</sup> *Government Auditing Standards*, or the “Yellow Book,” also promulgated by the GAO, guides our performance and operational audits. Last version 2018, accessible online at <https://www.gao.gov/products/GAO-18-568G>.



**CIRCUIT ENGINEERING DISTRICT #5  
OBJECTIVE AND RESULTS OF OPERATIONAL AUDIT  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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**Objective 1: To determine the District's revenues are accurately recorded on the District's financial ledgers for the period.**

**Conclusion:** With respect to the items reconciled and reviewed; the District's revenues were accurately presented on the District's financial reports for the period.

**Objective 1 Methodology:** To accomplish objective 1, we performed the following:

- Documented our understanding of the District's revenue process through discussions with management and review of documentation. Evaluated the process and identified significant internal controls related to the District's revenues.
- Compared the process to governmental internal control standards outlined in the *GAO Standards for Internal Control*.
- Confirmed \$488,109 in monies (100% of total monies) received from the Oklahoma Cooperative Circuit Engineering Districts Board (OCCEDB) and interest earned. Determined these monies were entered into the accounting ledgers in the proper amount.

**FINDINGS AND RECOMMENDATIONS**

No findings were noted as a result of the procedures performed.

**CIRCUIT ENGINEERING DISTRICT #5  
APPENDIX A: CIRB FIVE YEAR CONSTRUCTION WORK PLAN  
STATUS OF PROJECTS FY 2021  
FOR THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2022**

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## **Appendix A: Status of Projects FY 2021**

Appendix A details the status of project phases approved by the Circuit Engineering District #5 Board for completion during FY 2021. These phases were approved as part of the 5 Year Construction Work Plan FY 2021 through FY 2025.

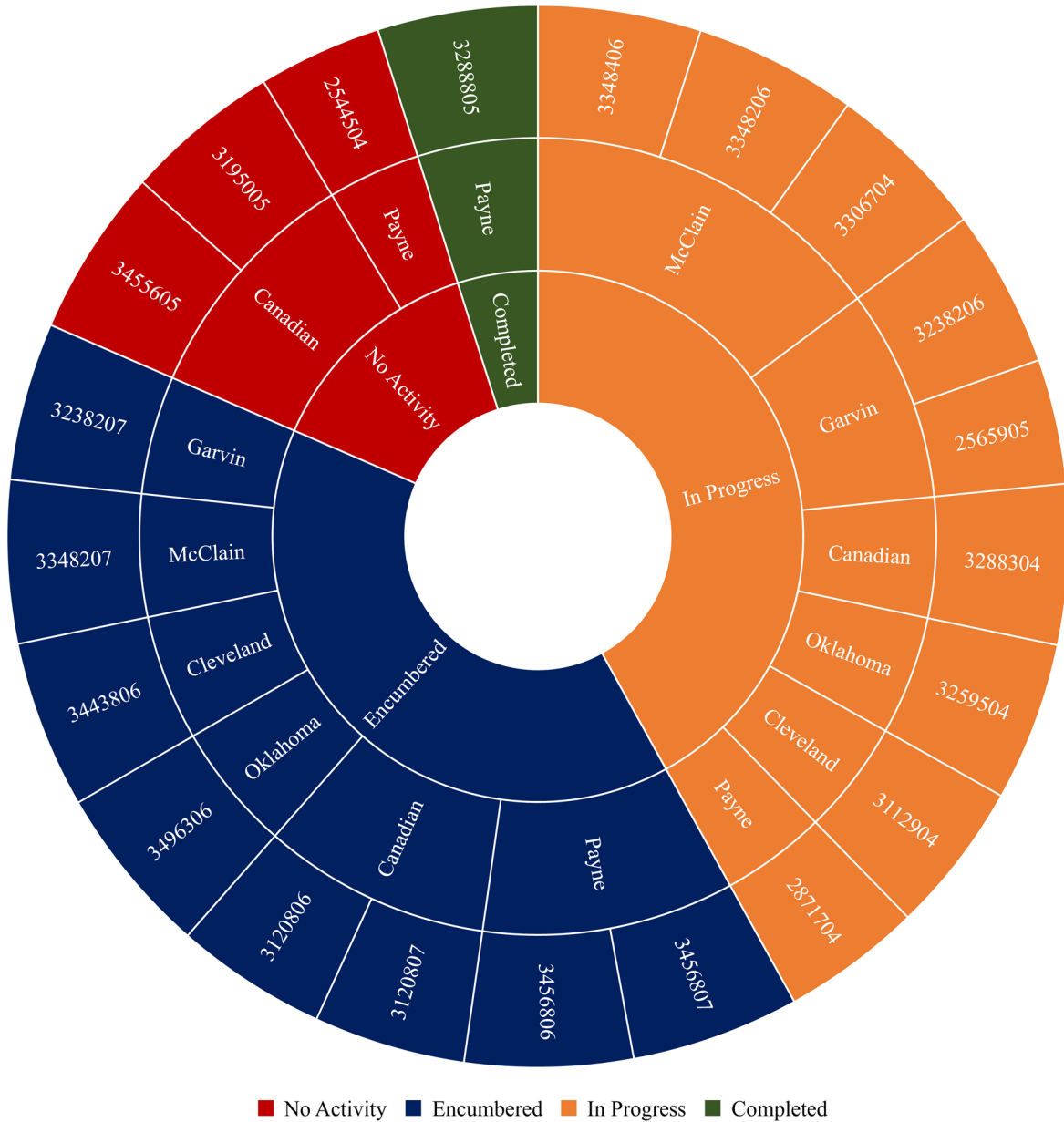
The charts detail the status of each construction phase at June 30, 2022, as to the following:

- Completed
- Work in Progress
- Encumbered
- No Activity

Projects in the encumbered stage indicate funds have been set aside but no work has been commenced.

**CIRCUIT ENGINEERING DISTRICT #5  
 APPENDIX A: CIRB FIVE YEAR CONSTRUCTION WORK PLAN  
 STATUS OF PROJECTS FY 2021  
 FOR THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2022**

**Status of Projects FY 2021**



Source: Information provided from [5 Year Construction Work Plan SFY2021 through SFY2025](#) Oklahoma Department of Transportation CIRB Project Information report.

**CIRCUIT ENGINEERING DISTRICT #5**  
**APPENDIX A: CIRB FIVE YEAR CONSTRUCTION WORK PLAN**  
**STATUS OF PROJECTS FY 2021**  
**FOR THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2022**

FY 2021 Plan Information					FY 2021 & FY 2022 Combined		
County	Job Piece	Job Phase	Description	Plan Budget	Encumbered	Disbursed	Job Status
Canadian	3120806	Right of Way	EW-105 over unnamed creek	\$ 25,000	\$ 25,000	\$ -	Encumbered
	3120807	Utilities	EW-105 over unnamed creek	10,000	10,000	-	Encumbered
	3195005	Contract P.E.	NS-287 over unnamed creek	100,000	-	-	No Activity
	3288304	Bridge & Approaches	Waterloo over unnamed creek near Cashion	550,000	721,246	676,159	In Progress
	3455605	Contract P.E.	Uncle John Creek on 192nd St	100,000	-	-	No Activity
Cleveland	3112904	Grade, Drain, & Surface	156th St. from Maguire RD to Norman City Limits	5,129,927	4,732,852	3,904,121	In Progress
	3443806	Right of Way	Intersection of 144th and Lewis near Lexington	100,000	100,000	-	Encumbered
Garvin	2565905	Contract P.E.	Rush Creek Local No. 170	100,000	173,542	87,015	In Progress
	3238206	Right of Way	City Lake RD at HWY SH19 to EW-153	360,000	815,000	797,788	In Progress
	3238207	Utilities	City Lake RD at SWY SH19 to EW-153	321,038	300,000	-	Encumbered
McClain	3306704	Bridges & Approaches	Unnamed creek on EW-141	814,528	901,918	437,643	In Progress
	3348206	Right of Way	Unnamed creek on 280th near I-35	10,000	87,000	83,211	In Progress
	3348207	Utilities	Unnamed creek on 280th near I-35	10,000	10,000	-	Encumbered
	3348406	Right of Way	Sandy Creek on Woody Chapel Road	20,000	30,000	29,575	In Progress
Oklahoma	3259504	Bridge & Approaches	Intersection of Harrah and NE 36th	544,000	491,874	301,484	In Progress
	3496306	Right of Way	Intersection of Britton Road and Luther Road	50,000	50,000	-	Encumbered
Payne	2544504	Grade, Drain, Bridge & Surface	Norfolk Road from SH33 to Fairlawn Road	2,200,000	-	-	No Activity
	2871704	Bridge & Approaches	EW-68 over Clear Creek	620,048	626,470	282,386	In Progress
	3288805	Contract P.E.	Lakeview Drive from Country Club Road to NS-332	490,000	108,882	108,882	Completed
	3456806	Right of Way	Salt Creek on E McElroy	10,000	10,000	-	Encumbered
	3456807	Utilities	Salt Creek on E McElroy	10,000	10,000	-	Encumbered
<b>Total</b>				<b>\$ 11,574,541</b>	<b>\$ 9,203,784</b>	<b>\$ 6,708,264</b>	

Source: Information provided from [5 Year Construction Work Plan SFY2021 through SFY2025](#) Oklahoma Department of Transportation CIRB Project Information report.

**CIRCUIT ENGINEERING DISTRICT #5  
APPENDIX B: CIRB FIVE YEAR CONSTRUCTION WORK PLAN  
STATUS OF PROJECTS FY 2022  
FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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## **Appendix B: Status of Projects FY 2022**

Appendix B details the status of project phases approved by the CED #5 Board for completion during FY 2022. These phases were approved as part of the 5 Year Construction Work Plan FY 2022 through FY 2026.

The charts detail the status of each construction phase at June 30, 2022, as to the following:

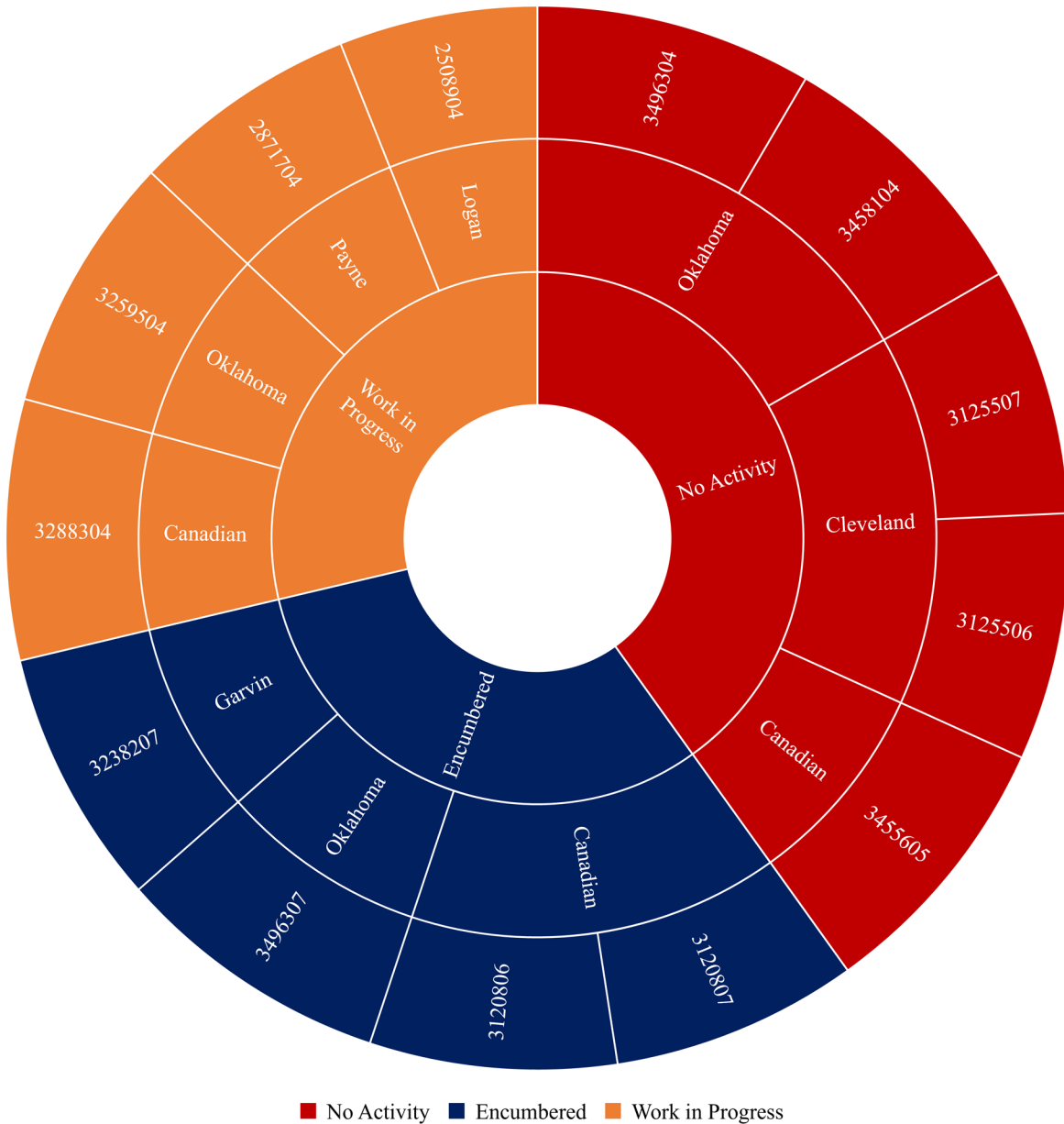
- Completed
- Work in Progress
- Encumbered
- No Activity

Projects in the encumbered stage indicate funds have been set aside but no work has been commenced.

**CIRCUIT ENGINEERING DISTRICT #5  
 APPENDIX B: CIRB FIVE YEAR CONSTRUCTION WORK PLAN  
 STATUS OF PROJECTS FY 2022  
 FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

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**Status of Projects FY 2022**



Source: Information provided from [5 Year Construction Work Plan SFY-2022 through SFY-2026](#) and Oklahoma Department of Transportation CIRB Project Information report.

**CIRCUIT ENGINEERING DISTRICT #5**  
**APPENDIX B: CIRB FIVE YEAR CONSTRUCTION WORK PLAN**  
**STATUS OF PROJECTS FY 2022**  
**FOR THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022**

FY 2022 Plan Information					FY 2022		
County	Job Piece	Job Phase	Description	Plan Budget	Encumbered	Disbursed	Status
Canadian	3120806	Right of Way	EW-105 Over Unnamed Creek	\$ 25,000	\$ 25,000	\$ -	Encumbered
	3120807	Utilities	EW-105 Over Unnamed Creek	10,000	10,000	-	Encumbered
	3288304	Bridge & Approaches	Waterloo	774,485	721,246	676,159	Work in Progress
	3455605	Contract P.E.	Uncle John Creek	225,000	-	-	No Activity
Cleveland	3125506	Right of Way	72nd St	500,000	-	-	No Activity
	3125507	Utilities	72nd St	400,000	-	-	No Activity
Garvin	3238207	Utilities	City Lake Rd	300,000	300,000	-	Encumbered
Logan	2508904	Grade, Drain & Surface	Coltrane Rd	3,512,025	3,495,727	2,440,500	Work in Progress
Oklahoma	3259504	Bridge & Approaches	Harrah Rd	583,121	491,874	301,484	Work in Progress
	3458104	Bridge & Approaches	NE 108th Over Unnamed Creek	783,000	-	-	No Activity
	3496304	Intersection Modification	Britton Rd & Luther Rd	487,000	-	-	No Activity
	3496307	Utilities	Britton Rd & Luther Rd	100,000	100,000	-	Encumbered
Payne	2871704	Bridge & Approaches	EW-68 Over Clear Creek	849,169	626,470	282,386	Work in Progress
<b>Total</b>				<b>\$ 8,548,800</b>	<b>\$ 5,770,317</b>	<b>\$ 3,700,529</b>	

Source: Information provided from [5 Year Construction Work Plan SFY-2022 through SFY-2026](#) and Oklahoma Department of Transportation CIRB Project Information report.

O·K·L·A·H·O·M·A  
S·A·I  
STATE AUDITOR & INSPECTOR



**Cindy Byrd, CPA | State Auditor & Inspector**

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