

-M E M O R A N D U M-

TO: Professional Bail Bondsmen
FROM: John D Doak, Commissioner, Oklahoma Insurance Department
DATE: July 24, 2013
RE: Personal Financial Statements

The following are the requirements for your personal financial statement due September 30th. Attention to the details below will expedite the review of your personal financial statement. The Department suggests that you give a copy of this memorandum to your Certified Public Accountant or Public Accountant.

Briefly, 59 O.S. §1306 and §1309 require "an unqualified opinion" from a Certified Public Accountant or a licensed Public Accountant with a permit to practice. To express such an opinion the CPA/PA must conduct an audit. Compilations or review engagements will not satisfy this requirement. **The personal financial statement shall be dated not earlier than ninety (90) days prior to September 30th. (July 2nd)**

Special attention should be given to:

- 1) Valuation of assets and liabilities must comply with the guidelines as promulgated by the AICPA in the publication entitled: *Personal Financial Statements Guide* issued by the Accounting Standards Division of the AICPA.
- 2) Valuation method(s) and date(s) must be disclosed in the Notes to the Financial Statements.
- 3) Encumbered funds held jointly by the Bondsman and OID must be a separate line item on the balance sheet.
- 4) Format of the Financial Statements, Notes, and Opinion must follow AICPA guidelines.
- 5) Current and deferred income tax information must be included.
- 6) Disclosures should include, but are not limited, to the following:
 - a) Contingent liability of bonds outstanding.
 - b) Amount of deposit held by state.
 - c) Pending litigation.
- 7) Jointly owned assets should be valued at 50 percent on individual statements. Notes to Financial Statement MUST disclose if prepared on individual or joint basis. Please refer to OAC Regulation 365:25-5-42.
- 8) The CPA or PA must disclose their license number and expiration date of their Oklahoma permit in a separate letter to accompany the financial statement.
- 9) If the CPA/PA preparing this financial statement did not prepare the previous statement, a letter from the former CPA/PA is required.

Please make sure that your CPA/PA has renewed his/her permit to practice. Do not mail your financial statement to the Financial Division. The financial statement must be mailed to the Bail Bond Division. If you have any questions, please contact:

Bail Bond Division
Oklahoma Insurance Department
3625 NW 56th Street, Suite 100
Oklahoma City, Oklahoma 73112-4511
(405) 521-6610