



COMANCHE COUNTY

Financial Report

For the fiscal year ended June 30, 2023

Cindy Byrd, CPA
State Auditor & Inspector

**COMANCHE COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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OKLAHOMA
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov

September 23, 2024

TO THE CITIZENS OF
COMANCHE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Comanche County, Oklahoma for the fiscal year ended June 30, 2023. The audit was conducted in accordance with 19 O.S. § 171.

A report of this type can be critical in nature. Failure to report commendable features in the accounting and operating procedures of the entity should not be interpreted to mean that they do not exist.

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". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

**COMANCHE COUNTY OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Board of County Commissioners

District 1 – John O’Brien
District 2 – Johnny Owens
District 3 – Josh Powers

County Assessor

Grant Edwards

County Clerk

Carrie Tubbs

County Sheriff

Kenny Stradley

County Treasurer

Rhonda Brantley

Court Clerk

Robert Morales

District Attorney

Kyle Cabelka

**COMANCHE COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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FINANCIAL SECTION



Independent Auditor's Report

TO THE OFFICERS OF
COMANCHE COUNTY, OKLAHOMA

Report on the Audit of the Financial Statement

Opinion

We have audited the total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Comanche County, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the regulatory basis total receipts, disbursements, and changes in cash balances for all county funds of Comanche County, as of and for the year ended June 30, 2023, in accordance with the financial reporting provisions of Title 19 O.S. § 171 of Oklahoma Statutes described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles (U.S. GAAP) section of our report, the financial statement referred to above does not present fairly, in accordance with U.S. GAAP, the financial position of Comanche County as of June 30, 2023, or changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Comanche County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statement is prepared by Comanche County using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than U.S. GAAP to meet the requirements of the State of Oklahoma. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and U.S. GAAP, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the regulatory basis of accounting prescribed or permitted by Oklahoma state law, and for determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Comanche County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Comanche County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Comanche County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the total of all county funds on the financial statement. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the remaining supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statement.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards and the remaining supplementary information is fairly stated, in all material respects, in relation to the financial statement.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2024, on our consideration of Comanche 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 solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Comanche County's internal control over financial reporting and compliance.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

August 26, 2024

REGULATORY BASIS FINANCIAL STATEMENT

COMANCHE COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Beginning Cash Balances July 1, 2022	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2023
County Funds:						
County General	\$ 6,042,758	\$ 9,932,838	\$ -	\$ -	\$ 9,932,716	\$ 6,042,880
County Highway Unrestricted	2,933,585	5,517,409	144,371	-	5,616,984	2,978,381
Health	3,360,603	2,140,223	-	-	2,066,412	3,434,414
Resale Property	1,462,610	941,851	-	-	259,658	2,144,803
Treasurer Mortgage Certification	25,026	18,295	-	-	22,221	21,100
County Clerk Lien Fee	102,888	32,496	-	-	928	134,456
County Clerk Records Management and Preservation Fund	367,371	201,840	-	-	222,391	346,820
Assessor Revolving Fee	23,971	41,925	-	-	4,139	61,757
Sheriff Service Fee	232,968	287,893	-	-	294,599	226,262
Sheriff-ST	353,307	285,513	-	-	351,651	287,169
Byrnes Grant	22,204	14,377	-	-	23,854	12,727
Juvenile Detention	313,884	1,612,719	-	-	1,664,124	262,479
Juvenile Bureau Federal IV-E	294,186	24,330	-	-	29,884	288,632
911 Phone Fees	119,338	42,815	-	-	147,455	14,698
Emergency Managemnt	27,146	238,623	-	-	206,915	58,854
County Donations - Home Finance	2,026,814	56,668	-	2,047,205	19,001	17,276
Fair-ST	26,180	316,393	-	-	317,746	24,827
Use Tax-ST	3,163,230	964,363	-	-	362,727	3,764,866
General Gov't-ST	841,116	201,428	-	-	-	1,042,544
Jail-ST	387,854	4,686,665	-	-	4,706,800	367,719
Economic Development-ST	14,545	175,913	-	-	23,276	167,182
County Bridge and Road Improvement	1,917,106	969,789	72,678	-	747,799	2,211,774
Reward Fund	97	100	-	-	97	100
Rural Fire-ST	25,211	895,645	-	-	202,702	718,154
Court Clerk Payroll	36,302	403,968	-	-	434,666	5,604
National Association of County and City Health Officials	2,252	25,000	-	-	12,794	14,458
American Rescue Plan Act 2021	9,872,253	11,772,897	-	-	5,366,553	16,278,597
Comanche Tribal Joint Project	-	867,762	-	-	867,762	-
LATCF	-	141,622	-	-	-	141,622
Opioid Abatement Settlement	-	493,707	-	-	-	493,707
Sheriff Forfeiture	-	104,593	-	-	27,517	77,076
Sheriff Training	-	1,822	-	-	-	1,822
Home Finance	-	7,156	2,047,205	-	3,454	2,050,907
Total - All County Funds	\$ 33,994,805	\$ 43,418,638	\$ 2,264,254	\$ 2,047,205	\$ 33,936,825	\$ 43,693,667

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

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. Summary of Significant Accounting Policies

A. Reporting Entity

Comanche County is a subdivision of the State of Oklahoma created by the Oklahoma Constitution and regulated by Oklahoma Statutes.

The accompanying financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds under the control of the primary government. 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, where its use is restricted for a specified purpose. Other funds established by statute and under the control of the primary government are also presented.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including school districts, and cities and towns. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement; those funds play no part in the County's operations. Any trust or agency funds maintained by the County are not included in this presentation.

B. Fund Accounting

The County 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.

Following are descriptions of the county funds included within the financial statement:

County General – accounts for revenue derived mostly from ad valorem tax as directed by the Oklahoma Constitution and state statutes. Other revenue includes fees, in-lieu taxes, and other miscellaneous collections. Disbursements are for general operations of the County.

County Highway Unrestricted – accounts for revenue from motor fuel and motor vehicle taxes and is designated for those activities associated with building and maintaining county roads and bridges.

Health – accounts for ad valorem tax collections and fees for services collected, disbursements are for the operation of the County Health Department.

Resale Property – accounts for interest and penalties assessed on delinquent ad valorem tax payments as well as proceeds of selling real property in the County which has remained delinquent in ad valorem tax payments for three years. The fund is utilized by the County Treasurer for offsetting the costs associated with the collection of delinquent ad valorem taxes.

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Treasurer Mortgage Certification – accounts for the collection of fees by the County Treasurer for mortgage tax certificates and disbursements of funds as restricted by state statute.

County Clerk Lien Fee – accounts for lien collections and disbursements as restricted by state statute.

County Clerk Records Management and Preservation Fund – accounts for special fees collected on all documents filed of record in the County Clerk’s office. Expenditures are restricted to activities related to preservation of records in the County Clerk’s office as restricted by state statute.

Assessor Revolving Fee – accounts for the collection of fees for copies as restricted by state statute.

Sheriff Service Fee – accounts for the collection of fees and reimbursements for revenues such as process fees and courthouse security, and disbursements as restricted by state statute.

Sheriff-ST – accounts for tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Byrnes Grant – accounts for grant monies received the Sheriff’s office and disbursements are restricted by grant requirements.

Juvenile Detention – accounts for the collections from the State of Oklahoma and other Oklahoma counties for the housing of juvenile offenders. Disbursements are for the general operations of the juvenile detention center.

Juvenile Bureau Federal IV-E – accounts for the collection of grant monies provided for seeking and preserving families. Disbursements are for professional services, contracts, and community service supervisors.

911 Phone Fees – accounts for fees collected by phone service providers in accordance with state statute to support 911 emergency operations.

Emergency Management – accounts for revenue from state or federal grants for the purpose of providing the County emergency management services.

County Donations – Home Finance – accounts for donations to the County for specified projects as restricted by resolution approved by the Board of County Commissioners.

Fair-ST – accounts for tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Use Tax-ST – accounts for the collection of use tax revenue and the disbursement of funds as restricted by the use tax resolution.

General Gov't-ST – accounts for tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Jail-ST – accounts for tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Economic Development-ST – accounts for tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

County Bridge and Road Improvement – accounts for state receipts and disbursements for the improvement of county bridges and roads.

Reward Fund – accounts for revenue provided by fines assessed upon persons convicted of illegal dumping of trash, debris, waste, or other substances that may cause fire on public or private property. The Board of County Commissioners may use this fund to offer and pay a reward to individuals offering information that leads to an arrest and conviction. The fund may also be used for special enforcement programs related to investigating and/or preventing littering and illegal dumping.

Rural Fire-ST – accounts for tax assessed upon retail sales within the County as authorized by vote of the citizens of the County. Sales tax funds are restricted for the purpose described on the ballot approved by voters.

Court Clerk Payroll – accounts for funds collected by the Court Clerk and disbursements for payroll of Court Fund employees.

National Association of County and City Health Officials – accounts for the collection of federal grant monies and disbursed as restricted by the grant agreement.

American Rescue Plan Act 2021 – accounts for monies received from the United States Department of Treasury and disbursed for responding to the COVID-19 public health emergency and its negative economic impact, premium pay to eligible workers, the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, and investments in water, sewer, and broadband infrastructure as restricted by federal requirements.

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Comanche Tribal Joint Project – accounts for collections from the Comanche Nation Tribe in an Intergovernmental Agreement between the Board of County Commissioners and Comanche Nation Tribe to be disbursed on road projects.

LATCF – accounts for federal funding for Local Assistance and Tribal Consistency Fund (LATCF) made available through the American Rescue Plan Act of 2021 to be used in the same manner as other locally generated revenue.

Opioid Abatement Settlement – accounts for court settlement from class-action lawsuits against opioid manufacturers and distributors. Funding is to be used in accordance with the settlement agreement for opioid abatement.

Sheriff Forfeiture – accounts for proceeds from the sale of property seized by law enforcement as ordered by the court. The fund is used for law enforcement purposes and/or drug prevention and eradication.

Sheriff Training – accounts for property in the possession of the Sheriff's office that remains unclaimed for a period of six months or more may be sold upon application to the district court. Proceeds are used for purchase of equipment, materials, or supplies that may be used in crime prevention, education, training, or programming.

Home Finance – accounts for the principal and collection of interest earned on donation. Disbursements are made as designated by the Board of County Commissioners for the general operations of the County and maintenance of county facilities.

C. Basis of Accounting

The financial statement is 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 (U.S. GAAP), 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. This regulatory basis financial presentation is not a comprehensive measure of economic condition or changes therein.

Title 19 O.S. § 171 allows Oklahoma counties to present their financial statement in accordance with U.S. GAAP or on a regulatory basis. The County has elected to present their financial statement on a regulatory basis in conformity with Title 19 O.S. § 171, which specifies the format and presentation of such regulatory basis financial statements: county governments (primary only) are required to present their financial statements on a fund basis format with, at a minimum, the general fund and all other county funds, which represent ten percent or greater of total county revenue with all other funds included in the audit presented in the aggregate in a combining statement. However, the County has elected to present all funds included in the audit in the Statement of Receipts, Disbursements, and Changes in Cash Balances—Regulatory Basis.

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

D. Budget

Under current Oklahoma Statutes, a general fund and a county health department fund are the only funds required to adopt a formal budget. 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 for the respective fund by 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.

E. Cash and Investments

For the purposes of financial reporting, "Ending Cash Balances, June 30" includes cash and cash equivalents and investments as allowed by statutes. The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County's books. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County's deposits. The amount of collateral securities to be pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

The County Treasurer has been authorized by the County's governing board to make investments. Allowable investments are outlined in statutes 62 O.S. § 348.1 and § 348.3.

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured. All investments as classified by state statute are nonnegotiable certificates of deposit. Nonnegotiable certificates of deposit are not subject to interest rate risk or credit risk.

2. 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."

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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. The County Treasurer, according to the law, shall give notice of delinquent taxes and special assessments by publication once a week for two consecutive weeks at any time after April 1, but prior to the end of September following the year the taxes were first due and payable. Unpaid real property taxes become a lien upon said property after the treasurer has perfected the lien by public notice.

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

3. Other Information

A. 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.

Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates.

B. Other Post Employment Benefits (OPEB)

In addition to the pension benefits described in the Pension Plan note, OPERS provides post-retirement health care benefits of up to \$105 each for retirees who are members of an eligible group plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the County is not available nor can it be reasonably estimated.

C. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the County expects such amounts, if any, to be immaterial.

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

As of the end of the fiscal year, there were no claims or judgments that would have a material adverse effect on the financial condition of the County; however, the outcome of any lawsuit would not be determinable.

D. Sales Tax

Sales Tax of March 2, 2021

On March 2, 2021, Comanche County citizens voted to extend the existing three-eighths of one percent (3/8%) County sales tax currently levied pursuant to Resolution number 04-07-2014 of the County which provides funding for the economic development efforts of Comanche County, including capital improvements and operational cost of rural fire protection, county fairgrounds, sheriff's office, county jail, and the Comanche County Industrial Authority and/or debt service in connection with obligations issued by or on behalf of the County to fund any of the capital improvements; becoming effective March 2, 2021 for 10 years expiring December 31, 2031, all as more specifically set out in Resolution number 09-08-2020 of the County. These funds are accounted for as separate cash funds on the County's general ledger as follows: Sheriff-ST, Fair-ST, General Gov't-ST, Jail-ST, Economic Development-ST, and Rural Fire-ST.

E. Interfund Transfers

During the fiscal year, the County made the following transfers between cash funds:

- \$217,049 was transferred from the Escrow Account (a trust and agency fund) to the following for the purpose of closing the fund.
 - \$144,371 to County Highway Unrestricted,
 - \$72,678 to County Bridge and Road Improvement.
- \$2,047,205 was transferred from the County Donation – Home Finance fund to the Home Finance fund for the purpose of separating two funds that were combined in the conversion to the Chart of Accounts.

SUPPLEMENTARY INFORMATION

COMANCHE COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund		
	Budget	Actual	Variance
District Attorney - State	\$ 38,000	\$ 38,000	\$ -
County Sheriff	2,338,563	2,338,371	192
County Treasurer	331,952	331,673	279
County Commissioners	524,280	489,303	34,977
OSU Extension	155,100	125,428	29,672
County Clerk	644,748	643,948	800
County Court Clerk	823,633	823,633	-
County Assessor	417,335	413,275	4,060
Visual Inspection	776,074	755,820	20,254
Juvenile Shelter/Bureau	522,679	492,844	29,835
General Government	4,080,633	1,525,075	2,555,558
Excise Equalization	9,681	9,457	224
Election Board	238,675	237,645	1,030
Emergency Management	215,176	215,176	-
Charity	4,000	2,700	1,300
E-911	679,405	679,405	-
County Audit Budget Account	77,950	77,950	-
Free Fair	324,226	324,226	-
Library	55,000	55,000	-
County Hospital	194,874	194,874	-
Juvenile Detention Center	284,565	284,564	1
Total Expenditures, Budgetary Basis	<u>\$ 12,736,549</u>	<u>\$ 10,058,367</u>	<u>\$ 2,678,182</u>

COMANCHE COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—HEALTH FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Health Fund		
	Budget	Actual	Variance
Health and Welfare	\$ 4,671,413	\$ 2,577,626	\$ 2,093,787
Total Expenditures, Budgetary Basis	<u>\$ 4,671,413</u>	<u>\$ 2,577,626</u>	<u>\$ 2,093,787</u>

**COMANCHE COUNTY, OKLAHOMA
NOTE TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. Budgetary Schedules

The Comparative Schedules of Expenditures—Budget and Actual—Budgetary Basis for the General Fund and the Health 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 because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

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 these funds. At the end of the year unencumbered appropriations lapse.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Sub-Recipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the Oklahoma Department of Education:				
School Breakfast Program	10.553	N/A		\$ 18,946
National School Lunch Program	10.555	N/A		50,395
Passed Through the Oklahoma State Treasurer:				
Schools and Roads - Grants to States	10.665	N/A		222
Total U.S. Department of Agriculture				<u>69,563</u>
U.S. DEPARTMENT OF INTERIOR				
Direct Grant:				
Payments In Lieu of Taxes	15.226	N/A		184,671
National Wildlife Refuge Fund	15.659	N/A		1,147
Total U.S. Department of Interior				<u>185,818</u>
U.S. DEPARTMENT OF JUSTICE				
Passed Through the Oklahoma State Bureau of Investigation:				
Missing Children's Assistance	16.543	N/A		5,867
Passed Through the Oklahoma District Attorneys Council:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAG-LLE 2022		23,856
Total U.S. Department of Justice				<u>29,723</u>
U.S. DEPARTMENT OF TREASURY				
Direct Grant:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 3,619,540	5,366,553
Total U.S. Department of Treasury			<u>\$ 3,619,540</u>	<u>5,366,553</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through the Oklahoma Department of Health and Human Services:				
Medical Reserve Corps Small Grant Program	93.008	N/A		12,794
Total U.S. Department of Health and Human Services				<u>12,794</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through the Oklahoma Department of Emergency Management				
Emergency Management Performance Grants	97.042	EMPG-22		40,800
Total U.S. Department of Homeland Security				<u>40,800</u>
Total Expenditures of Federal Awards			<u>\$ 3,619,540</u>	<u>\$ 5,705,251</u>

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of Comanche County and is presented on the *cash basis of accounting*. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

Indirect Cost Rate

Comanche County has elected to not use the 10 percent de minimis cost rate allowed for by 2 CFR§ 200.414(f).

INTERNAL CONTROL AND COMPLIANCE SECTION



**Independent Auditor's 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
COMANCHE COUNTY, OKLAHOMA

We have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the total—all county funds of the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances of Comanche County, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise Comanche County's financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated August 26, 2024.

Our report included an adverse opinion on the financial statement because the statement is prepared using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). However, our report also included our opinion that the financial statement does present fairly, in all material respects, the receipts, disbursements, and changes in cash balances – regulatory basis of the County as of and for the year ended June 30, 2023, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Comanche County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Comanche County's internal control. Accordingly, we do not express an opinion on the effectiveness of Comanche County's internal control.

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 of 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. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses: 2023-001 and 2023-005.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Comanche County's financial statement is free from 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 financial statement. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2023-005.

We noted certain matters regarding statutory compliance that we reported to the management of Comanche County, which are included in Section 4 of the schedule of findings and responses contained in this report.

Comanche County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Comanche County's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Comanche County's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

August 26, 2024



**Independent Auditor's Report on Compliance for Each Major Federal Program
and Report on Internal Control Over Compliance
Required by the Uniform Guidance**

TO THE OFFICERS OF
COMANCHE COUNTY, OKLAHOMA

Report on Compliance for Each Major Federal Program

Qualified Opinion

We have audited Comanche County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Comanche County's major federal program for the year ended June 30, 2023. Comanche County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Comanche County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Comanche County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on compliance for each major federal program. Our audit does not provide a legal determination of Comanche County's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds

As described in the accompanying schedule of findings and questioned costs, Comanche County did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2023-014	21.027	Coronavirus State and Local Fiscal Recovery Funds	Reporting

Compliance with such requirements is necessary, in our opinion, for Comanche County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Comanche County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Comanche County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Comanche County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Comanche County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Comanche County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Comanche County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs to be material weaknesses. Those material weaknesses in internal control over compliance related to the following program and compliance requirements:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2023-006	21.027	Coronavirus State and Local Fiscal Recovery Funds	Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Performance, Procurement and Suspension and Debarment; Reporting; and Subrecipient Monitoring
2023-007	21.027	Coronavirus State and Local Fiscal Recovery Funds	Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Performance; Procurement and Suspension and Debarment; Reporting; and Subrecipient Monitoring

Comanche County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Comanche County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Comanche County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Cindy Byrd". The signature is written in a cursive, flowing style.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

August 26, 2024

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

SECTION 1—Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued:.....Adverse as to U.S. GAAP; unmodified as to regulatory presentation

Internal control over financial reporting:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? None reported

Noncompliance material to the financial statement noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? None reported

Type of auditor's report issued on
compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR § 200.516(a) of the Uniform Guidance? Yes

Identification of Major Programs

Assistance Listing Number(s)

21.027

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal
Recovery Funds

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?..... No

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

SECTION 2—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 2023-001 – Lack of County-Wide Internal Controls (Repeat Finding – 2011-001, 2012-001, 2013-001, 2014-001, 2015-001, 2016-001, 2017-001, 2018-001, 2019-001, 2020-001, 2021-001, 2022-001)

Condition: Through the process of gaining an understanding of the County’s internal control structure, it was noted that county-wide internal controls regarding Risk Assessment and Monitoring have not been designed.

Cause of Condition: Policies and procedures have not been designed and implemented to address Risk Assessment and Monitoring of the County.

Effect of Condition: Without an adequate system of county-wide controls, there is greater risk of a breakdown in control activities which could result in unrecorded transactions, undetected errors, or misappropriation of funds.

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that the County design and implement policies and procedures to document their internal control framework. This documentation should outline the importance of internal controls, the risk that the County has identified, the control activities established to address the risk, the steps taken to properly communicate pertinent information in a timely manner and the methodology to monitor the quality of performance over time. These procedures should be written policies and procedures and could be included in the County’s policies and procedures handbook.

Management Response:

Chairman of the Board of County Commissioners: The Board of County Commissioners will work to implement a process of assessing and identifying risks.

Criteria: The United States Government Accountability Office’s *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

The GAO Standards – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

Definition of Internal Control

Internal control is a process effected by an entity’s oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.04 states in part:

Components, Principles, and Attributes

Control Environment - The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.

Risk Assessment - Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

Information and Communication - The quality information management and personnel communicate and use to support the internal control system.

Monitoring - Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

Finding 2023-005 – Lack of Internal Controls and Noncompliance Over the Disbursement Process

Condition: The test of seventy-six (76) disbursements reflected the following:

- Four (4) disbursements totaling \$604,430 were not properly encumbered in accordance with state statute.
- One (1) disbursement in the amount of \$977 did not have sufficient documentation to support proper encumbrance.

Cause of Condition: Policies and procedures have not been designed and implemented to strengthen internal controls over the disbursement process and to ensure compliance with state statute.

Effect of Condition: This condition resulted in noncompliance with state statute which could result in unrecorded transactions, misstated financial reports, undetected errors, and misappropriation of funds.

Recommendation: OSAI recommends the County design and implement a system of internal controls over the disbursement process. Such controls should include ensuring that funds are encumbered prior to the receipt of goods and/or services, implementing a review process with adequate documentation to support the review, and implementing procedures to ensure authorized personnel requisition, receive, and approve cash disbursements in accordance with 19 O.S. § 1505.

Management Response:

Chairman of the Board of County Commissioners: The Board of County Commissioners will express to fellow County officials the importance of County funds being encumbered prior to the receipt of goods and/or services, and that proper documentation be attached to all purchase orders.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Criteria: The GAO Standards – Principle 10 – Design Control Activities – 10.04 states in part:

Adequate Documentation of transactions and internal control

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

The GAO Standards – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

Definition of Internal Control

Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

The GAO Standards – Section 2 – Objectives of an Entity – OV2.23 states in part:

Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Further, effective internal controls require that management properly implement procedures to ensure that purchases comply with 19 O.S. § 1505.

SECTION 3—Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Finding 2023-006 – Lack of County-Wide Internal Controls Over Major Federal Program – Coronavirus State and Local Fiscal Recovery Funds (Repeat Finding – 2022-006)

PASS-THROUGH GRANTOR: Direct Grant

FEDERAL AGENCY: U.S. Department of Treasury

ASSISTANCE LISTING: 21.027

FEDERAL PROGRAM NAME: Coronavirus State and Local Fiscal Recovery Funds

FEDERAL AWARD YEAR: 2021

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Performance; Procurement and Suspension and Debarment; Reporting; Subrecipient Monitoring

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

QUESTIONED COSTS: \$0

Condition: Through the process of gaining an understanding of the County's internal control structure, it was noted that county-wide internal controls regarding Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been designed.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the County complies with grant requirements.

Effect of Condition: Without an adequate system of county-wide controls, there is greater risk of a breakdown in control activities which could result in unrecorded transactions, undetected errors, or misappropriation of funds. Further, this condition could result in noncompliance with grant requirements and a loss of federal funds.

Recommendation: OSAI recommends that the County design and implement a system of internal control procedures to ensure compliance with grant requirements. This documentation should outline the importance of internal controls, the risk that the County has identified, the control activities established to address the risk, the steps taken to properly communicate pertinent information in a timely manner and the methodology to monitor the quality of performance over time. These procedures should be written policies and procedures and could be included in the County's policies and procedures handbook.

Management Response:

Chairman of the Board of County Commissioners: The Board of County Commissioners will work toward assessing and identifying risks to design written county-wide controls.

Criteria: The GAO Standards – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

Definition of Internal Control

Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.04 states in part:

Components, Principles, and Attributes

Control Environment - The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.

Risk Assessment - Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

Information and Communication - The quality information management and personnel communicate and use to support the internal control system.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Monitoring - Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

Finding 2023-007 – Lack of Internal Controls Over Major Federal Program – Coronavirus State and Local Fiscal Recovery Funds (Repeat Finding – 2022-007)

PASS-THROUGH GRANTOR: Direct Grant

FEDERAL AGENCY: U.S. Department of Treasury

ASSISTANCE LISTING: 21.027

FEDERAL PROGRAM NAME: Coronavirus State and Local Fiscal Recovery Funds

FEDERAL AWARD YEAR: 2021

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Performance; Procurement and Suspension and Debarment; Reporting; and Subrecipient Monitoring

QUESTIONED COSTS: \$0

Condition: During the process of documenting the County's internal controls regarding federal disbursements, we noted that Comanche County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Performance; Procurement and Suspension and Debarment; Reporting; and Subrecipient Monitoring

Cause of Condition: Policies and procedures have not been designed and implemented to ensure federal expenditures are made in accordance with federal compliance requirements.

Effect of Condition: This condition could result in noncompliance to grant requirements and could lead to a loss of federal funds to the County.

Recommendation: OSAI recommends the County gain an understanding of requirements for this program and implement internal control procedures to ensure compliance with requirements.

Management Response:

Chairman of the Board of County Commissioners: The Board of County Commissioners will work with all County Officials to go over all grants and federal monies that Comanche County receives to ensure that proper internal controls are implemented.

Criteria: 2 CFR § 200.303 *Internal Controls (a)* reads as follows:

The non-Federal entity must:

Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Further, accountability and stewardship should be overall goals in management's accounting of federal funds. Internal controls should be designed to monitor compliance with laws and regulations pertaining to grant contracts.

Finding 2023-014 – Noncompliance with Reporting Requirements Over Federal Grant – Coronavirus State and Local Fiscal Recovery Funds (Repeat Finding – 2022-014)

PASS-THROUGH GRANTOR: Direct Grant

FEDERAL AGENCY: U.S. Department of Treasury

ASSISTANCE LISTING: 21.027

FEDERAL PROGRAM NAME: Coronavirus State and Local Fiscal Recovery Funds

FEDERAL AWARD YEAR: 2021

CONTROL CATEGORY: Reporting

QUESTIONED COSTS: \$0

Condition: In the review of fifty-five (55) expenditures for federal programs, five (5) instances were noted where the expenditures were not correctly reported on the Coronavirus State and Local Fiscal Recovery Funds compliance reports.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure federal expenditures are properly reported in accordance with federal compliance requirements.

Effect of Condition: This condition could result in noncompliance to grant requirements.

Recommendation: OSAI recommends the County gain an understanding of the requirements for this program and implement internal controls to ensure compliance with these requirements.

Management Response:

Chairman of the Board of County Commissioners: The Board of County Commissioners will take measures to ensure future compliance with all requirements of federal grants.

Criteria: *Compliance and Reporting Guidance, State and Local Fiscal Recovery Funds (10. Reporting.)* reads as follows:

10. Reporting. All recipients of federal funds must complete financial, performance, and compliance reporting as required and outlined in Part 2 of this guidance. Expenditures may be reported on a cash or accrual basis, as long as the methodology is disclosed and consistently applied. Reporting must be consistent with the definition of expenditures pursuant to 2 CFR 200.1. Your organization should appropriately maintain accounting

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

records for compiling and reporting accurate, compliant financial data, in accordance with appropriate accounting standards and principles.

In addition, where appropriate, your organization needs to establish controls to ensure completion and timely submission of all mandatory performance and/or compliance reporting. See Part 2 of this guidance for a full overview of recipient reporting responsibilities.

Further, *2 CFR § 200.329 Monitoring and Reporting Program Performance (c)(1)* reads as follows:

The non-Federal entity must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes. Reports submitted annually by the non-Federal entity and/or pass-through entity must be due no later than 90 calendar days after the reporting period. Reports submitted quarterly or semiannually must be due no later than 30 calendar days after the reporting period. Alternatively, the Federal awarding agency or pass-through entity may require annual reports before the anniversary dates of multiple year Federal awards. The final performance report submitted by the non-Federal entity and/or pass-through entity must be due no later than 120 calendar days after the period of performance end date. A subrecipient must submit to the pass-through entity, no later than 90 calendar days after the period of performance end date, all final performance reports as required by the terms and conditions of the Federal award. See also § 200.344. If a justified request is submitted by a non-Federal entity, the Federal agency may extend the due date for any performance report.

SECTION 4—This section contains certain matters not required to be reported in accordance with *Government Auditing Standards*. However, we believe these matters are significant enough to bring to management’s attention. We recommend that management consider these matters and take appropriate corrective action.

Finding 2023-010 – Lack of Internal Controls and Noncompliance Over Official Depository Accounts

Condition: In the observation of records, it was noted that a balance in the following Official Depository account was not transferred to the appropriate fund as of June 30, 2023.

- Sheriff Children’s Fund (Balance of \$6,478).

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that all county funds collected under color of office and deposited in the Official Depository accounts are transferred to the appropriate fund at the close of each month.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Effect of Condition: These conditions result in noncompliance with state statute.

Recommendation: OSAI recommends that the funds deposited in the official depository accounts be properly transferred to the appropriate cash funds at the end of each month in accordance with 19 O.S. § 684. Board of County Commissioners and County Sheriff should seek legal counsel regarding the Sheriff's official depository account.

Management Response:

Chairman of the Board of County Commissioners: The Board of County Commissioners will not allow this balance to be apportioned and appropriated to the County Donations fund.

County Sheriff: The County Sheriff will take corrective action regarding the official depository account, pending legal counsel.

Criteria: The GAO Standards – Section 2 – Objectives of an Entity – OV2.23 states in part:

Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Further, Title 19 O.S. § 684 requires that that various monies collected by county officers and placed in the Official Depository Account must be transferred to the appropriate funds at the close of each month (on or before the second Monday following the close of the calendar month). This money is transferred using a county officer's official voucher.

APPENDIX A

CORRECTIVE ACTION PLAN

(Prepared by County Management)



Board of County Commissioners

John O'Brien
District 1

Johnny Owens
District 2

Josh Powers
District 3

Corrective Action Plan in accordance with 2 CFR § 200.511c for the fiscal year ended June 30, 2023

Finding No.	Title (Financial) or Assistance Listings No. & Program Name (Federal)	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	Lack of County-Wide Internal Controls	The Board of County Commissioners will work to implement a process of assessing and identifying risks.	7/1/25	Josh Powers, BOCC Chairman
2023-005	Lack of Internal Controls and Noncompliance Over the Disbursement Process	The Board of County Commissioners will express to fellow County officials the importance of County funds being encumbered prior to the receipt of goods and/or services.	7/1/25	Josh Powers, BOCC Chairman
2023-006	Assistance Listings Number 21.027 Lack of County-Wide Internal Controls Over Major Federal Program – Coronavirus State and Local Fiscal Recovery Funds	The Board of County Commissioners will work toward assessing and identifying risks to design written county-wide controls.	7/1/2025	Josh Powers, BOCC Chairman
2023-007	Assistance Listings Number 21.027 Lack of Internal Controls Over Major Federal Program – Coronavirus State and Local Fiscal	The Board of County Commissioners will work with all County Officials to go over all grants and federal monies that Comanche County receives to ensure that proper internal controls are implemented.	7/1/25	Josh Powers, BOCC Chairman



Board of County Commissioners

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	Recovery Funds Assistance Listings Number 21.027			
2023-014	Noncompliance with Reporting Requirements Over Federal Grant – Coronavirus State and Local Fiscal Recovery Funds	The Board of County Commissioners will take measures to ensure future compliance with all requirements of federal grants.	7/1/25	Josh Powers, BOCC Chairman

APPENDIX B

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

(Prepared by County Management)



Board of County Commissioners

John O'Brien
District 1

Johnny Owens
District 2

Josh Powers
District 3

Summary Schedule of Prior Audit Findings in accordance with 2 CFR § 200.511b for the fiscal year ended June 30, 2023

FINANCIAL AUDIT FINDINGS

Finding 2011-001, 2012-001, 2013-001, 2014-001, 2015-001, 2016-001, 2017-001, 2018-001, 2019-001, 2020-001, 2021-001, 2022-001

Lack of County-Wide Internal Controls

Finding Summary: County-wide controls regarding Risk Management and Monitoring have not been designed.

Status: Corrective action has not been taken.

Finding 2016-002, 2017-002, 2018-002, 2019-002, 2020-002, 2021-002, 2022-002

Lack of Internal Controls and Noncompliance Over the Sales Tax Disbursement

Finding Summary: County sales tax collections are distributed directly to the Comanche County Emergency Management for the rural fire departments which resulted in the sales tax expenditures not being monitored to determine they are expended in accordance with the sales tax ballot.

Status: Corrective action has been taken. Sales tax funds have been established for the rural fire departments with the County Clerk and no longer directly distributed to Comanche County Emergency Management.

FEDERAL AUDIT FINDINGS

Finding 2021-006

Lack of County-Wide Internal Controls Over Major Federal Program – Coronavirus Relief Fund

Pass-Through Grantor: State of Oklahoma Office of Management Enterprise Services and Oklahoma Department of Emergency and Homeland Security

Federal Agency: U.S. Department of Treasury

Assistance Listing: 21.019

Federal Award Year: 2021

Control Category: Activities Allowed or Unallowed; Allowable Cost/Cost Principles; and Period of Performance

Questioned Cost: \$-0-

Finding Summary: County-wide internal controls regarding Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been designed.

Status: Corrective action has not been taken.

Finding 2021-007 Lack of Internal Controls Over Major Federal Program – Coronavirus Relief Fund

Pass-Through Grantor: State of Oklahoma Office of Management Enterprise Services and Oklahoma Department of Emergency and Homeland Security

Federal Agency: U. S. Department of Treasury

Assistance Listing: 20.019



Board of County Commissioners

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Pass-Through Grantor: State of Oklahoma Office of Management Enterprise Services and Oklahoma Department of Emergency and Homeland Security

Federal Agency: U. S. Department of Treasury

Assistance Listing: 20.019

Federal Program Name: Coronavirus Relief Fund

Federal Award Year: 2021

Control Category: Activities Allowed or Unallowed; Allowable Cost/Cost Principles; and Period of Performance.

Questioned Costs: \$-0-

Finding Summary: During the process of documenting the County's internal controls regarding federal disbursements, it was noted that Comanche County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Cost/Cost Principles; and Period of Performance.

Status: Corrective action has not been taken.

Finding 2022-006

Lack of County-Wide Internal Controls Over Major Federal Program – Coronavirus State and Local Fiscal Recovery Fund

Pass-Through Grantor: Direct Grant

Federal Agency: U.S. Department of Treasury

Assistance Listings No: 21.027

Federal Program Name: Coronavirus State and Local Fiscal Recovery Funds

Federal Award Year: 2021

Control Category: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Performance; Procurement, Suspension and Debarment; Reporting; Subrecipient Monitoring

Questioned Costs: \$-0-

Finding Summary: County-wide internal controls regarding Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been designed.

Status: Corrective action has not been taken.

Finding 2022-007

Lack of Internal Controls Over Major Federal Program – Coronavirus State and Local Fiscal Recovery Fund

Pass-Through Grantor: Direct Grant

Federal Agency: U.S. Department of Treasury

Assistance Listings No: 21.027

Federal Program Name: Coronavirus State and Local Fiscal Recovery Funds

Federal Award Year: 2021

Control Category: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Performance; Procurement, Suspension and Debarment; Reporting; Subrecipient Monitoring

Questioned Costs: \$-0-

Finding Summary: During the process of documenting the County's internal controls regarding federal disbursements, it was noted that Comanche County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Cost/Cost Principles; and Period of Performance.

Status: Corrective action has not been taken.

Finding 2022-014

Noncompliance with Reporting Requirements Over Federal Grant – Coronavirus State and Local Fiscal Recovery Fund

Pass-Through Grantor: Direct Grant

Federal Agency: U.S. Department of Treasury



Board of County Commissioners

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Johnny Owens
District 2

Josh Powers
District 3

Assistance Listings No: 21.027

Federal Program Name: Coronavirus State and Local Fiscal Recovery Funds

Federal Award Year: 2021

Control Category: Reporting

Questioned Costs: \$-0-

Finding Summary: The test of 100% of Coronavirus State and Local Fiscal Recovery Funds expenditures reflected that an incorrect classification category was used for contractors. The quarterly reports that were filed listed the contractors as subrecipients. Further, expenditures for federal programs were not adequately reported on the CSLFRF Compliance Reports.

Status: Corrective action has not been taken.

Finding 2022-015

Noncompliance with Subrecipient Monitoring Over Federal Grant – Coronavirus State and Local Fiscal Recovery Fund

Pass-Through Grantor: Direct Grant

Federal Agency: U.S. Department of Treasury

Assistance Listings No: 21.027

Federal Program Name: Coronavirus State and Local Fiscal Recovery Funds

Federal Award Year: 2021

Control Category: Subrecipient Monitoring

Questioned Costs: \$404,258

Finding Summary: During our audit it was noted the County had three (3) subrecipients of the Coronavirus State and Local Fiscal Recovery Funds, in which the county does not have a subrecipient monitoring policy, and the County did not obtain subrecipient agreements.

Status: Corrective action has been taken. Subrecipients agreements have been obtained and approved by the Board of County Commissioners.



Cindy Byrd, CPA | State Auditor & Inspector

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