

# COMANCHE COUNTY

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2008



# COUNTY AUDIT



Oklahoma State Auditor  
& Inspector

**COMANCHE COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



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March 4, 2010

TO THE CITIZENS OF  
COMANCHE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Comanche County, Oklahoma for the fiscal year ended June 30, 2008. A report of this type is critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

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

The Office of the State Auditor and Inspector is committed to serving the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

**COMANCHE COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**COMANCHE COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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INTERNAL CONTROL AND COMPLIANCE SECTION

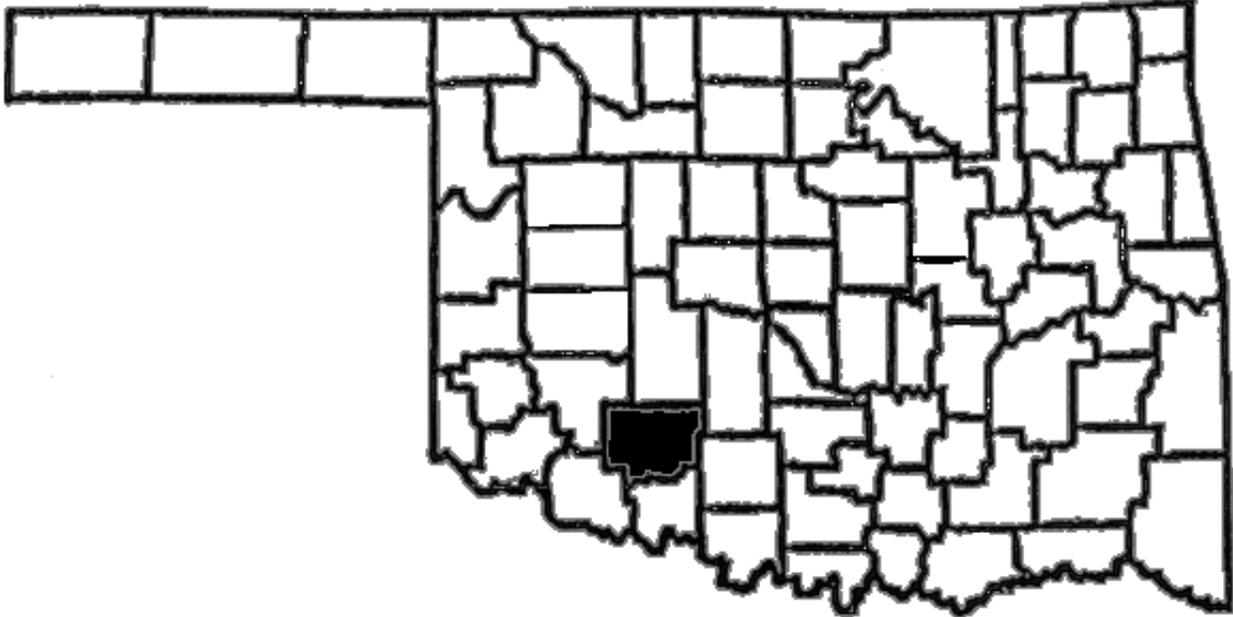
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**REPORT TO THE CITIZENS  
OF  
COMANCHE COUNTY, OKLAHOMA**

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Comanche County was created from a portion of Comanche County, Oklahoma Territory. The word Comanche is believed to be derived from the Spanish *Camino Ancho*, meaning "broad trail."

Fort Sill, established by General Philip H. Sheridan as a cavalry fort in 1869, is now headquarters for the U.S. Army Field Artillery Center and School. The military reservation, which covers 95,000 acres, contains some 50 historic sites, including the Geronimo Guardhouse and the grave of Quanah Parker.

Lawton, the county seat, is home to Cameron University and the Great Plains Technology Center. The Lawton Community Theater and the Lawton Philharmonic Orchestra are leading cultural activities of the area, as is the annual Arts for All Festival in April.

The Wichita Mountains Wildlife Refuge attracts more than a million visitors annually. It is also the site of the Holy City of the Wichitas where the annual Wichita Mountains Easter Sunrise Service is presented.

County Seat - Lawton

Area - 1,083.82 Square Miles

County Population - 112,429  
(2005 est.)

Farms - 1,188

Land in Farms - 425,146 Acres

Primary Source: Oklahoma Almanac 2007-2008

See independent auditor's report.

**COMANCHE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**COUNTY ASSESSOR**  
Charlotte Hamilton

The County Assessor has the responsibility to appraise and assess the real and personal property within the county for the purpose of ad valorem taxation. Also, the County Assessor is required to compute the ad valorem taxes due on all taxable property. The County Assessor appraises all the taxable real and personal property according to its fair cash value for which the property is actually being used as of January 1 of the taxable year at the percentages provided for in Article 10, § 8 of the Oklahoma Constitution.

The County Assessor is required to build and maintain permanent records of the taxable real property and tax exempt real property within the county. Information entered on each record includes the property's legal description, owner's name and address, and the homestead exemption status of the owner.

**COUNTY CLERK**  
Earlene Shriver

The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

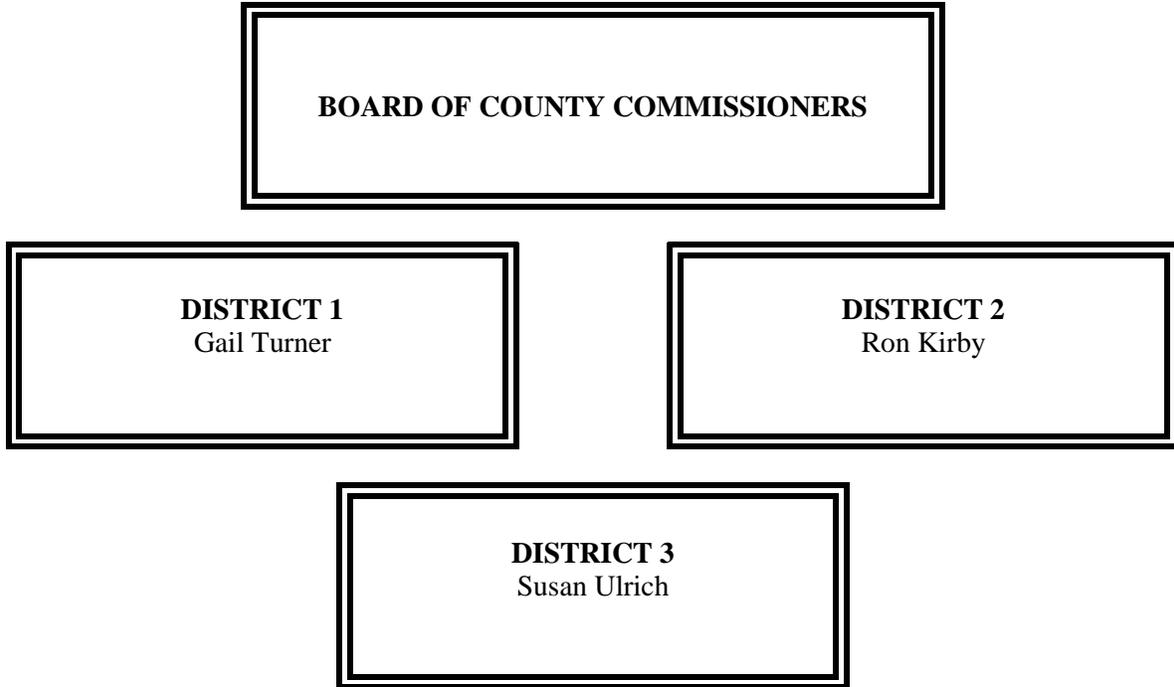
The County Clerk reviews all the claims for payment of goods and services purchased or contracted by the county, and prepares the proper warrants for payment of those goods and services and the county payroll. The County Clerk, or his or her designated deputy, serves as the purchasing agent for the county. This system is a means to ensure the public that tax dollars are being spent appropriately.

Various records within the different county offices are classified as "open records." As such, they can be reviewed and mechanically copied by the public.

See independent auditor's report.

**COMANCHE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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The Board of County Commissioners is the chief administrative body for the county. County Commissioners are also responsible for maintaining and constructing the county roads and bridges.

The Commissioners must act as a Board when entering into contracts or other agreements affecting the county's welfare. Thus, actions taken by the Board are voted on and approved by a majority of the Commissioners. The Board of County Commissioners' business meetings are open to the public.

As the county's chief administrative body, the three County Commissioners must make major financial decisions and transactions. The Board has the official duty to ensure the fiscal responsibility of the other county officers who handle county funds. The review and approval procedures empowered to the Board of County Commissioners are a means to provide the public with a fiscally efficient system of county government.

See independent auditor's report.

**COMANCHE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**COUNTY SHERIFF**  
Kenny Stradley

The County Sheriff is responsible for preserving the peace and protecting life and property within the county's jurisdiction. As the county's chief law enforcement officer, the Sheriff has the power and authority to suppress all unlawful disturbances, to apprehend and secure persons charged with felony or breach of peace, and to operate the county jail.

The County Sheriff has the responsibility of serving warrants and processing papers ordered by the District Court.

**COUNTY TREASURER**  
Barbara Burk

All collections by county government from ad valorem taxes and other sources are deposited with the County Treasurer. The County Treasurer collects ad valorem taxes for the county and its political subdivisions. The County Treasurer is authorized to issue delinquent personal property tax warrants and to impose tax liens on real property for delinquent taxes.

To account for county collections and disbursements, the County Treasurer is required to maintain an accurate record of all the monies received and disbursed. The State Auditor and Inspector's Office prescribes all the forms used by the County Treasurer, and at least twice a year inspects the County Treasurer's accounts.

See independent auditor's report.

**COMANCHE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**COURT CLERK**  
Robert Morales

The Court Clerk has the primary responsibility to record, file, and maintain as permanent records the proceedings of the District Court.

Court proceedings are recorded in the appropriate journal or record docket. All the court proceedings are public information except those related to juvenile, guardianship, adoption, and mental health cases.

The Court Clerk issues marriage licenses, passports, notary certificates, beer and pool hall licenses, and private process server licenses.

Monies from the court fund are identified for distribution by the Court Clerk to the appropriate units of county and state government. Court Clerks use forms and follow procedures prescribed by the Court Administrator's Office, the Oklahoma Supreme Court, and the State Auditor and Inspector.

**DISTRICT ATTORNEY**  
Robert Schulte

As the chief attorney for county government, the District Attorney acts as the legal advisor to the county officers on matters related to their duties. The District Attorney represents the county in civil litigation. County officials may call upon the District Attorney to clarify a law or request an official interpretation from the Attorney General.

See independent auditor's report.

**COMANCHE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**ELECTION BOARD SECRETARY**  
Monica Baughman

The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within the county.

To finance the operation of the County Election Board, the County Excise Board must appropriate sufficient funds annually. The state and counties split the election costs, but counties must pay for any county elections not held concurrently with state elections.

See independent auditor's report.



**COMANCHE COUNTY, OKLAHOMA  
COMPUTATION OF LEGAL DEBT MARGIN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

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Total net assessed value as of January 1, 2007		<u>\$ 530,210,481</u>
Debt limit - 5% of total assessed value		26,510,524
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	-	-
Legal debt margin		<u>\$ 26,510,524</u>

See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA  
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED  
VALUE AND NET BONDED DEBT PER CAPITA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

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	2008
Estimated population	112,429
Net assessed value as of January 1, 2007	\$ 530,210,481
Gross bonded debt	-
Less available sinking fund cash balance	-
Net bonded debt	\$ -
Ratio of net bonded debt to assessed value	0.00%
Net bonded debt per capita	\$ -

See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA  
ASSESSED VALUE OF PROPERTY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

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<u>Valuation Date</u>	<u>Personal</u>	<u>Public Service</u>	<u>Real Estate</u>	<u>Homestead Exemption</u>	<u>Net Value</u>	<u>Estimated Fair Market Value</u>
1/1/2007	\$79,350,222	\$44,683,552	\$421,963,047	\$15,786,340	\$530,210,481	\$4,651,669,597

See independent auditor's report.

**FINANCIAL SECTION**

# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

## Independent Auditor's Report

TO THE OFFICERS OF  
COMANCHE COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Comanche County, Oklahoma, as of and for the year ended June 30, 2008, listed in the table of contents as the basic financial statement. This financial statement is the responsibility of Comanche County's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement was prepared using accounting practices prescribed or permitted by Oklahoma state law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Comanche County as of June 30, 2008, or changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined total of receipts, disbursements, and changes in cash of Comanche County for the year ended June 30, 2008, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2009, 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 to describe the scope of our testing of internal control over financial

reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the combined total of all funds within the basic financial statement taken as a whole. The combining information is presented for purposes of additional analysis rather than to present the receipts, disbursements, and cash balances of the individual funds. Also, the other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis, and is not a required part of the basic financial statement. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statement. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole. The information listed in the table of contents under Introductory Section has not been audited by us, and accordingly, we express no opinion on it.



STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

August 3, 2009

## **Basic Financial Statement**

**COMANCHE COUNTY, OKLAHOMA  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 CHANGES IN CASH BALANCES  
 (WITH COMBINING INFORMATION)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Beginning Cash Balances July 1, 2007	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2008
Combining Information:				
County General Fund	\$ 3,666,548	\$ 7,262,460	\$ 6,861,341	\$ 4,067,667
County Highway Cash	1,825,990	6,874,332	5,755,447	2,944,875
County Health Department	878,515	1,405,920	1,368,717	915,718
Resale Property	35,110	304,033	213,962	125,181
Treasurer Mortgage Certification Fee	38,764	28,557	40,432	26,889
County Clerk Lien Fee	53,909	44,884	33,373	65,420
County Clerk Records Preservation Fee	20,676	124,675	97,735	47,616
Assessor Visual Inspection	21,461	12,624	6,437	27,648
Sheriff Service Fee	217,323	290,311	182,809	324,825
Sheriff Sales Tax 2007		104,521	64,234	40,287
Sheriff Courthouse Security	7,878	22,154	3,000	27,032
Sheriff Grant Fund	13,140	29,503	22,784	19,859
Sheriff Insurance Recovery	3,278	22,780	7,589	18,469
Juvenile Detention Cash Fund	402,017	1,414,788	1,362,655	454,150
Juvenile Bureau Fed IV E Fund	77,398	52,818	27,251	102,965
911 Emergency	63,345	104,220		167,565
Civil Defense	42,428	97,383	87,518	52,293
County Insurance Recovery	60	6,551	6,611	
Home Finance Cash Fund	1,616,158	564,908	34,309	2,146,757
Fairgrounds Use Tax Revolving	23,690	116,508	132,442	7,756
Fairgrounds Sales Tax 2007		195,050	160,047	35,003
County Use Tax Revolving Fund	122,650	120,522	69,509	173,663
Capital Improvement Sales Tax 2007		117,600		117,600
OK Department of Transportation - Bike Trail		159,850		159,850
JABG - GANG - 1 Grant		17,310	6,160	11,150
Mt. Scott/Meers Community Bldg. REAP	30,000		30,000	
County Film Library	1,969		198	1,771
Comanche County Courthouse Café	10,297	89,141	73,360	26,078
Hospital Lease Revenue Fund	108,083	300,000	36,254	371,829
<b>Combined Total--All County Funds</b>	<b>\$ 9,280,687</b>	<b>\$ 19,883,403</b>	<b>\$ 16,684,174</b>	<b>\$ 12,479,916</b>

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, 2008**

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**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

Counties were created by the Constitution of Oklahoma. One county officer is appointed; however, most county officers are locally elected by their constituents. All county powers are delegated by the state.

The accompanying basic financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds of Comanche County, Oklahoma. The funds presented as line items are not a part of the basic financial statement, but have been included as supplementary information within the basic financial statement. These separate funds are established by statute, and their operations are under the control of the County officials. 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. The other funds presented account for financial resources whose use is restricted for specified purposes.

**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 funds included as supplementary information within the financial statement:

County General Fund - accounts for the general operations of the government.

County Highway Cash - accounts for state, local, and miscellaneous receipts and disbursements for the purpose of constructing and maintaining county roads and bridges.

County Health Department - accounts for monies collected on behalf of the county health department from ad valorem taxes and state and local revenues.

Resale Property - accounts for the collection of interest and penalties on delinquent taxes and the disposition of same as restricted by statute.

Treasurer Mortgage Tax Certification Fee - accounts for the collection of fees by the Treasurer for mortgage tax certificates and the disbursement of the funds as restricted by statutes.

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

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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County Clerk Records Preservation Fee – accounts for fees collected for instruments filed in the Registrar of Deeds as restricted by statute for preservation of records.

Assessor Visual Inspection – accounts for the collection and disbursement of monies by the Assessor as restricted by statute for the visual inspection program.

Sheriff Service Fee – accounts for the collection and disbursement of sheriff process service fees as restricted by statute.

Sheriff Sales Tax 2007 – accounts for the collection of sales tax money and is disbursed for the purpose of maintenance and operations of the Sheriff’s office.

Sheriff Courthouse Security – accounts for the collection of fees through the court system and disbursed for courthouse security.

Sheriff Grant Fund – accounts for grant monies received by the Sheriff’s office. Disbursements account for the allowable expenses provided by grant contracts.

Sheriff Insurance Recovery – accounts for the collection of insurance payments received from the destruction of County Sheriff’s equipment.

Juvenile Detention Cash Fund – accounts for the collection from the State of Oklahoma and other Oklahoma Counties for the housing of juvenile offenders and disbursements are for the general operations of the Juvenile Detention Center.

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

911 Emergency – accounts for collection of a 5% fee of the tax rate imposed on residence outside the city limits of Lawton, but within the boundaries of Comanche County. Disbursements provided by the fee are used to operate and maintain an emergency telephone system (E911).

Civil Defense – accounts for state and local government collections and disbursements are made for personal services.

County Insurance Recovery – accounts for insurance payments used to reimburse the County for destroyed equipment.

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

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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Fairgrounds Use Tax Revolving – accounts for use tax collections from the Oklahoma Tax Commission. This amount is apportioned to the fairgrounds for general operations.

Fairgrounds Sales Tax 2007– accounts for the collection of sales tax monies and is disbursed for the purpose of maintenance and operations of the fairgrounds.

County Use Tax Revolving Fund – accounts for use tax collections from the Oklahoma Tax Commission. Disbursements account for general maintenance of the Comanche County Courthouse.

Capital Improvements Sales Tax 2007 – accounts for the collection of sales tax monies and is disbursed for the purpose of capital improvements of the courthouse.

Oklahoma Department of Transportation, Bike Trail – accounts for the collection of grant monies and is disbursed for the creation of a community bike trail.

JABG – GANG – 1 Grant – accounts for the collection of grant monies to be distributed by the Sheriff’s office in deterring gang related activities.

Mt. Scott/Meers Community Building - REAP – accounts for the collection of grant monies for the disbursement to small communities for fire stations and community centers.

County Film Library – accounts for collection from donations and disbursements are for the purchase of films for county schools.

Comanche County Courthouse Café – accounts for collection from café sales and disbursements are made for the operation of the café.

Hospital Lease Revenue Fund – accounts for the collection of lease money from the Hospital Authority to be disbursed upon the authority of the Board of County Commissioners.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, 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.

**C. Basis of Accounting**

The basic 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, which require revenues to be recognized when they become available and measurable or when they are earned, and

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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expenditures or expenses to be recognized when the related liabilities are incurred. This cash basis financial presentation is not a comprehensive measure of economic condition or changes therein.

**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.

For the highway funds and other funds, which are not required to adopt a formal budget, appropriations are made on a monthly basis, according to the funds then available.

**E. Cash**

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).

**F. Investments**

The County Treasurer has been authorized by the County's governing board to make investments. By statute (62 O.S. § 348.1 and § 348.3), the following types of investments are allowed:

- U.S. Government obligations
- Certificates of deposit
- Savings accounts
- G.O. bonds issued by counties, municipalities or school districts
- Money judgments against counties, municipalities or school districts
- Bonds and revenue notes issued by a public trust when the beneficiary of the trust is a county, municipality or school district
- Negotiable certificates of deposit
- Prime bankers acceptance which are eligible for purchase by the Federal Reserve System
- Prime commercial paper with a maturity of 180 days or less
- Repurchase agreements

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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- Money market funds regulated by the Securities and Exchange Commission and which investments consist of the above-mentioned types of investments

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.

**G. Compensated Absences**

All full-time employees are entitled to annual leave that is accrued on a monthly basis. Employees can earn from 5 days of vacation up to 20 days of vacation depending on the number of years of service. Employees may carry over no more than 480 hours of vacation from one year to the next (any additional time shall be forfeited).

The County does accumulate sick leave. Full-time employees earn 8 hours of sick leave for each full calendar month of service to the County. Sick leave may be accumulated up to 130 days.

**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."

The assessed property value as of January 1, 2007, was approximately \$530,210,481.

Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10.23 mills (the legal maximum) for general fund operations and 2.56 mills for county health department. In addition, the County collects the ad valorem taxes assessed by cities and towns, school districts, and emergency medical service, and remits the ad valorem taxes collected to the appropriate taxing units.

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. Unpaid real property taxes become a lien upon said property on October 1 of each year.

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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Current year tax collections for the year ended June 30, 2008, were approximately 96.57 percent of the tax levy.

**3. Fuel Tax**

The County receives major funding for roads and highways from a state imposed fuel tax. Taxes are collected by the Oklahoma Tax Commission. Taxes are imposed on all gasoline, diesel, and special fuel sales statewide. The County's share is determined on formulas based on the County population, road miles, and land area and is remitted to the County monthly. These funds are earmarked for roads and highways only and are accounted for in the county highway fund.

**4. Risk Management**

The County is exposed to the various risks of loss shown in the following table:

<b>Types of Loss</b>	<b>Method of Management</b>	<b>Risk of Loss Retained</b>
General Liability <ul style="list-style-type: none"> <li>• Torts</li> <li>• Errors and Omissions</li> <li>• Law Enforcement Officers Liability</li> <li>• Vehicle</li> </ul>	The County participates in a public entity risk pool: Association of County Commissioners of Oklahoma-Self-Insurance Group. (See ACCO-SIG.)	If claims exceed the authorized deductibles, the County could have to pay its share of any pool deficit. A judgment could be assessed for claims in excess of the pool's limits.
Physical Plant <ul style="list-style-type: none"> <li>• Theft</li> <li>• Damage to Assets</li> <li>• Natural Disasters</li> </ul>		
Workers' Compensation <ul style="list-style-type: none"> <li>• Employees' Injuries</li> </ul>	The County participates in a public entity risk fund: Association of County Commissioners of Oklahoma-Self-Insurance Fund. (See ACCO-SIF.)	None
Employee <ul style="list-style-type: none"> <li>• Medical</li> <li>• Disability</li> <li>• Dental</li> <li>• Life</li> </ul>	The County carries commercial insurance.	None

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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ACCO-SIG – The pool operates as a common risk management and insurance program and is to be self-sustaining through member premiums. Each participating member chooses a deductible amount (\$10,000, \$25,000, or \$50,000). The County has chosen a \$50,000 deductible for each insured event as stated in the County’s “Certificate of Participation.” The risk pool will pay legitimate claims in excess of the County’s deductible amount. The pool has acquired specific excess insurance with retention limits of \$250,000 for property claims and \$500,000 for general liability claims. The pool has acquired reinsurance in the amount of \$2,000,000 for general liability and \$50,000,000 per occurrence for property to cover claims that exceed the pool’s retention limits. If claims exceed pool assets, the County could be liable for its share of the pool’s deficit. Settled claims have not exceeded insurance coverage for each of the past three fiscal years. There have been no significant reductions in coverage from the prior fiscal year.

ACCO-SIF - ACCO-SIF ceased operations as a self-insurance pool in 1999. From this point forward, the workers’ compensation program has been fully insured through a third party. The program pays all legitimate workers’ compensation claims. Under the current program, the County has no deductible and no liability for deficits. There have been no significant reductions in coverage from the prior fiscal year.

Commercial Insurance - The County obtains commercial insurance coverage to pay employees’ insurance. Settled claims have not exceeded insurance coverage for each of the past three fiscal years. There have been no significant reductions in coverage from the prior fiscal year.

**5. Long-term Obligations**

**Capital Leases**

The County acquires road machinery and equipment through lease-purchase agreements financed by the Oklahoma Department of Transportation and/or the equipment vendors or their assignees pursuant to the provisions of 69 O.S. § 636.1 through § 636.7. Lease agreements entered into with the Oklahoma Department of Transportation (ODOT) are interest free, but have a one-time fee of 3% on all pieces of machinery acquired.

**6. 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,

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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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. County employees are required to contribute between 3.5% and 8.5% of earned compensation. The County contributes between 8.5% and 13.5% of earned compensation. Elected officials could contribute between 4.5% and 10% of their entire compensation. The County contributes 13.5% of earned compensation for elected officials. The County's contributions to the Plan for the years ending June 30, 2008, 2007, and 2006, were \$813,469, \$720,525, and \$634,201, respectively, equal to the required contributions for each year.

**7. 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.

**8. 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; although, the County expects such amounts, if any, to be immaterial.

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 a lawsuit, if any, would not be determinable.

**9. Sales Tax**

On August 23, 1994, Comanche County citizens, in a special election, voted a fee, not to exceed 5% of the tariff rate in any year, for the purpose of establishing, operating and maintaining an Emergency Telephone Service (911 system).

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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On November 3, 1998, Comanche County citizens voted a county sales tax of one quarter percent (.25%) commencing January 1, 1999 and ending December 31, 2008. Proceeds are to be used for constructing and equipping a county jail including, but not limited to, the payment of debt service on any indebtedness issued by or for the County, pertaining to said "county jail." All surplus revenues are to be used for the operation of the County jail including the Sheriff's office.

On February 5, 2008, Comanche County citizens voted an amendment to the one quarter percent (.25%) sales tax to a one-eighth percent (.125%) sales tax extending from December 31, 2008, until December 31, 2015. The sales tax is for the purpose of funding capital improvements and operational costs of the Comanche County Jail, through the Comanche County Facilities Authority.

On March 12, 2002, the citizens of Comanche County voted a county sales tax of one quarter percent (.25%) in addition to all other town, county, and state excise taxes levied or assessed. The sales tax is deposited into a fund known as the economic development sales tax revolving fund. Proceeds are paid to the Comanche County Industrial Development Authority for the purpose of expansion and development of economic activity in Comanche County. The sales tax is for a duration of five years, beginning June 1, 2002 and ending May 31, 2007.

On April 3, 2007, in a special election, the citizens of Comanche County voted to amend the county sales tax of one quarter percent (.25%) for economic development purposes to a reduced one eighth percent (.125%) county sales tax. The sales tax is extended from May 31, 2007, until December 31, 2014. The citizens also voted to amend the purpose of the sales tax from not only economic development efforts through the Comanche County Industrial Development Authority, but also the funding of County Capital Improvements, County Fairgrounds, Rural Fire Departments, and the County Sheriff's Department.

**OTHER SUPPLEMENTARY INFORMATION**

**COMANCHE COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 3,666,548	\$ 3,666,548	\$ 3,666,548	\$ -
Less: Prior Year Outstanding Warrants	(93,477)	(93,477)	(93,477)	
Less: Prior Year Encumbrances	(153,142)	(153,142)	(128,646)	24,496
Beginning Cash Balances, Budgetary Basis	<u>3,419,929</u>	<u>3,419,929</u>	<u>3,444,425</u>	<u>24,496</u>
Receipts:				
Ad Valorem Taxes	4,930,957	4,930,957	5,428,400	497,443
Charges for Services			509,574	509,574
Intergovernmental Revenues		428,754	735,915	307,161
Miscellaneous Revenues			588,571	588,571
Total Receipts, Budgetary Basis	<u>4,930,957</u>	<u>5,359,711</u>	<u>7,262,460</u>	<u>1,902,749</u>
Expenditures:				
County Sheriff	<u>1,378,131</u>	<u>1,381,885</u>	<u>1,375,248</u>	<u>6,637</u>
County Treasurer	<u>371,991</u>	<u>371,991</u>	<u>369,743</u>	<u>2,248</u>
County Commissioners	<u>759,491</u>	<u>755,491</u>	<u>739,682</u>	<u>15 809</u>
OSU Extension	<u>109,695</u>	<u>109,695</u>	<u>108,228</u>	<u>1,467</u>
County Clerk	<u>567,752</u>	<u>637,752</u>	<u>610,246</u>	<u>27,506</u>
Court Clerk	<u>582,104</u>	<u>582,104</u>	<u>560,427</u>	<u>21,677</u>
County Assessor	<u>431,012</u>	<u>431,012</u>	<u>415,694</u>	<u>15,318</u>
Revaluation of Real Property	<u>445,049</u>	<u>445,049</u>	<u>418,541</u>	<u>26,508</u>
Juvenile Shelter Bureau	<u>420,849</u>	<u>420,849</u>	<u>404,406</u>	<u>16,443</u>
Juvenile Detention Center	<u>68,865</u>	<u>68,865</u>	<u>68,865</u>	<u>-</u>
General Government	<u>690,948</u>	<u>724,948</u>	<u>696,524</u>	<u>28,424</u>
Excise-Equalization Board	<u>7,800</u>	<u>7,800</u>	<u>5,887</u>	<u>1 913</u>
County Election Board	<u>147,848</u>	<u>147,848</u>	<u>129,020</u>	<u>18,828</u>

continued on next page

The accompanying notes to the other supplementary information are an integral part of this schedule.  
See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

continued from previous page

	Original Budget	Final Budget	Actual	Variance
Charity	2,000	2,000	900	1 100
E-911	325,091	325,091	325,091	-
Jail Operations	425,000	425,000	-	425,000
Contingencies	1,125,886	1,450,886	212,764	1,238,122
Library	45,000	45,000	45,000	-
County Audit Budget Account	53,021	53,021	47,502	5,519
Free Fair Budget	256,800	256,800	254,800	2,000
County Hospital	132,553	132,553	132,553	-
Provision for Interest on Warrants	4,000	4,000	-	4,000
Total Expenditures, Budgetary Basis	<u>8,350,886</u>	<u>8,779,640</u>	<u>6,921,121</u>	<u>1,858,519</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	3,785,764	<u>\$ 3,785,764</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			140,423	
Add: Current Year Outstanding Warrants			141,480	
Ending Cash Balance			<u>\$ 4,067,667</u>	

The accompanying notes to the other supplementary information are an integral part of this schedule.  
See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**COUNTY HEALTH DEPARTMENT FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	County Health Department Fund			
	Original	Final	Actual	Variance
	Budget	Budget		
Beginning Cash Balances	\$ 878,391	\$ 878,391	\$ 878,515	\$ 124
Less: Prior Year Outstanding Warrants	(168,830)	(168,830)	(168,638)	192
Less: Prior Year Encumbrances	(149,035)	(149,035)	(124,623)	24,412
Beginning Cash Balances, Budgetary Basis	<u>560,526</u>	<u>560,526</u>	<u>585,254</u>	<u>24,728</u>
Receipts:				
Ad Valorem Taxes	1,233,944	1,233,944	1,358,465	124,521
Charges for Services			35,107	35,107
Miscellaneous Revenues		34,761	12,348	(22,413)
Total Receipts, Budgetary Basis	<u>1,233,944</u>	<u>1,268,705</u>	<u>1,405,920</u>	<u>137,215</u>
Expenditures:				
Health and Welfare	1,794,470	1,829,231	1,253,094	576,137
Total Expenditures, Budgetary Basis	<u>1,794,470</u>	<u>1,829,231</u>	<u>1,253,094</u>	<u>576,137</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	738,080	<u>\$ 738,080</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			41,032	
Add: Current Year Outstanding Warrants			136,606	
Ending Cash Balance			<u>\$ 915,718</u>	

The accompanying notes to the other supplementary information are an integral part of this schedule. See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO OTHER SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**Budgetary Schedule**

The Comparative Schedules of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis for the General Fund and the County Health Department Fund present 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 Combined Statement of Receipts, Disbursements, and Changes in Cash Balances with Combining Information 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.

The accompanying notes to the other supplementary information are an integral part of this schedule. See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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<u>State Grantor/Grant Program Title</u>	<u>State Contract Number</u>	<u>State Expenditures</u>
<u>STATE OFFICE OF JUVENILE AFFAIRS</u>		
Regional Secure Detention Contract	Z001427	\$ 84,390
Sanction Detention Program (state appropriations)	Y010295	1,016,643
Secure Detention Transport		3,249
Total State Office of Juvenile Affairs		<u>\$ 1,104,282</u>

See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA  
NOTE TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**Basis of Presentation**

The schedule of expenditures of state awards includes the state grant activity of Comanche County, and is presented on the *cash basis of accounting*. The information in this schedule is presented in accordance with provisions of the contract between Comanche County and the State Office of Juvenile Affairs.

See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>		
Passed through Oklahoma Department of Education		
Child Nutrition Program:		
School Breakfast Program	10.553	\$ 9,316
National School Lunch Program	10.555	25,162
Commodity Supplemental Food Program	10.565	2,125
Total U.S. Department of Agriculture		<u>36,603</u>
<u>U.S. DEPARTMENT OF INTERIOR</u>		
Direct Grant:		
Payments in Lieu of Taxes	15.226	76,248
Total U.S. Department of Interior		<u>76,248</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>		
Passed through Oklahoma Office of Juvenile Affairs:		
Juvenile Accountability Block Grants	16.523	12,710
Passed through City of Lawton Police Department:		
Edward Byrne Memorial State & Local Law Enforcement Assistance Discretionary Grants Program	16.580	29,079
Total U.S. Department of Justice		<u>41,789</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Passed through Oklahoma Department of Human Services:		
Foster Care - Title IV-E	93.658	12,630
Total U.S. Department of Health and Human Services		<u>12,630</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>		
Passed through Oklahoma Department of Emergency Management:		
Disaster Grants - Public Assistance	97.036	735,532
Disaster Grants - Public Assistance	97.036	314,316
Disaster Grants - Public Assistance	97.036	284,138
Disaster Grants - Public Assistance	97.036	122,300
Disaster Grants - Public Assistance	97.036	29,547
Total CFDA #97.036		1,485,833
Emergency Management Performance Grants	97.042	37,818
Total U.S. Department of Homeland Security		<u>1,523,651</u>
Total Expenditures of Federal Awards		<u>\$ 1,690,921</u>

See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA  
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

See independent auditor's report.

**INTERNAL CONTROL AND COMPLIANCE SECTION**

# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

## **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 the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Comanche County, Oklahoma, as of and for the year ended June 30, 2008, which comprises Comanche County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated August 3, 2009. Our report on the basic financial statement was adverse because the statement is not a presentation in conformity with accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency 2008-2 described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Comanche County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Comanche County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Comanche County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of Comanche County and should not be used for any other purpose. This report is also 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.



STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

August 3, 2009

# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

## **Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133**

TO THE OFFICERS OF  
COMANCHE COUNTY, OKLAHOMA

### Compliance

We have audited the compliance of Comanche County, Oklahoma, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Comanche County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Comanche County's management. Our responsibility is to express an opinion on Comanche County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Comanche County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Comanche County's compliance with those requirements.

In our opinion, Comanche County, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

### Internal Control Over Compliance

The management of Comanche County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Comanche County's internal control over compliance with the requirements that could have a direct and material effect on a major

federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Comanche County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and one that we consider to be a material weakness.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2008-4 and 2008-5 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item 2008-4 to be a material weakness.

Comanche County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Comanche County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management of Comanche County, federal awarding agencies, and pass-through entities and should not be used for any other purpose. This report is also 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.



STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

August 3, 2009

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**SECTION 1—Summary of Auditor’s Results**

Financial Statements

Type of auditor's report issued:.....Adverse as to GAAP; unqualified as to statutory presentation

Internal control over financial reporting:

- Material weakness(es) identified?..... Yes
- Reportable condition(s) identified that are not considered to be material weaknesses?..... None Reported

Noncompliance material to financial statements noted?..... No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?..... Yes
- Reportable condition(s) identified that are not considered to be material weakness(es)? ..... Yes

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?..... Yes

Identification of Major Programs

CFDA Number(s)  
97.036

Name of Federal Program or Cluster  
Disaster Grants—Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs: ..... \$300,000

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

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**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 2008-2 – Segregation of Duties - Official Depository Disbursements**

Criteria: Accountability and stewardship are overall goals of management in accounting of funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be segregated.

Condition: One deputy within the Sheriff's office performs the accounting functions relating to calculating, disbursing, approving, and reporting of disbursements of the official depository accounts, which prevents a proper segregation of duties.

Effect: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends management be aware of these conditions and the possibility of weakened internal controls when all disbursement activities are the responsibility of one officer/employee. It is desirable to review transactions and cross-train employees to perform various duties, and then periodically change the division of the duties. This would provide some level of segregation of duties and increase the possibility for the detection of improprieties.

Views of responsible officials and planned corrective action: The Deputy Sheriff is aware of the lack of segregation of duties due to limited personnel, and has implemented a system of verification of accounts with the County Treasurer monthly reports. Disbursements are reconciled to checks written by the Deputy Sheriff.

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**SECTION 3 - Findings related to the Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133**

**Finding 2008-4 – Federal Awards – Schedule of Expenditures of Federal Awards**

**PASS-THROUGH GRANTOR:** Oklahoma Department of Civil Emergency Management

**FEDERAL AGENCY:** United States Department of Homeland Security

**CFDA NO:** 97.036

**FEDERAL PROGRAM NAME:** Disaster Grants - Public Assistance

**FEDERAL AWARD YEAR:** 2008

**CONTROL CATEGORY:** Reporting

**QUESTIONED COSTS:** \$-0-

Criteria: OMB Circular A-133, §.300 Auditee responsibilities states in part:

- a) *“Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency and name of the pass-through entity.*
- b) *Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”*

Condition: The County has not designed and implemented formal internal controls for the reporting of its major program for Disaster Grants - Public Assistance received for the ice storm and flood disasters that occurred in 2007, as required by OMB Circular A-133. In particular, the County has not designed an accounting system to accumulate and report its “in-kind” labor and equipment charges in a timely manner.

Effect: Lack of internal controls over Federal major program expenditures could lead to erroneous reporting and/or material misstatement of the County’s Schedule of Expenditures of Federal Awards.

Recommendation: OSAI recommends the County’s system of internal control for identifying, recording and reporting federal grant expenditures include internal controls designed and implemented to ensure compliance with applicable provisions of the financial reporting requirements described in the OMB A-133 Compliance Supplement.

Views of responsible officials and planned corrective actions: The Board of County Commissioners will establish a system of internal controls to ensure compliance with federal requirements as described in OMB A-133 Compliance Supplement.

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**Finding 2008-5 – FEMA Files – Documentation of Federal Expenditures**

**PASS-THROUGH GRANTOR:** Oklahoma Department of Civil Emergency Management

**FEDERAL AGENCY:** United States Department of Homeland Security

**CFDA NO:** 97.036

**FEDERAL PROGRAM NAME:** Disaster Grants - Public Assistance

**FEDERAL AWARD YEAR:** 2008

**CONTROL CATEGORY:** Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Reporting

**QUESTIONED COSTS:** \$60,803.81

Criteria: OMB Circular A-133, §\_300 Auditee responsibilities states in part:

- a) *“Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency and name of the pass-through entity.*
- b) *Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”*

Condition: The County has not designed and implemented formal internal controls for the activities allowed or unallowed, allowable costs/cost principles, and reporting of its major program for Disaster Grants - Public Assistance received for the ice storm and flood disasters that occurred in 2007, as required by OMB Circular A-133. In particular, the County has not designed an accounting system to accumulate and report its “in-kind” labor and equipment charges in a timely manner. The FEMA Public Assistance files of the County Commissioner, District 3, were not organized. The deficiencies in FEMA files resulted from a series of declared disasters in 2007, and differences in paperwork instruction from the various FEMA representatives for the four disasters. Administering of the files at the local level resulted in the following deficiencies:

- Disaster site locations were difficult to identify from the FEMA descriptions provided.
- Preliminary numbers for project worksheets (PW) were not cross-referenced to the final (PW) numbers, making it difficult to identify loose records with the correct project files.
- Files for eight project worksheets could not be located.
- Documentation from some project worksheets was misfiled.

Effect: These conditions could result in unallowed federal costs, loss of federal funds, erroneous reporting, and/or material misstatement of the County’s Schedule of Expenditures of Federal Awards.

Recommendation: OSAI recommends the District’s FEMA files on the listed disasters be reviewed, sorted, organized, and filed correctly to provide evidence that the auditee is properly managing the federal awards.

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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Views of responsible officials and planned corrective actions: The records for current projects for District 3 are being maintained for cross-reference to provide compliance with OMB Circular A-133.

**SECTION 4—This section contains a certain matter not required to be reported in accordance with *Government Auditing Standards* or OMB A-133. However, we believe this matter is significant enough to bring to management’s attention. We recommend that management consider this matter and take appropriate corrective action.**

**Finding 2008-1 – Official Depository – Daily Deposits**

Criteria: Title 19 O.S. § 682 states in part:

It shall be the duty of each and every county officer, county board, county commission and all members and employees of either thereof, to deposit daily in the official depository designated in Section 681 of this title, all monies, checks, drafts, orders, vouchers, funds, rentals, penalties, costs, proceeds of sale of property, fees, fines, forfeitures and public charges of every kind received or collected by virtue or under color of office...

Condition: The County Sheriff was not depositing monies on a daily basis. Of the 28 deposits audited, 16 instances were noted in which more than a day lapsed between the date the receipt of money was issued to the deposit date with the County Treasurer.

Effect: Not depositing monies daily increases the risk of loss from misappropriation of receipts.

Recommendation: OSAI recommends the County Sheriff deposit all funds on a daily basis as set forth in 19 O.S. §682.

Views of responsible officials and planned corrective action: The Deputy Sheriff has implemented a policy that all deposits must be made with the County Treasurer by 4:00 p.m. of each working day.

**Finding 2008-3 – Policy and Procedures – Rural/Private Roadwork**

Criteria: Attorney General Opinion 1982 OK AG 236 addresses the manner in which a County can work on a “private road” that is built by a private developer, which is not on the county road system, but which is nevertheless open to and freely used by the public. 1982 OK AG 236 allows for the board of county commissioners to work on these roads as long as the road is freely open to the public and is not within a municipality. This opinion further states that “*County roads may be established pursuant to resolution of the board of county commissioners opening a section line in accordance with 19 O.S. § 339. Also, in accordance with Title 69 O.S. § 601.1, the “County should promulgate standard plans and specification and whether the particular road or roads meet the requirements of such plans and specifications.”*

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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Condition: District 3 received a \$33,377.55 reimbursement for a “chip & seal” road project performed for a local rural subdivision development titled "Deyo Landing." Concerning this project and reimbursement, we noted the following:

1. The County has not established standard plans and specifications for work to be performed on roads in a private rural development.
2. The Board did not adopt a resolution of approval or written contract for performing the work in Deyo Landing.
3. The County road district did not have an effective cost accounting system that would likely capture and bill for all the costs related to such a project.

Effect: The Board did not adopt a resolution to allow the district to perform work on this rural development road, and policy and procedures were not established with regard to the road project, which may have caused the County to not be completely reimbursed for all costs related to the chip & seal road construction.

Recommendation: OSAI recommends the Board of County Commissioners adopt policy and procedures to perform work on rural private development roads, establish a cost accounting system to provide information for adequately billing for roadwork, approve a resolution regarding work done by the County on private rural roads, and prepare a written contract between the County and the developer. OSAI further recommends the Board seek the District Attorney’s advice regarding written contracts and resolutions concerning work performed on private property.

Views of responsible officials and planned corrective actions: The Board of County Commissioners will establish policies and procedures to perform work on rural development roads and seek advice from the District Attorney concerning the resolution and contracts.



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