

COUNTY AUDIT

COMANCHE COUNTY

For the fiscal year ended June 30, 2015



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**COMANCHE COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

May 20, 2016

TO THE CITIZENS OF
COMANCHE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Comanche County, Oklahoma for the fiscal year ended June 30, 2015. 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.

Sincerely,

A handwritten signature in blue ink, reading "Gary A. Jones".

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

**COMANCHE COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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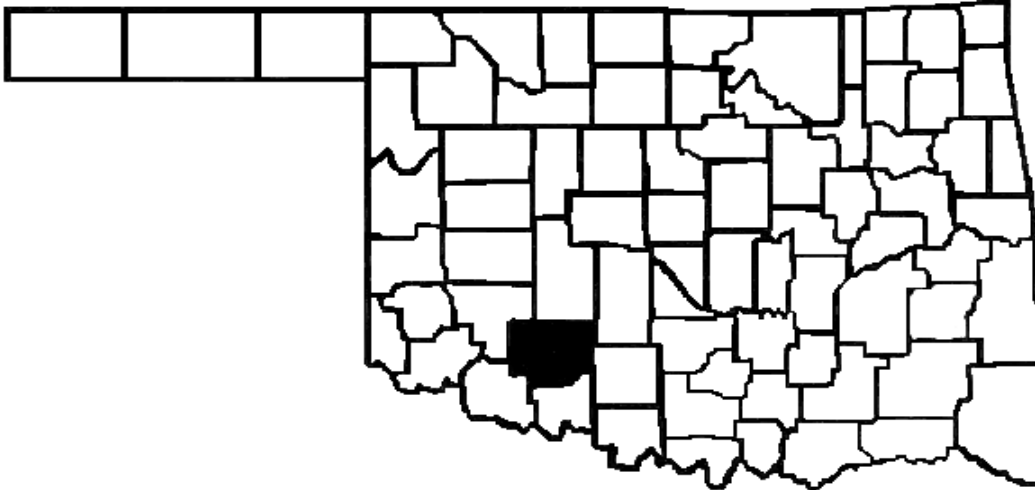
**COMANCHE COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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PRESENTED FOR INFORMATIONAL PURPOSES ONLY

**COMANCHE COUNTY, OKLAHOMA
STATISTICAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**



Created at statehood from a portion of Comanche County, Oklahoma Territory, the word Comanche is believed to be derived from the Spanish Camino Ancho, meaning “broad trail.” Originally a part of the Kiowa, Comanche, and Apache reservation, Comanche County was opened for homesteading by lottery on August 6, 1901.

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 fifty 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 Museum of the Great Plains is both educational and entertaining with its outdoor prairie dog village, depot, and training post.

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

Call the county clerk’s office at 580/355-5214 for more information.

County Seat – Lawton

Area – 1,083.82 Square Miles

County Population – 125,033
(2014 est.)

Farms – 1,107

Land in Farms – 462,992 Acres

Primary Source: Oklahoma Almanac 2015-2016

**COMANCHE COUNTY OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Board of County Commissioners

District 1 – Gail Turner
District 2 – Johnny Owens
District 3 – Don Hawthorne

County Assessor

Grant Edwards

County Clerk

Carrie Tubbs

County Sheriff

Kenny Stradley

County Treasurer

Rhonda Brantley

Court Clerk

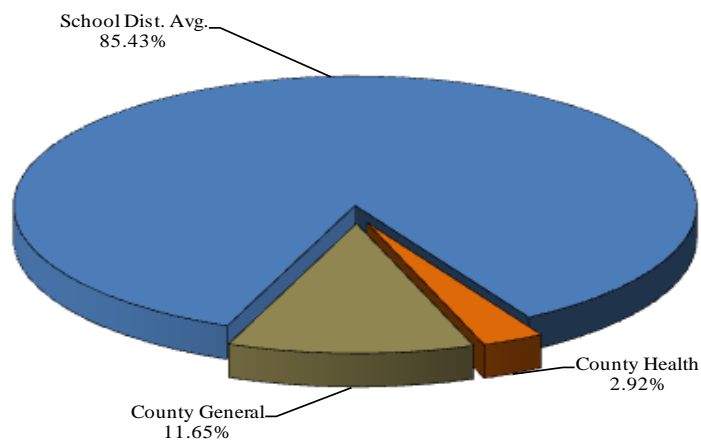
Robert Morales

District Attorney

Fred C. Smith

**COMANCHE COUNTY, OKLAHOMA
AD VALOREM TAX DISTRIBUTION
SHARE OF THE AVERAGE MILLAGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Property taxes are calculated by applying a millage rate to the assessed valuation of property. Millage rates are established by the Oklahoma Constitution. One mill equals one-thousandth of a dollar. For example, if the assessed value of a property is \$1,000.00 and the millage rate is 1.00, then the tax on that property is \$1.00. This chart shows the different entities of the County and their share of the various millages as authorized by the Constitution.



County-Wide Millages		School District Millages									
				Gen.	Bldg.	Skd.	Career Tech	Common	EMS	Total	
County General	10.23										
County Health	2.56	Cache	I-1-1	35.67	5.10	24.73	14.25	4.09	-	83.84	
		Indiahoma	I-2-1	37.44	5.35	13.06	14.25	4.09	-	74.19	
		Sterling	I-3-1	37.85	5.41	17.48	14.25	4.09	-	79.08	
		Geronimo	I-4-1	36.80	5.26	27.34	14.25	4.09	-	87.74	
City Millages		Lawton	I-8-1	35.67	5.10	6.17	14.25	4.09	-	65.28	
City of Lawton	10.46	Fletcher	I-9-1	36.35	5.19	11.73	14.25	4.09	-	71.61	
		Elgin	I-16-1	36.74	5.25	27.62	14.25	4.09	-	87.95	
		Flower Mound	D-48-1	35.55	5.08	-	14.25	4.09	-	58.97	
		Bishop	D-49-1	35.44	5.06	13.65	14.25	4.09	-	72.49	
		Chattanooga	I-132-1	37.17	5.31	20.61	14.25	4.09	-	81.43	
		Cotton	J-1-1	37.71	5.39	9.55	12.70	4.09	-	69.44	
		Caddo	J-56	38.22	5.46	11.82	11.89	4.09	-	71.48	
		Caddo	J-I-160	35.00	5.00	23.70	11.89	4.09	-	79.68	
		Caddo	J-I-64	35.00	5.00	18.46	11.89	4.09	-	74.44	
		Kiowa	J-I-4	37.97	5.42	-	14.25	4.09	-	61.73	
		Kiowa	J-I-3	36.72	5.25	-	11.89	4.09	3.15	61.10	
		Stephens	J-I-21	39.24	5.61	20.27	12.70	4.09	-	81.91	
		Stephens	J-I-34	36.92	5.27	31.95	12.70	4.09	-	90.93	

**COMANCHE COUNTY, OKLAHOMA
SALES TAX DISTRIBUTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Sales Tax

Sales Tax of April 3, 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 Comanche County Industrial Authority, but also the funding of County Capital Improvements, County Fairgrounds, Rural Fire Departments, and the County Sheriff's Department. These funds are accounted for as separate cash funds on the County's general ledger and named as follows: Industrial Development Sales Tax, Capital Improvements Sales Tax 2007, Fairgrounds Sales Tax 2007, Rural Fire Department Sales Tax, and Sheriff Sales Tax 2007.

Sales Tax of February 8, 2008

On February 8, 2008, Comanche County citizens voted an amendment to the one-quarter percent (.25%) sales tax to a one-eighth (.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. These funds are accounted for in the Jail Sales Tax (Facilities Authority) fund.

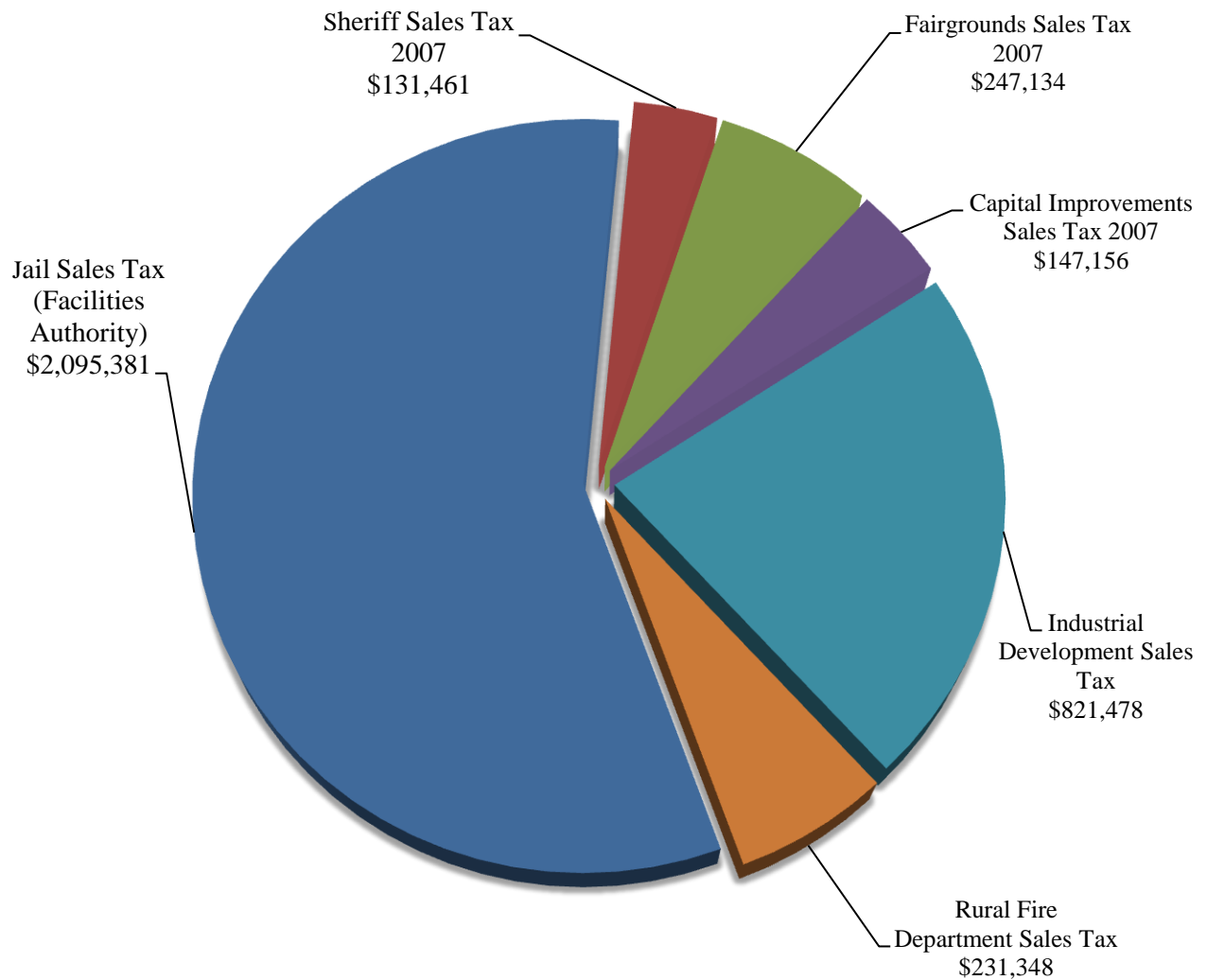
Sales Tax of June 24, 2014

On June 24, 2014, Comanche County citizens voted to amend, in order to increase the total, the Comanche County sales tax to three-eighths of one percent (3/8%) replacing both economic development 1/8% tax, and the existing county jail 1/8% tax; extending the term of the sales tax to December 31, 2021 of which 2/8% of the 3/8% will provide funding for the continued operational cost of the Comanche County Jail, all as more specifically set out in Resolution no. 04-07-14 of the Board of County Commissioners of Comanche County, Oklahoma. These funds are accounted for in a cash fund on the County's general ledger named Jail Sales Tax (Facilities Authority). The remaining 1/8% will provide funding for the economic development efforts through the Comanche County Industrial Authority, County Capital Improvements, County Fairgrounds, Rural Fire Departments, and the County Sheriff's Department. These funds are accounted for as separate cash funds on the County's general ledger and named as follows: Industrial Development Sales Tax, Capital Improvements Sales Tax 2007, Fairgrounds Sales Tax 2007, Rural Fire Department Sales Tax, and Sheriff Sales Tax 2007.

**COMANCHE COUNTY, OKLAHOMA
SALES TAX DISTRIBUTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

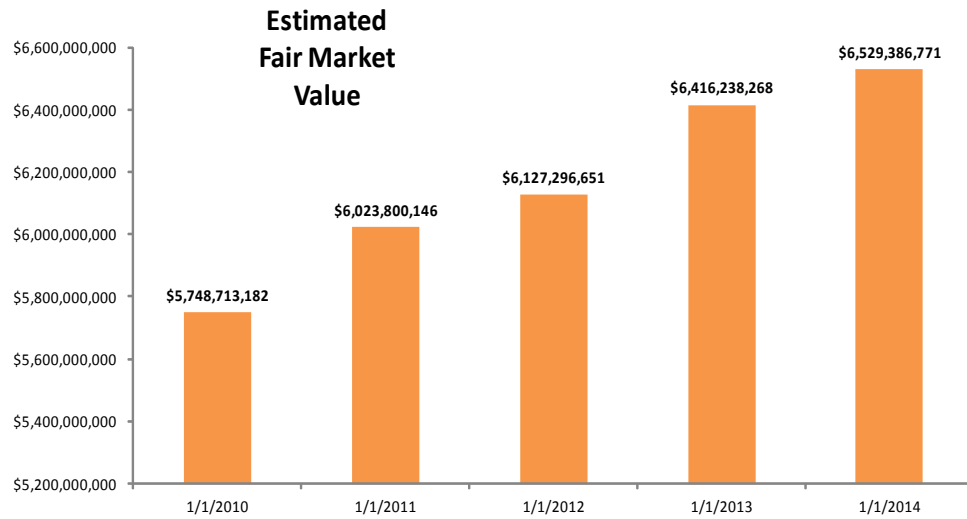
Sales Tax - Continued

During the fiscal year the County collected \$3,673,658 in total sales tax.



**COMANCHE COUNTY, OKLAHOMA
ASSESSED VALUE OF PROPERTY
TREND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

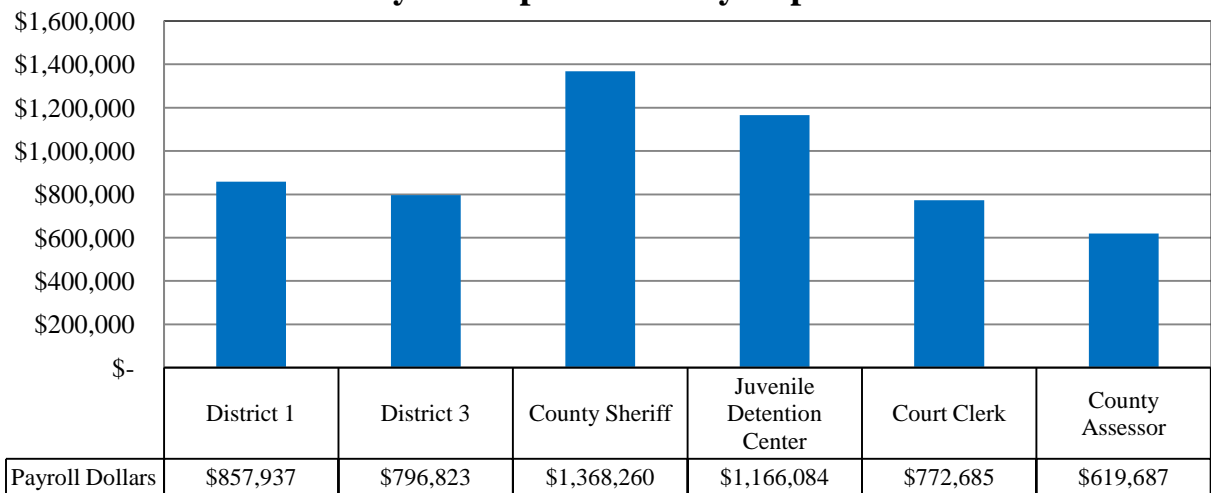
Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Veterans Exemption	Net Value	Estimated Fair Market Value
1/1/2014	\$111,022,129	\$40,946,521	\$603,374,217	\$14,291,430	\$32,905,748	\$708,145,689	\$6,529,386,771
1/1/2013	\$110,618,057	\$44,628,705	\$589,236,191	\$14,608,070	\$29,797,179	\$700,077,704	\$6,416,238,268
1/1/2012	\$93,614,651	\$45,263,135	\$573,421,309	\$15,084,758	\$27,006,279	\$670,208,058	\$6,127,296,651
1/1/2011	\$96,584,764	\$44,367,923	\$559,248,589	\$46,524,942	\$0	\$653,676,334	\$6,023,800,146
1/1/2010	\$92,242,715	\$44,854,680	\$532,403,704	\$15,744,101	\$23,351,496	\$630,405,502	\$5,748,713,182



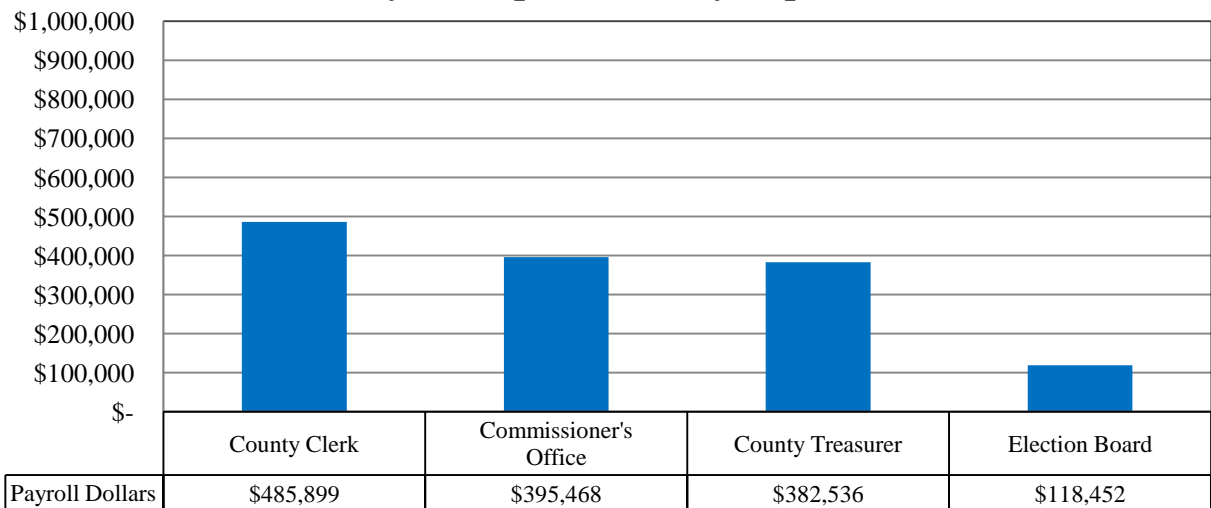
**COMANCHE COUNTY, OKLAHOMA
COUNTY PAYROLL EXPENDITURES ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

County officers' salaries are based upon the assessed valuation and population of the counties. State statutes provide guidelines for establishing elected officers' salaries. The Board of County Commissioners sets the salaries for all elected county officials within the limits set by the statutes. The designated deputy or assistant's salary cannot exceed the principal officer's salary. Salaries for other deputies or assistants cannot exceed the principal officer's salary. The information presented below is for the fiscal year ended June 30, 2015.

Payroll Expenditures by Department



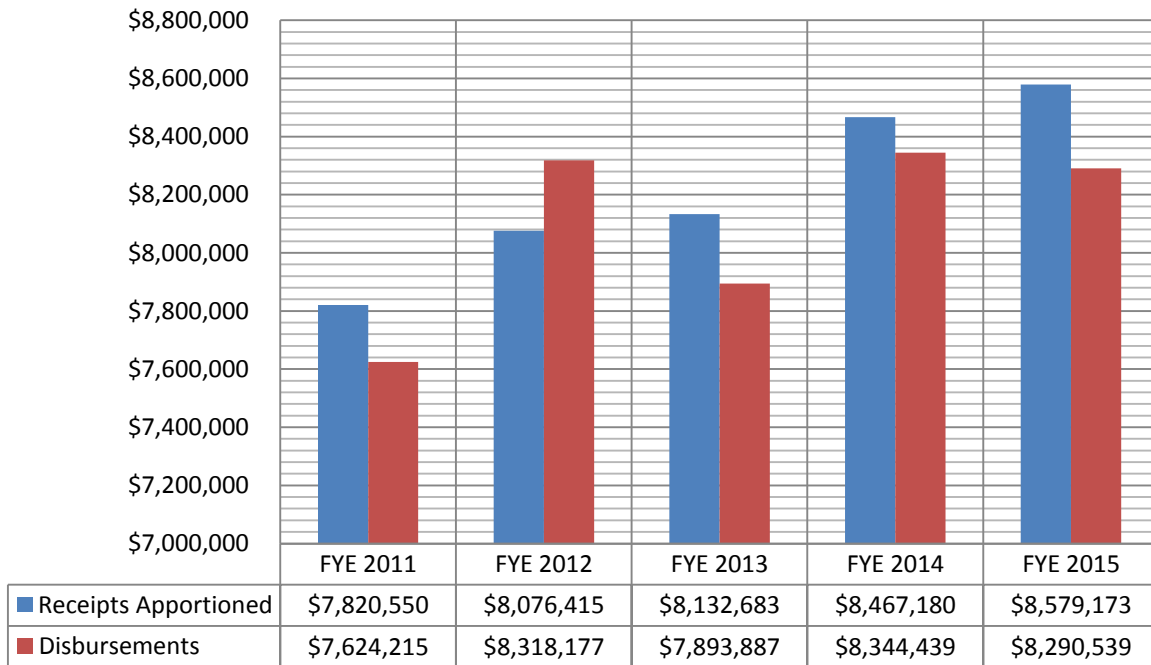
Payroll Expenditures by Department



**COMANCHE COUNTY, OKLAHOMA
COUNTY GENERAL FUND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

County General Fund

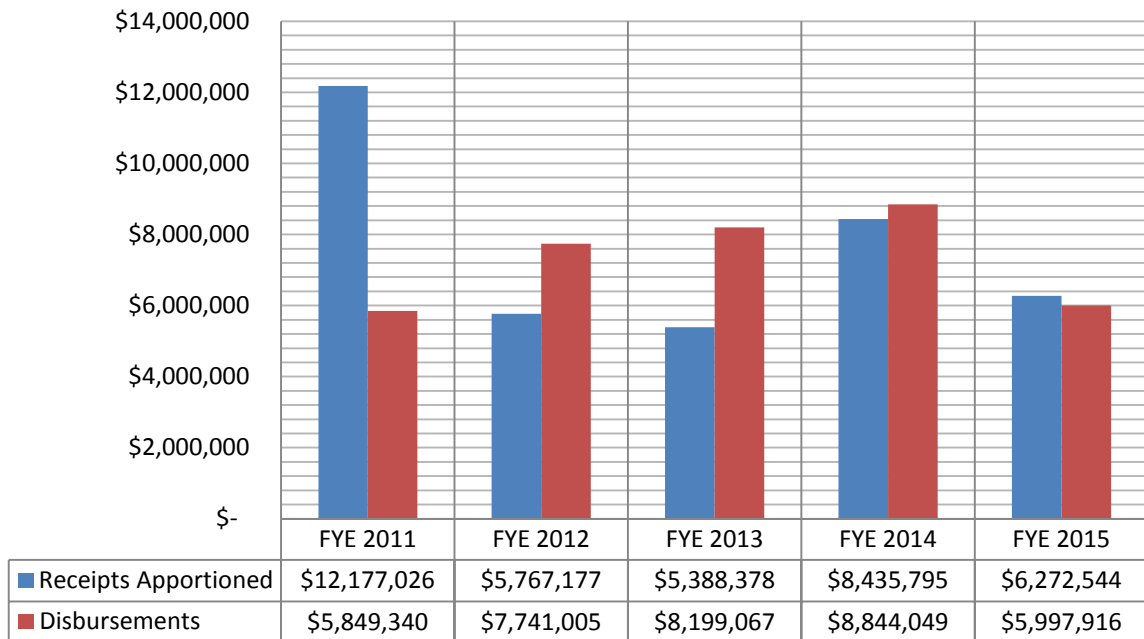
The Oklahoma Constitution and the Oklahoma Statutes authorize counties to create a County General Fund, which is the county's primary source of operating revenue. The County General Fund is typically used for county employees' salaries plus many expenses for county maintenance and operation. It also provides revenue for various budget accounts and accounts that support special services and programs. The Board of County Commissioners must review and approve all expenditures made from the County General Fund. The primary revenue source for the County General Fund is usually the county's ad valorem tax collected on real, personal (if applicable), and public service property. Smaller amounts of revenue can come from other sources such as fees, sales tax, use tax, state transfer payments, in-lieu taxes, and reimbursements. The chart below summarizes receipts and disbursements of the County's General Fund for the last five fiscal years.



**COMANCHE COUNTY, OKLAHOMA
COUNTY HIGHWAY FUND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

County Highway Fund

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. The chart below summarizes receipts and disbursements of the County's Highway Fund for the last five fiscal years.



FINANCIAL SECTION



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

Independent Auditor's Report

TO THE OFFICERS OF
COMANCHE COUNTY, OKLAHOMA

Report on the Financial Statement

We have audited the combined 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, 2015, and the related notes to the financial statement, which collectively comprise the County's basic financial statement as listed in the table of contents.

Management's Responsibility 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 described in Note 1, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

As described in Note 1 of the financial statement, 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 accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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” paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Comanche County as of June 30, 2015, or changes in its financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

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 balances for all county funds of Comanche County, for the year ended June 30, 2015, in accordance with the basis of accounting described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined total of all county funds on the financial statement. 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 financial statement.

The Other Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statement. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the combined total—all county funds.

The information listed in the table of contents under Introductory Section has not been subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2016, 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 in considering Comanche County's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "Gary A. Jones", with a stylized flourish at the end.

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

May 16, 2016

REGULATORY BASIS FINANCIAL STATEMENT

COMANCHE COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—REGULATORY BASIS
(WITH COMBINING INFORMATION)—MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Beginning Cash Balances July 1, 2014	Receipts Apportioned	Transfer In	Transfer Out	Disbursements	Ending Cash Balances June 30, 2015
Combining Information:						
Major Funds:						
County General Fund	\$ 3,185,933	\$ 8,579,173	\$ 6,555	\$ -	\$ 8,290,539	\$ 3,481,122
County Highway Fund	3,441,842	6,272,544	-	-	5,997,916	3,716,470
County Health Department	2,342,141	2,046,218	-	-	1,825,949	2,562,410
Sheriff Sales Tax 2007	66,832	131,461	-	-	66,545	131,748
Sheriff Grant Fund	30,743	-	-	6,555	19,018	5,170
Juvenile Detention General Cash Fund	408,026	1,514,611	-	-	1,576,775	345,862
Home Finance Cash Fund	1,067,695	1,161,533	-	-	1,233,261	995,967
Fairgrounds Sales Tax 2007	39,208	247,134	-	-	265,316	21,026
Capital Improvement Sales Tax 2007	308,318	147,247	-	-	-	455,565
JABG-GANG-1 Grant	12,703	3,738	-	-	3,738	12,703
Jail Sales Tax (Facilities Authority)	132,855	2,095,381	-	-	1,787,937	440,299
Industrial Development Sales Tax	141,152	821,478	-	-	903,258	59,372
County Bridge & Road Improvement Fund 105	2,430,901	1,370,780	-	-	1,871,878	1,929,803
Rural Fire Department Sales Tax	36,594	231,348	-	-	248,152	19,790
Meers Porter Hill Fire/REAP	2,000	-	-	-	2,000	-
Resale Property	405,903	476,987	-	-	358,791	524,099
Sheriff Service Fee	132,732	312,981	-	-	265,030	180,683
Juvenile Bureau Federal IV E Fund	176,157	54,981	-	-	65,474	165,664
Remaining Aggregate Funds	1,007,905	801,930	-	-	962,903	846,932
Combined Total - All County Funds	\$ 15,369,640	\$ 26,269,525	\$ 6,555	\$ 6,555	\$ 25,744,480	\$ 15,894,685

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, 2015**

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 as combining information within the financial statement:

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

County Highway Fund – 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. Disbursements are for the operation of the county health department.

Sheriff Sales Tax 2007 – accounts for the collection of sales tax proceeds. Disbursements are for the maintenance and operations of the Sheriff's office.

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

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Juvenile Detention General Cash Fund – accounts for the collection 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.

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

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

Capital Improvement Sales Tax 2007 – accounts for the collection of sales tax monies. Disbursements are for the purpose of capital improvements.

JBAG-GANG-1 Grant – accounts for the collection of grant monies to be distributed by the juvenile bureau in deterring gang related activities.

Jail Sales Tax (Facilities Authority) – accounts for the collections of sales tax proceeds for the payment of bond issues held by a local financial institution related to the building of the county jail. After receipts of the sales tax by Comanche County, the sales tax proceeds are transferred to a local financial institution where indebtedness is held for the Comanche County Facilities Authority for operations of the capital improvements and operational cost of the Comanche County Jail.

Industrial Development Sales Tax – accounts for the collection of sales tax proceeds. Disbursements are made for necessary expenditures for the renovation and building additions for local industry.

County Bridge & Road Improvement Fund 105 – accounts for state receipts. Disbursements are for maintaining bridges and roads.

Rural Fire Department Sales Tax – accounts for the collection of sales tax monies. Disbursements are for the purpose of maintenance and operations of the rural fire departments.

Meers Porter Hill Fire/REAP – accounts for grant monies received by the Meers Porter Hill Fire Department. Disbursements are for allowable expenses provided by grant agreements.

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

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

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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.

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, 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 specifies the format and presentation for Oklahoma counties to present their financial statement in accordance with accounting principles generally accepted in the United States of America (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. 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. All other funds included in the audit shall be presented in the aggregate in a combining statement.

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).

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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."

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.

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.

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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; 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 any lawsuit would not be determinable.

D. Sales Tax

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 Comanche County Industrial Authority, but also the funding of County Capital Improvements, County Fairgrounds, Rural Fire Departments, and the County Sheriff's Department. These funds are accounted for as separate cash funds on the County's general ledger and named as follows: Industrial Development Sales Tax, Capital Improvements Sales Tax 2007, Fairgrounds Sales Tax 2007, Rural Fire Department Sales Tax, and Sheriff Sales Tax 2007.

On February 8, 2008, Comanche County citizens voted an amendment to the one-quarter percent (.25%) sales tax to a one-eighth (.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. These funds are accounted for in the Jail Sales Tax (Facilities Authority).

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

On June 24, 2014, Comanche County citizens voted to amend, in order to increase the total, the Comanche County sales tax to three-eighths of one percent (3/8%) replacing both economic development 1/8% tax, and the existing county jail 1/8% tax; extending the term of the sales tax to December 31, 2021 of which 2/8% of the 3/8% will provide funding for the continued operational cost of the Comanche County Jail, all as more specifically set out in Resolution no. 04-07-14 of the Board of County Commissioners of Comanche County, Oklahoma. These funds are accounted for in a cash fund on the County's general ledger named Jail Sales Tax (Facilities Authority). The remaining 1/8% will provide funding for the economic development efforts through the Comanche County Industrial Authority, County Capital Improvements, County Fairgrounds, Rural Fire Departments, and the County Sheriff's Department. These funds are accounted for as separate cash funds on the County's general ledger and named as follows: Industrial Development Sales Tax, Capital Improvements Sales Tax 2007, Fairgrounds Sales Tax 2007, Rural Fire Department Sales Tax, and Sheriff Sales Tax 2007.

E. Interfund Transfer

During the fiscal year, the County made the following transfer between cash funds.

- \$6,555 was transferred from the Sheriff Grant Fund to the General Fund due to an apportionment error made in fiscal year 2014, but not corrected until fiscal year 2015.

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, 2015

	General Fund		
	Budget	Actual	Variance
Beginning Cash Balances	\$ 3,185,897	\$ 3,185,933	\$ 36
Less: Prior Year Outstanding Warrants	(21,698)	(21,698)	-
Less: Prior Year Encumbrances	(361,250)	(233,148)	128,102
Beginning Cash Balances, Budgetary Basis	<u>2,802,949</u>	<u>2,931,087</u>	<u>128,138</u>
Receipts:			
Ad Valorem Taxes	6,353,279	6,783,846	430,567
Charges for Services	-	374,928	374,928
Intergovernmental Revenues	11,055	1,390,975	1,379,920
Miscellaneous Revenues	-	29,424	29,424
Total Receipts, Budgetary Basis	<u>6,364,334</u>	<u>8,579,173</u>	<u>2,214,839</u>
Expenditures:			
County Sheriff	1,921,936	1,921,337	599
County Treasurer	334,049	331,631	2,418
County Commissioners	954,514	929,108	25,406
OSU Extension	149,930	146,349	3,581
County Clerk	618,881	617,283	1,598
Court Clerk	712,216	695,746	16,470
County Assessor	422,900	407,675	15,225
Revaluation of Real Property	596,200	553,008	43,192
Juvenile Shelter Bureau	478,289	461,759	16,530
General Government	892,265	821,485	70,780
Excise-Equilization Board	8,000	6,304	1,696
County Election Board	175,607	148,339	27,268
Charity	2,000	300	1,700
Library	52,500	52,500	-
Juvenile Detention Center	243,220	243,220	-
E-911	438,370	438,370	-
Contingencies	440,128	114,193	325,935
County Audit Budget Account	208,116	97,981	110,135
Free Fair Budget Account	326,126	326,126	-
County Hospital Budget Account	177,036	177,036	-
Provision for Interest on Warrants	15,000	9,617	5,383
Total Expenditures, Budgetary Basis	<u>9,167,283</u>	<u>8,499,367</u>	<u>667,916</u>

COMANCHE COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND
CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—
GENERAL FUND - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund		
	Budget	Actual	Variance
Continued from previous page			
Excess of Receipts and Beginning Cash			
Balances Over Expenditures, Budgetary Basis	\$ -	3,010,893	\$ 3,010,893
Operating Transfer:			
Operating Transfer In		6,555	
Operating Transfer Out		-	
Net Operating Transfer		6,555	
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances			
Add: Current Year Outstanding Warrants		36,287	
Add: Current Year Encumbrances		427,387	
Ending Cash Balance		\$ 3,481,122	

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, 2015

	County Health Department Fund		
	Budget	Actual	Variance
Beginning Cash Balances	\$ 2,342,141	\$ 2,342,141	\$ -
Less: Prior Year Outstanding Warrants	(99,860)	(99,860)	-
Less: Prior Year Encumbrances	(64,088)	(44,036)	20,052
Beginning Cash Balances, Budgetary Basis	2,178,193	2,198,245	20,052
Receipts:			
Ad Valorem Taxes	1,648,048	1,697,620	49,572
Charges for Services	64,088	255,419	191,331
Intergovernmental Revenues	255,601	93,179	(162,422)
Total Receipts, Budgetary Basis	1,967,737	2,046,218	78,481
Expenditures:			
Health and Welfare	4,145,930	2,035,869	2,110,061
Total Expenditures, Budgetary Basis	4,145,930	2,035,869	2,110,061
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	2,208,594	\$ 2,208,594
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances			
Add: Current Year Encumbrances		342,284	
Add: Current Year Outstanding Warrants		11,532	
Ending Cash Balance		\$ 2,562,410	

COMANCHE COUNTY, OKLAHOMA
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—REGULATORY BASIS—
REMAINING AGGREGATE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Beginning Cash Balances July 1, 2014	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2015
Remaining Aggregate Funds:				
Treasurer Mortgage Tax Certification Fee	\$ 9,390	\$ 17,390	\$ 18,453	\$ 8,327
County Clerk Lien Fee	71,977	39,780	52,764	58,993
County Clerk Records Preservation Fee	51,549	94,372	92,047	53,874
Assessor Visual Inspection	12,773	2,206	12,059	2,920
Sheriff Courthouse Security	14,339	29,644	23,706	20,277
Sheriff Insurance Recovery	19,173	58,143	19,616	57,700
911 Emergency	109,057	67,980	91,738	85,299
Civil Defense	70,818	291,807	278,724	83,901
County Use Tax Revolving Fund	648,659	200,408	373,654	475,413
Litter Enviromental Reward	170	200	142	228
Combined Total - Remaining Aggregate Funds	<u>\$ 1,007,905</u>	<u>\$ 801,930</u>	<u>\$ 962,903</u>	<u>\$ 846,932</u>

COMANCHE COUNTY, OKLAHOMA
NOTES TO OTHER SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Budgetary Schedules

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.

2. Remaining County Funds

Remaining aggregate funds as presented on the financial statement are as follows:

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 state statute.

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

County Clerk Records Preservation Fee – accounts for fees collected for instruments filed in the County Clerk's office as restricted by state statute for preservation of records.

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

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

Sheriff Insurance Recovery – accounts for the collection of insurance payments received from the destruction of the County Sheriff's equipment and disbursements are for replacement of equipment.

911 Emergency – accounts for the collection of a 5% fee of the tax rate imposed on residents outside 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).

**COMANCHE COUNTY, OKLAHOMA
NOTES TO OTHER SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

Litter Environmental Reward – accounts for the monies collected and disbursed to citizens involved in the reporting of littering offenses.

INTERNAL CONTROL AND COMPLIANCE SECTION



Oklahoma State Auditor & Inspector

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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 the 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, the combined total—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, 2015, and the related notes to the financial statement, which collectively 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 May 16, 2016.

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. 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 for the year ended June 30, 2015, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

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) to determine the 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.

Our consideration of internal control was for the limited purpose described in the preceding 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: 2015-1 and 2015-2.

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 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2015-2.

We noted certain matters regarding statutory compliance that we reported to the management of Comanche County, which is included in Section 2 of the schedule of findings and responses contained in this report.

Comanche County's Responses to Findings

Comanche County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Comanche County's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the responses.

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 result 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.

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.

A handwritten signature in blue ink, appearing to read "Gary A. Jones".

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

May 16, 2016

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SECTION 1—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 2015-1 – Inadequate County-Wide Controls and Disaster Recovery (Repeat Finding)

Condition: County-wide controls regarding Risk Management and Monitoring have not been designed. Also, the County Commissioners and County Sheriff do not have a Disaster Recovery Plan in place for the information systems used within their offices.

Cause of Condition: Policies and procedures have not been designed to address risks of the County.

Effect of Condition: These conditions could result in unrecorded transactions, undetected errors, or misappropriation of funds. These conditions could also result in the loss of data, the unreliability of data, and increase the risk that County business could continue uninterrupted in the event of a disaster.

Recommendation: The Oklahoma State Auditor and Inspector's Office (OSAI) recommends that the County design procedures to identify and address risks. OSAI also recommends that the County design monitoring procedures to assess 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. The County Commissioners and County Sheriff should prepare a Disaster Recovery Plan in order to maintain operations in the event of a disaster.

Management Response:

Chairman of the BOCC: The Board of County Commissioners (BOCC) is aware of the condition and will work toward assessing and identifying risks to design written county-wide controls. Further, the Board will work toward the design of a Disaster Recovery Plan.

County Sheriff: The Sheriff's department will work toward the design of a Disaster Recovery Plan.

Criteria: Internal control is an integral component of an organization's management that provides reasonable assurance that the objectives of effectiveness and efficiency of operations, reliability of financial reporting and compliance with laws and regulations are being made. Internal control comprises the plans, methods, and procedures used to meet missions, goals, and objectives. Internal control also serves as the first line of defense in safeguarding assets and preventing and detecting errors and fraud. County management is responsible for designing a county-wide internal control system comprised of Risk Assessment and Monitoring for the achievement of these goals.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Finding 2015-2 – Inadequate Internal Controls and Noncompliance Over the Sales Tax Disbursement Process

Condition: In the audit of forty-one (41) disbursements with regards to sales tax we noted the following:

- County sales tax collections are being distributed directly to the Comanche County Fairgrounds, the Comanche County Emergency Management for the rural fire departments, and the Comanche County Industrial Development Authority, which results in these sales tax expenditures not being monitored to determine they are expended in accordance with the sales tax ballot.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with Title 68 O.S. § 1370E.

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

Recommendation: OSAI recommends the disbursements of county sales tax be expended in such a manner to provide assurance that expenditures are made in accordance with the purposes specified by the ballot as outlined by Title 68 O.S. § 1370E.

Management Response:

Chairman of the BOCC: The sales tax will no longer be remitted on purchase orders. This will be corrected and all expenditures will be made on purchase orders with proper documentation attached.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Internal controls should be designed to analyze and check accuracy, completeness, and authorization of disbursements.

Title 68 O.S. § 1370E, requires the sales tax collections be deposited in the general revenue or sales tax revolving fund of the County and be used only for the purpose for which such sales tax was designated.

Further, AG opinion 2005 OK AG 23 dated 07/13/2005 states:

3. Proceeds of a county sales tax voted for a specific purpose but placed in the county's general fund must be accounted for as a discrete fund, and any surplus not needed for the stated purpose during one fiscal year must be transferred to the county budget for the next fiscal year, for the same specified purpose."

Additionally, AG opinion 2014 OK AG 15 dated 10/31/2014 states:

4. C. As the fiscal agent responsible for superintending the funds of Canadian County, the board of county commissioners is responsible to ensure that the sales tax proceeds are not intermingled and are used exclusively for the purpose expressed in the ballot measure and resolution. The board can direct that the funds be deposited in a dedicated revolving fund and not intermingled with other revenues. Okla. Const. art. X, § 19;

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

68 O.S. 2011, § 1370; 19 O.S. Supp. 2013, § 339; 19 O.S. 2011, § 345; Cavin v. Bd. of County Comm'rs, 1934 OK 245 ¶ 11, 33 P.2d 477, 479.

SECTION 2—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 2015-4 – Inadequate Internal Controls and Noncompliance Over Fixed Assets and Consumable Inventories (Repeat Finding)

Condition: Upon inquiry and observation of fixed assets inventory items, we noted the following:

County Sheriff:

- An annual physical fixed asset inventory verification was not performed by the County Sheriff.
- Three (3) 2004 Ford Crown Victoria's were declared surplus by the BOCC and sold; however, the vehicles were not removed from the County Sheriff inventory listing.

County Commissioner District 1:

- Applicable fixed assets were not properly marked with "Property of Comanche County" in accordance with state statute.

Upon inquiry and observation of consumable inventory items, we noted the following:

County Commissioner District 3:

- Two (2) tires could not be located.
- One (1) set of grader blades were installed without a transfer document.

Cause of Condition: Policies and procedures have not been designed and implemented by all county officers for the accurate reporting of fixed assets and consumable inventory items, as well as procedures to ensure the proper marking of equipment.

Effect of Condition: These conditions resulted in noncompliance with state statutes. Opportunities for loss and misappropriation of county assets may be more likely to occur when the County does not have procedures in place to account for fixed assets and consumable inventories.

Recommendation: OSAI recommends the County adopt policies and procedures to implement a system of internal controls over the fixed assets and consumable inventory records to ensure compliance with 69 O.S. § 645, 19 O.S. § 178.1, 19 O.S. § 1502(A)(1), and 19 O.S. § 1504(A).

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Management Response:

District 1 County Commissioner: District 1 is working to ensure that all County equipment is properly marked with "Property of Comanche County."

District 3 County Commissioner: The District 3 Commissioner will encourage all employees to prepare proper documentation when consumable items are taken from inventory.

County Sheriff: The County Sheriff has appointed personnel to maintain and update the inventory.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation.

Title 69 O.S. § 645 requires that County-owned automobiles, trucks, road machinery and equipment be conspicuously and legibly marked PROPERTY OF (name of county) COUNTY.

Title 19 O.S. § 178.1 requires the county to have a system of identification for the inventory of fixed assets.

Title 19 O.S. § 1502(A)(1), which requires a prescribed uniform identification system for all supplies, materials, and equipment of a county used for maintenance for roads and bridges.

Title 19 O.S. § 1504A provides guidance with regard to accounting for the consumable items.

Finding 2015-5 – Noncompliance Over the Oklahoma Temporary Motorist Liability Plan

Condition: The Comanche County Sheriff is not properly providing seized tag numbers to the Oklahoma Temporary Motorist Liability Plan Administrator. It was noted that the County Sheriff had twenty-four (24) tags seized from various law enforcement agencies on hand that had not been entered into the Oklahoma Temporary Motorist Liability Plan (OTMLP) system.

Cause of Condition: Policies and procedures have not been designed to ensure all seized tags are logged into the Plan Administrator's system in accordance with state statute.

Effect of Condition: This condition resulted in noncompliance with state statute. As a result of the condition, proper information was not submitted to the Oklahoma Tax Commission, fees were not properly collected disbursed to the appropriate law enforcement agencies, and drivers were not be covered under the group insurance policy.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Recommendation: OSAI recommends the Comanche County Sheriff comply with Title 47 O.S. § 7-606(1) and timely provide the appropriate information to the Oklahoma Temporary Motorist Liability Plan administrator.

Management Response:

County Sheriff: The County Sheriff's department will do its best to comply with the Oklahoma Sheriff's Association and the Oklahoma Temporary Motorist Liability Plan, Title 47 O.S. § 7-606.

Criteria: Title 47 O.S. § 7-606(1) states, (1) After the issuance of the citation, the law enforcement agency issuing the citation shall, within three (3) days, deposit the license plate and deliver a copy of the citation to the county sheriff's office of the county where the violation has occurred. The county sheriff's office shall provide the plan administrator with the seized license plate number. The plan administrator shall maintain a database including all seized license plates and shall submit such information to the Oklahoma Tax Commission.



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