

COUNTY AUDIT

COMANCHE COUNTY

For the fiscal year ended June 30, 2016



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



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, 2016**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 171, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



Oklahoma State Auditor & Inspector

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

July 18, 2017

TO THE CITIZENS OF
COMANCHE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Comanche County, Oklahoma for the fiscal year ended June 30, 2016. 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 that reads "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

**COMANCHE COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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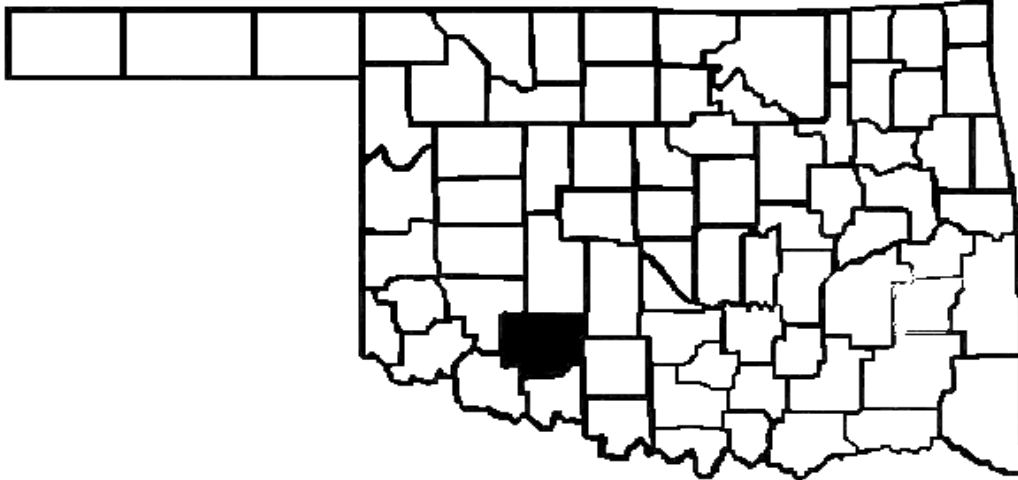
**COMANCHE COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**COMANCHE COUNTY, OKLAHOMA
STATISTICAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**



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 trading post.

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.

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, 2016**

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

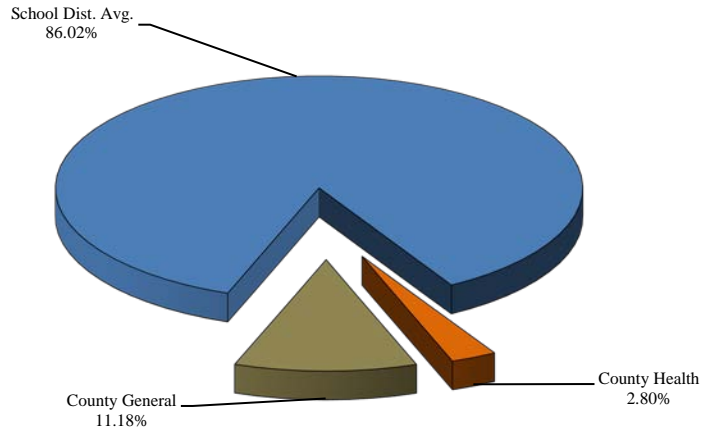
Robert Morales

District Attorney

Fred C. Smith

**COMANCHE COUNTY, OKLAHOMA
AD VALOREM TAX DISTRIBUTION
SHARE OF THE AVERAGE MILLAGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

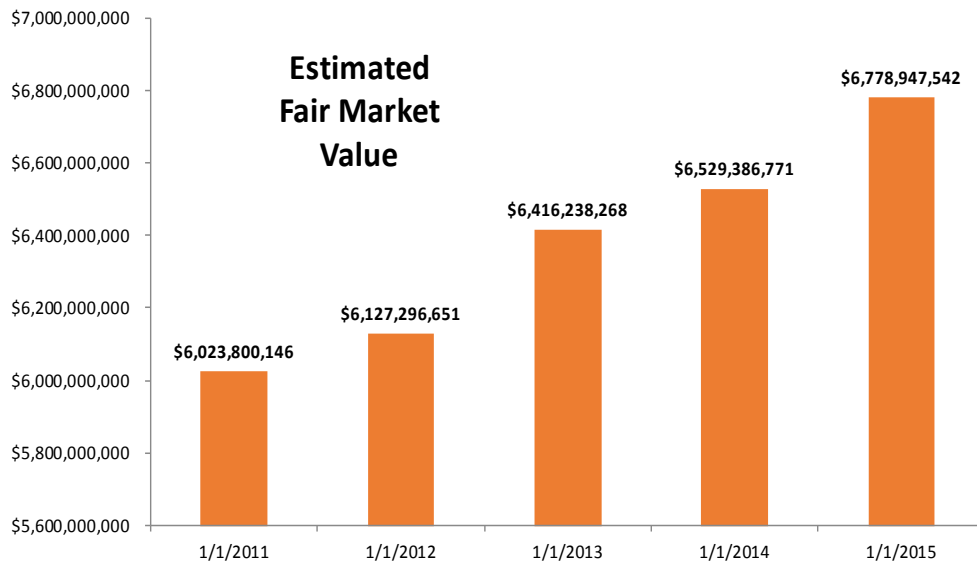
Property taxes are calculated by applying a millage rate to the assessed valuation of property. Millage rates are established by the Oklahoma Constitution. One mill equals one-thousandth of a dollar. For example, if the assessed value of a property is \$1,000.00 and the millage rate is 1.00, then the 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								
		Career								
		Gen.	Bldg.	Skg.	Tech	Common	EMS	Total		
County General	10.23									
County Health	2.56									
		Cache	I-1-1	35.67	5.10	26.05	14.25	4.09	-	85.16
		Indiahoma	I-2-1	37.44	5.35	11.88	14.25	4.09	-	73.01
		Sterling	I-3-1	37.85	5.41	15.39	14.25	4.09	-	76.99
		Geronimo	I-4-1	36.80	5.26	28.61	14.25	4.09	-	89.01
		Lawton	I-8-1	35.67	5.10	8.19	14.25	4.09	-	67.30
City Millages		Fletcher	I-9-1	36.35	5.19	11.97	14.25	4.09	-	71.85
City of Lawton	9.29	Elgin	I-16-1	36.74	5.25	29.78	14.25	4.09	-	90.11
		Flower Mound	C-48-1	35.55	5.08	-	14.25	4.09	-	58.97
		Bishop	C-49-1	35.44	5.06	13.38	14.25	4.09	-	72.22
		Chattanooga	I-132-1	37.17	5.31	18.07	14.25	4.09	-	78.89
		Cotton	J-1-1	37.71	5.39	9.04	12.70	4.09	-	68.93
		Caddo	J-56	38.22	5.46	33.24	11.89	4.09	-	92.90
		Caddo	J-I-160	35.00	5.00	22.25	11.89	4.09	-	78.23
		Caddo	J-I-64	35.00	5.00	18.73	11.89	4.09	-	74.71
		Kiowa	J-I-4	37.97	5.42	-	14.25	4.09	-	61.73
		Kiowa	J-I-3	36.72	5.25	42.37	11.89	4.09	3.15	103.47
		Stephens	J-I-21	39.24	5.61	20.67	12.70	4.09	-	82.31
		Stephens	J-1-34	36.92	5.27	32.00	12.70	4.09	-	90.98

**COMANCHE COUNTY, OKLAHOMA
 ASSESSED VALUE OF PROPERTY
 TREND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

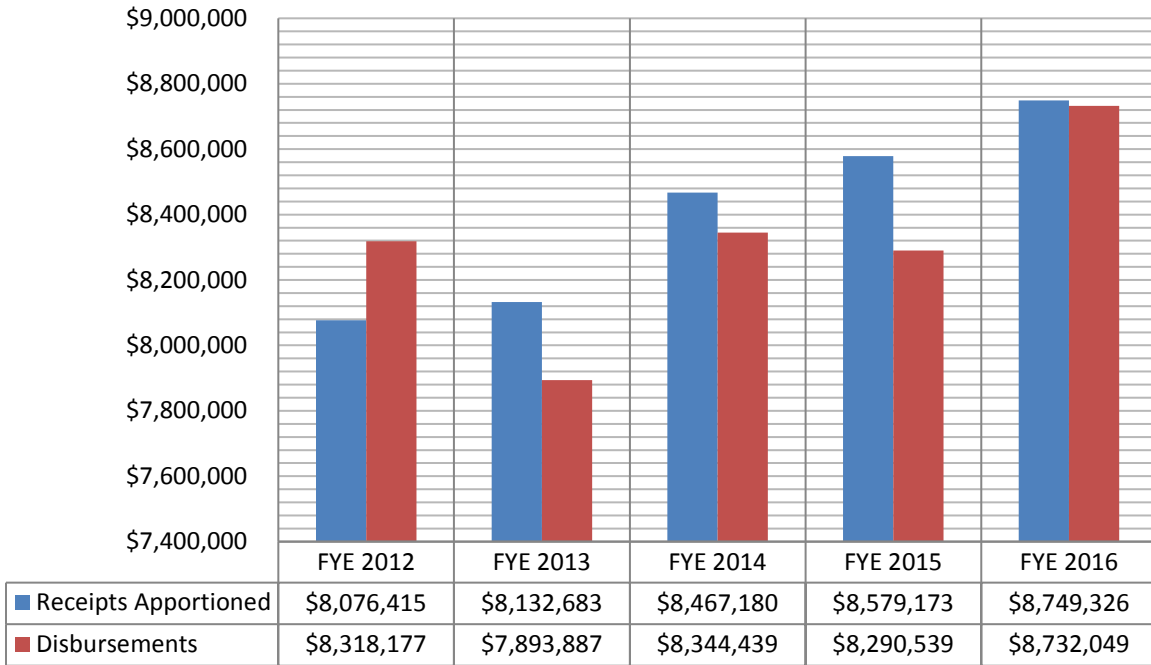
Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Veterans Exemption	Net Value	Estimated Fair Market Value
1/1/2015	\$112,721,931	\$46,375,185	\$627,077,246	\$13,680,563	\$41,587,218	\$730,906,581	\$6,778,947,542
1/1/2014	\$111,022,129	\$40,946,521	\$603,374,217	\$14,291,430	\$32,905,748	\$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



**COMANCHE COUNTY, OKLAHOMA
COUNTY GENERAL FUND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

County General Fund

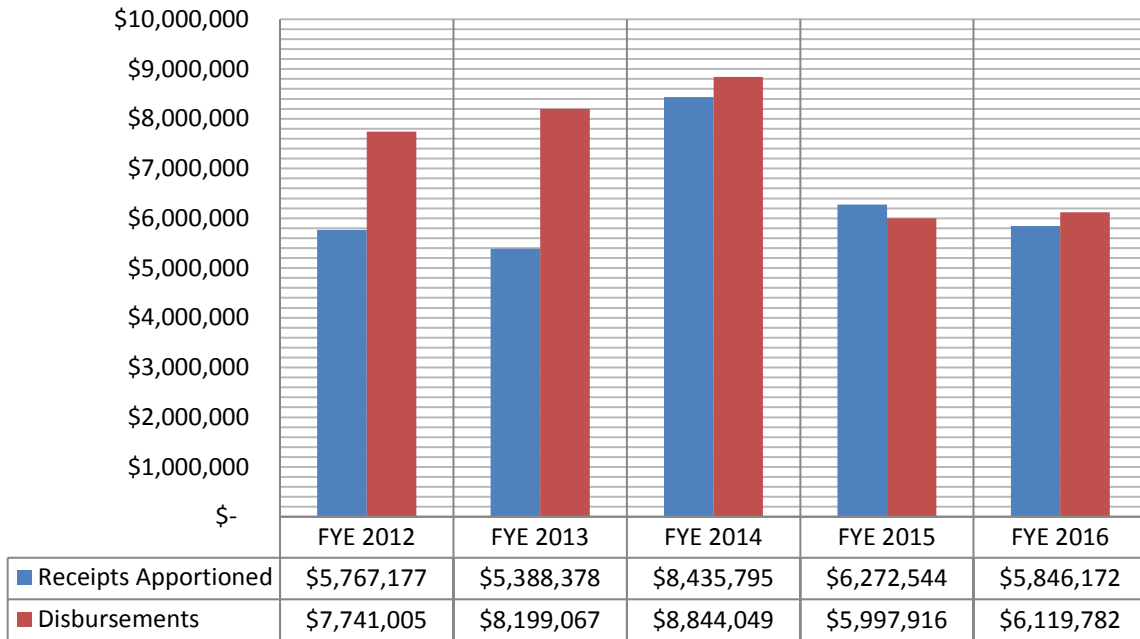
The Oklahoma Constitution and the Oklahoma Statutes authorize counties to create a County General Fund, which is the county’s primary source of operating revenue. The County General Fund is typically used for county employees’ salaries plus many expenses for county maintenance and operation. It also 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, 2016**

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, 2016, 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. 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, 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, 2016, or changes in financial position for the year then ended.

Unmodified 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, 2016, in accordance with the basis of accounting described in Note 1.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the combined total of all county funds on the financial statement. The accompanying Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance, and the remaining Other Supplementary Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statement.

The Schedule of Expenditures of Federal Awards and 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 Schedule of Expenditures of Federal Awards and 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 July 17, 2017, 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 that reads "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

July 17, 2017

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, 2016

	Beginning Cash Balances July 1, 2015	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2016
Combining Information:				
Major Funds:				
County General Fund	\$ 3,481,122	\$ 8,749,326	\$ 8,732,049	\$ 3,498,399
County Highway Fund	3,716,470	5,846,172	6,119,782	3,442,860
County Health Department	2,562,410	2,010,293	2,530,501	2,042,202
Sheriff Sales Tax 2007	131,748	139,929	63,519	208,158
Sheriff Grant Fund	5,170	30,416	32,268	3,318
Juvenile Detention General Cash Fund	345,862	1,512,902	1,608,243	250,521
Home Finance Cash Fund	995,967	279,871	263,783	1,012,055
Fairgrounds Sales Tax 2007	21,026	264,312	264,534	20,804
Capital Improvement Sales Tax 2007	455,565	155,478	339,477	271,566
JABG-GANG-1 Grant	12,703	-	12,703	-
Jail Sales Tax (Facilities Authority)	440,299	3,109,554	3,190,809	359,044
Industrial Development Sales Tax	59,372	746,293	746,919	58,746
County Bridge & Road Improvement Fund 105	1,929,803	1,320,454	1,259,306	1,990,951
Rural Fire Department Sales Tax	19,790	248,764	248,973	19,581
Resale Property	524,099	526,290	309,705	740,684
Sheriff Service Fee	180,683	302,388	296,764	186,307
Juvenile Bureau Federal IV E Fund	165,664	54,740	32,385	188,019
COX REAP Grant	-	45,000	45,000	-
Remaining Aggregate Funds	846,932	1,155,872	1,111,735	891,069
Combined Total - All County Funds	\$ 15,894,685	\$ 26,498,054	\$ 27,208,455	\$ 15,184,284

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, 2016**

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 are 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, 2016**

Juvenile Detention General Cash Fund – accounts for the collection from 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 collections 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 receipt 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.

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 state statute.

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.

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

COX REAP Grant – accounts for the collection of state grant monies received. Disbursements are for allowable expenses provided by grant agreements.

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, 2016**

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.

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

3. Other Information

A. Pension Plan

Plan Description. The County contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes the provisions of the Plan. OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73105 or by calling 1-800-733-9008.

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 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. Total collections apportioned for fiscal year 2016 were \$3,109,554.

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

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Tax, Capital Improvement Sales Tax 2007, Fairgrounds Sales Tax 2007, Rural Fire Department Sales Tax, and Sheriff Sales Tax 2007. Total collections apportioned for fiscal year 2016 were as follows:

Industrial Development Sales Tax	\$ 746,293
Capital Improvement Sales Tax 2007	155,478
Fairgrounds Sales Tax 2007	264,312
Rural Fire Department Sales Tax	248,764
Sheriff Sales Tax 2007	<u>139,929</u>
Total 3/8 Sales Tax of June 24, 2014	<u>\$1,554,776</u>

Total sales tax collections for fiscal year 2016 were:

Jail Sales Tax (Facilities Authority)	\$3,109,554
Total 3/8 Sales Tax of June 24, 2014	<u>\$1,554,776</u>
Total	<u>\$4,664,330</u>

OTHER SUPPLEMENTARY INFORMATION

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, 2016

	General Fund		
	Budget	Actual	Variance
Beginning Cash Balances	\$ 3,481,121	\$ 3,481,122	\$ 1
Less: Prior Year Outstanding Warrants	(36,287)	(36,287)	-
Less: Prior Year Encumbrances	(427,387)	(404,648)	22,739
Beginning Cash Balances, Budgetary Basis	<u>3,017,447</u>	<u>3,040,187</u>	<u>22,740</u>
Receipts:			
Ad Valorem Taxes	6,413,661	7,233,588	819,927
Charges for Services	-	359,873	359,873
Intergovernmental Revenues	3,302	1,009,826	1,006,524
Miscellaneous Revenues	-	146,039	146,039
Total Receipts, Budgetary Basis	<u>6,416,963</u>	<u>8,749,326</u>	<u>2,332,363</u>
Expenditures:			
County Sheriff	1,989,609	1,988,019	1,590
County Treasurer	339,462	337,353	2,109
County Commissioners	987,685	987,089	596
OSU Extension	151,325	148,371	2,954
County Clerk	683,537	674,117	9,420
Court Clerk	768,918	737,529	31,389
County Assessor	457,371	445,408	11,963
Revaluation of Real Property	673,614	591,831	81,783
Juvenile Shelter Bureau	501,885	500,194	1,691
General Government	984,159	786,756	197,403
Excise - Equalization Board	8,000	6,800	1,200
County Election Board	133,421	127,671	5,750
Charity	1,000	800	200
Library	52,500	52,500	-
Juvenile Detention Center	273,612	273,612	-
E-911	435,696	435,696	-
Contingencies	395,609	124,490	271,119
County Audit Budget Account	81,680	80,191	1,489
Free Fair Budget Account	326,126	326,126	-
County Hospital Budget Account	179,201	179,201	-
Provisions for Interest on Warrants	10,000	9,994	6
Total Expenditures, Budgetary Basis	<u>9,434,410</u>	<u>8,813,748</u>	<u>620,662</u>

Continued on next page

**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, 2016**

	General Fund		
	Budget	Actual	Variance
Continued from previous page			
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ 2,975,765	\$ 2,975,765
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances			
Add: Current Year Reserves		324,855	
Add: Current Year Outstanding Warrants		197,779	
Ending Cash Balance		\$ 3,498,399	

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, 2016

	County Health Department Fund		
	Budget	Actual	Variance
Beginning Cash Balances	\$ 2,562,410	\$ 2,562,410	\$ -
Less: Prior Year Outstanding Warrants	(11,532)	(11,532)	-
Less: Prior Year Encumbrances	(342,284)	(310,623)	31,661
Beginning Cash Balances, Budgetary Basis	2,208,594	2,240,255	31,661
Receipts:			
Ad Valorem Taxes	1,604,983	1,810,165	205,182
Charges for Services	210,341	199,029	(11,312)
Intergovernmental Revenues	-	1,099	1,099
Total Receipts, Budgetary Basis	1,815,324	2,010,293	194,969
Expenditures:			
Health and Welfare	4,334,694	2,630,976	1,703,718
Total Expenditures, Budgetary Basis	4,334,694	2,630,976	1,703,718
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ (310,776)	1,619,572	\$ 1,930,348
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances			
Add: Current Year Encumbrances		417,633	
Add: Current Year Outstanding Warrants		4,997	
Ending Cash Balance		\$ 2,042,202	

**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, 2016**

	Beginning Cash Balances July 1, 2015	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2016
Remaining Aggregate Funds:				
Treasurer Mortgage Tax Certification Fee	\$ 8,327	\$ 17,081	\$ 20,471	\$ 4,937
County Clerk Lien Fee	58,993	37,998	40,364	56,627
County Clerk Records Preservation Fee	53,874	93,108	65,927	81,055
Assessor Visual Inspection	2,920	3,741	894	5,767
Sheriff Courthouse Security	20,277	29,314	35,796	13,795
Sheriff Insurance Recovery	57,700	33,675	13,799	77,576
911 Emergency	85,299	59,110	80,219	64,190
Civil Defense	83,901	149,019	186,689	46,231
County Use Tax Revolving Fund	475,413	262,044	196,757	540,700
Litter Environmental Reward	228	291	328	191
Flower Mound Road Project	-	248,010	248,010	-
Kleeman Road Project	-	222,481	222,481	-
Combined Total - Remaining Aggregate Funds	\$ 846,932	\$ 1,155,872	\$ 1,111,735	\$ 891,069

**COMANCHE COUNTY, OKLAHOMA
NOTES TO OTHER SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 the disbursement for courthouse security costs.

Sheriff Insurance Recovery – accounts for the collection of insurance payments received from the destruction of the County Sheriff's equipment and the disbursements are for the replacement of the 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 are to operate and maintain an emergency telephone system (E-911).

**COMANCHE COUNTY, OKLAHOMA
NOTES TO OTHER SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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.

Flower Mound Road Project – accounts for the collection of monies received through an Inter-governmental Agreement. Disbursements are for allowable expenses provided by the Inter-governmental Agreement.

Kleeman Road Project – accounts for the collection of monies received through an Inter-governmental Agreement. Disbursements are for allowable expenses provided by the Inter-governmental Agreement.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Education:			
Child Nutrition Program			
School Breakfast Program	10.553		\$ 16,312
National School Lunch Program	10.555		32,610
Total U.S. Department of Agriculture			<u>48,922</u>
U.S. DEPARTMENT OF INTERIOR			
Direct Grant:			
Payments in Lieu of Taxes	15.226		150,052
Total U.S. Department of Interior			<u>150,052</u>
U.S. DEPARTMENT OF JUSTICE			
Passed Through the City of Lawton Oklahoma			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		31,824
Total U.S. Department of Justice			<u>31,824</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through the Oklahoma Department of Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	DR-4222	106,272
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	DR-4222	681,691
Total CFDA # 97.036			<u>787,963</u>
Emergency Management Performance Grants	97.042		40,000
Total U.S. Department of Homeland Security			<u>827,963</u>
Total Expenditures of Federal Awards			<u>\$ 1,058,761</u>

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Basis of Presentation

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

On July 17, 2015, the President of the United States approved a Major Disaster Declaration for Comanche County in response to flooding ranging from May 26, 2015 through June 30, 2015. The County incurred \$106,272 in eligible expenditures in the prior fiscal year ended June 30, 2015. The Federal Emergency Management Agency approved all project worksheets for this disaster in the fiscal year ending June 30, 2016. Therefore, expenditures on the Schedule Of Expenditures of Federal Awards for CFDA #97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) will include \$106,272 in eligible expenditures incurred in the fiscal year ending June 30, 2015 and all eligible expenditures that were incurred during the fiscal year ended June 30, 2016.

INTERNAL CONTROL AND COMPLIANCE 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 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, 2016, 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 June 30, 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, 2016, 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 questioned costs, 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 questioned costs to be material weaknesses: 2016-1 and 2016-2.

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 questioned costs as item 2016-2.

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

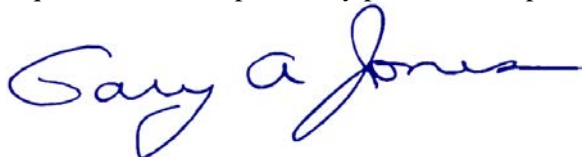
Comanche County's Responses to Findings

Comanche County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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 that reads "Gary A. Jones". The signature is fluid and cursive, with the first name "Gary" being the most prominent.

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

July 17, 2017



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 on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

TO THE OFFICERS OF
COMANCHE COUNTY, OKLAHOMA

Report on Compliance for Each Major Federal Program

We have audited the compliance of Comanche County, Oklahoma, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Comanche County's major federal program for the year ended June 30, 2016. Comanche County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Comanche County's compliance.

Opinion on Each Major Federal Program

In our opinion, Comanche County, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

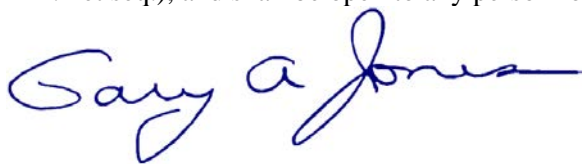
Report on Internal Control Over Compliance

Management of Comanche County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Comanche County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of 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 was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2016-21 and 2016-22 to be material weaknesses.

This report is intended solely for the information and use of management, those charged with governance, others within the entity, and is not intended to be and should not be used by anyone other than the specified parties. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S., section 24A.1 et seq.), and shall be open to any person for inspection and copying.



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

July 17, 2017

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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
- Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted?..... Yes

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported
in accordance with section 200.516 of the Uniform Guidance?..... Yes

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

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

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

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 2016-1 - Inadequate County-Wide Controls and Disaster Recovery Plan (Repeat Finding)

Condition: County-wide controls regarding Risk Assessment and Monitoring have not been designed. Also, Disaster Recovery Plans have not been designed over information systems used by District 1 and District 3.

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

Effect of Condition: This condition could result in unrecorded transactions, undetected errors, or misappropriation of funds. Additionally, this condition could also result in the loss of data, the unreliability of data, and increase the risk that the County may not recover from an emergency situation and/or 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. Each Office 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 will work with all County officials to assess and identify risks for the purpose of the design of written county-wide controls.

County Commissioner District 1: We are in the process of preparing a Disaster Recovery Plan.

County Commissioner District 3: We are in the process of preparing 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 met. 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 QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Finding 2016-2 – Inadequate Internal Controls and Noncompliance over the Sales Tax Disbursement Process (Repeat Finding)

Condition: In the audit of forty-nine (49) disbursements with regards to sales tax the following exception was noted:

- County sales tax collections are 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 68 O.S. 1370 E.

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: County management is amending the Comanche County Facilities Authority Trust Indenture to include Comanche County Emergency Management and Volunteer Fire Departments. We are satisfied that we have in place a system that ensures oversight, accuracy, and account of funds utilized by the Emergency Management and Volunteer Fire Departments, as well as, Comanche County Industrial Development Authority.

Auditor Response: 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.

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

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Finding 2016-21 - Inadequate Internal Controls Over Major Programs - FEMA (Repeat Finding)

PASS-THROUGH GRANTOR: Oklahoma Department of Emergency Management

FEDERAL AGENCY: U.S. Department of Homeland Security

CFDA NO: 97.036

FEDERAL PROGRAM NAME: Disaster Grants - Public Assistance (Presidentially Declared Disasters)

FEDERAL AWARD YEAR: 2016

FEDERAL AWARD NUMBER: DR-4222

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions

QUESTIONED COSTS: \$-0-

Condition: During the process of documenting the County’s internal controls regarding federal disbursements, we noted that Comanche County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions.

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

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

Recommendation: OSAI recommends that the County implement a system of internal controls to ensure compliance with grant requirements.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Management Response:

County Commissioner District 1, 2, and 3: The Board of County Commissioners will work to ensure internal controls are designed and implemented.

Criteria: *OMB 2 CFR 200, Subpart D. §_ .303(a)* reads as follows:

Subpart D-Post Federal Award Requirements

§200.303 Internal Controls

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

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

Finding 2016-22 - Inadequate County-Wide Controls Over Major Federal Programs – FEMA (Repeat Finding)

PASS-THROUGH GRANTOR: Oklahoma Department of Emergency Management

FEDERAL AGENCY: U.S. Department of Homeland Security

CFDA NO: 97.036

FEDERAL PROGRAM NAME: Disaster Grants - Public Assistance (Presidentially Declared Disasters)

FEDERAL AWARD YEAR: 2016

FEDERAL AWARD NUMBER: DR-4222

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions

QUESTIONED COSTS: \$-0-

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

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

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

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Recommendation: OSAI recommends the County implement a system of internal controls to ensure compliance with grant requirements.

Management Response:

County Commissioner District 1, 2, and 3: We will work to implement a risk assessment plan. We will implement controls to help make sure we are in compliance with all grant requirements and federal funds are expended in accordance with grant agreements and in a timely manner. We will ensure employees have the current and correct compliance supplement to work from. Furthermore, we will work with the County Treasurer and County Clerk's office to ensure all checks and balances are done correctly.

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 met. 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 Control Environment, Risk Assessment, Information and Communication, and Monitoring for the achievement of these goals.

The control environment is the foundation for all other components of internal control. When management believes that internal controls are important to meeting its goals and objectives and communicate this belief to its employees at all levels, internal controls are more likely to be functioning well. However, if management views internal controls as unrelated to achieving its goal and objectives, or even as an obstacle, it is almost a certainty that this attitude will be held by all employees, despite official statements or policies to the contrary. This understanding by management of the importance of internal controls and the communication of this importance to its employees are key elements of the control environment.

Risk assessment is a component of internal control which should provide for an assessment of the risks the County faces from both internal and external sources. Once risks have been identified, they should be analyzed for their possible effect. Management then has to formulate an approach for risk management and decide upon the internal control activities required to mitigate those risks and achieve the internal control objectives or efficient and effective operations, reliable financial reporting, and compliance with laws and regulations.

For a county to run and control its operations, it must have relevant, reliable information, both financial and nonfinancial. That information should be recorded and communicated to management and others within the County who need it and in a form and within a time frame that enables them to carry out their internal control and operational responsibilities. In addition, the county needs to make sure that the forms of communications are broad-based and that information technology management assures useful, reliable, and continuous communications.

Monitoring is a component of internal control which should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved. Ongoing monitoring occurs during normal operations and includes regular management and supervisory activities, comparisons,

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

reconciliations, and other actions people take in performing their duties. It includes ensuring that management know their responsibilities for internal control and the need to make control monitoring part of their regular operating process.

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

Finding 2016-3 - Noncompliance Over the Awarding of Bids

Condition: Based on inquiry and the observation of records, it was noted the Board of County Commissioners (BOCC) awarded commonly-used goods (i.e., tires and rock) to all low bidders based on availability at the time of the project.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with state statutes over the awarding of bids for commonly-used goods.

Effect of Condition: This condition resulted in noncompliance with 19 O.S. § 1505(B).

Recommendation: OSAI recommends the County discontinue its practice of awarding all bids for commonly used goods and award to the lowest and best bidder.

Management Response:

Chairman of the BOCC: The BOCC will rectify the situation to ensure compliance with state law.

County Clerk: This has been corrected.

Criteria: Best business practices would include soliciting bids from vendors with the goal of obtaining quality goods and/or services for the best price. When counties purchase “needed or commonly [-] used supplies, materials, [or] equipment,” 19 O.S. § 1505(B) requires counties to solicit bids, compare them to the state contract price for the items, and select “the lowest and best bid based upon, if applicable, the availability of material and transportation cost to the job site with 30 days,” specifying the reason “any time the lowest bid was not considered to be the lowest and best bid.”

Finding 2016-6 - Inadequate Internal Controls Over County Health Department Appropriations

Condition: The following deficiency was noted with regards to the appropriations for the County Health Department reported on the Estimate of Needs:

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

- The Excise Board approved appropriations for the County Health Department in the amount of \$4,334,694 with said appropriations being \$310,776 in excess of the ending cash balance for fiscal year 2015 and estimated revenues for fiscal year 2016.

• Ending Cash Balance Fiscal Year 2015:	\$2,208,594
Estimated Revenues	<u>1,815,324</u>
Total Available for Appropriation	4,203,918
Approved Appropriations	<u>4,334,694</u>
Excess Appropriations	<u>\$ (310,776)</u>

Cause of Condition: Policies and procedures have not been designed and implemented to ensure appropriations to the County Health Department as reported on the Estimate of Needs do not exceed the available cash amount as estimated.

Effect of Condition: This condition could result in misappropriations of assets, unrecorded transactions, misstatements to the financial statement and did result in noncompliance to the Oklahoma Constitution and/or state statutes..

Recommendation: OSAI recommends county management ensure detailed, accurate information is reported on all exhibits of the County Health Department Estimate of Needs to provide accurate appropriations and accounting of funds and to ensure that budgeted amounts do not exceed anticipated revenues in accordance with Title 68 O.S. § 3002(A).

Management Response:

Chairman of the BOCC: The BOCC will ensure appropriations do not exceed revenue available for the budget process of the Health Department. We believe it should be noted that actual expenditures did not exceed collections.

Criteria: Accountability and stewardship are overall goals in evaluating management’s accounting of funds. Internal controls should be designed to analyze and check accuracy and completeness. To help ensure proper accounting of funds, the duties of allocating and appropriating should be reviewed by county management.

Title 68 O.S. § 3002(A) states, “Notwithstanding the provisions of the School District Budget Act, each board of county commissioners and the board of education of each school district, shall, prior to October 1 of each year, make, in writing, a financial statement, showing the true fiscal condition of their respective political subdivisions as of the close of the previous fiscal year ended June 30th, and shall make a written itemized statement of estimated needs and probable income from all sources including ad valorem tax for the current fiscal year. Such financial statement shall be supported by schedules or exhibits showing, by classes, the amount of all receipts and disbursements, and shall be sworn to as being true and correct. The statement of estimated needs shall be itemized so as to show, by classes: first, the several amounts necessary for the current expenses of the political subdivision and each

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

officer and department thereof as submitted in compliance with the provisions of Section 3004 of this title; second, the amount required by law to be provided for sinking fund purposes; third, the probable income that will be received from all sources, including interest income and ad valorem taxes; and shall be detailed in form and amount so as to disclose the several items for which the excise board is authorized and required, by this article, to approve estimates and make appropriations.”

Finding 2016-7 - Noncompliance Over the Oklahoma Temporary Motorist Liability Plan (Repeat Finding)

Condition: The Comanche County Sheriff does not properly provide seized tag numbers or timely transfer funds to the Oklahoma Temporary Motorist Liability Plan Administrator. Further, one individual is responsible for the duties over receiving, posting, and disbursing of Temporary Motorist Liability fees to the Oklahoma Sheriff’s Association.

Cause of Condition: Policies and procedures have not been designed and implemented 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 and disbursed to the appropriate law enforcement agencies, and drivers were not covered under the Oklahoma Temporary Motorist Liability Plan.

Recommendation: OSAI recommends the Comanche County Sheriff comply with Title 47 O.S. § 7-606(A)(1)(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 work to design and implement procedures to comply with the Oklahoma Sheriff’s Association and the Oklahoma Temporary Motorist Liability Plan, Title 47 O.S. § 7-606(A)(1)(1).

Criteria: Title 47 O.S. § 7-606(A)(1)(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.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Initial Year of Finding: 2011-10

Repeat Finding in Years: 2012-1, 2013-1, 2014-1

Finding Summary: 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.

Status: The County Sheriff has a Disaster Recovery Plan in place; however, no corrective action has been taken with regards to County-Wide Controls and Disaster Recovery Plans for the County Commissioners and resulted in the repeat finding 2016-1.

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

Initial Year of Finding: 2015

Finding Summary: 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.

Status: No corrective action taken and resulted in the repeat finding 2016-2.

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

Finding 2014-12 - Inadequate Internal Controls Over Major Programs – FEMA

Initial Year of Finding: 2011

Repeat Finding in Years: 2012-10, 2013-10, 2014-12

PASS-THROUGH GRANTOR: Oklahoma Department of Emergency Management

FEDERAL AGENCY: U.S. Department of Homeland Security

CFDA NO: 97.036

FEDERAL PROGRAM NAME: Disaster Grants - Public Assistance (Presidentially Declared Disasters)

FEDERAL AWARD YEAR: 2010

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; Reporting; and Special Tests and Provisions

Finding Summary: During the process of documenting the County's internal controls regarding federal disbursements, we noted the County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Earmarking, Level of Effort, Period of Availability of Federal Funds; Procurement and Suspension and Debarment; Reporting and Special Tests and Provisions.

Status: The Comanche County Board of County Commissioners do not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal Clearinghouse, the Federal agency or pass-through entity is not currently following up with the County regarding this finding, and a management decision has not been issued. However, finding 2014-12 has not been corrected and resulted in the repeat finding 2016-21.

Finding 2014-13 - Inadequate County-Wide Controls Over Major Federal Program - FEMA

Initial Year of Finding: 2011

Repeat Finding in Years: 2012-16, 2013-16, 2014-13

Pass-Through Grantor: Oklahoma Department of Emergency Management

Federal Agency: U.S. Department of Homeland Security

CFDA No: 97.036

Federal Program Name: Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Federal Award Year: 2010

Control Category: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions

Finding Summary: During the process of documenting the County's internal controls regarding federal disbursements, we noted the County has not established County-wide controls regarding Risk Management and Monitoring.

Status: The Comanche County Board of County Commissioners does not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal Clearinghouse, the Federal agency or pass-through entity is not currently following up with the County regarding this finding, and a management decision has not been issued. However, finding 2014-13 has not been corrected and resulted in the repeat finding 2016-22.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Finding 2012-20 – Inadequate County-Wide Controls Over Major Program - BIA
Initial Year of Finding: 2012**

Pass-Through Grantor: Bureau of Indian Affairs

Federal Agency: U.S. Department of Transportation

CFDA No: 20.205

Federal Program Name: Highway Planning and Construction

Federal Award Year: 2012

Control Category: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Davis-Bacon Act; Period of Availability of Federal Funds; Procurement and Suspension and Debarment; Reporting; and Special Tests and Provisions

Finding Summary: During the process of documenting the County's internal controls regarding federal disbursements, we noted the County has not established County-wide controls regarding Risk Management and Monitoring.

Status: The Comanche County Board of County Commissioners do not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal Clearinghouse, the Federal agency or pass-through entity is not currently following up with the County regarding this finding, and a management decision has not been issued.

CORRECTIVE ACTION PLAN

**COMANCHE COUNTY, OKLAHOMA
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 2016-1 - Inadequate County-Wide Controls and Disaster Recovery Plan (Repeat Finding)

Finding Summary: County-wide controls regarding Risk Assessment and Monitoring have not been designed and implemented. Also, Disaster Recovery Plans have not been designed over information systems used by District 1 and District 3.

Corrective Action Planned: The Board of County Commissioners will work with all County Officials to assess and identify risks for the purpose of the design of written county-wide controls. We are in the process of preparing a Disaster Recovery Plan for District 1 and 3.

Anticipated Completion Date: January 1, 2018

Responsible Contact Person: Chairman of the Board of County Commissioners

Finding 2016-2 - Inadequate Internal Controls and Noncompliance Over the Sales Tax Disbursement Process (Repeat Finding)

Finding Summary: County sales tax collections are 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.

Corrective Action Planned: County management is amending the Comanche County Facilities Authority Trust Indenture to include Comanche County Emergency Management and Volunteer Fire Departments.

Anticipated Completion Date: January 1, 2018

Responsible Contact Person: Chairman of the Board of County Commissioners

Auditor Response: 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 sales tax ballot measure and resolution.

**COMANCHE COUNTY, OKLAHOMA
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Finding 2016-21 - Inadequate Internal Controls Over Major Programs - FEMA (Repeat Finding)

PASS-THROUGH GRANTOR: Oklahoma Department of Emergency Management

FEDERAL AGENCY: U.S. Department of Homeland Security

CFDA NO: 97.036

FEDERAL PROGRAM NAME: Disaster Grants-Public Assistance (Presidentially Declared Disasters)

FEDERAL AWARD YEAR: 2016

FEDERAL AWARD NUMBER: DR-4222

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions

QUESTIONED COSTS: \$-0-

Finding Summary: Comanche County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions.

Corrective Action Planned: The Board of County Commissioners will work to ensure internal controls are designed and implemented.

Anticipated Completion Date: January 1, 2018

Responsible Contact Person: Chairman of the Board of County Commissioners

Finding 2016-22 - Inadequate County-Wide Controls Over Major Federal Programs - FEMA (Repeat Finding)

PASS-THROUGH GRANTOR: Oklahoma Department of Emergency Management

FEDERAL AGENCY: U.S. Department of Homeland Security

CFDA NO: 97.036

FEDERAL PROGRAM NAME: Disaster Grants - Public Assistance (Presidentially Declared Disasters)

FEDERAL AWARD YEAR: 2016

FEDERAL AWARD NUMBER: DR-4222

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Performance of Federal Funds; Procurement and Suspension and Debarment; and Special Tests and Provisions

QUESTIONED COSTS: \$-0-

**COMANCHE COUNTY, OKLAHOMA
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Corrective Action Planned: We will work to implement a risk management plan. We will implement controls to help make sure we are in compliance with all grant requirements and federal funds are expended in accordance with grant agreements and in a timely manner. We will ensure employees have the current and correct compliance supplement to work from. Furthermore, we will work with the County Treasurer and County Clerk's office to ensure all checks and balances are done correctly.

Anticipated Completion Date: January 1, 2018

Responsible Contact Person: Chairman of the Board of County Commissioners



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