

**COMANCHE COUNTY, OKLAHOMA
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2003**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

January 21, 2004

TO THE CITIZENS OF
COMANCHE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Comanche County, Oklahoma, for the fiscal year ended June 30, 2003. A report of this type is critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

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

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

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMahon".

JEFF A. McMAHAN
State Auditor and Inspector

**COMANCHE COUNTY, OKLAHOMA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003**

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**COMANCHE COUNTY, OKLAHOMA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003**

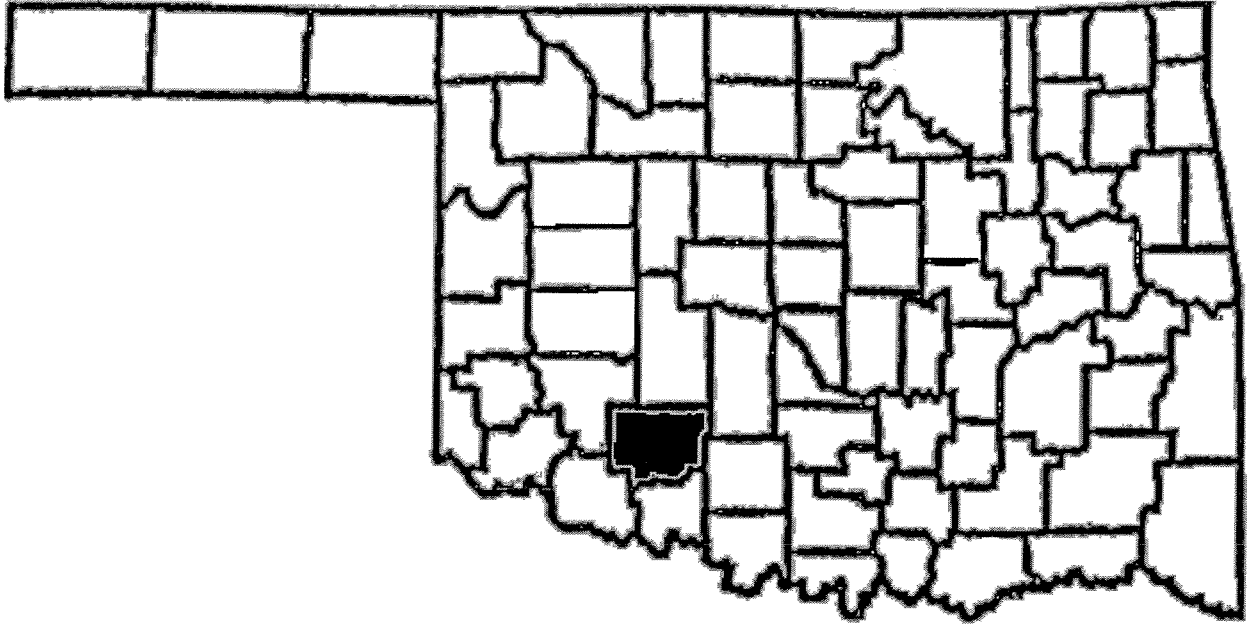
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REPORT TO THE CITIZENS
OF
COMANCHE COUNTY, OKLAHOMA



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

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

County Seat - Lawton

Area - 1,069.4 Square Miles

County Population - 114,996
(2000 est.)

Farms - 1,030

Land in Farms - 434,526 Acres

Source: Oklahoma Almanac 2003-2004

See independent auditor's report.

**COUNTY OFFICIALS
AND RESPONSIBILITIES**

COUNTY ASSESSOR

Robert McAdoo
(D) Cache

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

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

COUNTY CLERK

Charley Maquire
(D) Fletcher

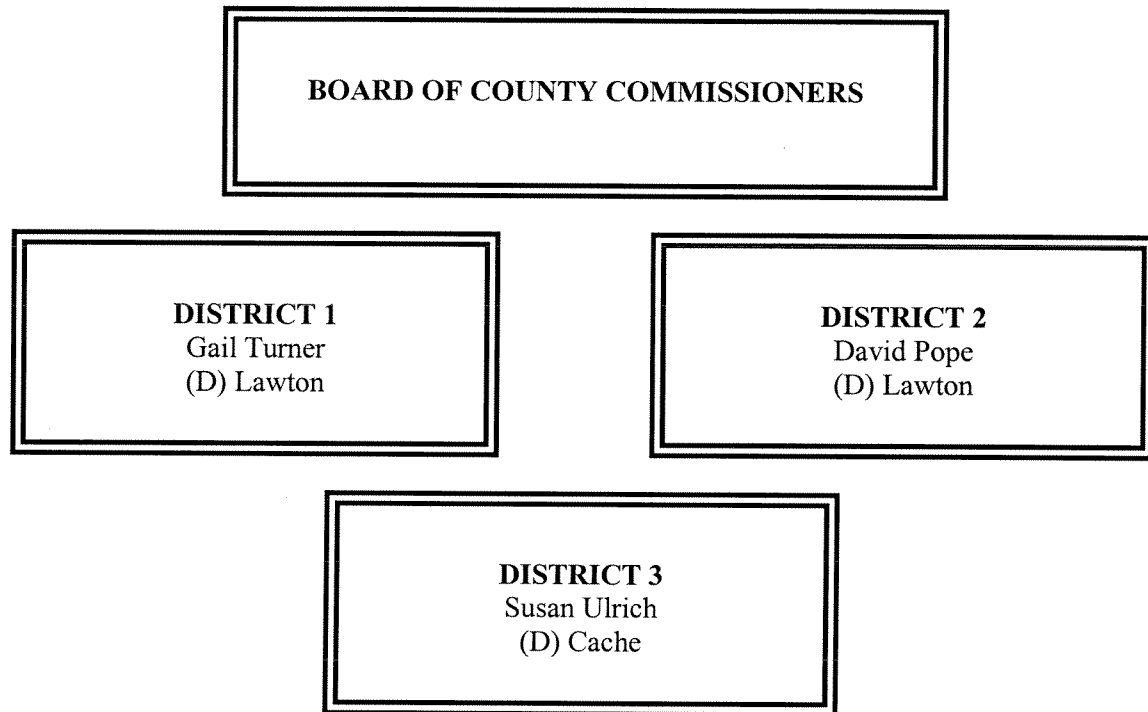
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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

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

See independent auditor's report.

**COUNTY OFFICIALS
AND RESPONSIBILITIES**



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

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

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

See independent auditor's report.

COUNTY OFFICIALS AND RESPONSIBILITIES

COUNTY SHERIFF

Kenny Stradley
(D) Lawton

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

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

COUNTY TREASURER

Cindy Jackson
(D) Cache

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

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

See independent auditor's report.

**COUNTY OFFICIALS
AND RESPONSIBILITIES**

COURT CLERK

Joan Williams
(D) Lawton

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

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

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

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

DISTRICT ATTORNEY

Robert Schulte
(D) Lawton

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

See independent auditor's report.

**COUNTY OFFICIALS
AND RESPONSIBILITIES**

ELECTION BOARD SECRETARY

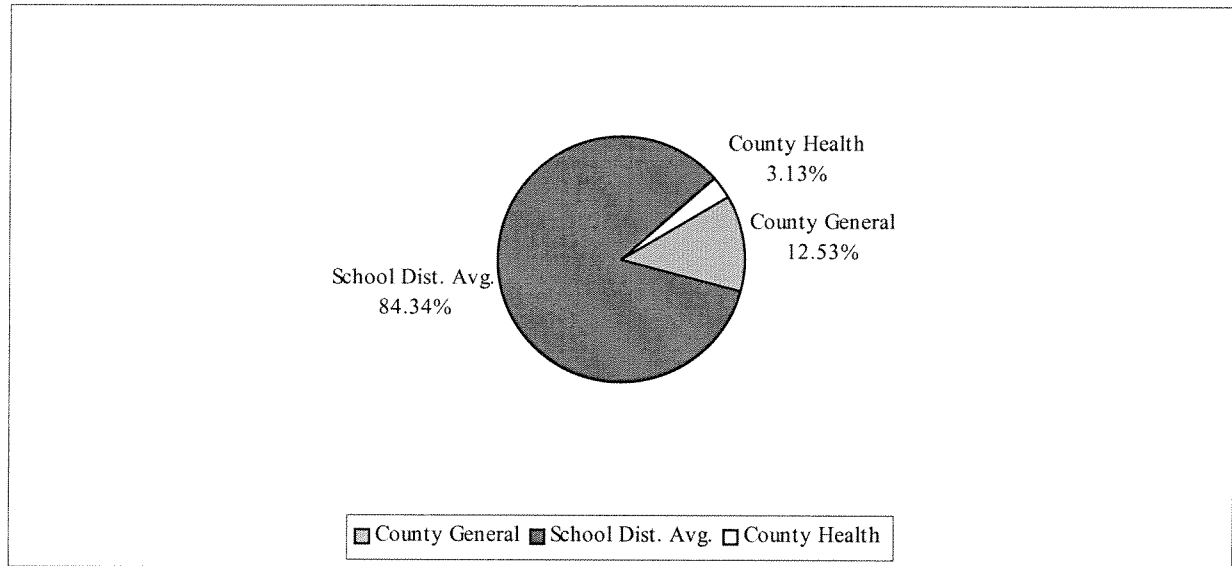
Annette Briley
(D) Lawton

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

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

**AD VALOREM TAX DISTRIBUTION
HASKELL COUNTY, OKLAHMA
SHARE OF THE AVERAGE MILLAGE**

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.	Skg.	Vo-Tech	Common	Total
Co. General	10.23								
County Health	2.56	Stoney Pt. - Elgin	S124	36.74	5.25	16.53	11.25	4.09	73.86
		Chattanooga	S132	37.17	5.31	7.65	11.25	4.09	65.47
		Flower Mound	SD48	35.55	5.08		11.25	4.09	55.97
City Millages		Bishop	SD49	35.44	5.06	9.11	11.25	4.09	64.95
Lawton	15.50	Cache	SI01	35.67	5.10	28.41	11.25	4.09	84.52
		Indiahoma	SI02	37.44	5.35	12.99	11.25	4.09	71.12
		Sterling	SI03	37.85	5.41	11.81	11.25	4.09	70.41
		Geronimo	SI04	36.80	5.26		11.25	4.09	57.40
		Lawton	SI08	35.67	5.10	0.01	11.25	4.09	56.12
		Fletcher	SI09	36.35	5.19	20.81	11.25	4.09	77.69
		Elgin	SI16	36.74	5.25	16.53	11.25	4.09	73.86
		Cotton	Jt.S001	35.67	5.10	28.41	11.25	4.09	84.52
		Cotton	Jt.SI001	37.71	5.39	3.44	12.70	4.09	63.33
		Kiowa	Jt.SI132	37.17	5.31	7.65	11.25	4.09	65.47
		Kiowa	Jt.S003	36.72	5.25		11.89	4.09	57.95
		Kiowa	Jt.S004	37.97	5.42		11.25	4.09	58.73
		Stephens	Jt.S021	39.24	5.61	11.74	12.70	4.09	73.38
		Stephens	Jt.S034	36.92	5.27	4.35	12.70	4.09	63.33
		Caddo	S056	38.22	5.46	26.59	11.89	4.09	86.25
		Caddo	S064	35.00	5.00	20.86	11.89	4.09	76.84
		Caddo	S160	35.00	5.00	9.35	11.89	4.09	65.33

See independent auditor's report.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

Independent Auditor's Report

TO THE OFFICERS OF
COMANCHE COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Comanche County, Oklahoma, as of and for the year ended June 30, 2003, as listed in the table of contents. These special-purpose financial statements are the responsibility of Comanche County's management. Our responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of all funds of Comanche County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund and county health department fund of the County, and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Comanche County in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of all funds of Comanche County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund and the county health department of the County, as of and for the year ended June 30, 2003, in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the special-purpose financial statements of Comanche County, Oklahoma, taken as a whole. The accompanying schedule of expenditures of federal awards is presented as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole. The information listed in the table of contents under *Introductory Section* and *Statistical Data* has not been audited by us, and accordingly, we express no opinion on such data.

Sincerely,

A handwritten signature in dark ink, reading "Jeff A. McMahon". The signature is written in a cursive, flowing style with a large initial "J".

JEFF A. McMAHAN
State Auditor and Inspector

December 8, 2003

Special-Purpose Financial Statements

COMANCHE COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES - ALL FUNDS
FOR THE YEAR ENDED, JUNE 30, 2003

All County Funds	Beginning Cash Balances July 1, 2002	Receipts Apportioned	Disbursements	Cancelled Vouchers	Transfers In	Transfers Out	Ending Cash Balances June 30, 2003
County General Fund	\$ 1,233,139	\$ 5,451,427	\$ 5,505,757	\$	\$ 4,675	\$ 11,325	\$ 1,172,159
County Highway Cash	2,265,244	4,701,828	5,300,915				1,666,157
County Health Department	972,515	1,279,628	1,081,992				1,170,151
Resale Property	228,139	246,120	223,675				250,584
Treasurer Mortgage Certification Fee	46,831	31,910	31,823				46,918
County Clerk Lien Fee	26,690	24,988	34,894				16,784
County Clerk Preservation	110,600	128,319	103,969				134,950
Assessor Visual Inspection	9,958	3,491	12,431				1,018
Assessor Hardware Upgrade	268	824					1,092
Sheriff Service Fee	149,021	264,715	289,992				123,744
Sheriff Insurance Recovery	3,253	2,918	2,823		11,325		14,673
Sheriff Grant Fund	13,098	30,955	6,708			4,675	32,670
Film Library	3,522	1,848	2,664				2,706
Juvenile Detention Cash Fund	470,458	968,997	975,523				463,932
Juvenile Bureau Special	14						14
Juvenile Detention Transportation	4,142						4,142
Juvenile Detention Buy-In	92						92
Juvenile Detention Donation	86						86
Juvenile Accountability Block Grant	23,500		21,660				1,840
Juvenile Bureau Fed IV E-Fund		40,399	6,682				33,717
Civil Defense	19,577	66,212	63,950				21,839
911 Emergency	393,915	346,315	637,090				103,140
District Attorney Narcotics	1,673	164,518	162,771				3,420
Bar-S Sales Tax Revolving Fund	9,778	88					9,866
Jail Sales Tax Revolving Fund	2,642,346	2,082,647	1,104,311		730,472	2,060,660	2,290,494
Sales Tax - Bank of Oklahoma - Jail	1,549,329				2,060,660	730,472	2,879,517
Economic Development Sales Tax Revolving Fund		1,703,602	1,536,028				167,574
Fairgrounds Use Tax Revolving	91,116	99,857	69,879				121,094
County Use Tax Revolving Fund		84,108	900				83,208
Home Finance Cash Fund	747,606	296,787	33,113				1,011,280
Home Finance Investments	1,509,182		187,737				1,321,445
Marie Detty Grant	2,468						2,468
Investments in Safe - Interest	48,591	8,760					57,351
REAP	5,652	34,975	15,144				25,483
County Sinking	8,246	507					8,753
Schools	448,195	28,186,588	28,050,981				583,802
Cities & Towns	90,022	5,366,100	5,242,812				213,310
Law Library	4,242	71,501	67,728				8,015
Individual Redemption	13,375	100,103	106,265				7,213
Excess Resale	24,884	3,448	6,871				21,461
Protest Tax	166	842,826	430,827				412,165
Unapportioned Tax	2,267	512,438	512,285				2,420
Comanche Co. Insurance Recovery Fund	4,908		978				3,930
Free Fair Insurance Recovery Fund	6,909	215					7,124
Comanche Co. Memorial Hospital - FEMA	3,339	1,450	1,250				3,539
Community Revitalization CDBG		9,000					9,000
Emergency Management Planning Grant		6,048					6,048
Series B Building - Industrial Development	300	123,809	124,109				
Employee Health	16,633		16,018				615
Cash in Office	456						456
Official Depository	2,258,272	20,828,715	22,657,119	1,787,154			2,217,022
Total County Funds	\$ 15,464,017	\$ 74,118,984	\$ 74,629,674	\$ 1,787,154	\$ 2,807,132	\$ 2,807,132	\$ 16,740,481

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

COMANCHE COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 1,233,139	\$ 1,233,139	\$ 1,233,139	\$ -
Less: Prior Year Outstanding Warrants	(136,264)	(136,264)	(136,264)	
Less: Prior Year Encumbrances	(227,797)	(227,797)	(205,988)	21,809
Beginning Cash Balances, Budgetary Basis	869,078	869,078	890,887	21,809
Receipts:				
Ad Valorem Taxes	3,864,732	3,864,732	4,105,511	240,779
Sales Tax	60,000	60,000	140,313	80,313
Charges for Services	163,450	163,450	414,673	251,223
Intergovernmental Revenues	395,084	501,808	446,819	(54,989)
Miscellaneous Revenues	297,655	297,655	344,111	46,456
Total Receipts, Budgetary Basis	4,780,921	4,887,645	5,451,427	563,782
Expenditures:				
District Attorney	42,000	34,000	34,000	
Capital Outlay				
Total District Attorney	42,000	34,000	34,000	-
County Sheriff	1,006,761	1,159,171	1,158,882	289
Capital Outlay				
Total County Sheriff	1,006,761	1,228,674	1,228,385	289
County Treasurer	175,156	175,156	174,898	258
Capital Outlay				
Total County Treasurer	175,156	175,156	174,898	258
County Commissioners	90,128	90,428	89,632	796
Capital Outlay				
Total County Commissioners	90,128	90,428	89,632	796
OSU Extension	107,820	105,235	105,073	162
Capital Outlay				
Total OSU Extension	107,820	107,820	107,658	162
County Clerk	353,357	353,357	352,177	1,180
Capital Outlay				
Total County Clerk	353,357	353,357	352,177	1,180
Court Clerk	349,062	355,011	354,782	229
Capital Outlay				
Total Court Clerk	349,062	355,011	354,782	229
County Assessor	296,755	296,755	296,188	567
Capital Outlay				
Total County Assessor	296,755	296,755	296,188	567
Revaluation of Real Property	350,615	302,005	293,503	8,502
Capital Outlay				
Total Revaluation of Real Property	350,615	377,875	369,372	8,503
Juvenile	243,220	254,020	250,330	3,690
Capital Outlay	5,000	6,200	6,200	
Total Juvenile Capital Outlay	248,220	260,220	256,530	3,690

continued on next page

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

COMANCHE COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

continued from previous page

	Original Budget	Final Budget	Actual	Variance
District Court	52,013	40,013	40,013	
Capital Outlay				
Total District Court	52,013	40,013	40,013	-
General Government	1,738,987	1,630,449	1,482,953	147,496
Capital Outlay	164,509	78,249	62,846	15,403
Total General Government	1,903,496	1,708,698	1,545,799	162,899
Excise-Equalization Board	6,000	6,000	5,750	250
Capital Outlay				
Total Excise-Equalization Board	6,000	6,000	5,750	250
County Election Board	111,412	111,412	100,675	10,737
Capital Outlay				
Total County Election Board	111,412	111,412	100,675	10,737
Total Insurance	-	2,500	2,034	466
Data Processing	60,000	66,000	64,245	1,755
Capital Outlay				
Total Data Processing	60,000	66,000	64,245	1,755
Welfare Agencies	750	750		750
Capital Outlay				
Total Welfare Agencies	750	750	-	750
Charity	1,500	1,500	196	1,304
Capital Outlay				
Total Charity	1,500	1,500	196	1,304
Industrial Economic Development	50,000	50,000	15,000	35,000
Capital Outlay				
Total Industrial Economic Development	50,000	50,000	15,000	35,000
Civil Defense		45,600	45,571	29
Capital Outlay				
Total Civil Defense	-	45,600	45,571	29
LMAPC	6,000	6,000		6,000
Capital Outlay				
Total LMAPC	6,000	6,000	-	6,000
E911	125,000	125,000	125,000	
Capital Outlay				
Total E911	125,000	125,000	125,000	-
County Audit Budget	41,556	41,556	41,556	
Capital Outlay				
Total County Audit Budget	41,556	41,556	41,556	-
Library	30,180	30,180	30,180	
Capital Outlay				
Total Library	30,180	30,180	30,180	-
Free Fair Budget	128,327	128,327	128,073	254
Capital Outlay				
Total Free Fair Budget	128,327	128,327	128,073	254
County Hospital Budget	103,891	103,891	103,891	
Capital Outlay				
Total County Hospital Budget	103,891	103,891	103,891	-

continued on next page

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

COMANCHE COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

continued from previous page

	Original Budget	Final Budget	Actual	Variance
Provision for Interest on Warrants	10,000	10,000	5,635	4,365
Total Disbursements, Budgetary Basis	<u>5,649,999</u>	<u>5,756,723</u>	<u>5,517,240</u>	<u>239,483</u>
Transfer In			4,675	4,675
Transfer Out			(11,325)	(11,325)
Excess of receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	818,424	<u>\$ 818,424</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			114,149	
Add: Current Year Outstanding Warrants			239,586	
Ending Cash Balance			<u>\$ 1,172,159</u>	

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

COMANCHE COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, EXPENDITURES,
AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
COUNTY HEALTH DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2003

	County Health Department			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 972,515	\$ 972,515	\$ 972,515	\$ -
Less: Prior Year Outstanding Warrants	(11,345)	(11,345)	(11,345)	
Less: Prior Year Encumbrances	(126,039)	(126,039)	(97,141)	28,898
Beginning Cash Balances, Budgetary Basis	835,131	835,131	864,029	28,898
Receipts:				
Ad Valorem Taxes	967,127	967,127	1,024,182	57,055
Charges for Services		249,145	255,446	6,301
Total Receipts, Budgetary Basis	967,127	1,216,272	1,279,628	63,356
Expenditures:				
Health and Welfare	1,371,133	1,182,480	1,087,427	95,053
Capital Outlay	431,125	868,923	25,197	843,726
Total Expenditures, Budgetary Basis	1,802,258	2,051,403	1,112,624	938,779
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ -	1,031,033	\$ 1,031,033
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			121,890	
Add: Current Year Outstanding Warrants			17,228	
Ending Cash Balance			\$ 1,170,151	

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

**COMANCHE COUNTY, OKLAHOMA
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BALANCES – SINKING FUND
FOR THE YEAR ENDED JUNE 30, 2003**

Beginning Cash Balance	<u>\$ 8,246</u>
Receipts:	
Miscellaneous	<u>507</u>
Total Receipts	<u>507</u>
Disbursements:	
Total Disbursements	<u>-</u>
Ending Cash Balance	<u><u>\$ 8,753</u></u>

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

COMANCHE COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BALANCES - OFFICIAL DEPOSITORY ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2003

Official Depository Accounts	Beginning Cash Balances July 1, 2002	Receipts	Disbursements	Cancelled Vouchers	Ending Cash Balances June 30, 2003
District Court Clerk	\$ 1,278,033	\$ 4,653,993	\$ 5,361,687	\$ 346,573	\$ 916,912
District Court Fund	261,300	1,953,903	1,778,943	12,342	448,602
District Court Revolving	38,322	50,967	1,848		87,441
County Treasurer	33,744	10,740,361	12,011,640	1,388,137	150,602
County Treasurer Tax Warrant	3,708	13,340	10,976		6,072
County Assessor Revolving	159	4,255	4,221		193
County Clerk		781,016	757,916	88	23,188
County Sheriff	1,575	18,648	19,213		1,010
Sheriff Tax Collection	953				953
Sheriff Uniform	2,656	2,800	490		4,966
Sheriff Child Fund	1,616	5,017	4,625		2,008
Sheriff Task Force	39,579	5,985	11,565		33,999
Sheriff Estray Cattle	62				62
Sheriff Tax Warrant Sale	801		801		
Juvenile Bureau	8,410	8,889	11,536	1,531	7,294
Juvenile Probation	17,410	7,208	7,933	83	16,768
Juvenile Work Restitution	31,743	13,657	16,813	1,049	29,636
County Health Department	63,011	217,109	264,183		15,937
County Election Board	126	81,048	85,907	5,874	1,141
District Attorney Bogus Check	187,917	718,167	863,295	5	42,794
District Attorney Merchants	103,171	1,288,938	1,306,322	29,441	115,228
District Attorney State Witness Fee	1,000	26,561	23,838	35	3,758
District Attorney Controlled Dangerous Substance Fund	51,574	210,960	74,834		187,700
District Attorney Controlled Dangerous Substance - Lawton Police Department	128,323	25,893	38,533	1,996	117,679
District Attorney Controlled Dangerous Substance - Oklahoma Highway Patrol	3,079				3,079
Total Official Depository Accounts	<u>\$ 2,258,272</u>	<u>\$ 20,828,715</u>	<u>\$ 22,657,119</u>	<u>\$ 1,787,154</u>	<u>\$ 2,217,022</u>

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

Notes to the Financial Statements

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash balances of all funds of Comanche County, Oklahoma, and comparisons of such information with the corresponding budgeted information for the general fund. The funds presented are established by statute, and their operations are under the control of the County officials. The general fund is the County's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Fund Accounting

The government 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.

C. Basis of Accounting

The financial statements are 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.

D. Budgetary Policies

Under current Oklahoma Statutes, the general fund and the county health department fund are the only funds required to adopt a formal budget. The budget presented for the general fund and county health department fund includes the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. Appropriations for the highway funds and other funds are made on a monthly basis, according to the funds then available.

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 the general fund and county health department fund.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Summary of Significant Accounting Policies (continued)

Any encumbrances outstanding at year-end are included as reservations of cash balances, budgetary basis, since they do not constitute expenditures or liabilities. At the end of the year, unencumbered appropriations are lapsed.

The Statement of Receipts, Expenditures, and Changes in Cash Balances - Budget and Actual - General Fund and County Health Department presents comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Statement of Receipts, Disbursements, and Changes in Cash Balances - All Funds because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, county or city-county health departments, school districts and cities and towns. These other budgetary entities produce and file their own financial statements and estimates of needs (budgets). These related cash receipts and disbursements of other budgetary entities are not included in the County's Estimate of Needs.

E. Cash and Investments

The County pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Investments are carried at cost, which approximates market value. All funds were fully invested or deposited in interest-bearing demand accounts at June 30, 2003.

F. Risk Management

The County is exposed to various risks of loss as follows:

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
General Liability	The County participates	If claims exceed authorized
- Torts	in a public entity risk pool;	deductibles, the County would
- Errors and Omissions	Association of County	have to pay its share of the pool
- Law Enforcement	Commissioners of	deficit.
Officers Liability	Oklahoma-Self-Insurance	
- Vehicle	Group. (See ACCO-SIG.)	

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Summary of Significant Accounting Policies (continued)

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
Physical Plant - Theft - Damage to Assets - Natural Disasters	The County participates in a public entity risk pool.	If claims exceed authorized deductibles, the County would have to pay its share of the pool deficit.
Worker's Compensation - Employees' Injuries	The County participates in a public entity risk pool; Association of County Commissioners of Oklahoma-Self-Insurance Fund. (See ACCO-SIF.)	If claims exceed pool assets, the County would have to pay its share of the pool deficit.
Health and Life - Medical - Disability - Dental - Life	The County carries commercial insurance for these types of risk.	None

ACCO-SIG - The pool operates as a common risk management and insurance program and is to be self-sustaining through member premiums. Each participating County will pay a deductible amount (\$1,000 to \$100,000; the County has a \$50,000 deductible) for each insured event as stated in the County's "Certificate of Participation." The risk pool will pay legitimate claims in excess of the deductible amounts up to and including \$50,000 per insured event. The pool has acquired commercial reinsurance to cover claims in excess of \$50,000 up to \$1,000,000 limit per insured event. The pool, established in 1986, has never had to assess additional premiums to be paid by its members.

ACCO-SIF - The pool operates as a common risk management and insurance program and is to be self-sustaining through member premiums. ACCO-SIF was set up in 1984 and will pay legitimate worker's compensation claims up to \$500,000 per incident. A reinsurance policy, with no limit, pays claims that exceed \$500,000 for a particular incident. The pool has not recently assessed additional premiums to be paid by its members.

The County continues to carry commercial insurance for employees' health and accident insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims have not exceeded insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage during the 2003 fiscal year.

Summary of Significant Accounting Policies (continued)

G. Compensated Absences

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

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

2. Stewardship, Compliance, and Accountability

Budgetary Compliance

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 by fund, 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.

3. Detailed Notes on Funds and Account Balances

A. Deposits

At year-end, the reported amount of the County's deposits was \$16,740,481 and the bank balance was \$16,785,104. Of the bank balance, all funds were covered by federal depository insurance or collateral held by the County's agent in the County's name.

Title 62 O.S. § 348.1 authorizes the County Treasurer to invest in:

- U.S. Government obligations
- Certificates of deposit
- Savings accounts
- G.O. bonds issued by counties, municipalities or school districts
- Money judgments against counties, municipalities or school districts
- Bonds and revenue notes issued by a public trust when the beneficiary of the trust is a county, municipality or school district

B. Description of Funds

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

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Detailed Notes on Funds and Account Balances (continued)

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

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

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

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

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

County Clerk Preservation - accounts for fees collected for instruments filed with the Registrar of Deeds as restricted by statute for the 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.

Assessor Hardware Upgrade – accounts for the collection and disbursements of funds received from the State of Oklahoma for the upgrade of Assessor computer equipment.

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

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

Sheriff Grant Fund – accounts for grant monies received by the County Sheriff's office. Disbursements account for allowable expenses approved by grant contractors.

Film Library – accounts from collections from donations and disbursement of funds are for the purchasing of films for county schools.

Juvenile Detention Cash Fund – accounts for the collections from the State of Oklahoma and other Oklahoma Counties for the housing of juvenile offenders and disbursements account for the general operations of the juvenile detention center.

Juvenile Bureau Special – accounts for the collection of grant money or donations. Disbursements of funds are for the recreation of the juvenile defendants held in the juvenile detention center.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Detailed Notes on Funds and Account Balances (continued)

Juvenile Detention Transportation – accounts for the collections of transportation fees of juvenile offenders to the juvenile detention center from other county, city, or state entities. Disbursements account for transportation fees to other county, city, or state entities.

Juvenile Detention Buy-In – accounts for the collection of grant money and disbursements account for law enforcement within the juvenile justice system.

Juvenile Detention Donation – accounts for the collection of donations by private individuals and disbursements account for the recreation or purchase of equipment for juvenile offenders.

Juvenile Accountability Block Grant – accounts for the collection of grant money administered by the Oklahoma Office of Juvenile Affairs. Disbursements account for personal services, benefits, and equipment to strengthen the juvenile justice system.

Juvenile Bureau Federal IV E-Fund – accounts for the collection of grant money provided for seeking and preserving families. Disbursements are for professional services to Justice Benefits and to personal services of community service supervisors.

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

911 Emergency – accounts for collections of sales tax monies to provide a 911 system to Comanche County. Disbursements are made for the general operations of the 911 emergency fund.

District Attorney Narcotics – accounts for the collections of state grant money for the purpose of narcotic control by the District Attorney.

Bar-S Sales Tax Revolving Fund – accounts for the collection of sales tax money for the beginning operations of Bar-S in Comanche County. However, this sales tax has ceased and only collections of prior year taxes are apportioned to this fund. Disbursements are made to the Comanche County Industrial Development Authority.

Jail Sales Tax Revolving Fund – accounts for the collections of sales tax proceeds for the payment of bonds held by the Bank of Oklahoma related to the building of the county jail. After receipt of the sales tax by Comanche County, the sales tax proceeds are transferred to the Bank of Oklahoma where the indebtedness is held for the Comanche County Facilities Authority.

Jail Sales Tax – Bank of Oklahoma – accounts for the collection of reserve sales tax monies received from the Bank of Oklahoma in excess of bond payments. Disbursements are for the general operations of the county jail.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Detailed Notes on Funds and Account Balances (continued)

Economic Development Sales Tax Revolving Fund – accounts for the collection of sales tax proceeds and the disbursements are made to the Comanche County Industrial Development Authority for expenditures for the renovation and building of local industry.

Fairgrounds Use Tax Revolving Fund – accounts for the .25% user tax collection on construction of the jail. This amount is apportioned to the fairgrounds for general operations.

County Use Tax Revolving Fund – accounts for the .25% user tax collection on construction and renovation of industry in Comanche County. Disbursements account for general maintenance of the Comanche County Courthouse.

Home Finance Cash Fund – accounts for the collection of interest on investments. Disbursements are made for the general operation of the Home Finance Cash Fund.

Home Finance Investments – accounts for the amount of investments and the collection of interest for Home Finance. Interest earned is apportioned to the Home Finance Cash Fund.

Marie Detty Grant – accounts for the collection of state grant money from the Oklahoma Department of Commerce for the disbursement of programs such as Headstart.

Investments in Safe – Interest – accounts for the collection of interest earned on investments held by Comanche County. Interest earned is apportioned to the County General Fund.

REAP – accounts for the collection of grant monies for the disbursement to small communities for fire stations and community centers.

County Sinking - accounts for the payment of interest and principal on the matured portion of long-term bonded indebtedness and civil judgments. Debt Service receipts are derived generally from a special ad valorem tax levy and from interest earned on investments of cash not immediately required for debt service payments.

Schools - accounts for monies collected on behalf of the public schools in Comanche County from ad valorem taxes, state and local revenues, and remitted to them monthly.

Cities and Towns – accounts for Oklahoma Tax Commission collections distributed to the cities and towns of Comanche County.

Law Library – accounts for monies received for disbursement from the state for the law library board.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Detailed Notes on Funds and Account Balances (continued)

Individual Redemption – accounts for the monies collected and due to individuals from property tax sales on delinquent taxes.

Excess Resale – accounts for the proceeds of the sale of property in excess of delinquent taxes owed on property.

Protest Tax – accounts for collections of ad valorem taxes which have been protested.

Unapportioned Tax – accounts for taxes collected and being held for apportionment to various government entities.

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

Free Fair Insurance Recovery Fund - accounts for the insurance payments used to reimburse the Free Fair for destroyed equipment.

Comanche County Memorial Hospital FEMA – accounts for the collection of federal funds received from the Federal Emergency Management Agency for disaster assistance. Comanche County serves as a pass through agency and disburses the federal monies to Comanche County Memorial Hospital.

Community Revitalization Community Development Block Grant (CDBG) – accounts for the collection of grant money received from the Oklahoma Department of Commerce for the disbursement to communities in Comanche County for community development block grants.

Emergency Management Planning Grant – accounts for the collection of grant money to be disbursed for the purpose of Homeland Security by Comanche County.

Series B Building – Industrial Development Accounts – Comanche County serves as a pass through agency from the Local Federal Bank for the Comanche County Industrial Development Authority to pay off indebtedness of the Industrial Authority.

Employee Health – Employee health insurance coverage provided by Comanche County in prior years. Disbursements were made for the payment of medical claims. Comanche County employees now participate in the state HealthChoice Plan.

Cash in Office – accounts for change funds maintained by county offices.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Detailed Notes on Funds and Account Balances (continued)

Official Depository - accounts for the collection and distribution of officer and board fees held in trust until the end of the month.

The following narrative details the official depository accounts.

District Court Clerk – accounts for the collection of bond money, court fines, and fees. Money is disbursed for fees and restitution.

District Court Fund – accounts for fees transferred from District Court and interest. Money is disbursed for the purpose of fees for various entities, salaries, and operation of the Court Clerk's Office.

District Court Clerk Revolving – accounts for the charge of \$5 for each warrant. Money is disbursed in the same manner as the Court Fund.

County Treasurer – accounts for all collections of pre-paid ad valorem taxes and the sale of motor vehicle stamps. Disbursements are for refunds and motor vehicle stamps collections sent to Oklahoma Tax Commission, schools, and the County Treasurer Mortgage Certification Fee Account.

County Treasurer Tax Warrant – accounts for collections of delinquent personal property taxes in which a warrant has been served. The money is held in trust and disbursed to the County Treasurer for payment of delinquent ad valorem taxes.

County Assessor Revolving – accounts for the collection of copy fees and disbursed to the County Assessor Revolving Fund Account.

County Clerk – accounts for the collection of filing fees and disbursed to the Oklahoma Tax Commission and the County Clerk Lien Fee Account.

County Sheriff – accounts for the collection of service fees and disbursements are made to the Sheriff Service Fee Account.

Sheriff Tax Collection – accounts for collection of state taxes for tax warrants and then money is disbursed to the Oklahoma Tax Commission.

Sheriff Uniform – accounts for the collection of donations and disbursements are used for uniform and equipment purchases for reserve deputies.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Detailed Notes on Funds and Account Balances (continued)

Sheriff Child Fund – accounts for the collection of donations and disbursements are made for the annual children's camp held by the Comanche County Sheriff's Department.

Sheriff Task Force – accounts for the collection of drug forfeitures and sale of forfeited property. Disbursements are for drug control in Comanche County.

Sheriff Estray Cattle – accounts for the collection of selling cattle found and unclaimed. Disbursements are made to pay for the sale of cattle with excess funds being transferred to the County general fund.

Sheriff Tax Warrant Sale – accounts for the collection of delinquent taxes from the sale of confiscated property. Disbursements are used to pay delinquent taxes and a sheriff fee is made to the sheriff service fee account.

Juvenile Bureau – accounts for collections of restitution payments from defendants. Disbursements are made for restitution to victims for damaged property.

Juvenile Probation – accounts for the collection of a \$25 probation fee from defendants. Disbursements are for general operations of the Juvenile Detention Facility.

Juvenile Work Restitution – accounts for the collection of court ordered fines and fees. Earning minimum wage, the defendants perform community service work to pay restitution. Disbursements are made to the victim for restitution. In a case a victim cannot be located, monies can be used for general operations of the Juvenile Detention.

County Health Department – accounts for the collection of charges for services performed by the health department. Disbursements are made to the County Health Department Expense Cash Fund for budgeting purposes.

County Election Board – accounts for reimbursement of election and is disbursed for refund of election fees and maintenance and operations of the office.

District Attorney Bogus Check Restitution – accounts for the collection of District Attorney fees in addition to restitution payments from defendants and disbursements of funds are restricted by state statutes.

District Attorney Merchant Account – accounts for the collection of District Attorney fees and restitution payments from defendants for false and bogus checks. Disbursements account for District Attorney fees paid into the District Attorney Bogus Check Restitution account and restitution is paid to the merchant for false and bogus checks.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Detailed Notes on Funds and Account Balances (continued)

District Attorney State Witness Fee – accounts for collections received from the state to reimburse witness expense.

District Attorney Controlled Dangerous Substance Fund – accounts for collections from property forfeitures on drug related cases. Disbursements account for the purpose of drug control in Comanche County.

District Attorney Controlled Dangerous Substance - Lawton Police Department – accounts for collections from property forfeitures involving the Lawton Police Department on drug related cases. Disbursements account for the purpose of drug control in Comanche County.

District Attorney Controlled Dangerous Substance - Oklahoma Highway Patrol - accounts for collections from property forfeitures involving the Oklahoma Highway Patrol on drug related cases. Disbursements account for the purpose of drug control in Comanche County.

C. Ad Valorem Tax

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the County Assessor within the prescribed guidelines established by the Oklahoma Tax Commission and the State Equalization Board. Title 68 O.S. § 2820.A. states, ". . . Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the individual visual inspection of all taxable property within the county at least once each four (4) years."

The assessed property value as of January 1, 2002 was approximately \$415,562,593.

The County levied 10.23 mills (the legal maximum) for general fund operations and 2.56 mills for the County Health Department. In addition, the County also collects the ad valorem taxes assessed by cities and towns and school districts and remits the ad valorem taxes collected to the appropriate taxing units.

Taxes are due on November 1 following the levy date, although, they may be paid in two equal installments. If the first half is paid prior to January 1, the second half is not delinquent until April 1. Unpaid real property taxes become a lien upon said property on October 1 of each year.

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

Current year tax collections for the year ended June 30, 2003, were approximately 97 percent of the tax levy.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Detailed Notes on Funds and Account Balances (continued)

D. 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.

E. Capital Leases

The County acquires road machinery and equipment through lease-purchase agreements financed by the Oklahoma Department of Transportation and/or the equipment vendors or their assignees pursuant to the provisions of 69 O.S. § 636.1 through § 636.7. Lease agreements entered into with the Oklahoma Department of Transportation (ODOT) are interest free. However, starting in January 1997, ODOT began charging a one-time fee of 3% on all subsequent pieces of machinery acquired.

F. Fuel Tax

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

4. 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 government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in management's opinion, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

5. Sales Tax

On September 17, 1996, Comanche County citizens voted a county sales tax of one percent (1%). The sales tax is deposited in a fund known as Bar-S Sales Tax Revolving. Proceeds are to be used for the acquisition, construction, and development of a meat packing, food processing, and/or manufacturing facility to be owned by the Comanche County Industrial Development Authority. The collection of the one percent sales tax ended June 30, 2000. For the fiscal year ending June 30, 2003, there were no sales tax collections by Comanche County. However, any future collections are due to late payments to the Oklahoma Tax Commission by the collectors of the County sales tax.

On November 3, 1998, Comanche County citizens voted a county sales tax of one-quarter percent (.25%). The sales tax is deposited into a fund known as the Jail Sales Tax Revolving Fund. Proceeds are to be used for constructing and equipping a county jail including, but not limited to, the payment of debt service on any indebtedness issued by or for the County pertaining to said "county jail." All surplus revenues are to be used for the operation of the County jail and associated officers including the Sheriff's office.

For the year ending June 30, 2003, the County collected \$2,060,660. Each month, total sales tax collections from this one-quarter sales tax were electronically wired to the Bank of Oklahoma for the payment of debt service. The Bank of Oklahoma is the bondholder for the Comanche County Facilities Authority for the indebtedness of constructing and equipping the county jail. Of the \$2,060,660 sales tax money collected, \$730,472 was returned to Comanche County and placed into the fund known as the Jail Sales Tax Revolving for the continued construction and equipping of the County jail.

In addition to the County sales tax collected by Comanche County, the County also collected \$99,857 in use tax from the Oklahoma Tax Commission for the fiscal year ended June 30, 2003. This use tax is apportioned to the fairgrounds for general operations.

On March 12, 2003, the citizens of Comanche County voted a county sales tax of one-quarter percent (.25%) in addition to all other town, county, and state excise taxes levied or assessed. The sales tax is deposited into a fund known as the Economic Development Sales Tax Revolving Fund. Proceeds are paid to the Comanche County Industrial Development Authority for the purpose of expansion and development of economic activity in Comanche County. The sales tax is for a duration of 5 years starting June 1, 2003. For the fiscal year ended June 30, 2003, the County collected \$1,703,602.

In addition to the County sales tax collected, the County also collected \$84,108 in use tax from the Oklahoma Tax Commission for the fiscal year ending June 30, 2003. The use tax is apportioned to a fund known as County Use Tax Revolving Fund for general maintenance of the Comanche County Courthouse.

Schedule of Expenditures of Federal Awards

COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2003

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>		
Passed Through Bureau of Justice:		
Local Law Enforcement		
Block Grant	16.592	\$ 25,049
Passed Through the Oklahoma Office of		
Juvenile Affairs Juvenile Accountability Incentive		
Block Grant	16.523	53,552
Total U.S. Department of Justice		<u>78,601</u>
 <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Passed through the Oklahoma State		
Department of Human Services	16.523	6,682
Total U.S. Department of Health and Human Services		<u>6,682</u>
 <u>U.S. DEPARTMENT OF AGRICULTURE CHILD NUTRITION CLUSTER</u>		
Passed through the State Department		
of Education Child Nutrition Program:		
National School Breakfast Program	10.553	8,213
National School Lunch Program	10.555	16,509
Total Department of Agriculture Child		
Nutrition Cluster		<u>24,722</u>
 <u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>		
Passed through State Department		
of Civil Emergency Management:		
Public Assistance FEMA Wind and Debris	83.544	26,494
Public Assistance FEMA SLA SubGrant	83.534	33,018
Public Assistance FEMA Ice	83.544	1,036,646
Public Assistance Flood	83.544	144,867
Total Federal Emergency		
Management Agency		<u>1,241,025</u>
Total Expenditures of Federal Awards		<u>\$ 1,351,030</u>

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2003

Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of Comanche County, and is presented on the *cash basis of accounting*. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

**Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

**Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

TO THE OFFICERS OF
COMANCHE COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Comanche County, Oklahoma, as of and for the year ended June 30, 2003, and have issued our report thereon dated December 8, 2003. Our report contains an explanatory paragraph discussing that the financial statements are not a complete presentation. 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.

Compliance

As part of obtaining reasonable assurance about whether Comanche County's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we believe are significant enough to bring to the County's attention. We recommend that the County consider these matters and take appropriate corrective action. The following findings, 2003-1, 2003-2, 2003-5, 2003-6, 2003-7, 2003-8, 2003-9, and 2003-11, are included in Section 4 of the Schedule of Findings and Questioned Costs, contained within this report.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Comanche County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 2003-3, 2003-4, 2003-10, 2003-12, 2003-13, 2003-14, and 2003-15.

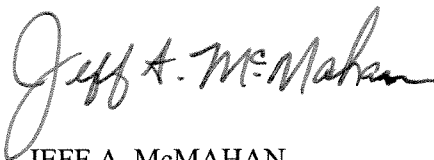
A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 2003-10 to be a material weakness.

The American Institute of Certified Public Accountants' Statement on Auditing Standards No. 87 requires the inclusion of the following paragraph in this report:

This report is intended solely for the information and use of the management of the County, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

However, the Oklahoma Open Records Act states that all records of public bodies and public officials shall be open to any person, except as specifically exempted. The purpose of this Act is to ensure and facilitate the public's right of access to and review of government records so they may efficiently and intelligently exercise their inherent political power. Therefore, this report is a matter of public record and its distribution is in no way limited or restricted.

Sincerely,

A handwritten signature in black ink, reading "Jeff A. McMahon". The signature is written in a cursive, flowing style.

JEFF A. McMAHAN
State Auditor and Inspector

December 8, 2003

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



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

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

TO THE OFFICERS OF
COMANCHE COUNTY, OKLAHOMA

Compliance

We have audited the compliance of Comanche County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Comanche County's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the Schedule of Findings and Questioned Costs as 2000-2.

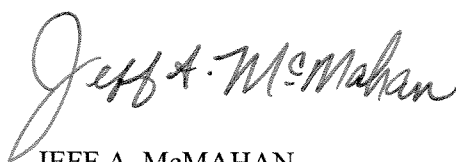
A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 2000-2 to be a material weakness.

The American Institute of Certified Public Accountants' Statement on Auditing Standards No. 87 requires the inclusion of the following paragraph in this report:

This report is intended solely for the information and use of the management of the County, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

However, the Oklahoma Open Records Act states that all records of public bodies and public officials shall be open to any person, except as specifically exempted. The purpose of this Act is to ensure and facilitate the public's right of access to and review of government records so they may efficiently and intelligently exercise their inherent political power. Therefore, this report is a matter of public record and its distribution is in no way limited or restricted.

Sincerely,

A handwritten signature in cursive script that reads "Jeff A. McMahon". The signature is written in dark ink and is positioned above the printed name and title.

JEFF A. McMAHAN
State Auditor and Inspector

December 8, 2003

Schedule of Findings and Questioned Costs

COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2003

SECTION 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

• Material weakness(es) identified? Yes

• Reportable condition(s) identified
that are not considered to be
material weaknesses? Yes

Noncompliance material to financial
statements noted? No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified? Yes

• Reportable condition(s) identified
that are not considered to be
material weakness(es)? 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 510(a) of Circular A-133? Yes

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
83.544	Federal Emergency Management Agency (FEMA) Public Assistance Grant Program

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

Auditee qualified as low-risk auditee? No

COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2003

SECTION 2 - Findings related to the *Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*

Finding 2003-3 – Accounting for Remittance Warrants

Criteria: Effective internal controls require accurate recording of warrants issued by county officials and that the original remittance warrant be maintained with the copy of the warrants when it is voided.

Condition: While testing remittance warrants it was noted that:

1. Warrant number 3194 was issued to Central High Public School for \$6855.44. The Treasurer's apportionment ledger did not reflect this dollar amount.
2. Warrant number 3028 was issued to Kiowa County Treasurer for \$76.83. The Treasurer's apportionment ledger did not reflect this dollar amount.
3. Warrant numbers 3261, 3262, 3263, 3264, and 3265 were voided but the original was not attached to the copy in the County Clerk's office.

Recommendation: We recommend that the County Treasurer implement policies and procedures to accurately reflect amounts issued on remittance warrants and to record the warrant number issued on the appropriation ledger.

Finding – 2003-4 – Cash Highway Fund Warrants Issued

Criteria: An aspect of proper accounting practices would be that the Estimate of Needs reflect accurate actual disbursements of each fund.

Condition: The following exceptions were noted in the verifying of warrants issued per line item of the Cash Highway Fund on the County's Estimate of Needs.

	<u>Warrants Issued</u>	<u>Variance</u>
Appropriation Ledger Lease-Purchases	\$ 506,381.04	
Estimate of Needs	\$ <u>335,510.96</u>	\$ 170,870.08
Appropriation Ledger Personal Services/Benefits	\$2,428,373.30	
Estimate of Needs	\$ <u>959,247.87</u>	\$1,469,125.43
Appropriation Ledger Travel	\$ 15,778.68	
Estimate of Needs	\$ <u>6,627.14</u>	\$ 9,151.54
Appropriation Ledger Maintenance and Operation	\$1,961,520.78	
Estimate of Needs	\$ <u>1,068,085.66</u>	\$ 893,435.12

COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2003

Appropriation Ledger FEMA	\$ 126,966.00	
Estimate of Needs	<u>\$2,785,184.47</u>	\$(2,658,218.47)
Appropriation Ledger Capital Outlay	\$ 115,636.30	
Estimate of Needs	<u>\$ 0.00</u>	<u>\$ 115,636.30</u>
Total Variance for Cash Highway Fund		<u>\$ -0-</u>

Recommendation: We recommend that accurate warrants issued per line item for the Cash Highway Fund be reported on the County's Estimate of Needs to properly reflect the financial activity of County funds.

Finding 2003-10 – Segregation of Duties

Criteria: Segregation of duties over asset custody, transaction authorization, bookkeeping and reconciliation is an important element of effective internal control over government assets and resources. The most effective controls lie in management's knowledge of County operations and a periodic review of operations.

Condition: The County Assessor's office, County Treasurer's office, County Sheriff, and Juvenile Bureau each had one employee who performed all duties of balancing, posting receipts, depositing, and reconciling funds. Additionally, the County Clerk, County Treasurer, County Assessor, and County Sheriff each had one employee who performs the calculation, posting, and signing of vouchers.

Recommendation: We recommend management be aware of this condition and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. Under these conditions, the most effective controls lie in management's knowledge of County operations and a periodic review of operations.

Finding 2003-12 – Information Security Policies and Procedures

Criteria: According to the standards of the Information Systems Audit and Control Association (COBIT Delivery & Support 7), management should educate and train users to ensure that users are making effective use of technology and are aware of their risks and responsibilities.

Condition: The County does not have written policies and procedures addressing information security or provide adequate awareness training.

Effect: The lack of Policies, Procedures, and Awareness Training could result in the loss of Ad Valorem information, financial information, and State and Federal Reporting Data.

Recommendation: We recommend the County establish Information Security Policies and Procedures. A security awareness training program should be established and all employees using computers required to participate.

COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2003

Finding 2003-13 – Passwords Security

Criteria: According to the standards of the Information Systems Audit and Control Association (COBIT Delivery & Support 5), management should ensure that system security is sufficient to safeguard information against unauthorized use, disclosure or modification, damage, or loss. User ID's and passwords should ensure that access to information is restricted to authorized users.

Condition: It was found through our information security review that the County does not require employees to change passwords.

Effect: This could result in the unauthorized use, disclosure or modification, damage or loss of the County's information.

Recommendation: We recommend the County establish Information Security Policies to address the changing of passwords every 90 to 180 days at the maximum. System application settings should be changed to reflect the County's password policies. These controls should be implemented to adequately secure the information and to log activity within the system.

Finding 2003-14 – User Accounts

Criteria: According to the standards of the Information Systems Audit and Control Association (COBIT Delivery & Support 5), management should ensure that system security is sufficient to safeguard information against unauthorized use, disclosure or modification, damage, or loss. User ID's and passwords should ensure that access to information is restricted to authorized users.

Condition: It was found through our information security review that the County Treasurer's office has numerous duplicate user accounts in the system. Duplicate user accounts are used to log on part time employees. The duplicate accounts are set up with full-time employees' names. This negates the accountability provided by unique ID's and confidential passwords.

Effect: This could result in the unauthorized use, disclosure or modification, damage or loss of the County's information.

Recommendation: We recommend the County Treasurer remove duplicate user accounts immediately from the system. Assign unique user ID's to employees as needed, general ID's should not be available. These controls should be implemented to adequately secure the information and to log activity within the system by the employee actually performing the work.

Finding 2003-15 – Disaster Recovery Plan

Criteria: According to the standards of the Information Systems Audit and Control Association (COBIT Delivery & Support 4.3), management should ensure that a written disaster recovery plan is documented and contains the following:

COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2003

- Guidelines on how to use the recovery plan;
- Emergency procedures to insure the safety of all effected staff members;
- Roles and responsibilities of information services function, vendors providing recovery services, users of services and support administrative personnel;
- Listing of systems requiring alternatives (hardware, peripherals, software);
- Listing of highest to lowest priority applications, required recovery times and expected performance norms;
- Various recovery scenarios from minor to loss of total capability and response to each in sufficient detail for step-by-step execution;
- Specific equipment and supply needs are identified such as high speed printers, signatures, forms, communications equipment, telephones, etc., and a source and alternative source defined;
- Training and/or awareness of individual and group roles in continuity plan;
- Listing of contracted service providers;
- Logistical information on location of key resources, including back-up sites for recovery operating system, applications, data files, operating manuals and program/system/user documentation;
- Current names, addresses, telephone/pager numbers of key personnel;
- Business resumption alternatives for all users for establishing alternative work locations once IT resources are available.

Condition: The County does not have a written Disaster Recovery Plan. The County Clerk does not have uninterrupted power sources on individual workstations.

Effect: The lack of an effective and adequate Disaster Recovery Plan could result in potential loss of:

- Ad Valorem information;
- County residents information;
- State and Federal Reporting Data

Recommendation: We recommend the County establish a Disaster Recovery Plan to ensure the safekeeping and integrity of the County's financial and non-financial data.

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

Finding 2000-2 – Cash Management (Repeat Finding)

Criteria: OMB A-133 Compliance supplement, Part C states, "When funds are advanced, recipients must follow procedures to minimize the time elapsed between the transfer of funds from the U.S. Treasury and disbursements."

COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2003

Condition: At the beginning of the 2003 fiscal year, the County had federal cash balances of \$212,908 on three BIA contracts. On July 17, 2002, District #3 County Commissioner obtained approval to apply \$172,870 to improve 4.0 miles of roadway east of Meers; the remaining \$40,037.58 BIA balance was verbally obligated for Indian roads on August 27, 2002. At June 30, 2003, no monies had been expended.

Effect: Questioned costs are undetermined due to the possibility of excess in-kind matching expenditures by the County being reimbursed from the cash balance on hand.

However, it is possible that eventual questioned costs could exceed \$10,000, which makes that a material weakness in federal cash management and a reportable condition for the 2003 fiscal year.

Recommendation: The County should consult with BIA officials to receive formal authorization to apply the excess federal cash on hand to its excess in-kind matching expenditures, and if possible, to apply any additional cash balance on hand to current or future BIA projects, or to determine the dollar amount to be returned to the BIA.

SECTION 4 - Other Audit Findings - This section contains audit findings not required to be reported in the *Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*, but which we believed were significant enough to bring to the County's attention. We recommend that the County consider these matters and take appropriate corrective action.

Finding 2003-1 – Proper Encumbrance of Funds

Criteria: Title 62 O.S. 2001, § 310.2 requires that purchase orders be encumbered prior to the receipt of goods or services.

Condition: While testing purchase orders it was noted that 4 (6.45%) of the 62 purchase orders tested had invoices dated prior to the purchase order date.

P.O. #	Fund	Date	Purpose	Warrant #
36526	911 Cash	6-30-03	NENA Conference	407
36421	County General	6-30-03	Pilot Programs	3489
34229	County Health	2-28-03	SWAT Conference	357
34766	County Health	3-31-03	Cole Cross Directory	395

Recommendation: We recommend management implement policies and procedures to comply with Title 62 O.S. 2001, § 310.2 in that the purchase order reflects the expenditure was encumbered and approved prior to receiving the goods or services.

COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2003

Finding 2003-2 – Purchase Orders – Appropriation Accounts

Criteria: Title 19 O.S. 2001, § 1417 states, “Estimated revenues and appropriation expenditures in the budget of each fund shall be classified in conformity with the accounting system prescribed by the State Auditor and Inspector. Revenues shall be classified separately by source. Expenditures shall be departmentalized by appropriate functions and activities within each fund and shall be classified within the following categories: ...”

Condition: Nine (14.5%) of the 62 purchase orders tested were not charged to the proper account according to the chart of accounts obtained from the county clerk’s office. Additionally, two purchase orders of the nine in error were charged to accounts that did not exist on the chart of accounts provided by the County Clerk’s office.

Sales Tax Revolving Fund Jail Account

Date	P.O. #	Warrant #	Amount	Description	Account #
7-30-02	30222	1	\$15,688.09	Reinforcing Steel BID #22 PKG #9	95-7210-4010
9-4-02	30221	6	\$153,000.00	Concrete Work BID #22 PKG #2	95-7210-4010
4-1-03	34729	67	\$543.20	Estimate of cost on Jail Administrator Ad	95-7210-4011
4-10-03	34730	71	\$263.90	Estimate of cost on Jail Administrator Ad	95-7210-4012
4-24-03	35535	155	\$19,975.00	2003 15 Passenger Wagon	95-7210-4013

County General Account 103

Date	P.O. #	Warrant #	Amount	Description	Account #
9-30-02	30489	852	\$3,953.65	Medicines and supplies for jail	B-2 (0400-2290)
12-20-02	674	1810	\$168.00	Withholding order for county employee	1-0520-119
5-30-03	35327	3269	\$389.07	Misc items for DARE program	B-4 (430-2290)

Health Department Account 1503

Date	P.O. #	Warrant #	Amount	Description	Account #
4-18-03	35047	880	\$1,496.00	Two hand held radios and batteries	60-7000-1010

Recommendation: We recommend management implement policies and procedures to comply with Title 19 O.S. 2001, § 1417 in that expenditures are appropriated by function and activity within each fund and classified as such.

COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2003

Finding 2003-5 – Title to Lease-Purchased Equipment

Criteria: Form 120B for lease-purchases, paragraph V states, “The equipment is and shall at all times during the term of this lease and any renewal terms remain the sole property of the lessor and the lessee shall have or acquire no right, or title to the equipment until the final payment is made.”

Condition: District 1 County Commissioner entered into a lease-purchase agreement to lease-purchase two International trucks. The financing agreement was with City Nation Bank of Lawton. Upon verification of these titles with the Oklahoma Tax Commission, we noted that both titles list the owner as “Comanche County Commissioner.”

Freightliner International Truck Vin/1HTSHAAR41H373018
Freightliner International Truck Vin/1HTSHAAR61H373019

Recommendation: We recommend the title of lease-purchased equipment be held in the name of the lessor, until the last payment is made on the agreement as provided by paragraph V of Form 120 B.

Finding 2003-6 – Overtime Reporting

Criteria: The Comanche County Personnel Policy (2003) manual states on page 5, “...County employees who are not exempt shall be entitled to overtime payment at the rate of 1-1/2 times their regular rate of pay for all hours worked in a workweek in excess of 40 hours...” The Policy also states on page 4, “The Comanche County Courthouse will normally be open Monday through Friday from 8:00 a.m. to 5:00 p.m.”

Condition: Currently, the Comanche County Courthouse employees work hours are from 8:30 a.m. to 5:00 p.m. with a 1-hour lunch break. Total daily work hours are 7.5, and the actual total hours worked in one week are 37.5. However, County Courthouse employees reflect 8 hours worked per day on timesheets and overtime for anything worked over 8 hours reported.

Effect: County Courthouse employees are not accurately recording time worked and are receiving overtime payment on hours that do not qualify for overtime payment as authorized by County Policy.

Recommendation: We recommend the County adhere to the Comanche County Personnel Policy that allows overtime for hours worked only in excess of 40 hours a week. In addition, we recommend the Comanche County courthouse employees report actual time worked on timesheets.

Finding 2003-7 – Equipment Inventory for Offices

Criteria: According to Title 19 O.S 2001, §178.1, “The board of county commissioners in each county of this state shall take, or cause to be taken, an inventory of all working tools, apparatus, machinery and equipment belonging to the county or leased or otherwise let to it or to any department thereof, other than that which is affixed to and made a part of lands and buildings, the cost of which as to each complete working unit thereof is more than Two Hundred Fifty Dollars...”

COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2003

Condition: The equipment inventory for the County Clerk, Data Processing and Free Fair offices has not been updated for June 30, 2003.

Effect: These offices have no reliable system of accounting for equipment inventory records.

Recommendation: We recommend up-to-date accurate records of inventory items be maintained by each office in accordance with Title 19 O.S 2001, §178.1. All offices should comply with applicable statutes regarding the equipment inventory records.

Finding 2003-8 – Equipment Inventory – Identification Markings

Criteria: According to Title 69 O.S. 2001, § 645, County-owned automobiles, trucks, road machinery and equipment shall be conspicuously and legibly marked PROPERTY OF (name of county) COUNTY, and leased automobiles, trucks, road machinery and equipment shall be conspicuously and legibly marked LEASED BY (name of county) COUNTY, *on EACH side*, in upper case letters, on a background of sharply contrasting color. *(Emphasis added)*

Condition: Numerous pickups, trucks, trailers, and other road equipment and machinery were marked on one side only, or particularly in the case of pickups, were marked inside doors.

Effect: The purpose of the statute is to make it easier for the public to identify county owned equipment and to permit the public to make judgments concerning the appropriate location and use of the equipment.

Recommendation: The Board of County Commissioners should evaluate its policies and procedures for marking its equipment and make the necessary changes to improve its compliance with Title 69 O.S. 2001, § 645.

Finding 2003-9 – Equipment Inventory Records

Criteria: According to Title 19 O.S 2001, §178.3 “The county clerk shall be custodian and repository of all inventory records, files and reports.”

Condition: Up-to-date inventory records were not on file in the County Clerk’s office for the County Treasurer, County Assessor or County Sheriff.

Effect: Comanche County has an inadequate system of accounting for equipment inventory records.

Recommendation: We recommend the County officers file current and accurate inventory records with the County Clerk in accordance with Title 19 O.S 2001, §178.3.

Finding 2003-11 – Monthly Reports

Criteria: In accordance with 19 O.S. 2001, §684, all officers maintaining an official depository account is required to submit a monthly report to the County Commissioners...that reconciles with the County Treasurer’s records.

COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2003

Condition:

1. The Juvenile Bureau has not filed a monthly report for the official depository account since April 2003.
2. The County Assessor filed a monthly report with a zero balance for June 30, 2003. The County Treasurer reflects a balance of \$193.50. In addition, the County Assessor reports transfers out instead of vouchers issued.

Recommendation: We recommend the Juvenile Bureau and County Assessor comply with Title 19 O.S. 2001, §684 and file a monthly report with the County Commissioners that reconciles with the County Treasurer Official Depository records.

Management Response



Board of County Commissioners

315 SW 5th St. Room 303 ♦ Lawton, Oklahoma 73501-4391
(580) 353-3717 ♦ FAX 357-9478

January 5, 2004

State Auditor and Inspector
1401 Lera, Suite G
Weatherford, Ok 73096

Subject: Corrective Action Plan

Gentlemen:

In response to your recent letter for comment on the Auditors findings we have included the following.

Finding 2003-1 Proper Encumbrance of Funds (County Clerk)

COMANCHE COUNTY CLERK WILL COMPLY WITH TITLE 62 O.S. 2001 § 310.2 in making sure that all expenditures are encumbered and approved prior to receiving the goods or services.

Finding 2003-2 Appropriation Accounts (County Clerk)

Comanche County has implemented policies and procedured to comply with title 19 O.S. 2001 § 1417 in that expenditures are appropriated by function and activity within each fund and calssified as such.

Finding 2003-3 Accounting for Remittance Warrants (County Treasurer)

Comanche County has policies and procedured to accurately reflect amounts issued on remittance warrants and to record the warrant number issued on the appropriate ledgers.

Finding 2003-4 Cash Highway Fund Warrants Issued (Co. Commissioners, County Clerk)

Comanche County's Estimate of needs will have accurate totals for warrants issued per line item for highway fund to properly reflect the financial activity of county funds.

Finding 2003-5 Title to Lease-Purchased Equipment (Co. Commissioner)

Comanche County Commissioners will comply with title 62 O.S. 2001 § 430.1 thru 430.5 in making sure that "The equipment is and shall at all times during the term of the lease and any renewal terms remain the sole property of the lessor and the lessee shall have or acquire no right, or title to the equipment until the final payment is made."

Finding 3003-6 Overtime reporting (County Commissioners)

Comanche County Will Adhere to the County Personnel Policy Handbook.

Finding 2003-7 Equipment Inventory for Offices (County Clerk, Data Processing, Free Fair)

All offices in Comanche County will comply with title 19 O.S. § 178.1.

Finding 2003-8 Equipment Inventory - Indentification Markings (Co. Commissioners)
Comanche County will comply with 69 O.S. 2001 § 645.

Finding 2003-9 Equipment Inventory Records (County Clerk, County Treasurer,
County Assessor, County Sheriff)
Comanche County will comply with Title 19 O.S. 2001 § 178.3.

Finding 2003-10 Segregation of Duties (County Assessor, County Treasurer, County
Sheriff, Juvenile Bureau, County Clerk)
Comanche County will comply with segregation of duties for the best control
of Comanche County's money and property.

Finding 2003-11 Monthly Reports (County Assessor, Juvenile Bureau)
Comanche County will comply with title 19 O.S. 2001 § 684.

Finding 2003-12 Information Security Policies and Procedures (Co. Commissioners,
County Clerk, County Treasurer)
Comanche County will participate in policies, procedures and awareness
training.

Finding 2003-13 Passwords Security (Co. Commissioners, Co. Clerk, Co. Treasurer)
Comanche County will have a meeting of department heads to establish
a security policy.

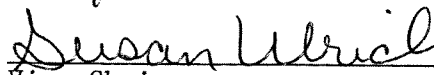
Finding 2003-14 User Accounts (Co. Treasurer)
Comanche County Treasurer will comply with this request.

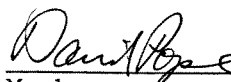
Finding 2003-15 Disaster Recovery Plan (Co. Commissioners, Co. Clerk, Co. Treasurer)
Comanche County will comply with this request.

Finding 2002-2 Cash Management (District #3 Commissioner)
Comanche County is currently working with BIA in resolving this issue.

BOARD OF COUNTY COMMISSIONERS


Chairman


Vice Chairman


Member

ATTEST:


Charley Maguire, County Clerk

**Statistical Data
(Unaudited)**

**COMANCHE COUNTY, OKLAHOMA
TOP TEN TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2003
(UNAUDITED)**

TAXPAYER NAME	ASSESSED VALUE	% OF TOTAL NET VALUATION
Public Service of Oklahoma	\$ 22,616,801	5.44%
Goodyear Tire & Rubber Co.	16,209,630	3.90%
Republic Paperboard Co. LLC	13,346,136	3.21%
Southwestern Bell Telephone	11,528,676	2.77%
CPT Operating Partnership LP	5,150,058	1.24%
Reliant Energy Arkla	2,864,714	0.69%
American Eagle Airlines	2,812,402	0.68%
Downtown Mall Warmack-Lawton L	2,319,976	0.56%
Lawton Cablevision Inc.	1,823,251	0.44%
Airgas Inc.	1,488,612	0.36%
Total	<u>\$ 80,160,256</u>	<u>19.29%</u>

Source: (Provided by Oklahoma Tax Commission - Ad Valorem Division)

**COMANCHE COUNTY, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE YEAR ENDED JUNE 30, 2003
(UNAUDITED)**

Total net assessed value as of January 1, 2002		<u>\$ 415,562,593</u>
Debt limit - 5% of total assessed value		\$ 20,778,130
Total bonds outstanding	0	
Total judgments outstanding	0	
Less cash in sinking fund	<u>8,753</u>	<u>-</u>
Legal debt margin		<u>\$ 20,778,130</u>

**COMANCHE COUNTY, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
FOR THE YEAR ENDED JUNE 30, 2003
(UNAUDITED)**

	<u>2003</u>
Estimated population	<u>114,996</u>
Net assessed value	<u>\$ 415,562,593</u>
Gross bonded debt	-
Less available sinking fund cash balance	<u>8,753</u>
Net bonded debt	<u>\$ -</u>
Ratio of net bonded debt to assessed value	<u>0%</u>
Net bonded debt per capita	<u>\$ -</u>

**COMANCHE COUNTY, OKLAHOMA
ASSESSED VALUE OF PROPERTY
FOR THE YEAR ENDED JUNE 30, 2003
(UNAUDITED)**

<u>Tax Year</u>	<u>Personal</u>	<u>Public Service</u>	<u>Real Estate</u>	<u>Homestead Exemption</u>	<u>Net Value</u>	<u>Estimated Fair Market Value</u>
2002	\$53,435,624	\$47,768,334	\$330,395,981	\$16,037,346	\$415,562,593	\$54,096,120