

**COMANCHE COUNTY, OKLAHOMA
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2004**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

June 7, 2005

TO THE CITIZENS OF
COMANCHE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Comanche County, Oklahoma, for the fiscal year ended June 30, 2004. 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 cursive script that reads "Jeff A. McMahon".

JEFF A. McMAHAN
State Auditor and Inspector

**COMANCHE COUNTY, OKLAHOMA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

TABLE OF CONTENTS

INTRODUCTORY SECTION (Unaudited)

Report to the Citizens of Comanche County	iii
County Officials and Responsibilities	iv
Ad Valorem Tax Distribution.....	ix

FINANCIAL SECTION

Report of State Auditor and Inspector	1
Special-Purpose Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash Balances - All Funds.....	3
Comparative Statement of Receipts, Expenditures, and Changes in Cash Balances - Budget and Actual - General Fund.....	5
Comparative Statement of Receipts, Expenditures, and Changes in Cash Balances - Budget and Actual - County Health Department Fund	8
Detailed Statement of Receipts, Disbursements, and Changes in Cash Balances - Sinking Fund	9
Detailed Statement of Receipts, Disbursements, and Changes in Cash Balances - Official Depository Accounts.....	10
Notes to the Financial Statements.....	11

SUPPLEMENTARY SCHEDULE

Schedule of Expenditures of Federal Awards	24
Notes to the Schedule of Expenditures of Federal Awards	25

**COMANCHE COUNTY, OKLAHOMA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

INTERNAL CONTROL/COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards26

Report on Compliance With Requirements Applicable to Each Major Program
and on Internal Control Over Compliance in Accordance With OMB Circular A-13328

Schedule of Findings and Questioned Costs30

Schedule of Prior Year Findings and Questioned Costs.....33

STATISTICAL SECTION (Unaudited)

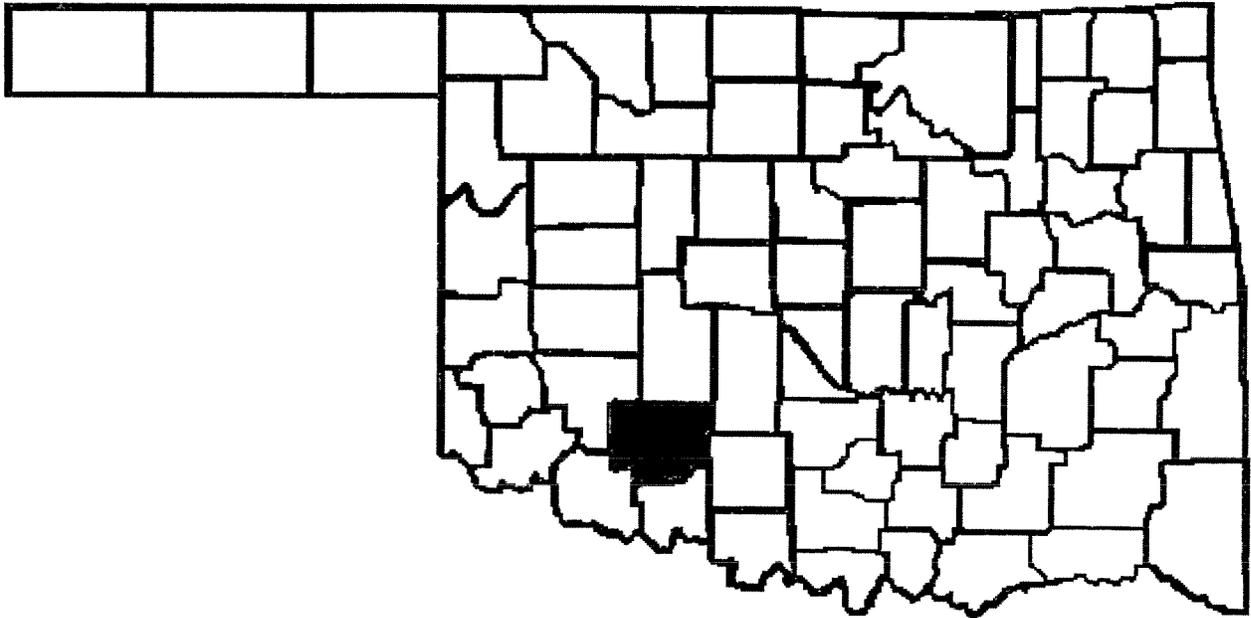
Top Ten Taxpayers.....34

Computation of Legal Debt Margin35

Ratio of Net General Bonded Debt to Assessed Value and
Net Bonded Debt Per Capita 36

Assessed Value of Property37

REPORT TO THE CITIZENS
OF
COMANCHE COUNTY, OKLAHOMA



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

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

Lawton, the county seat, is home to Cameron University and the Great Plains Area Vocational-Technical School. The Lawton Community Theater and the Lawton Philharmonic Orchestra are leading cultural activities of the area, as is the annual Arts for All Festival in April. The Museum of the Great Plains is both educational and entertaining with its outdoor prairie dog village, depot, and trading post.

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

For more information call the county clerk at 580/355-5214.

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.

**COMANCHE 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 Maguire
(D) Fletcher

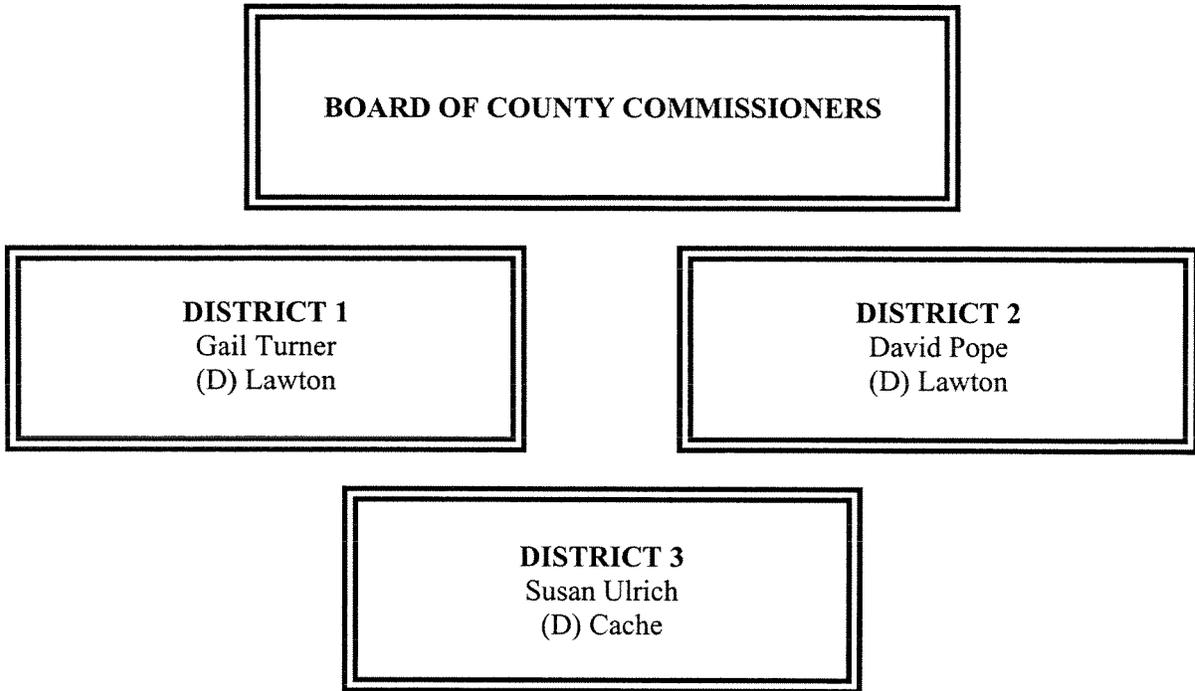
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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.

**COMANCHE 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.

**COMANCHE 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.

**COMANCHE 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.

**COMANCHE COUNTY OFFICIALS
AND RESPONSIBILITIES**

ELECTION BOARD SECRETARY

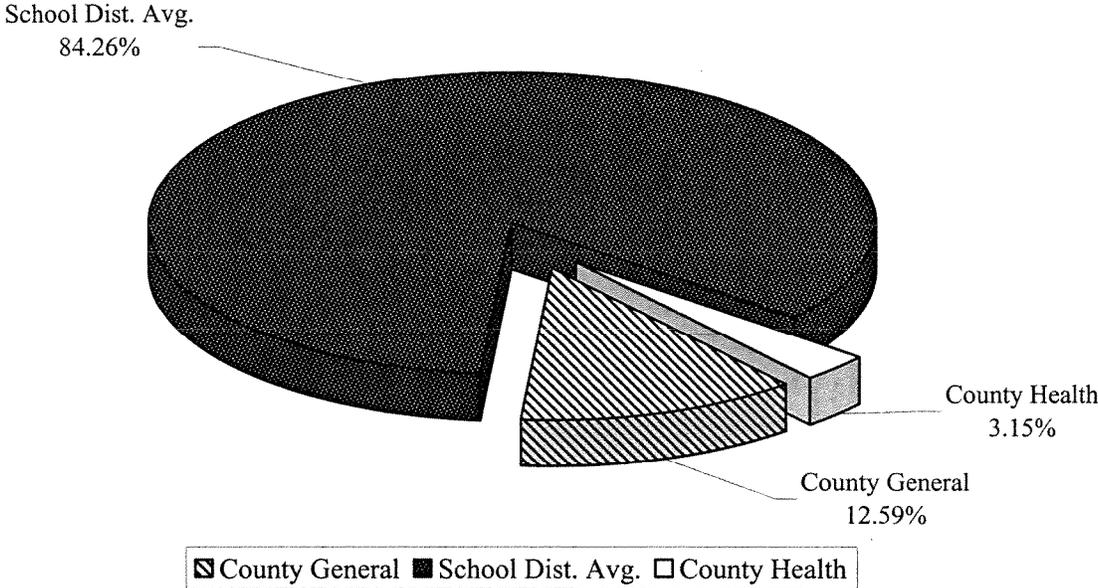
Monica Baughman
(D) Lawton

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.

**COMANCHE COUNTY, OKLAHOMA
AD VALOREM TAX DISTRIBUTION
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							
Co. General	10.23			Gen.	Bldg.	Skg.	Tech Cntr.	Common	Total
County Health	2.56	Chattanooga	SI12	37.17	5.31	7.28	11.25	4.09	65.10
		Flower Mound	SD48	35.55	5.08		11.25	4.09	55.97
		Bishop	SD49	35.44	5.06	8.93	11.25	4.09	64.77
		Cache	SI01	35.67	5.10	27.70	11.25	4.09	83.81
Lawton	14.50	Indiahoma	SI02	37.44	5.35	12.68	11.25	4.09	70.81
		Sterling	SI03	37.85	5.41	10.31	11.25	4.09	68.91
		Geronimo	SI04	36.80	5.26		11.25	4.09	57.40
		Lawton	SI08	35.67	5.10	0.02	11.25	4.09	56.13
		Fletcher	SI09	36.35	5.19	18.40	11.25	4.09	75.28
		Elgin	SI16	36.74	5.25	17.79	11.25	4.09	75.12
		Cotton	JTS001	35.67	5.10	27.70	11.25	4.09	83.81
		Cotton	JTSI001	37.71	5.39	3.28	12.70	4.09	63.17
		Kiowa	JTSI132	37.17	5.31	7.28	11.25	4.09	65.10
		Kiowa	JTS003	36.72	5.25		11.89	4.09	57.95
		Kiowa	JTS004	37.97	5.42		11.25	4.09	58.73
		Stephens	JTS021	39.24	5.61	16.78	12.70	4.09	78.42
		Stephens	JTS034	36.92	5.27		12.70	4.09	58.98
		Caddo	S056	38.22	5.46	23.72	11.89	4.09	83.38
		Caddo	S064	35.00	5.00	18.30	11.89	4.09	74.28
		Caddo	S160	35.00	5.00	19.60	11.89	4.09	75.58

See independent auditor's report.

FINANCIAL SECTION



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, 2004, 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. Oklahoma Statutes, in addition to audit responsibilities, assign other responsibilities to the State Auditor and Inspector's Office. Those responsibilities include providing various information technology (IT) support for county government.

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 fund of the County, as of and for the year ended June 30, 2004, in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2005, on our consideration of Comanche County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

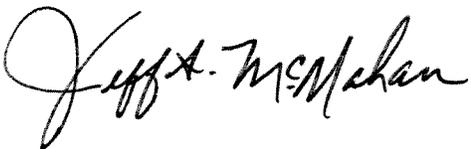
Our audit was performed for the purpose of forming an opinion on the special-purpose financial statements of Comanche County, Oklahoma, taken as a whole. The introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the special-purpose financial statements. 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*, and is also not a required part of the special-purpose financial statements of Comanche County, Oklahoma. 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 Section* has not been audited by us, and accordingly, we express no opinion on such information.

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,



JEFF A. McMAHAN
State Auditor and Inspector

April 6, 2005

Special-Purpose Financial Statements

**COMANCHE COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES - ALL FUNDS
FOR THE YEAR ENDED, JUNE 30, 2004**

All County Funds	Beginning Cash Balances July 1, 2003	Receipts Apportioned	Transfer In	Transfer Out	Disbursements	Ending Cash Balances June 30, 2004
County General Fund	\$ 1,172,159	\$ 6,108,322	\$	\$	\$ 5,975,553	\$ 1,304,928
County Highway Cash	1,666,157	5,019,435			5,028,651	1,656,941
County Health Department	1,170,151	1,400,104			1,552,565	1,017,690
Resale Property	250,584	294,497			369,068	176,013
Treasurer's Mortgage Tax Certification Fees	46,918	34,974			44,549	37,343
County Clerk Lien Fee	16,784	25,196			21,415	20,565
County Clerk Preservation	134,950	135,785			114,052	156,683
Assessor Visual Inspection	1,018	6,537			3,617	3,938
Assessor Hardware Upgrade	1,092				1,092	
Sheriff Service Fee	123,744	244,807			284,775	83,776
Sheriff Insurance Recovery	14,673	15,549			22,789	7,433
Sheriff Grant Fund	32,670	26,699			27,216	32,153
Film Library	2,706	20			390	2,336
Juvenile Detention Cash Fund	463,932	1,033,432			1,141,695	355,669
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	1,840				1,833	7
Juvenile Bureau Fed IV E-Fund	33,717	46,353			16,434	63,636
Civil Defense	21,839	68,922			75,353	15,408
911 Emergency	103,140	413,261			403,876	112,525
District Attorney Narcotics	3,420	168,883			171,565	738
Bar-S Sales Tax Revolving Fund	9,866	18			9,884	
Jail Sales Tax Revolving Fund	2,290,494	2,272,655	859,022	2,264,735	2,335,260	2,227,889
Sales Tax-Bank of Oklahoma-Jail	2,879,517		2,264,735	859,022	2,580,618	298,899
Economic Development Sales Tax Revolving Fund	167,574	2,262,389			2,234,571	195,392
Fairgrounds Use Tax Revolving	121,094	90,326			194,722	16,698
County Use Tax Revolving Fund	83,208	89,804			33,577	139,435
Home Finance Cash Fund	1,011,280	1,396,189			195,652	2,211,817
Home Finance Investments	1,321,445				1,285,872	35,573
Marie Detty Grant	2,468					2,468
Investments in Safe-Interest	57,351	2,602			31,592	28,361
Sheriff's Meth Grant Fund		188,000			134,126	53,874
REAP	25,483				10,000	15,483
Highway Tree Planting Grant		17,456			17,456	
Comanche County Courthouse Café		45,256			37,186	8,070
County Sinking	8,753	244				8,997
Schools	583,802	28,485,864			28,547,160	522,506
Cities & Towns	213,310	5,481,056			5,548,067	146,299
Law Library	8,015	75,410			83,009	416

continued on next page

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 - ALL FUNDS
FOR THE YEAR ENDED, JUNE 30, 2004**

continued from previous page

All County Funds	Beginning Cash Balances July 1, 2003	Receipts Apportioned	Transfer In	Transfer Out	Disbursements	Ending Cash Balances June 30, 2004
Individual Redemption	7,213	429,624			420,469	16,368
Excess Resale	21,461	5,555			7,371	19,645
Protest Tax	412,165	973			413,138	
Unapportioned Tax	2,420	50,330			49,676	3,074
Comanche County Insurance Recovery Fund	3,930					3,930
Free Fair Insurance Recovery Fund	7,124					7,124
Comanche County Memorial Hospital-FEMA	3,539					3,539
Community Revitalization CDBG	9,000	15,000			22,274	1,726
Emergency Management Planning Grant	6,048	2,672			8,720	
Series A&B-Industrial Development		121,934			121,934	
Employee Health	615					615
Cash in Office	456	200				656
Official Depository	2,217,022	23,602,248			23,598,871	2,220,399
Total County Funds	<u>\$ 16,740,481</u>	<u>\$ 79,678,581</u>	<u>\$ 3,123,757</u>	<u>\$ 3,123,757</u>	<u>\$ 83,182,027</u>	<u>\$ 13,237,035</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
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 1,172,159	\$ 1,172,159	\$ 1,172,159	\$ -
Less: Prior Year Outstanding Warrants	(244,276)	(244,276)	(244,276)	
Less: Prior Year Encumbrances	(114,149)	(114,149)	(79,665)	34,484
Beginning Cash Balances, Budgetary Basis	<u>813,734</u>	<u>813,734</u>	<u>848,218</u>	<u>34,484</u>
Receipts:				
Ad Valorem Taxes	4,016,388	4,016,388	4,351,583	335,195
Charges for Services	42,742	42,742	883,352	840,610
Intergovernmental Revenues	528,418	528,418	661,843	133,425
Miscellaneous Revenues	298,718	728,694	211,544	(517,150)
Total Receipts, Budgetary Basis	<u>4,886,266</u>	<u>5,316,242</u>	<u>6,108,322</u>	<u>792,080</u>
Expenditures:				
District Attorney	42,000	42,000	28,522	13,478
Total District Attorney	<u>42,000</u>	<u>42,000</u>	<u>28,522</u>	<u>13,478</u>
County Sheriff	1,060,259	1,102,177	1,065,308	36,869
Capital Outlay	21,000	20,000	20,000	
Total County Sheriff	<u>1,081,259</u>	<u>1,122,177</u>	<u>1,085,308</u>	<u>36,869</u>
County Treasurer	193,867	199,836	199,776	60
Capital Outlay	6,000	5,300	4,000	1,300
Total County Treasurer	<u>199,867</u>	<u>205,136</u>	<u>203,776</u>	<u>1,360</u>
County Commissioners	117,127	117,127	113,331	3,796
Total County Commissioners	<u>117,127</u>	<u>117,127</u>	<u>113,331</u>	<u>3,796</u>
OSU Extension	107,820	74,719	74,471	248
Capital Outlay		33,101	16,951	16,150
Total OSU Extension	<u>107,820</u>	<u>107,820</u>	<u>91,422</u>	<u>16,398</u>
County Clerk	474,144	474,144	464,976	9,168
Total County Clerk	<u>474,144</u>	<u>474,144</u>	<u>464,976</u>	<u>9,168</u>
Court Clerk	471,794	859,721	851,981	7,740
Total Court Clerk	<u>471,794</u>	<u>859,721</u>	<u>851,981</u>	<u>7,740</u>

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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, 2004**

continued from previous page

	Original Budget	Final Budget	Actual	Variance
County Assessor	376,408	360,013	347,152	12,861
Capital Outlay		16,394	16,394	
Total County Assessor	<u>376,408</u>	<u>376,407</u>	<u>363,546</u>	<u>12,861</u>
Revaluation of Real Property	304,872	304,872	301,379	3,493
Total Revaluation of Real Property	<u>304,872</u>	<u>304,872</u>	<u>301,379</u>	<u>3,493</u>
Juvenile Shelter	324,081	345,824	341,640	4,184
Capital Outlay	5,580	2,147	1,397	750
Total Juvenile Shelter	<u>329,661</u>	<u>347,971</u>	<u>343,037</u>	<u>4,934</u>
General Government	721,262	767,001	739,215	27,786
Capital Outlay	100,000	41,451	41,015	436
Total General Government	<u>821,262</u>	<u>808,452</u>	<u>780,230</u>	<u>28,222</u>
Excise-Equalization Board	6,551	6,551	6,041	510
Total Excise-Equalization Board	<u>6,551</u>	<u>6,551</u>	<u>6,041</u>	<u>510</u>
County Election Expense	119,089	120,221	118,980	1,241
Total County Election Expense	<u>119,089</u>	<u>120,221</u>	<u>118,980</u>	<u>1,241</u>
Data Processing	125,000	109,031	46,488	62,543
Capital Outlay		10,700	10,397	303
Total Data Processing	<u>125,000</u>	<u>119,731</u>	<u>56,885</u>	<u>62,846</u>
Charity	1,500	1,500	300	1,200
Total Charity	<u>1,500</u>	<u>1,500</u>	<u>300</u>	<u>1,200</u>
Juvenile Detention Center	52,013	46,513	46,513	
Total Juvenile Detention Center	<u>52,013</u>	<u>46,513</u>	<u>46,513</u>	<u>-</u>
E-911	275,000	275,000	275,000	
Total E-911	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>
Industrial Economic Development	50,000	50,000		50,000
Total Industrial Economic Development	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>

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, 2004**

continued from previous page

	Original Budget	Final Budget	Actual	Variance
Child Welfare	750	750	741	9
Total Child Welfare	750	750	741	9
County Audit Budget	43,187	43,187	43,187	
Total County Audit Budget	43,187	43,187	43,187	-
Free Fair Budget	132,192	132,192	132,184	8
Capital Outlay	8,690	8,690	8,690	
Total Free Fair Budget	140,882	140,882	140,874	8
Library	30,180	30,180	30,180	
Total Library	30,180	30,180	30,180	-
County Hospital Budget	107,967	107,967	107,967	
Total County Hospital Budget	107,967	107,967	107,967	-
Jail Operations	416,667	416,667	410,000	6 667
Total Jail Operations	416,667	416,667	410,000	6,667
Provisions for Interest on Warrants	5,000	5,000	2,365	2,635
Total Expenditures, Budgetary Basis	5,700,000	6,129,976	5,866,541	263,435
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ -	1,089,999	\$ 1,089,999
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			94,725	
Add: Current Year Outstanding Warrants			120,204	
Ending Cash Balance			<u>\$ 1,304,928</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 FUND
FOR THE YEAR ENDED JUNE 30, 2004**

	County Health Department Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 1,170,151	\$ 1,170,151	\$ 1,170,151	\$ -
Less: Prior Year Outstanding Warrants	(17,228)	(17,228)	(17,228)	
Less: Prior Year Encumbrances	(121,891)	(121,891)	(100,346)	21,545
Beginning Cash Balances, Budgetary Basis	<u>1,031,032</u>	<u>1,031,032</u>	<u>1,052,577</u>	<u>21,545</u>
Receipts:				
Ad Valorem Taxes	1,005,078	1,005,078	1,088,883	83,805
Charges for Service		298,956	300,655	1,699
Intergovernmental			10,566	10,566
Total Receipts, Budgetary Basis	<u>1,005,078</u>	<u>1,304,034</u>	<u>1,400,104</u>	<u>96,070</u>
Expenditures:				
Health and Welfare	1,360,000	1,360,000	937,981	422,019
Capital Outlay	676,110	975,066	862,867	112,199
Total Expenditures, Budgetary Basis	<u>2,036,110</u>	<u>2,335,066</u>	<u>1,800,848</u>	<u>534,218</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	651,833	<u>\$ 651,833</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			223,768	
Add: Current Year Outstanding Warrants			142,089	
Ending Cash Balance			<u>\$ 1,017,690</u>	

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

**COMANCHE COUNTY, OKLAHOMA
DETAILED STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BALANCES - SINKING FUND
FOR THE YEAR ENDED JUNE 30, 2004**

Beginning Cash Balance	<u>\$ 8,753</u>
Receipts:	
Ad Valorem Tax	223
Miscellaneous	<u>21</u>
Total Receipts	<u>244</u>
Disbursements:	
County Judgments	<u>-</u>
Total Disbursements	<u>-</u>
Ending Cash Balance	<u><u>\$ 8,997</u></u>

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

**COMANCHE COUNTY, OKLAHOMA
 DETAILED STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN CASH BALANCES - OFFICIAL DEPOSITORY ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2004**

Official Depository Accounts	Beginning Cash Balances			Cancelled Vouchers	Ending Cash Balances June 30, 2004
	July 1, 2003	Receipts	Disbursements		
District Court Clerk	\$ 916,912	\$ 7,372,898	\$ 7,315,021	\$ 123,859	\$ 1,098,648
District Court Fund	448,602	2,135,633	2,223,803	42,148	402,580
District Court Clerk Revolving	87,441	61,115	3,966		144,590
County Clerk	23,188	967,774	949,786	103	41,279
County Sheriff	1,010	24,318	22,432		2,896
County Treasurer	150,602	10,723,459	10,853,320	22,618	43,359
Sheriff Tax Collection	953		953		
County Election Board	1,141	69,617	62,138	2,151	10,771
County Health Department	15,937	343,190	320,450		38,677
District Attorney Bogus Check Restitution	42,794	613,859	640,955	192	15,890
District Attorney Merchant Account	115,228	1,123,473	1,162,051	54,606	131,256
Juvenile Bureau	7,294	16,190	18,945	1,145	5,684
Sheriff Uniform	4,966	4,658	2,821		6,803
District Attorney Controlled Dangerous Substance Fund	187,700	24,714	132,341		80,073
Sheriff's Child Fund	2,008	3,881	5,811		78
Sheriff Task Force	33,999	7,248	12,474		28,773
District Attorney State Witness Fee	3,758	9,045	9,822	173	3,154
County Treasurer Tax Warrant	6,072	6,756	10,271	622	3,179
County Treasurer Tax Warrant #2		26,414	16,096	219	10,537
County Assessor Revolving	193	5,582	5,702		73
Juvenile Work Restitution	29,636	7,565	9,359		27,842
District Attorney Controlled Dangerous Substance Fund- Lawton Police Department	117,679	39,872	50,269		107,282
District Attorney Controlled Dangerous Substance Fund- Oklahoma Highway Patrol	3,079				3,079
District 5 Drug Court		2,369			2,369
Juvenile Probation	16,768	12,618	19,142	1,221	11,465
Sheriff Estray Cattle	62				62
Total Official Depository Accounts	\$ 2,217,022	\$ 23,602,248	\$ 23,847,928	\$ 249,057	\$ 2,220,399

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

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 and county health department fund of the County. 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.

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 Comparative Statements of Receipts, Expenditures, and Changes in Cash Balances - Budget and Actual - for the General Fund and the County Health Department Fund present comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the 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, 2004.

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 - Torts - Errors and Omissions - Law Enforcement Officers Liability - Vehicle Physical Plant - Theft - Damage to Assets - Natural Disasters	The County participates in a public entity risk pool; Association of County Commissioners of Oklahoma-Self-Insurance Group. (See ACCO-SIG.)	If claims exceed the authorized deductibles, the County could have to pay its share of any pool deficit. A judgment could be assessed for claims in excess of the pool's limits.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Summary of Significant Accounting Policies (continued)

<u>Types of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
Worker's Compensation - Employees' Injuries	The County carries commercial insurance for these types of risk.	A judgment could be assessed for claims in excess of coverage.
Employee - Medical - Disability - Dental - Life	The County carries commercial insurance for these types of coverage.	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 chooses a \$10,000, \$25,000, or a \$50,000 deductible amount. The County has chosen a \$50,000 deductible for each insured event as stated in the County's "Certificate of Participation." The risk pool will pay legitimate claims in excess of the deductible amount for replacement value up to \$100,000 for property, and up to \$500,000 for general liability. The pool has acquired commercial reinsurance to cover claims that exceed the pool's risk retention limits up to \$1,000,000. Settled claims have not exceeded insurance coverage for each of the past three fiscal years. There have been no significant reductions in coverage from the prior fiscal year.

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

Management believes coverage is sufficient to preclude any significant uninsured losses to the County.

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 \$13,237,035 and the bank balance was \$13,601,011. 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 and § 348.3 allow the following types of investments:

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

B. Description of Funds

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

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

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

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

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Detailed Notes on Funds and Account Balances (continued)

Treasurer's Mortgage Tax Certification Fees – accounts for the collection of fees by the Treasurer for mortgage tax certificates and the disbursement of the funds as restricted by statutes.

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

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

Assessor Visual Inspection – accounts for the collection and 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 disbursement of sheriff process service fees as restricted by statute.

Sheriff Insurance Recovery – accounts for the collection of insurance payments received from the destruction of 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 for collections from donations and disbursements 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.

Juvenile Detention Transportation – accounts for the collections of transportation fees of juvenile offenders to the juvenile detention center from the 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.

Detailed Notes on Funds and Account Balances (continued)

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 the receipt and disbursement of funds from state and local governments for civil defense purposes.

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.

Sales Tax-Bank of Oklahoma-Jail – 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.

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 – 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.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

Detailed Notes on Funds and Account Balances (continued)

Home Finance Cash Fund - accounts for the collections 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 of 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.

Sheriff's Meth Grant Fund – accounts for grant monies received by the Department of Justice and disbursed as restricted by the grant agreement.

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

Highway Tree Planting Grant – accounts for grant monies received and disbursed as restricted by the grant agreement.

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

County Sinking – accounts for the payment of interest and principal on the matured portion of long-term bonded debt 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 monies collected on behalf of the cities and towns in Comanche County from ad valorem taxes, state and local revenues, and remitted to them monthly.

Law Library – accounts for monies received from the state for the Law Library Board.

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

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

Detailed Notes on Funds and Account Balances (continued)

Protest Tax – accounts for ad valorem taxes collected in protest.

Unapportioned Tax – accounts for taxes collected and being held for apportionments 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 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 CDBG – accounts for the collection of grant money received by the Oklahoma Department of Commerce for the disbursement to communities in Comanche County for community development.

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

Series A&B-Industrial Development – 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 – employees 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.

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.

Detailed Notes on Funds and Account Balances (continued)

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 the operation of the office.

District Court Clerk Revolving – accounts for a charge of \$5.00 for each warrant. Money is disbursed in the same manner as court fund.

County Clerk – accounts for the collection of filing fees and disbursements to the Oklahoma Tax Commission and general fund.

County Sheriff – accounts for all collections of foreign service fees and cash bond monies. Monies are disbursed at the end of the month and deposited in the assessor's revolving 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 the Oklahoma Tax Commission, schools, and the County Treasurer Mortgage Certification Fee Account.

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

County Election Board – accounts for reimbursement of elections and is disbursed for refunds of election fees and maintenance and operation of the office.

County Health Department – accounts for the collection of state funds and charges for services. Money is disbursed on a monthly basis to be transferred to the county health department cash account.

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.

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

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

Detailed Notes on Funds and Account Balances (continued)

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.

Sheriff's 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.

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

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 Treasurer Tax Warrant #2 – 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.

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 in which a victim cannot be located, monies can be used for general operations of the Juvenile Detention.

District Attorney Controlled Dangerous Substance Fund-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 Fund-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.

District 5 Drug Court – accounts for drug court collections by court order and disbursements are for drug testing and supplies.

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

Detailed Notes on Funds and Account Balances (continued)

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

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, 2003, was approximately \$431,869,656.

Per Article 10, § 8A, with the repeal of personal property tax, the mileages with the adjustment factor are 10.23 mills for the 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, 2004, were approximately 96 percent of the tax levy.

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

Detailed Notes on Funds and Account Balances (continued)

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 material.

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.

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. Current collections are due to late payments to the Oklahoma Tax Commission by the collector of the county sales tax.

Sales Tax (continued)

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, 2004, the county collected \$2,272,655. 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 \$2,272,655 sales tax money collected, \$859,022 was returned to Comanche County and placed into the fund known as the Jail Sales Tax Revolving Fund 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 \$180,130 in use tax from the Oklahoma Tax Commission for the fiscal year ended June 30, 2004. Of this use tax, \$90,326 is apportioned to the Fairgrounds for general operations and \$89,804 is apportioned to a fund known as County Use Tax Revolving Fund for general maintenance of the Comanche County Courthouse.

On March 12, 2002, the citizens of Comanche County voted a county sales tax of one-quarter percent (.25%) in addition to all other town, county, and state excise tax 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, 2002. For the fiscal year ended June 30, 2004, the County collected \$2,262,389.

SUPPLEMENTARY SCHEDULE

COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2004

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Passed Through State Department of Commerce:			
Community Development Block Grant	14.228	10204CDBG01	\$ 15,000
Total U. S. Department of Housing and Urban Development			<u>15,000</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Passed Through the Oklahoma Office of Juvenile Affairs:			
Juvenile Accountability Incentive Block Grant	16.523	02-JAIBG-24	25,579
Direct Grant:			
Local Law Enforcement Block Grant	16.592	2003-LB-BX-2533	4,715
Public Safety Partnership and Community Policing Grants	16.710	2002CKWX0403	185,238
Total U.S. Department of Justice			<u>215,532</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through the Oklahoma State Department of Human Services:			
Foster Care Title IV-E	93.658		10,556
Total U.S. Department of Health and Human Service			<u>10,556</u>
<u>U.S. DEPARTMENT OF AGRICULTURE CHILD NUTRITION CLUSTER</u>			
Passed Through the Oklahoma State Department of Education Child Nutrition Program:			
School Breakfast Program	10.553		10,513
National School Lunch Program	10.555		19,342
Total U.S. Department of Agriculture Child Nutrition Cluster			<u>29,855</u>
<u>U.S. DEPARTMENT OF INTERIOR</u>			
Direct Grant:			
Payments in Lieu of Taxes	15.226		80,384
Passed Through State Department of Indian Affairs:			
Road Maintenance-Indian Roads	15.033		698,804
Total U.S. Department of Interior			<u>779,188</u>
<u>U.S. DEPARTMENT OF FEDERAL EMERGENCY MANAGEMENT</u>			
Passed Through State Department of Civil Emergency Management:			
Public Assistance Grants	83.544		490,731
Emergency Management Performance Grants	83.552		32,290
State and Local All Hazards Emergency Planning	83.562		8,720
Total U.S. Department of Federal Emergency Management			<u>531,741</u>
<u>FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION</u>			
Passed Through the Oklahoma Department of Agriculture:			
Highway Planning and Construction	20.205	TEA21-03-11	17,456
Total Federal Highway Administration, Department of Transportation			<u>17,456</u>
Total Expenditures of Federal Awards			<u>\$ 1,599,328</u>

The accompanying note is an integral part of this schedule.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2004

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*.

INTERNAL CONTROL AND COMPLIANCE SECTION



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

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

TO THE OFFICERS OF
COMANCHE COUNTY, OKLAHOMA

We have audited the special-purpose financial statements of Comanche County, Oklahoma, as of and for the year ended June 30, 2004, and have issued our report thereon dated April 6, 2004. Our report contains an explanatory paragraph discussing that the financial statements are not a complete presentation, and describes certain responsibilities of the State Auditor and Inspector's Office other than audit responsibilities. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Comanche County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide an opinion 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 2004-1 and 2004-2.

A material weakness is a reportable 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 caused by error or fraud 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 2004-1 to be a material weakness.

Compliance and Other Matters

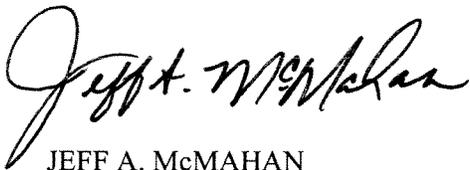
As part of obtaining reasonable assurance about whether Comanche County's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

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,



JEFF A. McMAHAN
State Auditor and Inspector

April 6, 2005



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 on Internal Control Over Compliance in Accordance With
OMB Circular A-133**

TO THE OFFICERS OF
COMANCHE COUNTY, OKLAHOMA

Compliance

We have audited the compliance of Comanche County, Oklahoma with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 for 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, 2004.

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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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,



JEFF A. McMAHAN
State Auditor and Inspector

April 6, 2005

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2004**

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? No

• 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? No

Identification of Major Programs

CFDA Number(s)

83.544

15.033

Name of Federal Program or Cluster

Public Assistance Grants

Road Maintenance-Indian Roads

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, 2004

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

Finding 2004-1 - Segregation of Duties (Repeat Finding)

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.

Condition: The limited number of office personnel within several County offices prevents a proper segregation of accounting functions, which is necessary to assure adequate internal control structure.

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. The most effective controls lie in management's knowledge of office operations and a periodic review of operations.

Views of responsible officials and planned corrective actions: We concur with the auditor's findings. Management does have knowledge of office operations and will perform a periodic review of operations.

Finding 2004-2 - Policies and Procedures for the IT System (Repeat Finding)

Criteria: According to the standards of the Information Systems Audit and Control Association's (COBIT Delivery and 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 responsibility.

Condition: Our review of the County Clerk and Treasurer's office found that no policies and procedures existed for addressing computer security and no security awareness training has been provided to the employees.

Recommendation: We recommend the County establish Information Security policies and procedures that define the acceptable and unacceptable uses of the office computers. A security awareness-training program should be established requiring all employees using computers to participate.

Views of responsible officials and planned corrective actions: County officials will work to prepare and implement policies and procedures for the information systems.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2004**

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

No matters were reported.

COMANCH COUNTY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2004

Finding 2000-2 - Cash Management

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."

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.

Corrective Action Plan: The County has corrected this condition. Formal authorization was received from BIA officials to apply the excess federal cash on hand to other BIA projects. At June 30, 2004, all monies had been expended.

**STATISTICAL SECTION
(Unaudited)**

**COMANCHE COUNTY, OKLAHOMA
TOP TEN TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2004
(UNAUDITED)**

<u>TAXPAYER NAME</u>	<u>ASSESSED VALUE</u>	<u>% OF TOTAL NET VALUATION</u>
Public Service Co. of Oklahoma	\$ 24,581,481	5.69%
Goodyear Tire and Rubber Co.	18,564,446	4.30%
Republic Paperboard Co. LLC	14,091,424	3.26%
Southwestern Bell Telephone	8,544,416	1.98%
CPT Operating Partnership LP	5,150,058	1.19%
Centerpoint Energy Arkla	2,967,032	0.69%
American Eagle Airlines	2,429,234	0.56%
Downtown Mall	2,319,976	0.54%
Lawton Cablevision Inc.	1,755,199	0.41%
Dolese Brothers Co.	1,408,411	0.33%
Total	<u>\$ 81,811,677</u>	<u>18.95%</u>

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

**COMANCHE COUNTY, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE YEAR ENDED JUNE 30, 2004
(UNAUDITED)**

Total net assessed value as of January 1, 2003		<u>\$ 431,869,656</u>
Debt limit - 5% of total assessed value		21,593,483
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	<u>8,997</u>	<u>-</u>
Legal debt margin		<u>\$ 21,593,483</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, 2004
(UNAUDITED)**

	2004
Estimated population	114,996
Net assessed value as of January 1, 2003	\$ 431,869,656
Gross bonded debt	-
Less available sinking fund cash balance	8,997
Net bonded debt	\$ -
Ratio of net bonded debt to assessed value	0.00%
Net bonded debt per capita	\$ -

**COMANCHE COUNTY, OKLAHOMA
ASSESSED VALUE OF PROPERTY
FOR THE YEAR ENDED JUNE 30, 2004
(UNAUDITED)**

<u>Valuation Date</u>	<u>Personal</u>	<u>Public Service</u>	<u>Real Estate</u>	<u>Homestead Exemption</u>	<u>Net Value</u>	<u>Estimated Fair Market Value</u>
1/1/2003	\$53,235,303	\$51,495,024	\$343,160,762	\$16,021,433	\$431,869,656	\$3,748,881,733