

COUNTY AUDIT

# COMANCHE COUNTY

For the fiscal year ended June 30, 2009

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



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

**COMANCHE COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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# Oklahoma State Auditor & Inspector

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

July 6, 2011

TO THE CITIZENS OF  
COMANCHE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Comanche County, Oklahoma for the fiscal year ended June 30, 2009. A report of this type is critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

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

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

Sincerely,

A handwritten signature in blue ink, reading "Gary A. Jones", is positioned above the printed name.

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

**COMANCHE COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**COMANCHE COUNTY, OKLAHOMA  
FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

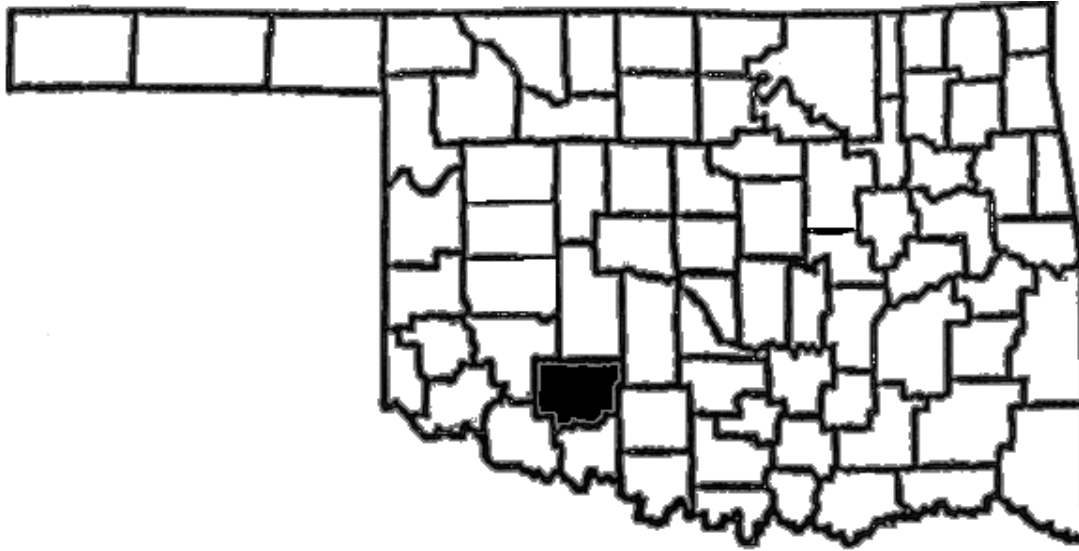
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**REPORT TO THE CITIZENS  
OF  
COMANCHE COUNTY, OKLAHOMA**

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

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

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

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

County Seat - Lawton

Area - 1,083.82 Square Miles

County Population – 113,811  
(2007 est.)

Farms – 1,126

Land in Farms – 497,502 Acres

Primary Source: Oklahoma Almanac 2009-2010

See independent auditor's report.

**COMANCHE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**COUNTY ASSESSOR**  
Charlotte Hamilton

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

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

**COUNTY CLERK**  
Earlene Shriver

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

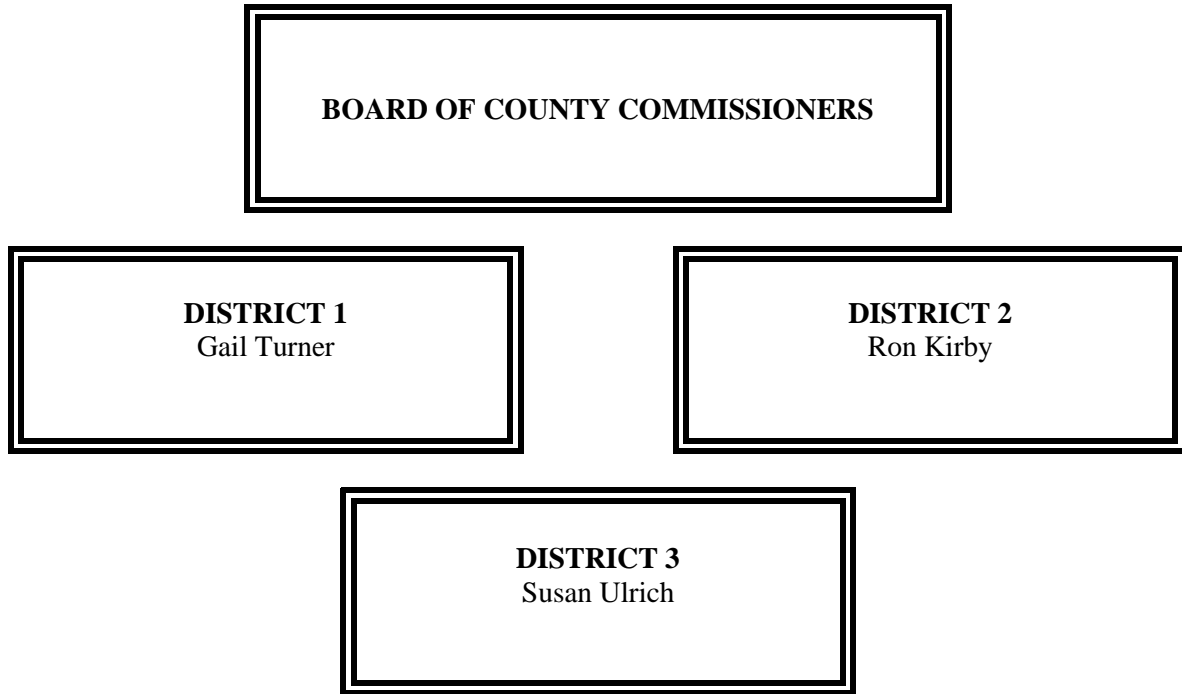
The County Clerk reviews all the claims for payment of goods and services purchased or contracted by the county, and prepares the proper warrants for payment of those goods and services and the county payroll. The County Clerk, or his or her designated deputy, serves as the purchasing agent for the county.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

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

See independent auditor's report.

**COMANCHE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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

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

See independent auditor's report.



**COMANCHE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**COUNTY SHERIFF**  
Kenny Stradley

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

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

**COUNTY TREASURER**  
Barbara Burk

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

To account for county collections and disbursements, the County Treasurer is required to maintain an accurate record of all the monies received and disbursed.

See independent auditor's report.

**COMANCHE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**COURT CLERK**  
Robert Morales

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

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

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

Monies from the court fund are identified for distribution by the Court Clerk to the appropriate units of county and state government.

**DISTRICT ATTORNEY**  
Fred C. Smith

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

See independent auditor's report.

**COMANCHE COUNTY OFFICIALS  
AND RESPONSIBILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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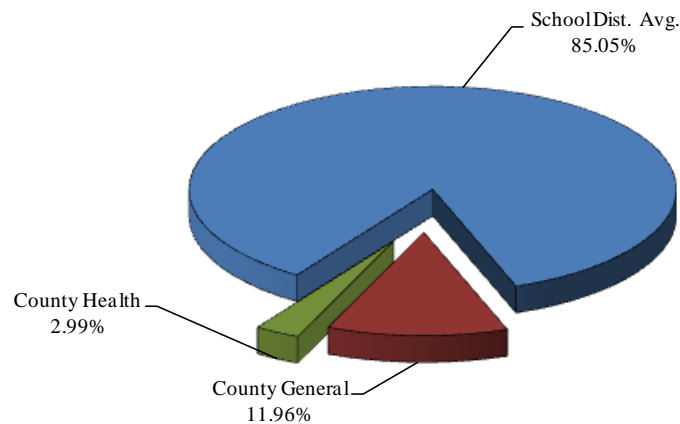
<b>ELECTION BOARD SECRETARY</b> Monica Baughman
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The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all 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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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



County-Wide Millages				School District Millages						
				Career Tech						
				Gen.	Bldg.	Skg.	Building	Common	EMS	Total
County General	10.23									
County Health	2.56	Cache	SI01	35.67	5.10	29.07	14.25	4.09		88.18
		Indianoma	SI02	37.44	5.35	16.36	14.25	4.09		77.49
		Sterling	SI03	37.85	5.41	12.65	14.25	4.09		74.25
City Millages										
Lawton	10.68	Geronimo	SI04	36.80	5.26	26.80	14.25	4.09		87.20
		Lawton	SI08	35.67	5.10	8.85	14.25	4.09		67.96
		Fletcher	SI09	36.35	5.19	20.65	14.25	4.09		80.53
		Elgin	SI16	36.74	5.25	23.00	14.25	4.09		83.33
		Chattanooga	S132	37.17	5.31		14.25	4.09		60.82
		Flower Mound	SD48	35.55	5.08		14.25	4.09		58.97
		Bishop	SD49	35.44	5.06	15.05	14.25	4.09		73.89
		Cotton	Jt.S001	37.71	5.39		12.70	4.09		59.89
		Caddo	S056	38.22	5.46	20.65	11.89	4.09		80.31
		Caddo	S064	35.00	5.00	16.09	11.89	4.09		72.07
		Caddo	S160	35.00	5.00	16.43	11.89	4.09		72.41
		Stephens	Jt.S021	39.24	5.61	16.39	12.70	4.09		78.03
		Stephens	Jt.S034	36.92	5.27	11.72	12.70	4.09		70.70
		Kiowa	Jt.S003	37.97	5.42		14.25	4.09		61.73
		Kiowa	Jt.S004	36.72	5.25		11.89	4.09	3.15	61.10

See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA  
COMPUTATION OF LEGAL DEBT MARGIN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

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Total net assessed value as of January 1, 2008		<u>\$ 558,195,378</u>
Debt limit - 5% of total assessed value		27,909,769
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	<u>-</u>	<u>-</u>
Legal debt margin		<u>\$ 27,909,769</u>

See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED**  
**VALUE AND NET BONDED DEBT PER CAPITA**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**  
**(UNAUDITED)**

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	<u>2009</u>
Estimated population	<u>113,811</u>
Net assessed value as of January 1, 2008	<u>\$ 558,195,378</u>
Gross bonded debt	-
Less available sinking fund cash balance	<u>-</u>
Net bonded debt	<u>\$ -</u>
Ratio of net bonded debt to assessed value	<u>0.00%</u>
Net bonded debt per capita	<u>\$ -</u>

See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA**  
**ASSESSED VALUE OF PROPERTY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**  
**(UNAUDITED)**

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Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2008	\$79,709,622	\$41,955,043	\$452,344,996	\$15,814,283	\$558,195,378	\$4,912,985,074

See independent auditor's report.

## **FINANCIAL SECTION**





# Oklahoma State Auditor & Inspector

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

## Independent Auditor's Report

### TO THE OFFICERS OF COMANCHE COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Comanche County, Oklahoma, as of and for the year ended June 30, 2009, listed in the table of contents as the basic financial statement. This financial statement is the responsibility of Comanche County's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Comanche County as of June 30, 2009, or changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined total of receipts, disbursements, and changes in cash of Comanche County for the year ended June 30, 2009, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2011, on our consideration of Comanche County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial

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

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



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

June 20, 2011

## **Basic Financial Statement**

**COMANCHE COUNTY, OKLAHOMA**  
**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN CASH BALANCES**  
**(WITH COMBINING INFORMATION)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Beginning Cash Balances July 1, 2008	Receipts Apportioned	Transfer In	Disbursements	Ending Cash Balances June 30, 2009
Combining Information:					
County General Fund	\$ 4,067,667	\$ 7,271,018	\$	\$ 7,748,523	\$ 3,590,162
County Highway Cash	2,944,875	5,106,474		5,398,700	2,652,649
County Health Department	915,718	1,437,013		1,229,731	1,123,000
Resale Property	125,181	297,085		267,291	154,975
Treasurer Mortgage Tax Certification Fee	26,889	25,365		30,443	21,811
County Clerk Lien Fee	65,420	37,589		50,322	52,687
County Clerk Records Preservation Fee	47,616	115,255		111,242	51,629
Assessor Visual Inspection	27,648	8,965		2,413	34,200
Sheriff Service Fee	324,825	285,646		303,067	307,404
Sheriff Sales Tax 2007	40,287	117,950		86,535	71,702
Sheriff Courthouse Security	27,032	26,019		28,255	24,796
Sheriff Grant Fund	19,859	6,815		13,152	13,522
Sheriff Insurance Recovery	18,469	23,079		17,893	23,655
Juvenile Detention General Cash Fund	454,150	1,298,497		1,272,743	479,904
Juvenile Bureau Federal IV E Fund	102,965	54,451		32,454	124,962
911 Emergency	167,565	94,132		90,000	171,697
Civil Defense	52,290	103,564		97,297	58,557
Home Finance Cash Fund	2,146,757	59,081		37,042	2,168,796
Fairgrounds Use Tax Revolving	7,756	78,848		77,887	8,717
Fairgrounds Sales Tax 2007	35,003	220,277		237,524	17,756
County Use Tax Revolving Fund	173,663	129,250		164,218	138,695
Capital Improvements Sales Tax 2007	117,600	133,201			250,801
Ok Department of Transportation - Bike Trail	159,850	3,206			163,056
JABG - GANG - 1 Grant	11,150	61,503		56,517	16,136
Mt. Scott/Meers Community Bldg. - REAP		55,000		55,000	
County Film Library	1,771			432	1,339
Comanche County Courthouse Café	26,078	88,996		83,387	31,687
Hospital Lease Revenue Fund	371,829	301,356		10,384	662,801
Jail Sales Tax (Facilities Authority)	379,444	2,468,528	1,564,136	3,440,480	971,628
Industrial Development Sales Tax	64,675	792,782		793,535	63,922
Rural Fire Departments Sales Tax	16,753	205,510		205,691	16,572
<b>Combined Total--All County Funds, as restated</b>	<b>\$ 12,940,785</b>	<b>\$ 20,906,455</b>	<b>\$ 1,564,136</b>	<b>\$ 21,942,158</b>	<b>\$ 13,469,218</b>

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

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

The accompanying basic financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds of Comanche County, Oklahoma. The financial statement referred to includes only the primary government of Comanche County, Oklahoma, and does not include financial information for any of the primary government's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the primary government. The funds presented as line items are not a part of the basic financial statement, but have been included as supplementary information within the basic financial statement. These separate funds are established by statute, and their operations are under the control of the County officials. The general fund is the County's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

**B. Fund Accounting**

The County uses funds to report on receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Following are descriptions of the funds included as supplementary information within the financial statement:

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

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

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

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

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

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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

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

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

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

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

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

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

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

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

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

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

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

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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

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

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

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

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

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

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

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

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

Jail Sales Tax (Facilities Authority) – accounts for the collections of sales tax proceeds for the payment of bond issues 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.

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

Rural Fire Departments Sales Tax – accounts for the collection of sales tax money and is disbursed for the purpose of maintenance and operations of the rural fire departments.

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including cities and town and school districts. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement; those funds play no part in the County's operations. Any trust or agency funds maintained by the County are not included in this presentation.

**C. Basis of Accounting**

The basic financial statement is prepared on a basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred. This cash basis financial presentation is not a comprehensive measure of economic condition or changes therein.

**D. Budget**

Under current Oklahoma Statutes, a general fund and a county health department fund are the only funds required to adopt a formal budget. On or before the first Monday in July of each year, each officer or department head submits an estimate of needs to the governing body. The budget is approved 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.

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

**E. Cash**

The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County's books. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County's deposits. The amount of collateral securities to be pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

**F. Investments**

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



**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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- 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

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured.

**G. Compensated Absences**

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

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 and is not paid upon termination of employment.

**2. Ad Valorem Tax**

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

The assessed property value as of January 1, 2008, was approximately \$558,195,378.

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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Per Article 10, § 8A, with the repeal of personal property tax, the millages with the adjustment factor are 10.23 mills (the legal maximum) for general fund operations and 2.56 mills for county health department. In addition, the County collects the ad valorem taxes assessed by cities and town 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.

Current year tax collections for the year ended June 30, 2009, were approximately 96.41 percent of the tax levy.

**3. Fuel Tax**

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

**4. Risk Management**

The County is exposed to the various risks of loss related to torts; theft, damage, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The County participates in a public entity risk pool: Association of County Commissioners of Oklahoma-Self-Insurance Group (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.

**5. Long-Term Obligations**

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

**6. Pension Plan**

Plan Description. The County contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined benefit pension plan administered by the

**COMANCHE COUNTY, OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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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.

Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates. County employees are required to contribute between 3.5% and 8.5% of earned compensation. The County contributes between 9.5% and 14.5% of earned compensation. Elected officials could contribute between 4.5% and 10% of their entire compensation. The County contributes 14.5% of earned compensation for elected officials. The County's contributions to the Plan for the years ending June 30, 2009, 2008, and 2007, were \$941,285, \$813,469, and \$720,525, respectively, equal to the required contributions for each year.

2.5% Step-Up. Members have the option to elect to increase the benefit computation factor for all future service from 2.0% to 2.5%. The election is irrevocable, binding for all future employment under OPERS, and applies only to full years of service.

**7. Other Post Employment Benefits (OPEB)**

In addition to the pension benefits described in the Pension Plan note, OPERS provides post-retirement health care benefits of up to \$105 each for retirees who are members of an eligible group plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the County is not available nor can it be reasonably estimated.

**8. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; although, the County expects such amounts, if any, to be immaterial.

The County 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 County.

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**9. Sales Tax**

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

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

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

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

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

**10. Restatement of Prior Year Cash Balance**

The ending combined county funds balance of the financial statement for the fiscal year ending June 30, 2008, was understated in the amount of \$460,859. The misstatement resulted from a (\$3) rounding error in the Civil Defense Fund and the omission of three sales tax funds; Jail Sales Tax (Facility Authority) \$379,444, Industrial Development Sales Tax \$64,675, and Rural Fire Department Sales Tax \$16,753. The beginning combined county funds balance of the financial statement for the fiscal year ending June 30, 2009, as restated is \$12,940,785.

**COMANCHE COUNTY, OKLAHOMA  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**11. Interfund Transfers**

An Interfund Transfer consists of excess sales tax monies being returned to the Comanche County Facilities Authority by the bondholder. During the fiscal year ending June 30, 2009, transfers occurred in August 2008, in the amount of \$744,910, and in March 2009, in the amount of \$819,226, totaling \$1,564,136 for the fiscal year.

## **OTHER SUPPLEMENTARY INFORMATION**

**COMANCHE COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 4,067,667	\$ 4,067,667	\$ 4,067,667	\$ -
Less: Prior Year Outstanding Warrants	(141,480)	(141,480)	(141,480)	-
Less: Prior Year Encumbrances	(140,423)	(140,423)	(124,418)	16,005
Beginning Cash Balances, Budgetary Basis	3,785,764	3,785,764	3,801,769	16,005
Receipts:				
Ad Valorem Taxes	5,191,217	5,191,217	5,580,354	389,137
Charges for Services			475,577	475,577
Intergovernmental Revenues			983,374	983,374
Miscellaneous Revenues			231,713	231,713
Total Receipts, Budgetary Basis	5,191,217	5,191,217	7,271,018	2,079,801
Expenditures:				
County Sheriff	1,570,949	1,572,589	1,517,619	54,970
County Treasurer	398,316	398,316	386,247	12,069
County Commissioners	801,898	801,898	784,108	17,790
OSU Extension	116,520	116,520	112,902	3,618
County Clerk	591,307	591,307	590,368	939
Court Clerk	612,655	612,655	580,881	31,774
County Assessor	478,389	478,389	474,559	3,830
Revaluation of Real Property	528,822	528,822	456,335	72,487
Juvenile Shelter Bureau	450,687	450,687	426,415	24,272
Juvenile Detention Center	68,865	68,865	68,865	-
General Government	862,389	859,318	738,559	120,759
Excise-Equalization Board	7,800	7,800	5,732	2,068
County Election Board	163,817	171,749	161,684	10,065
E911	433,777	433,777	433,777	-

continued on next page

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

**COMANCHE COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

continued from previous page

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Charity	<u>2,000</u>	<u>2,000</u>	<u>500</u>	<u>1,500</u>
Jail Operations	<u>125,000</u>	<u>125,000</u>	<u>114,917</u>	<u>10,083</u>
Contingencies	<u>1,295,546</u>	<u>1,283,527</u>	<u>954,315</u>	<u>329,212</u>
Library	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Audit Budget	<u>55,820</u>	<u>61,338</u>	<u>61,338</u>	<u>-</u>
Free Fair	<u>223,875</u>	<u>223,875</u>	<u>223,800</u>	<u>75</u>
County Hospital	<u>139,549</u>	<u>139,549</u>	<u>139,549</u>	<u>-</u>
Provision for Interest on Warrants	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total Expenditures, Budgetary Basis	<u>8,976,981</u>	<u>8,976,981</u>	<u>8,277,470</u>	<u>699,511</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	<u>2,795,317</u>	<u>\$ 2,795,317</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			<u>627,307</u>	
Add: Current Year Outstanding Warrants			<u>167,538</u>	
Ending Cash Balance			<u>\$ 3,590,162</u>	

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



**COMANCHE COUNTY, OKLAHOMA**  
**COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND**  
**CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—**  
**COUNTY HEALTH DEPARTMENT FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	County Health Department Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 915,718	\$ 915,718	\$ 915,718	\$ -
Less: Prior Year Outstanding Warrants	(136,606)	(136,606)	(136,606)	-
Less: Prior Year Encumbrances	(41,032)	(41,032)	(21,947)	19,085
Beginning Cash Balances, Budgetary Basis	738,080	738,080	757,165	19,085
Receipts:				
Ad Valorem Taxes	1,299,073	1,299,073	1,396,452	97,379
Charges for Services			40,561	40,561
Intergovernmental		27,056		(27,056)
Total Receipts, Budgetary Basis	1,299,073	1,326,129	1,437,013	110,884
Expenditures:				
Health and Welfare	2,037,153	2,064,209	1,260,148	804,061
Total Expenditures, Budgetary Basis	2,037,153	2,064,209	1,260,148	804,061
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ -	934,030	\$ 934,030
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			26,557	
Add: Current Year Outstanding Warrants			162,413	
Ending Cash Balance			\$ 1,123,000	

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

**COMANCHE COUNTY, OKLAHOMA**  
**NOTE TO OTHER SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**Budgetary Schedules**

The Comparative Schedules of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis for the General Fund and the County Health Department Fund present comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Combined Statement of Receipts, Disbursements, and Changes in Cash Balances with Combining Information because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in these funds. At the end of the year, unencumbered appropriations lapse.

See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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<u>State Grantor/Grant Program Title</u>	<u>State Contract Number</u>	<u>State Expenditures</u>
<u>STATE OFFICE OF JUVENILE AFFAIRS</u>		
Regional Secure Detention Contract	Y010295	\$ 84,390
Regional Secure Detention Contract	4009013461	942,355
Secure Detention Transport		639
Total State Office of Juvenile Affairs		<u>1,027,384</u>
Total Expenditures of State Awards		<u>\$ 1,027,384</u>

The accompanying note is an integral part of this schedule.  
See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA  
NOTE TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**Basis of Presentation**

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

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>		
Passed through Oklahoma Department of Education:		
Child Nutrition Program:		
School Breakfast Program	10.553	\$ 13,477
National School Lunch Program	10.555	20,915
Total U.S. Department of Agriculture		<u>34,392</u>
<b><u>U.S. DEPARTMENT OF INTERIOR</u></b>		
Direct Grant:		
Payments in Lieu of Taxes	15.226	136,066
Total U.S. Department of Interior		<u>136,066</u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>		
Passed through Oklahoma Office of Juvenile Affairs:		
Juvenile Accountability Block Grants	16.523	62,137
Passed through City of Lawton Police Department:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	6,859
Edward Byrne Memorial Justice Assistance Grant Program	16.738	6,293
Total U.S. Department of Justice		<u>75,289</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>		
Passed through Oklahoma Department of Human Services:		
Foster Care - Title IV-E	93.658	32,454
Total U.S. Department of Health and Human Services		<u>32,454</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>		
Passed through Oklahoma Department of Emergency Management:		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	102,523
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	52,748
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	288,956
Total CFDA #97.036		<u>444,227</u>
Emergency Management Performance Grants	97.042	16,509
Total U.S. Department of Homeland Security		<u>460,736</u>
Total Expenditures of Federal Awards		<u>\$ 738,937</u>

The accompanying note is an integral part of this schedule.  
See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA**  
**NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**Basis of Presentation**

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

See independent auditor's report.

## **INTERNAL CONTROL AND COMPLIANCE SECTION**



# Oklahoma State Auditor & Inspector

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

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

TO THE OFFICERS OF  
COMANCHE COUNTY, OKLAHOMA

We have audited the combined totals—all funds of the accompanying Combined Statement of Receipts, Disbursements, and Changes in Cash Balances of Comanche County, Oklahoma, as of and for the year ended June 30, 2009, which comprises Comanche County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated June 20, 2011. Our report on the basic financial statement was adverse because the statement is not a presentation in conformity with accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. 2009-1 and 2009-2. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



### Compliance and Other Matters

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

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

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



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

June 20, 2011



# Oklahoma State Auditor & Inspector

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

## **Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133**

TO THE OFFICERS OF  
COMANCHE COUNTY, OKLAHOMA

### Compliance

We have audited the compliance of Comanche County, Oklahoma, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Comanche County's major federal programs for the year ended June 30, 2009. Comanche County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Comanche County's management. Our responsibility is to express an opinion on Comanche County's compliance based on our audit.

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

In our opinion, Comanche County, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2009.

### Internal Control Over Compliance

Management of Comanche County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Comanche County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Comanche County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness and a deficiency that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-4 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs, as item 2009-3 to be a significant deficiency.

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

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



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

June 20, 2011

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified?..... No
- Significant deficiency(ies) 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
- Significant deficiency(ies) identified that are not  
considered to be material weakness(es)? ..... Yes

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

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

Identification of Major Programs

CFDA Number(s)  
97.036

Name of Federal Program or Cluster  
Disaster Grants - Public Assistance  
(Presidentially Declared Disasters)

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

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

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

**Finding 2009-1 – Footnote Disclosures**

Criteria: The County's management is responsible for establishing internal control procedures to prevent or detect misstatements in a timely manner. Statement on Auditing Standards (SAS) No. 115 indicates that a control deficiency exists when management does not have adequate expertise to apply accounting principles to the financial statements or to review financial statements prepared on their behalf by others, to ensure they are prepared in accordance with these principles. Professional audit standards preclude the external financial statement auditor from performing any part of management's control activities or be a component of the internal controls over financial reporting as this would impair their independence.

Condition: Internal controls have not been developed to prevent or detect misstatements in timely manner or to ensure all required disclosures are presented with the financial statement.

Effect: The potential exists for misstatements to go undetected, specifically for the completeness of financial statement disclosures.

Recommendation: OSAI recommends the County consider one or more of the following controls:

- Having at least one staff member with sufficient skills necessary to understand the application of accounting principles in regards to the preparation of financial statements.
- Contract an outside firm or individual to review or prepare the financial statements and accompanying notes to the financial statements to ensure appropriate disclosures are presented.

Views of responsible officials and planned corrective actions: The Board of County Commissioners will plan a discussion to determine which option will be in the best interest of Comanche County. The Board of County Commissioners will adhere to the request of the financial statements being prepared by the deadline of June 30, 2012 and the first financial statement being prepared for the month of July 2012.

**Finding 2009-2 – Insufficient Documentation of Disbursements**

Criteria: Effective internal controls include that the County Clerk's Purchasing Agent shall file the original purchase order and a copy of the receiving report; upon receipt of the original receiving report and the delivery documentation, the county clerk shall maintain a file until such time as an invoice is received from the vendor; the invoice shall state the name and address of the vendor and must be sufficiently itemized to clearly describe each item purchased, the unit price when applicable, the number or volume of each item purchased, the total price, the total purchase price, and the date of the purchase; upon receipt of an invoice, the county clerk shall compare the following documents: requisition, purchase order, invoice with noncollusion affidavit as required by law, receiving report, and delivery document.

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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The documents shall be available for public inspection during regular business hours.

Condition: The test of 41 purchase orders revealed one purchase order could not be located in the County Clerk's office.

<u>PO#</u>	<u>PO</u> <u>WAR#</u>	<u>DATE</u>	<u>PAY WHOM</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
92264	790	10/7/2008	Comanche County Industrial Development Authority	Lease Payment	\$75,000.00

Effect: This condition could result in unrecorded transactions, misstated financial reports, and undetected errors.

Recommendation: OSAI recommends the County Clerk's Purchasing Agent maintain the original purchase order, invoice, receiving report, and delivery documentation to provide effective internal controls over the disbursement of funds.

Views of responsible officials and planned corrective actions: On June 20, 2011, we located Purchase Order #92264, it had been misfiled. In the future, we will take more care to file our purchase orders correctly.

**SECTION 3—Findings related to the Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.**

**Finding 2009-3 – FEMA Files – Documentation of Federal Expenditures**

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

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

**CFDA NO:** 97.036

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

**FEDERAL AWARD YEAR:** 2009

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

**QUESTIONED COSTS:** \$42,218.54

Criteria: OMB Circular A-133 §\_\_.300 states that the auditee shall:

- a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they are received. Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

- b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Condition: Project worksheet 142 was on file at the District 3 barn; however, the supporting documentation for this project was not organized in a manner to effectively determine that the County was in compliance with laws and regulations.

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

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

Views of responsible officials and planned corrective actions: Since this finding, a new elected Commissioner has entered into office and will make an effort to focus on internal control for identifying, recording and reporting federal grant expenditures to include internal controls designed and implemented to ensure compliance with applicable provision of the financial reporting requirements described in the OMB A-133 Compliance Supplement.

**Finding 2009-4 – Federal Awards – Schedule of Expenditures of Federal Awards (Repeat Finding)**

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

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

**CFDA NO:** 97.036

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

**FEDERAL AWARD YEAR:** 2008 and 2009

**CONTROL CATEGORY:** Reporting

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

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

- a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency and name of the pass-through entity.

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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- b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Condition: The County has not designated and implemented formal internal controls for the reporting of its major program for Disaster Grants – Public Assistance (Presidentially Declared Disasters) received for the flood and ice storm damage that occurred in 2007, ice storm damage that occurred in January 2009, and snow and ice storm damage that occurred in December 2009 and January 2010 as required by OMB Circular A-133. In particular, the County has not designed an accounting system to accumulate and report its “in-kind” labor and equipment charges in a timely manner.

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

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

Views of responsible officials and planned corrective actions: The County strongly makes effort to comply with any and all federal requirements when accepting FEMA funds and due to the severity of the disasters, it increases the work loads of staff significantly and the County will make efforts to adjust within its financial capabilities.



**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

**PASS-THROUGH GRANTOR:** Oklahoma Department of Civil Emergency Management  
**FEDERAL AGENCY:** United States Department of Homeland Security  
**CFDA NO:** 97.036  
**FEDERAL PROGRAM NAME:** Disaster Grants - Public Assistance (Presidentially Declared Disasters)  
**FEDERAL AWARD YEAR:** 2008  
**CONTROL CATEGORY:** Reporting  
**QUESTIONED COSTS:** \$-0-

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

Status: This finding was not corrected for fiscal year 2009, and resulted in Repeat Finding 2009-4.

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

**PASS-THROUGH GRANTOR:** Oklahoma Department of Civil Emergency Management  
**FEDERAL AGENCY:** United States Department of Homeland Security  
**CFDA NO:** 97.036  
**FEDERAL PROGRAM NAME:** Disaster Grants - Public Assistance (Presidentially Declared Disasters)  
**FEDERAL AWARD YEAR:** 2008  
**CONTROL CATEGORY:** Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Reporting  
**QUESTIONED COSTS:** \$60,803.81

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

- Disaster site locations were difficult to identify from the FEMA descriptions provided.
- Preliminary numbers for project worksheets (PW) were not cross-referenced to the final (PW) numbers, making it difficult to identify loose records with the correct project files.

**COMANCHE COUNTY, OKLAHOMA  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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- Files for eight project worksheets could not be located.
- Documentation from some project worksheets was misfiled.

Status: This finding was not corrected for fiscal year 2009, and resulted in Repeat Finding 2009-3.



## OFFICE OF THE STATE AUDITOR AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

[WWW.SAI.OK.GOV](http://WWW.SAI.OK.GOV)