

**COMANCHE COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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March 15, 2006

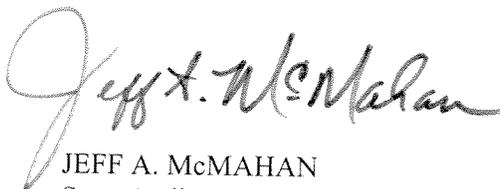
TO THE CITIZENS OF
COMANCHE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Comanche County, Oklahoma, for the fiscal year ended June 30, 2005. 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 cursive script that reads "Jeff A. McMAHAN". The signature is written in dark ink and is positioned above the printed name and title.

JEFF A. McMAHAN
State Auditor and Inspector

**COMANCHE COUNTY, OKLAHOMA
FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

TABLE OF CONTENTS

INTRODUCTORY SECTION (Unaudited)

Report to the Citizens of Comanche County	iii
County Officials and Responsibilities	iv
Ad Valorem Tax Distribution	ix
Computation of Legal Debt Margin	x
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	xi
Assessed Value of Property	xii

FINANCIAL SECTION

Report of State Auditor and Inspector	1
Basic Financial Statement:	
Combined Statement of Receipts, Disbursements, and Changes in Cash Balances (with Combining Information)	3
Notes to the Basic Financial Statement	4

OTHER SUPPLEMENTARY INFORMATION

Comparative Schedule of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis—General Fund	12
Comparative Schedule of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis—County Health Department Fund	15
Detailed Schedule of Receipts, Disbursements, and Changes in Cash Balances—Sinking Fund	16
Notes to Other Supplementary Information	17

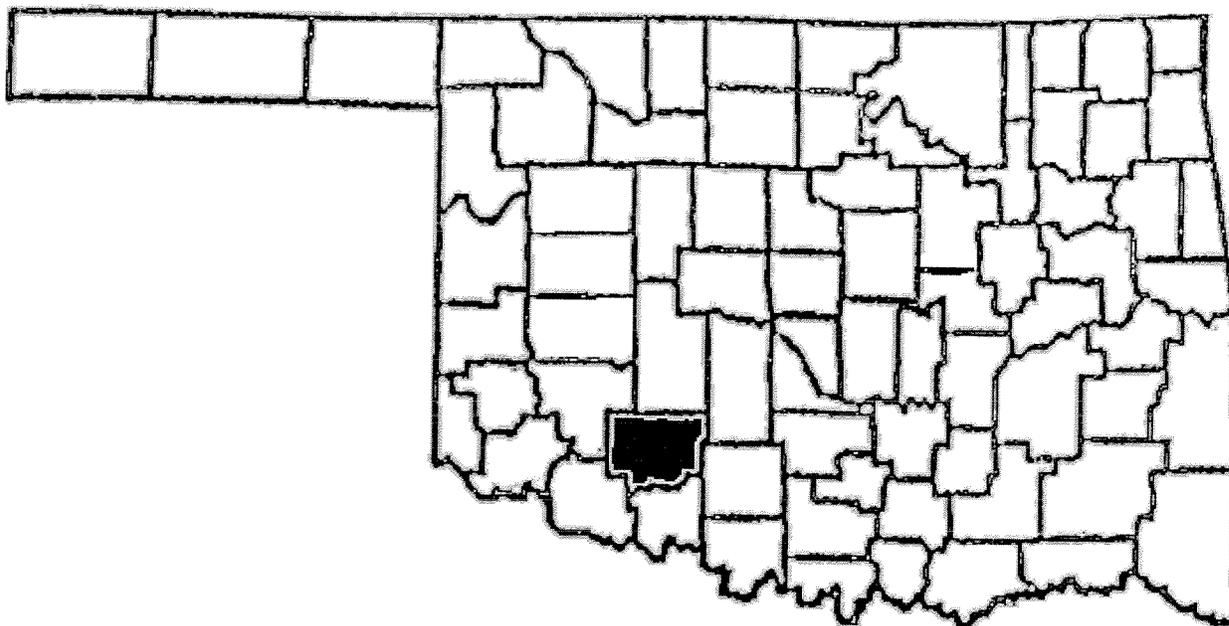
**COMANCHE COUNTY, OKLAHOMA
FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

INTERNAL CONTROL AND 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 Standards 18

Schedule of Findings20

REPORT TO THE CITIZENS
OF
COMANCHE COUNTY, OKLAHOMA



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

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

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 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 - 1,069.4 Square Miles

County Population - 114,996
(2000 est.)

Farms - 1,030

Land in Farms - 434,526 Acres

Primary Source: Oklahoma Almanac 2004-2005

See independent auditor's report.

**COMANCHE COUNTY OFFICIALS
AND RESPONSIBILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

COUNTY ASSESSOR
Charlotte Hamilton
(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
Earlene Shriver
(D) Lawton

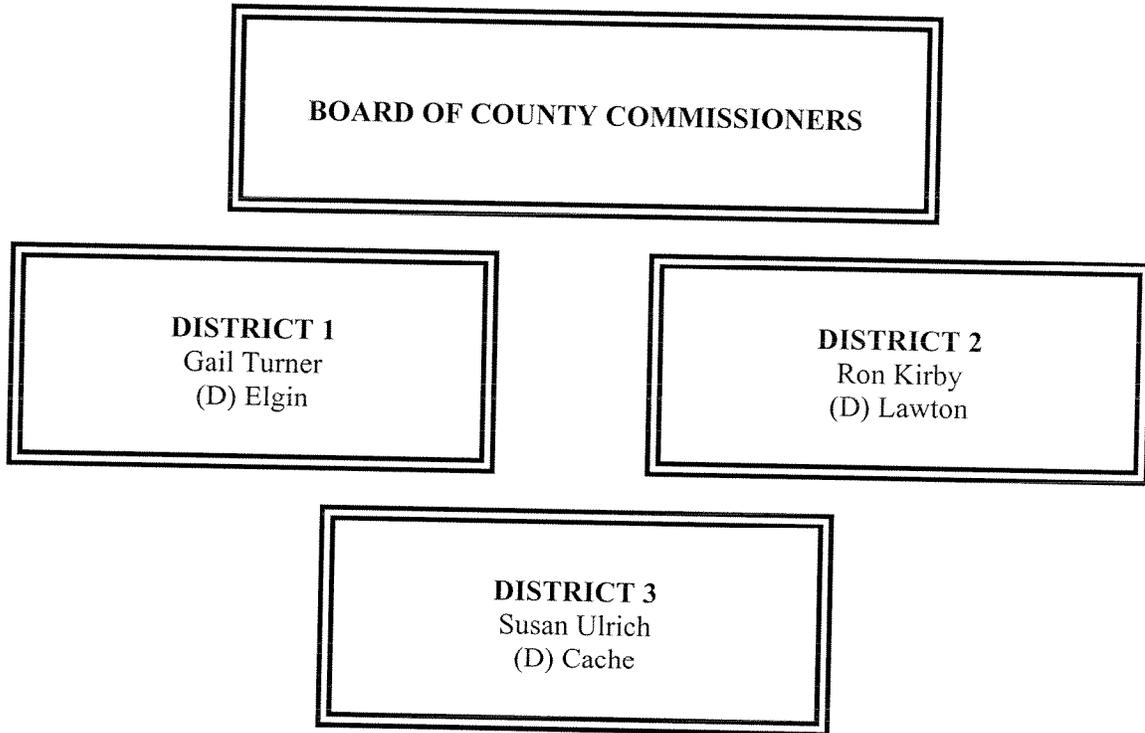
The County Clerk serves as the register of deeds and custodian of records for the county. The County Clerk also serves as the secretary to several boards, including the Board of County Commissioners, the County Excise Board, the County Board of Equalization, and the Board of Tax Roll Corrections.

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, 2005**



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, 2005**

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

ELECTION BOARD SECRETARY

Monica Baughman
(D) Lawton

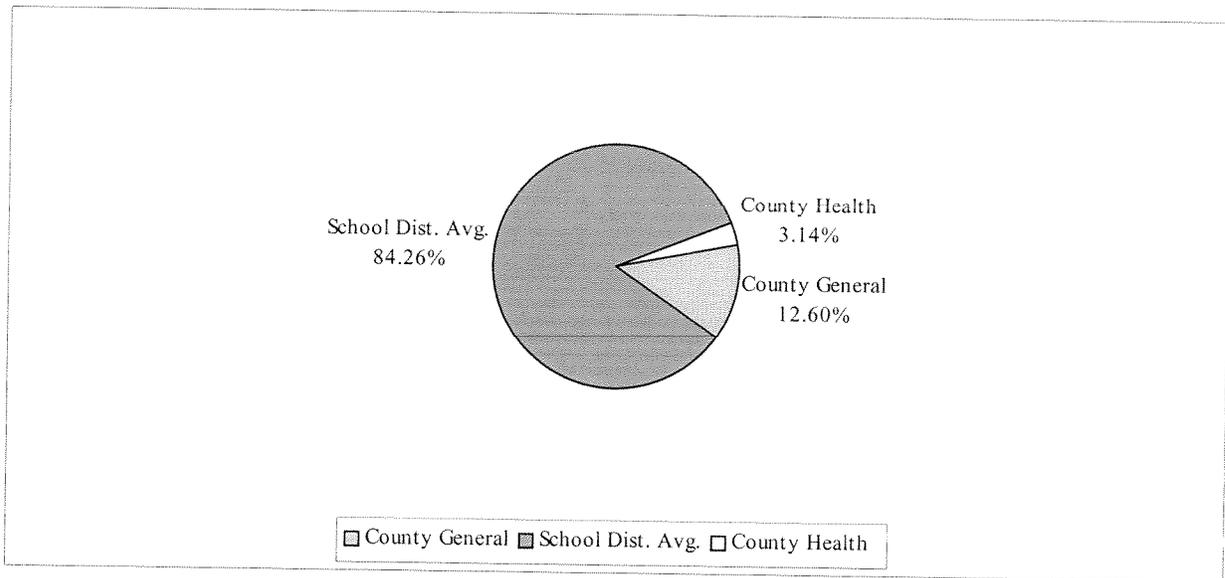
The Election Board Secretary is appointed by the State Election Board and is the chief administrative officer of the County Election Board. The County Election Board has direct responsibility for all the ballots used in all elections within the county. The Board also conducts all elections held within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

See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA
AD VALOREM TAX DISTRIBUTION
SHARE OF THE AVERAGE MILLAGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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			School		
			Gen.	Bldg.	Skg.	Tech Building	School Sinking	Common	Total	
Co. General	10.23									
County Health	2.56									
City Millages										
Lawton	24.39	Stoney Pt. - Elgin S124	36.74	5.25	17.03	1.02	10.23	4.09	74.36	
		Chattanooga S132	37.17	5.31	6.35	1.02	10.23	4.09	64.17	
		Flower Mound SD48	35.55	5.08	7.55	1.02	10.23	4.09	63.52	
		Bishop SD49	35.44	5.06	7.91	1.02	10.23	4.09	63.75	
		Cache SI01	35.67	5.10	24.39	1.02	10.23	4.09	80.50	
		Indiahoma SI02	37.44	5.35	11.64	1.02	10.23	4.09	69.77	
		Sterling SI03	37.85	5.41	9.09	1.02	10.23	4.09	67.69	
		Geronimo SI04	36.80	5.26	4.02	1.02	10.23	4.09	61.42	
		Lawton SI08	35.67	5.10	5.26	1.02	10.23	4.09	61.37	
		Fletcher SI09	36.35	5.19	17.53	1.02	10.23	4.09	74.41	
		Elgin SI16	36.74	5.25	17.03	1.02	10.23	4.09	74.36	
		Cotton Jt.S001	35.67	5.10	24.39	1.02	10.23	4.09	80.50	
		Cotton Jt.SI001	37.71	5.39		2.12	10.58	4.09	59.89	
		Kiowa Jt.SI132	37.17	5.31		1.08	10.81	4.09	58.46	
		Kiowa Jt.S003	36.72	5.25		1.02	10.23	4.09	57.31	
		Kiowa Jt.S004	37.97	5.42	6.35	1.02	10.23	4.09	65.08	
		Stephens Jt.S021	39.24	5.61	14.13	2.12	10.58	4.09	75.77	
		Stephens Jt.S034	36.92	5.27	13.38	2.12	10.58	4.09	72.36	
		Caddo S056	38.22	5.46	16.75	1.08	10.81	4.09	76.41	
		Caddo S064	35.00	5.00	14.21	1.08	10.81	4.09	70.19	
		Caddo S160	35.00	5.00	16.70	1.08	10.81	4.09	72.68	
		Gerinimo/Faxon LI-4-2	36.80	5.26	4.02	1.02	10.23	4.09	61.42	

See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(UNAUDITED)**

Total net assessed value as of January 1, 2004		<u>\$ 458,490,295</u>
Debt limit - 5% of total assessed value		22,924,515
Total bonds outstanding	-	
Total judgments outstanding	-	
Less cash in sinking fund	-	<u>-</u>
Legal debt margin		<u>\$ 22,924,515</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, 2005
(UNAUDITED)**

	2005
Estimated population	114,996
Net assessed value as of January 1, 2004	\$ 458,490,295
Gross bonded debt	-
Less available sinking fund cash balance	-
Net bonded debt	\$ -
Ratio of net bonded debt to assessed value	0.00%
Net bonded debt per capita	\$ -

See independent auditor's report.

**COMANCHE COUNTY, OKLAHOMA
ASSESSED VALUE OF PROPERTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(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>
1/1/2004	\$64,573,181	\$50,937,862	\$358,921,348	\$15,942,096	\$458,490,295	\$3,987,318,623

See independent auditor's report.

FINANCIAL SECTION

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, 2005, 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. 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.

As described in Note 1, this financial statement was prepared using accounting practices prescribed 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, 2005, 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, 2005, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2006, 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. 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.

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

JEFF A. McMAHAN
State Auditor and Inspector

March 2, 2006

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, 2005**

	Beginning Cash Balances July 1, 2004	Receipts Apportioned	Disbursements	Ending Cash Balances June 30, 2005
Combining Information:				
County General Fund	\$ 1,304,928	\$ 6,564,401	\$ 5,718,073	\$ 2,151,256
County Highway Cash	1,656,941	4,295,691	4,308,904	1,643,728
County Health Department	1,017,690	1,365,117	1,093,634	1,289,173
Resale Property	176,013	209,411	335,680	49,744
Treasurer Mortgage Tax Certification Fee	37,343	37,835	52,940	22,238
County Clerk Lien Fee	20,565	36,030	15,852	40,743
County Clerk Records Preservation Fee	156,683	131,780	162,915	125,548
Assessor Visual Inspection	3,938	6,439	6,161	4,216
County Film Library	2,336	600	216	2,720
Sheriff Service Fee	83,776	223,584	257,324	50,036
Sheriff Insurance Recovery	7,433	18,094	9,292	16,235
Sheriff Grant Fund	32,153	203	21,897	10,459
Sheriff Methamphetamine Grant Fund	53,874	34,222	87,209	887
Juvenile Detention Cash Fund	355,669	980,042	1,113,539	222,172
Juvenile Bureau Fed IV E Fund	63,636	9,937	29,061	44,512
Juvenile Accountability Block Grant	7	216	223	
Comanche County Courthouse Café	8,070	51,803	49,561	10,312
Civil Defense	15,408	113,735	102,108	27,035
911 Emergency	112,525	123,097	156,373	79,249
County Insurance Recovery	3,930			3,930
Fairgrounds Use Tax Revolving	16,698	94,737	77,564	33,871
County Use Tax Revolving Fund	139,435	93,884	147,381	85,938
Home Finance Cash Fund	2,247,391	71,878	77,332	2,241,937
County Investments	25,844	6,583		32,427
Highway Tree Planting Grant		41	41	
Bethel Fire Department - REAP		25,000	12,500	12,500
Paradise Valley VFD - REAP		8,000	8,000	
Community Revitalization CDBG	1,726	77,645	38,715	40,656
Meers Community Building - REAP	15,483	2,479	5,487	12,475
Emergency Management Planning Grant		6,075	6,075	
County Sinking	8,997	17	9,014	
Combined Total--All County Funds	\$ 7,568,492	\$ 14,588,576	\$ 13,903,071	\$ 8,253,997

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

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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 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.

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

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

County Clerk Records Preservation Fee – 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 disbursement of monies by the Assessor as restricted by statute for the visual inspection program.

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

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 Sheriff's office. Disbursements account for the allowable expenses provided by grant contracts.

Sheriff Methamphetamine Grant Fund – accounts for the collection of grant money received by the Department of Justice and disbursed as restricted by the grant agreement.

Juvenile Detention 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 money provided for seeking and preserving families. Disbursements are for professional services, contracts and community service supervisors.

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

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

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

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).

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

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

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.

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.

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

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

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

Paradise Valley Volunteer Fire Department - REAP – accounts for the collection of grant monies for the disbursement to small communities for fire stations and community centers.

Community Revitalization Community Development Block Grant – accounts for the collection of grant money received by the Oklahoma Department of Commerce.

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

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

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. At June 30, 2005, Comanche County had no bond issues or civil judgments.

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, city-county health departments, school districts and cities and towns. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement, those funds play no part in the County's operations.

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, the general fund and the 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).

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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:

- 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 (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. 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."

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

The assessed property value as of January 1, 2004, was approximately \$458,490,295.

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 the county health department. In addition, the County 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, 2005, were approximately 92.83 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 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 BASIC FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

<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.	A judgment could be assessed for claims in excess of coverage.
Employee - Medical - Disability - Dental - Life	The County carries commercial insurance.	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 in the amount of \$1,000,000 to cover claims that exceed the pool's risk retention limits. 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.

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. However, starting in January 1997, ODOT began charging a one-time fee of 3% on all pieces of machinery subsequently acquired.

COMANCHE COUNTY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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 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 5.0% and 10.0% of earned compensation. Elected officials could contribute between 4.5% and 10% of their entire compensation. The County contributes 10% of earned compensation for elected officials. The County's contributions to the plan for the years ending June 30, 2005, 2004, and 2003 were \$543,031, \$600,815, and \$576,146, respectively, equal to the required contributions for each year.

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 or reasonably estimable.

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.

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, 2005

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Beginning Cash Balances	\$ 1,284,928	\$ 1,284,928	\$ 1,304,928	\$ 20,000
Less: Prior Year Outstanding Warrants	(120,204)	(120,204)	(120,204)	
Less: Prior Year Encumbrances	(94,725)	(94,725)	(85,336)	9,389
Beginning Cash Balances, Budgetary Basis	<u>1,069,999</u>	<u>1,069,999</u>	<u>1,099,388</u>	<u>29,389</u>
Receipts:				
Ad Valorem Taxes	4,263,960	4,244,380	4,447,341	202,961
Charges for Services	359,140	359,140	971,755	612,615
Intergovernmental Revenues	595,659	595,659	923,682	328,023
Miscellaneous Revenues	134,643	134,643	221,623	86,980
Total Receipts, Budgetary Basis	<u>5,353,402</u>	<u>5,333,822</u>	<u>6,564,401</u>	<u>1,230,579</u>
Expenditures:				
District Attorney	42,000	42,000	22,453	19,547
Total District Attorney	<u>42,000</u>	<u>42,000</u>	<u>22,453</u>	<u>19,547</u>
County Sheriff	1,020,246	1,024,803	1,023,780	1,023
Capital Outlay	1,000	325	325	
Total County Sheriff	<u>1,021,246</u>	<u>1,025,128</u>	<u>1,024,105</u>	<u>1,023</u>
County Treasurer	211,947	211,947	210,436	1,511
Total County Treasurer	<u>211,947</u>	<u>211,947</u>	<u>210,436</u>	<u>1,511</u>
County Commissioners	169,277	174,739	172,441	2,298
Total County Commissioners	<u>169,277</u>	<u>174,739</u>	<u>172,441</u>	<u>2,298</u>
OSU Extension	102,038	98,318	96,553	1,765
Capital Outlay	100	3,820	3,820	
Total OSU Extension	<u>102,138</u>	<u>102,138</u>	<u>100,373</u>	<u>1,765</u>
County Clerk	477,990	477,990	468,974	9,016
Total County Clerk	<u>477,990</u>	<u>477,990</u>	<u>468,974</u>	<u>9,016</u>
Court Clerk	945,053	921,452	920,379	1,073
Total Court Clerk	<u>945,053</u>	<u>921,452</u>	<u>920,379</u>	<u>1,073</u>

continued on next page

The accompanying notes to the other supplementary information are 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, 2005

continued from previous page

	Original Budget	Final Budget	Actual	Variance
County Assessor	412,432	413,803	380,644	33,159
Total County Assessor	412,432	413,803	380,644	33,159
Revaluation of Real Property	382,851	369,100	342,288	26,812
Capital Outlay	20,000	32,380	32,380	
Total Revaluation of Real Property	402,851	401,480	374,668	26,812
Juvenile Shelter Bureau	365,526	365,526	349,125	16,401
Total Juvenile Shelter Bureau	365,526	365,526	349,125	16,401
General Government	850,984	854,521	778,398	76,123
Capital Outlay	153,500	138,870	70,022	68,848
Total General Government	1,004,484	993,391	848,420	144,971
Excise-Equalization Board	12,329	12,329	10,927	1,402
Total Excise-Equalization Board	12,329	12,329	10,927	1,402
County Election Board	137,461	143,231	141,843	1,388
Total County Election Board	137,461	143,231	141,843	1,388
Data Processing	10,000	10,000	10,000	
Total Data Processing	10,000	10,000	10,000	-
Charity	1,500	1,500	900	600
Total Charity	1,500	1,500	900	600
Juvenile Detention	52,013	52,013	52,013	
Total Juvenile Detention	52,013	52,013	52,013	-
E-911	295,000	295,000	295,000	
Total E-911	295,000	295,000	295,000	-
County Audit Budget Account	45,849	45,849	45,849	
Total County Audit Budget Account	45,849	45,849	45,849	-

continued on next page

The accompanying notes to the other supplementary information are 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, 2005

continued from previous page

	Original Budget	Final Budget	Actual	Variance
Free Fair Budget	150,682	150,682	147,681	3,001
Total Free Fair Budget	150,682	150,682	147,681	3,001
Library	45,000	45,000	22,500	22,500
Total Library	45,000	45,000	22,500	22,500
County Hospital Budget	114,623	114,623	114,623	
Total County Hospital Budget	114,623	114,623	114,623	-
Building Maintenance	400,000	400,000		400,000
Total Building Maintenance	400,000	400,000	-	400,000
Provision for Interest on Warrants	4,000	4,000		4,000
Total Expenditures, Budgetary Basis	6,423,401	6,403,821	5,713,354	690,467
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	\$ -	1,950,435	\$ 1,950,435
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			93,889	
Add: Current Year Outstanding Warrants			106,932	
Ending Cash Balance			<u>\$ 2,151,256</u>	

The accompanying notes to the other supplementary information are 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, 2005**

	County Health Department Fund			
	Original	Final	Actual	Variance
	Budget	Budget		
Beginning Cash Balances	\$ 1,017,690	\$ 1,017,690	\$ 1,017,690	\$ -
Less: Prior Year Outstanding Warrants	(142,089)	(142,089)	(142,089)	
Less: Prior Year Encumbrances	(223,769)	(223,769)	(170,482)	53,287
Beginning Cash Balances, Budgetary Basis	<u>651,832</u>	<u>651,832</u>	705,119	<u>53,287</u>
Receipts:				
Ad Valorem Taxes	1,067,032	1,067,032	1,112,913	45,881
Charges for Services			213,713	213,713
Intergovernmental		211,913	38,491	(173,422)
Total Receipts, Budgetary Basis	<u>1,067,032</u>	<u>1,278,945</u>	<u>1,365,117</u>	<u>86,172</u>
Expenditures:				
Health and Welfare	1,030,001	1,311,811	721,045	590,766
Capital Outlay	688,863	618,966	154,487	464,479
Total Expenditures, Budgetary Basis	<u>1,718,864</u>	<u>1,930,777</u>	<u>875,532</u>	<u>1,055,245</u>
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	1,194,704	<u>\$ 1,194,704</u>
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances				
Add: Current Year Encumbrances			84,025	
Add: Current Year Outstanding Warrants			10,444	
Ending Cash Balance			<u>\$ 1,289,173</u>	

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

**COMANCHE COUNTY, OKLAHOMA
DETAILED SCHEDULE OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH BALANCES—SINKING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Beginning Cash Balance	<u>\$ 8,997</u>
Receipts:	<u>17</u>
Total Receipts	<u>17</u>
Disbursements:	<u>9,014</u>
Total Disbursements	<u>9,014</u>
Ending Cash Balance	<u><u>\$ -</u></u>

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

**COMANCHE COUNTY, OKLAHOMA
NOTES TO OTHER SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

1. Budgetary Schedules

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

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

2. Sinking Fund Schedule

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.

See independent auditor's report.

INTERNAL CONTROL AND 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 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, 2005, 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 March 2, 2006. 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. Also, our report 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 financial statement 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 Comanche County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statement. Reportable conditions are described in the accompanying schedule of findings as items 2004-1, 2005-1 and 2005-2.

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 statement 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 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*.

This report is intended solely for the information and use of the management of Comanche County and should not be used for any other purpose. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S., section 24A.1 et seq.), and shall be open to any person for inspection and copying.

A handwritten signature in black ink, reading "Jeff A. McMAHAN". The signature is written in a cursive style with a large initial "J" and "M".

JEFF A. McMAHAN
State Auditor and Inspector

March 2, 2006

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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—Sheriff, Election Board and District Attorney (Repeat)

Criteria: Demonstration of accountability and stewardship are goals in the evaluation of management's accounting for funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, and depositing cash and checks should be segregated.

Condition: There are individuals who are primarily responsible for all or most of the calculating, reviewing, approving, disbursing and reporting of disbursements from official depository accounts within each office that perform these duties. The duties of the apportionment process and all other bookkeeping duties (including posting to daily reports, general ledger, monthly reports, and reconciling bank statements) are not properly separated.

Recommendation: We recommend management be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. It is desirable to review transactions and cross train employees to perform various duties, and then periodically change the division of the duties. This would provide some level of segregation of duties and increase the possibility for the detection of irregularities.

Views of responsible officials and planned corrective actions: Management is aware of the situation and is currently conducting cross training in an effort to correct the problem.

Finding 2005-1 – Verification of Receipts Apportioned

Criteria: Effective internal controls include financial statement reporting that is accurately presented to provide proper accountability over county funds.

Condition: Some exceptions were noted in verifying receipts apportioned by the County Treasurer and receipts reported on the County Financial Statement "Estimate of Needs." Although not material to the financial statement, seven funds were affected.

Recommendation: We recommend receipts apportioned or transferred be verified with the County Treasurer and reported accurately on the County "Estimate of Needs" financial statement to provide effective internal controls over financial reporting.

Views of responsible officials and planned corrective actions: We have contacted the firm who prepared our Estimate of Needs and Financial Statements and they have indicated that in the future they will double check the final numbers and take greater care in the compilation of the financial statements.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Finding 2005-2 – Verification of Warrants Issued—County Commissioners, County Clerk and County Treasurer

Criteria: Effective internal controls include financial statement reporting that is accurate in reporting expenditures.

Condition: In the reconciliation of disbursements to warrants issued, it was noted six funds were not accurately reported on the County "Financial Statement" for the fiscal year ending June 30, 2005.

Recommendation: We recommend all warrants issued for the general fund and cash funds held by Comanche County be accurately reported on the County financial statement.

Views of responsible officials and planned corrective actions: We have contacted the firm who prepared our Estimate of Needs and Financial Statements and they have indicated that in the future they will double check the final numbers and take greater care in the compilation of the financial statements.