

COMANCHE COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
A Component-unit of
Comanche County

Financial Statements
June 30, 2023

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COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A Component-unit of Comanche County
(an Oklahoma Public Trust)

Management's Discussion and Analysis
For the Year Ended June 30, 2023

The following discussion and analysis of the Comanche County Industrial Development Authority's (the Authority's) financial performance presents management's overview of the Authority's financial activities for the year ended June 30, 2023. Please read it in conjunction with the Authority's basic financial statements, which begin immediately following this analysis. This annual financial report consists of two parts – Management's Discussion and Analysis (this section) and the Basic Financial Statements.

They are presented in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These GASB statements established financial reporting standards for state and local governments, including cities, villages and special purpose governments such as the Comanche County Industrial Development Authority.

Overview of the Basic Financial Statements

The Authority, a component-unit of Comanche County, operates as a public trust under the Oklahoma Statutes to promote economic growth within Comanche County. The basic financial statements are presented using the economic resources measurement focus and the full accrual basis of accounting. As an enterprise fund, the Authority's basic financial statements include four components:

- *Statement of Net Position*
- *Statement of Revenues, Expenses and Changes in Net Position*
- *Statement of Cash Flows*
- *Notes to the Financial Statements*

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. The *Statement of Net Position* provides the basis for evaluating the capital structure of the authority and assessing its liquidity and financial flexibility. The net position section is displayed in three categories:

- Invested in Capital Assets, Net of Related Debt
- Restricted
- Unrestricted

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information which shows how the Authority's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. This statement measures the success of the Authority's operations over the past year and determines whether the Authority has recovered its costs through various revenues.

COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A Component-unit of Comanche County
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Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

The *Statement of Cash Flows* provides information regarding the Authority's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operating
- Noncapital financing
- Capital financing
- Investing

This statement differs from the *Statement of Revenues, Expenses and Changes in Net Position* in that it accounts only for transactions that result in cash receipts and cash disbursements.

The *Notes to the Financial Statements* provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

Financial Analysis of the Authority

Net Position - The Authority's net position decreased between fiscal years 2022 and 2023 – decreasing from \$6,367,623 to \$6,260,480.

**Comanche County Industrial Development Authority
Statement of Net Position**

	<u>2023</u>	<u>2022</u>	<u>% Change</u>
Current Assets	\$ 1,365,545	\$ 3,066,837	(55.46%)
Noncurrent Assets	2,251,412	657,263	242.54%
Capital Assets	<u>2,643,523</u>	<u>2,643,523</u>	-
Total Assets	<u>\$ 6,260,480</u>	<u>\$ 6,367,623</u>	(1.68%)
Current Liabilities	\$ -	\$ -	-
Noncurrent Liabilities	<u>-</u>	<u>-</u>	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	-
Invested in Capital Assets, Net of Related Debt	\$ 2,643,523	\$ 2,643,523	-
Restricted	2,025,305	-	-
Unrestricted	<u>1,591,652</u>	<u>3,724,100</u>	(57.26%)
Total Net Position	<u>\$ 6,260,480</u>	<u>\$ 6,367,623</u>	(1.68%)

COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A Component-unit of Comanche County
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Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

Change in Net Position - During the year ending June 30, 2023, the Authority's operating revenues were \$202,574, a decrease of \$23,525 (10.40%) from the prior fiscal year, and operating expenses were \$406,607, a decrease of \$53,098 (11.55%), resulting in a \$204,033 loss from operations. The decrease in operating expenses for this year was primarily a result of a decrease in consulting fees expense of \$40,000.

**Comanche County Industrial Development Authority
Change in Net Position**

	<u>2023</u>	<u>2022</u>	<u>% Change</u>
Operating Revenues	\$ 202,574	\$ 226,099	(10.40%)
Operating Expenses	<u>406,607</u>	<u>459,705</u>	(11.55%)
Income(Loss) from Operations	(204,033)	(233,606)	12.66%
Nonoperating Revenues	<u>96,890</u>	<u>3,925</u>	2,368.71%
Change in Net Position	<u><u>\$ (107,143)</u></u>	<u><u>\$ (229,681)</u></u>	53.35%

The Authority's interest revenue on notes receivable decreased by \$24,529 (56.99%). This decrease was primarily due to a decrease in the Authority's notes receivable. During the year, the Authority's notes receivable decreased by \$669,478 (70.68%).

2022-23 Revenues for Comanche County Industrial Development Authority

Sales tax proceeds	\$ 175,913	58.75%
Lease payments	8,150	2.72%
Interest on notes receivable	18,511	6.18%
Interest on City of Lawton escrow account	25,305	8.45%
Interest on investments	<u>71,585</u>	23.90%
Total Revenues	<u><u>\$ 299,464</u></u>	100.00%

COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A Component-unit of Comanche County
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Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

2022-23 Expenses for Comanche County Industrial Development Authority

Grants		
Goodyear	\$ 389,127	95.70%
Operations & administration	<u>17,480</u>	4.30%
Total Expenses	<u>\$ 406,607</u>	100.00%

Capital Assets

At June 30, 2023, the Authority had \$2,643,523 invested in land and improvements in the Industrial Park. There is no related debt on investments in capital assets.

Debt Administration

The Authority did not have any debt at June 30, 2023.

Economic Factors

The Authority's excellent financial condition is expected to continue during fiscal year 2023-24. The Authority's primary source of revenue is 2.67% of the County's sales tax(0.375%) which expires on December 31, 2031. The economic climate in Comanche County appears to be relatively stable and no significant changes in the Authority's operations are anticipated in the near future.

Contacting the Authority's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the financial resources it manages. If you have questions about this report or need additional financial information, contact Comanche County Industrial Development Authority at P.O. Box 2334, Lawton, Oklahoma 73502.



Hatch, Croke & Associates, P.C.

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Comanche County Industrial Development Authority
Lawton, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Comanche County Industrial Development Authority (an Oklahoma Public Trust), a component-unit of Comanche County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Comanche County Industrial Development Authority, as of June 30, 2023, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Comanche County Industrial Development Authority and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate that raise substantial doubt about Comanche County Industrial Development Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial

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doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually, or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in aggregate, that raise substantial doubt about Comanche County Industrial Development Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 - 4 be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards

generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, on our consideration of Comanche County Industrial Development Authority'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 solely 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 effectiveness of the Comanche County Industrial Development Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Comanche County Industrial Development Authority's internal control over financial reporting and compliance.

Hatch, Croke & Associates, P.C.

Hatch, Croke & Associates, P.C.
Lawton, Oklahoma
June 28, 2024

COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A Component-unit of Comanche County
(an Oklahoma Public Trust)

Statement of Net Position

June 30, 2023

ASSETS

Current assets

Cash and cash equivalents, unrestricted	\$ 1,142,680
Sales tax receivable	167,181
Interest receivable	4,062
Current portion of notes receivable (NOTE 3)	<u>51,622</u>

Total current assets 1,365,545

Noncurrent assets

City of Lawton escrow account - Westwin Project (NOTE 4)	2,025,305
Notes receivable less current portion (NOTE 3)	<u>226,107</u>

Total noncurrent assets 2,251,412

Capital assets

Land & improvements	<u>2,643,523</u>
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TOTAL ASSETS 6,260,480

LIABILITIES

Current liabilities

-

TOTAL LIABILITIES

-

NET POSITION

Invested in capital assets, net of related debt	2,643,523
Restricted (NOTE 4)	2,025,305
Unrestricted	<u>1,591,652</u>

TOTAL NET POSITION \$ 6,260,480

The accompanying notes are an integral part of these financial statements

COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A Component-unit of Comanche County
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Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

OPERATING REVENUES

Sales tax revenue	\$ 175,913
Interest on notes receivable	18,511
Lease payments (NOTE 5)	<u>8,150</u>

TOTAL OPERATING REVENUES 202,574

OPERATING EXPENSES

Accounting fees	2,070
Bank charges and fiduciary fees	4,576
Grant - Goodyear	389,127
Legal fees	<u>10,834</u>

TOTAL OPERATING EXPENSES 406,607

OPERATING LOSS (204,033)

NONOPERATING REVENUES (EXPENSES)

Interest on City of Lawton escrow account (NOTE 4)	25,305
Interest on investments	<u>71,585</u>

TOTAL NONOPERATING REVENUES (EXPENSES) 96,890

CHANGE IN NET POSITION (107,143)

NET POSITION, Beginning of year 6,367,623

NET POSITION, End of year \$ 6,260,480

The accompanying notes are an integral part of these financial statements

COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A Component-unit of Comanche County
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Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from sales tax collections	\$ 23,276
Cash received from debtors	304,185
Cash received from lease payments	8,150
Cash payments for operations	<u>(17,480)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 318,131

CASH FLOWS FROM NONCAPITAL FINANCING

-

NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES -

CASH FLOWS FROM CAPITAL FINANCING

-

NET CASH USED BY CAPITAL FINANCING ACTIVITIES -

CASH FLOWS FROM INVESTING ACTIVITIES

City of Lawton escrow account	(2,000,000)
Interest received on investments	<u>69,740</u>

NET CASH USED BY INVESTING ACTIVITIES (1,930,260)

NET DECREASE IN CASH AND CASH EQUIVALENTS (1,612,129)

BEGINNING CASH AND CASH EQUIVALENTS 2,754,809

ENDING CASH AND CASH EQUIVALENTS \$ 1,142,680

SUPPLEMENTAL INFORMATION

Loan balance forgiven with job incentives \$ 389,127

The accompanying notes are an integral part of these financial statements

COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A Component-unit of Comanche County
(an Oklahoma Public Trust)

Statement of Cash Flows (Continued)
For the Year Ended June 30, 2023

**RECONCILIATION OF OPERATING INCOME TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (204,033)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in assets and liabilities:	
Accrued interest on notes receivable	5,323
Sales tax receivable	(152,637)
Notes receivable	<u>669,478</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 318,131</u>

The accompanying notes are an integral part of these financial statements

COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A Component-unit of Comanche County
(an Oklahoma Public Trust)

Notes to Financial Statements
June 30, 2023

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies

Organization

The Comanche County Industrial Development Authority (CCIDA) was formed in October, 1969, as a public trust under the Oklahoma Statutes. The trust was formed principally to develop industry and culture and related activities within Comanche County, Oklahoma, the beneficiary, and to promote the economic well-being of its citizens. It is considered a component-unit of Comanche County as defined by Government Accounting Standards.

Originally the principal activity of the trust was to develop Comanche County's industrial base through loans for facilities to businesses. The declaration of trust was amended in December, 1986, to include financial assistance to health care facilities.

The Authority currently provides loans to businesses for the construction of new facilities or the expansion of existing facilities in order to promote economic growth within Comanche County. To further assist its efforts to stimulate economic growth, the Authority offers incentive agreements (grants) which provide businesses the opportunity to reduce their debt to the Authority through the accumulation of "Job Creation Credits," earned by establishing new jobs.

Basis of Accounting

The Authority records revenues when earned and expenses when the obligation is incurred. The Authority is considered a proprietary component-unit of Comanche County, and consequently uses the accrual basis of accounting to record its transactions. The Authority applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Operating income includes revenues and expenses related to the primary, continuing operations of the Authority. Principal operating revenues are sales tax revenues for industrial development and revenues received in conjunction with economic development loans. Principal operating expenses are the costs of providing grants and loans for industrial development and include administrative expenses. Other revenues and expenses are classified as nonoperating in the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A Component-unit of Comanche County
(an Oklahoma Public Trust)

Notes to Financial Statements
June 30, 2023

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies (continued)

Property and Equipment

Fixed assets are recorded at cost and are depreciated using the straight-line method with estimated useful lives varying from two to forty years.

Cash

Included in the account "Cash and cash equivalents" on the component unit financial statements as well as the Statement of Cash Flows are interest bearing checking accounts and demand deposits with maturities of three months or less at the time they are purchased by the Authority.

Cash and cash equivalents held in the trust accounts at BancFirst are invested in a government money market fund. These funds are not subject to bank creditors in the event of a bank failure. The fund invests only in marketable securities issued or guaranteed by the U.S. government.

The Authority has not adopted a formal deposit and investment policy; therefore, investments are restricted to the requirements of Oklahoma statutes which include investment in any agencies or instrumentalities of the U.S. government.

Cash deposits are reported at carrying amount which reasonably estimates fair value.

Notes Receivable

Loans receivable are carried at unpaid principal balances, less an allowance for loan losses. The allowance for loan losses is increased by charges to income and decreased by charge-offs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on the Authority's past loan loss experience, specific impaired loans, adverse situations that may affect the borrower's ability to repay, estimated value of any payments not anticipated in accordance with the contractual terms. The Authority's practice is to charge off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition, the depreciation of the underlying collateral, or for other reasons.

Loans are placed on nonaccrual when management believes, after considering economic conditions, business conditions, and collection efforts that the loans are impaired or collection of interest is doubtful. Uncollected interest previously accrued is charged off. Interest income on nonaccrual loans is recognized only to the extent cash payments are received. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A Component-unit of Comanche County
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Notes to Financial Statements
June 30, 2023

NOTE 2 - Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned or the Authority will not be able to recover collateral securities in the possession of an outside party. Deposits of the Authority are insured or collateralized with securities held by the Authority, its agent, or by the pledging financial institution's trust department or agent in the name of the Authority. The agency maintains cash balances at one institution. The accounts are insured by the FDIC up to \$250,000.

The entire balance in the Bancfirst Management sweep account (\$966,943) is invested in the Goldman Sachs Treasury Obligations Fund. The fund invests its assets in U.S. Treasuries and Treasury repurchase agreements which are fully collateralized.

NOTE 3 - Notes Receivable

Notes receivable at June 30, 2023 were as follows:

Cosmetics Specialties Lab - \$215,237

On May 18, 2020, the Authority executed a note with Cosmetics Specialty Labs Inc., in the amount of \$272,000. Cosmetic Specialty Labs was required to pay interest only for the first nine months. The balance at the end of the nine months was amortized over one hundred twenty months at an interest rate of 3% per annum. The loan matures on January 18, 2031. During the year ended June 30, 2023, Cosmetics Specialties Lab made thirteen payments totaling \$34,426. The accrued interest balance on June 30, 2023 was \$18.

Eagle Cartage Inc - \$62,492

On November 4, 2015, the Authority executed a note with Eagle Cartage Inc., in the amount of \$237,072 with 3% interest on the unpaid balance. Principal and accrued interest are to be paid monthly. The loan matures on November 4, 2025. During the year ended June 30, 2023, Eagle Cartage Inc made thirteen payments totaling \$29,759. The accrued interest balance on June 30, 2023 was \$92.

COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A Component-unit of Comanche County
(an Oklahoma Public Trust)

Notes to Financial Statements

June 30, 2023

NOTE 4 - Restricted Net Position

CCIDA entered into an agreement with the City of Lawton and Westin to provide assistance for the construction of a facility by Westwin Elements Inc. During the year, CCIDA deposited \$2,000,000 into an escrow account. The escrow account is in the Federal ID number of the City of Lawton. CCIDA's share of interest generated in the account was \$25,305.

Westwin did not obtain financing for Phase 1 of the project. As a result, the original contribution and accrued interest was returned to CCIDA on August 23, 2023.

NOTE 5 - Leases

The Authority receives rent payments for two surfaces leases. Both leases contain an option for the lessee and lessor to terminate the lease upon (60) days written notice, therefore, they are short term leases not subject to GASB 87.

NOTE 6 - Commitments and Contingencies

Goodyear - \$375,000

On June 1, 2016, the Authority executed a note with Goodyear in the original amount of \$3,000,000 with 5% interest on the unpaid balance until paid. Principal and accrued interest is expected to be paid by job creation credits with the remaining outstanding principal and interest being payable on March 31, 2024. In addition to the job creation credits, Goodyear must invest \$250,000,000 to purchase equipment and expand its existing facility. Goodyear must maintain 2,800 fulltime positions during the term of the note. As of June 30, 2023, the Authority has disbursed \$2,625,000. On April 1, 2023, Goodyear certified that is has complied with the stipulations outlined in the agreement. As a result, credits totaling \$389,128 were applied to the note. Per Goodyear's request, the remaining \$375,000 will be paid in monthly installments of \$52,000.

NOTE 6 - Economic Dependency

The Authority receives its resources primarily from sources within Comanche County. Consequently, the Authority's ability to operate as a going concern is dependent on the economic conditions of this area.

COMANCHE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

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Notes to Financial Statements
June 30, 2023

NOTE 7 - Subsequent Events

Goodyear - \$1,000,000

On October 1, 2023, the Authority executed a note with Goodyear in the original amount of \$1,000,000 with 5% interest on the unpaid balance until paid. The loan will be disbursed in twenty equal quarterly installments of \$50,000 starting January 1, 2024. Principal and accrued interest is expected to be paid by job creation credits with the remaining outstanding principal and interest being payable on January 1, 2029. In addition to the job creation credits, Goodyear must invest \$200,000,000 to purchase equipment and modernize its existing facility. Goodyear must also maintain 2,750 fulltime positions during the term of the note.

Management has evaluated subsequent events through June 28, 2024 the date the financial statements were available to be issued.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Comanche County Industrial Development Authority
Lawton, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Comanche County Industrial Development Authority, a component-unit of Comanche County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Comanche County Industrial Development Authority's basic financial statements, and have issued our report thereon dated June 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Comanche County Industrial Development Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Comanche County Industrial Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Comanche County Industrial Development Authority's internal control.

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. A *significant deficiency* is a deficiency, or a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Comanche County Industrial Development Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hatch, Croke & Associates, P.C.

Hatch, Croke & Associates, P.C.
Lawton, Oklahoma
June 28, 2024