

COMANCHE COUNTY FACILITIES AUTHORITY

**Financial Statements
June 30, 2023**

**Turner & Associates CPAs
Lawton, Oklahoma**

Table of Contents

	<u>Pages</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Net Position – Modified Cash Basis	4
Statement of Revenues, Expenses and Changes in Net Position – Modified Cash Basis	5
Statement of Cash Flows– Modified Cash Basis	6
Notes to Financial Statements	7 - 14
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15 - 16

TURNER & ASSOCIATES CPAs

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INDEPENDENT AUDITORS' REPORT

The Honorable Board of Trustees
Comanche County Facilities Authority
Lawton, Oklahoma

Opinion

We have audited the accompanying modified cash basis financial statements of the business-type activities of Comanche County Facilities Authority (the Authority), Lawton, Oklahoma, 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 Authority's basic 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 respective modified cash basis financial position of the business-type activities of Comanche County Facilities Authority, as of June 30, 2023, and the respective changes in modified cash basis financial position, and cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Comanche County Facilities Authority and to meet our other 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 opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial

statements in the circumstances. Management is also responsible 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 the aggregate, that raise substantial doubt about the 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 doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but 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 misstatements 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of 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 the aggregate, that raise substantial doubt about the 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.

Other Matters

The board of trustees elected to change the process of reimbursing expenditures for the Comanche County Volunteer Fire Department through the Comanche County Facilities Authority. These expenditures and related reimbursements are now processed through the county clerk's office. Therefore, the Authority no longer includes this activity in its financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2024, on our consideration of the 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 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 the Authority's internal control over financial reporting and compliance.

Robert D. Turner

Turner & Associates CPAs
Lawton, Oklahoma
April 16, 2024

COMANCHE COUNTY FACILITIES AUTHORITY**Statement of Net Position - Modified Cash Basis****June 30, 2023**

	Dentention Center	Emergency Management	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 60,640	\$ 91,825	\$ 152,465
Cash: Resrticted - Inmate Trust Funds	80,617		80,617
Cash: Restricted - ARPA		1,863,480	1,863,480
Total Current Assets	141,257	1,955,305	2,096,562
Noncurrent Asset			
Capital Assets - Net of accumulated depreciation	5,805,433	91,775	5,897,208
Total Noncurrent Assets	5,805,433	91,775	5,897,208
Other Assets			
Right of Use Assets	45,269		45,269
Total Other Assets	45,269		45,269
Total Assets	5,991,959	2,047,080	8,039,039
LIABILITIES			
Current Liabilities			
Payroll Liabilities	1,625		1,625
Payable to Prodigy	41,103		41,103
Inmate Trust Funds Payable	39,515		39,515
Lease Liability	21,105		21,105
Unearned ARPA Equipment Grant		1,863,480	1,863,480
Total Current Liabilities	103,348	1,863,480	1,966,828
Noncurrent Liabilities			
Note Payable CCHFA (BOK) Fund	277,354		277,354
Lease Liability	24,164		24,164
Total Noncurrent Liabilities	301,518		301,518
Total Liabilities	404,866	1,863,480	2,268,346
Net Position			
Net Investments in Capital Assets	5,528,079	91,775	5,619,854
Restricted - Inmate Trust Funds	39,515		39,515
Restricted - ARPA		1,863,480	1,863,480
Unrestricted	19,499	(1,771,655)	(1,752,156)
Total Net Position	\$ 5,587,093	\$ 183,600	\$ 5,770,693

COMANCHE COUNTY FACILITIES AUTHORITY**Statement of Revenues, Expenses, and Changes in Net Position - Modified Cash Basis
For the Year Ended June 30, 2022**

	Detention Center	Non-Major Fund Emergency Management	Total
Operating Revenues			
Transfers from County	\$ 4,706,801	\$ 421,910	\$ 5,128,711
Contract Revenue	339,660		339,660
Comanche County Use Tax	311,810	48,675	360,485
Inmate Revenue	515,522		515,522
Miscellaneous Income	16,464	1,067	17,531
<i>Total Operating Revenue</i>	5,890,257	471,652	6,361,909
Operating Expenses			
Automobile Expenses	27,780	9,395	37,175
Computer/Software	66,627	8,520	75,147
Depreciation Expense	314,808	23,234	338,042
Facilities Maintenance	95,560	1,810	97,370
Inmate Items	18,689		18,689
Inmate Housing	993,480		993,480
Inmate Medical Expenses	7,407		7,407
Inmate Uniforms/Bedding	62,478		62,478
Inmate Food Costs	519,230		519,230
Insurance	161,924	48,675	210,599
Janitorial Supplies	102,158		102,158
Lease Expense	87,958		87,958
Medical supplies	33,333		33,333
Office Expense	43,984	6,902	50,886
Payroll Expense - Wages	2,464,793	220,317	2,685,110
Payroll Expense - Employee Benefits & Costs	863,172	60,106	923,278
Payroll Taxes	201,644	17,656	219,300
Professional Fees	25,325	5,200	30,525
Staff Uniforms, Supplies, & Misc. Expenses	27,295	793	28,088
Supplies	5,323	2,526	7,849
Travel & Training	12,354	2,180	14,534
Utilities	323,010	2,453	325,463
Telephone	15,678	9,006	24,684
<i>Total Operating Expenses</i>	6,474,010	418,773	6,892,783
<i>Operating Income (Loss)</i>	(583,753)	52,879	(530,874)
Nonoperating Revenues (Expenses)			
Insurance Proceeds	101,063		101,063
<i>Total Nonoperating Revenues</i>	101,063		101,063
Change in Net Position	(482,690)	52,879	(429,811)
Net Position - Beginning of Year	6,069,783	130,721	6,200,504
Net Position - End of Year	\$ 5,587,093	\$ 183,600	\$ 5,770,693

COMANCHE COUNTY FACILITIES AUTHORITY
Statement of Cash Flows - Modified Cash Basis
For the Year Ended June 30, 2022

	<u>Detention</u>	<u>Emergency</u>	<u>Volunteer</u>	
	<u>Center</u>	<u>Management</u>	<u>Fire</u>	<u>Total</u>
			<u>Department</u>	
Cash Flows From Operating Activities				
Sales Tax Appropriation	\$ 4,706,801	\$ 421,910		\$ 5,128,711
Contract Revenue	339,660			339,660
County Use Tax	311,810	48,675		360,485
Inmate Revenue	515,522			515,522
Miscellaneous Income	16,464	1,067		17,531
Payments to Employees	(3,535,692)	(298,549)		(3,834,241)
Payments to Suppliers	(2,578,724)	(97,460)		(2,676,184)
Net Cash Provided (Used) by Operating Activities	(224,159)	75,643		(148,516)
Cash Flows from Noncapital Financing Activities				
Increase Lease Payable	45,269		(589,671)	(544,402)
Increase Right of Use	(45,269)			(45,269)
Payments for Debt Service	(25,000)			(25,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(25,000)		(589,671)	(614,671)
Cash Flows from Investing Activities				
Increase in Unearned ARPA Equipment Grant		1,863,480		1,863,480
Purchase of Capital Assets	(44,980)	(10,829)		(55,809)
Insurance Proceeds	101,063			101,063
Net Cash Provided (Used) by Capital and Related Financing Acti	56,083	1,852,651		1,908,734
Net Increase (Decrease) in Cash and Cash Equivalents	(193,076)	1,928,294	(589,671)	1,145,547
Cash and Cash Equivalents - Beginning of Year	334,333	27,011	589,671	951,015
Cash and Cash Equivalents - End of Year	141,257	1,955,305		2,096,562
Reconciliation of Operating Income (Loss) to				
Net Cash Provided by Operating Activities				
Operating Income (Loss)	(583,753)	52,879		(530,874)
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided (Used) by operating Activities				
Depreciation Expense	314,808	23,234		338,042
Increase (Decrease) in Payables	41,103			41,103
Increase (Decrease) in Payroll Liabilities	(6,083)	(470)		(6,553)
Increase (Decrease) Inmate Trust Fund	9,766			9,766
Net Cash Provided by (Used) by Operating Activities	\$ (224,159)	\$ 75,643		\$ (148,516)

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Comanche County Facilities Authority is a public trust created and established pursuant to Title 60, Oklahoma Statutes 1991, Section 176 et seq.; as amended and supplemented, the Oklahoma Trust Act and other applicable statutes and laws of the State of Oklahoma. The purpose of this trust is to stimulate economic growth and development of Comanche County; to inventory the services, facilities and resources of Comanche County, to own, operate and manage jails, prisons, correctional and related facilities; to foster and promote an improved economic climate within Comanche County and to otherwise promote its general welfare and prosperity and to finance any and all programs, utilities, facilities or resources promoting or intending to promote any of the foregoing and, without restrictions, in furtherance of the foregoing general objectives. The Authority also operates the Emergency Management System.

Related Organizations

Comanche County - Comanche County is the beneficiary of this public trust. The elected Comanche County commissioners are the Authority's trustees. Therefore, the Authority is considered to be a component unit of Comanche County.

The accompanying financial states include all functions and activities over which the Authority exercises financial accountability. Comanche County Facilities Authority is a component unit of the governmental entity of Comanche County, Oklahoma. Comanche County's financial information is not presented in these financial statements. Comanche County financial audits are readily obtainable at www.sai.ok.gov, the State Auditor's website.

Basis of Presentation

The Authority's funds are enterprise funds. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. All the activities of the Authority are business type activities. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for Operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. The reporting entity includes the following enterprise funds:

Detention Center - Accounts for the activities of the public trust in providing jail facilities.

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Emergency Management - Accounts for the emergency management services provided to the county.

Measurement Focus and Basis of Accounting

Measurement focus refers to how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recognized and recorded in the financial statements regardless of the measurement focus applied.

The Authority's financial statements use the economic resources measurement focus and are presented on the modified cash basis of accounting. Revenues are recognized when they are received and expenses are recorded when paid with the following modifications:

- Capital assets are recorded when purchased and related depreciation is recorded.
- Employee payroll withholding that have not been deposited with the appropriate parties but relate to compensation paid are recorded as liabilities.
- Inmate trust funds charges due but not disbursed are recorded as liabilities.
- Long-term debt is recorded when incurred.

This basis is a basis of accounting other than accounting principles generally accepted in the United States of America. If the Authority utilized the basis of accounting recognized as generally accepted, the financial statements would use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred.

Assets, Liabilities and Net Position

Cash and Cash Equivalents – For the purposes of the statement of cash flows, the Authority considers all cash on hand, demand deposits, interest bearing checking accounts and time deposit accounts including certificates of deposit and U.S. Treasury bills with maturities of three months or less to be cash and cash equivalents.

Restricted Assets – Restricted assets include assets that are legally restricted as to their use. The primary restricted assets are related to inmate trust funds.

Capital Assets – Capital assets are capitalized and stated at cost. Depreciation of exhaustible capital assets is recorded as an expense over the estimated useful lives using the straight-line method. The Authority does not have a capitalization threshold amount.

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

The range of estimated useful lives by type of asset is as follows:

Jail Facilities	40 Years
Food Service Equipment	25 Years
Equipment/Vehicles	7-10 Years
Emergency Management	10 Years

Current Liabilities – Current liabilities of the Authority include payroll liabilities, inmate trust funds, and a payable to Prodigy. Inmate trust funds consist of restricted funds received from inmates to pay for miscellaneous expenses incurred during incarceration. The money is payable to inmates upon release if any funds remain after payment of all expenses.

Non-Current Liabilities – Long-term debt to be repaid from Authority resources are reported as non-current liabilities in the Statement of Net Position. The long-term debt is presently comprised of one note (see Note 5).

Net Position – Net Position is divided into three components:

- a. *Net Investment in Capital Assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvements of those assets.
- b. *Restricted Net Position* - Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted Net Position* - All other net assets that do not meet the definition of “restricted” or “net investment in capital assets”.

It is the Authority’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Revenues and Expenses

Operating and Non-operating Revenues - Operating revenues are considered those whose cash flows are related to operating activities, while revenues related to financing, capital and investing activities are reported as non-operating.

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Expenses - The Authority reports expenses relating to the use of economic resources.

Estimates

Certain estimates are made in the preparation of these modified cash basis financial statements, such as estimated lives for capital assets depreciation. Estimates are based on management's best judgments and may vary from actual results.

Note 2 – Deposits, Investments, and Collateral

Deposits and Investments - The Authority does not have a written investment policy that limits its investment choices. Investments are limited by *Oklahoma Statutes* and the trust indenture. The Authority held deposits at June 30, 2023, of \$ 2,146,847.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a written policy for custodial risk, but *Oklahoma Statutes* require collateral for all uninsured deposits of public trust funds in financial institutions. The Federal Deposit Insurance Corporation insures deposits up to \$ 250,000 at each institution for all demand deposit accounts and up to \$250,000 at each institution for all time and savings accounts. At June 30, 2023, the Authority was not exposed to custodial credit risk.

Note 3 – Restricted Assets

The amounts reported as restricted assets on the Statement of Net Position consist of funds restricted for inmates. The restricted assets as of June 30, 2023, consisted of Inmate Trust Funds in the amount of \$ 39,515 and \$ 1,863,480 in ARPA funds.

Note 4 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>6/30/2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>6/30/2023</u>
Assets Being Depreciated:				
Facilities	\$ 10,676,940			\$ 10,676,940
Food Service Equipment	155,495	6,769		162,264
Equipment	420,971	14,744		435,715
Computer & Software Equipment	131,519	18,633		150,152
Furniture & Fixtures	24,503			24,503
Vehicles	307,292	15,664		322,956
Total Depreciable Assets	<u>11,716,720</u>	<u>55,810</u>	<u>-</u>	<u>11,772,530</u>
Less Accumulated Depreciation	<u>(5,537,280)</u>		<u>(338,042)</u>	<u>(5,875,322)</u>
Total Capital Assets, Net	<u>\$ 6,179,440</u>	<u>55,810</u>	<u>(338,042)</u>	<u>\$ 5,897,208</u>

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Note 4 – Capital Assets (continued)

Depreciation expense for the year was charged to functions as follows:

Detention Center	\$ 314,808
Emergency Management	<u>23,234</u>
Total Depreciation expense for business-type activities	<u>\$ 338,042</u>

Note 5 – Long-term Debt/ Line of Credit

Note Payable - Comanche County Facilities Authority Sales Tax Anticipation Note, Series 2014. In August 2014 the Authority approved a resolution to issue a sales tax anticipation note. This note is a Supplemental Indenture of the Sales Tax Revenue Bonds Series 2001 and is a revolving line of credit with outstanding principal limited to \$ 900,000. This note was funded by the Comanche County Home Finance Authority, to fund jail improvements and operational costs until the increased sales tax collections were realized. Initial funding was \$ 750,000 leaving \$150,000 unused line of credit. Bank of Oklahoma Finance is the trustee of the funds. Repayment is at the discretion of the Authority Board, as funds become available. Loan principal must be paid by December 31, 2022, the maturity date. The interest rate is variable and determined as the best rate for a 1 year Certificate of Deposit at BancFirst of Lawton, Oklahoma, on the anniversary month, August. This note is secured by a Sales Tax Agreement between the Authority and the County. In 2001, the Authority issued bonds payable from the proceeds of a one-fourth of one percent (1/4%) sales tax for the purpose of constructing and equipping the Comanche County jail facilities, which bonds have been retired. That percentage was reduced and extended in 2007 and has now been replaced by three-eighths of one percent (3/8%) sales tax approved by the voters and became effective January 1, 2015. In the event a default occurs with respect to this note, the holder hereof shall be entitled to recover from the Authority, in addition to all other sums then due, the holder's reasonable costs of collection, including a reasonable fee for the holder's attorney.

Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Notes from direct borrowings	\$ <u>302,354</u>	\$ <u>-</u>	\$ <u>25,000</u>	\$ <u>277,354</u>

Note 6 – Employee Pension Plans

Plan Description - The Comanche County Facilities Authority, as the employer, participates in the Oklahoma Public Employees Retirement Plan - a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Title 74 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the OPERS. OPERS issues a publicly available financial report that can be obtained at www.opers.ok.gov.

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Note 6 – Employee Pension Plans (continued)

Benefit Provisions - OPERS provides retirement, disability, and death benefits to members of the plan. Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80), and for any person who became a member after June 30, 1992, when the member's age and years of credited service equals 90 (Rule of 90).

Normal retirement date is further qualified to require that all members employed on or after January 1, 1983 must have six or more years of full-time equivalent employment with a participating employer before being eligible to receive benefits. Credited service is the sum of participating and prior service. Prior service includes nonparticipating service before January 1, 1975, or the entry date of the employer and active wartime military service.

A member with a minimum of ten years of participating service may elect to early retirement with reduced benefits beginning at age 55 if the participant became a member prior to November 1, 2011, or age 60 if the participant became a member on or after November 1, 2011.

Benefits are calculated for each member category as follows:

Employees

Benefits are determined at 2 % of the average annual salary received during the highest thirty-six months of the last ten years of participating service, but not to exceed the applicable annual salary cap, multiplied by the number of years of credited service. Members who join OPERS on or after July 1, 2013, will have their salary averaged over the highest 60 months of the last ten years. Normal retirement age under the Plan is 62 or Rule of 80/90 if the participant became a member on or after November 1, 2011.

Members who elect to pay the additional contribution rate, which became available in January 2004, will receive benefits using a 2.5% computation factor for each full year the additional contributions are made. In 2004, legislation was enacted to provide an increased benefit to retiring members who were not yet eligible for Medicare. The Medicare Gap benefit option became available to members under age 65 who retired on or after May 1, 2006. Members may elect to receive a temporary increased benefit to cover the cost of health insurance premiums until the member is eligible to receive Medicare. After the member becomes eligible for Medicare, the retirement benefit will be permanently reduced by an actuarially determined amount. The option is irrevocable, must be chosen prior to retirement, and is structured to have a neutral actuarial cost to the Plan.

Members become eligible to vest fully upon termination of employment after attaining eight years of credited service, or the members' contributions may be withdrawn upon termination of employment.

Disability retirement benefits are available for members having eight years of credited service

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Note 6 – Employee Pension Plans (continued)

whose disability status has been certified as being within one year of the last day on the job by the Social Security Administration. Disability retirement benefits are determined in the same manner as retirement benefits, but payable immediately without an actuarial reduction.

Upon the death of an active member, the accumulated contributions of the member are paid to the member's named beneficiary(ies) in a single lump sum payment. If a retired member elected a joint annuitant survivor option or an active member was eligible to retire with either reduced or unreduced benefits or eligible to vest the retirement benefit at the time of death, benefits can be paid in monthly payments over the life of the spouse if the spouse so elects.

Upon the death of a retired member, the Plan will pay \$ 5,000 death benefit to the member's beneficiary or estate of the member if there is no living beneficiary. The death benefit will be paid in addition to any excess employee contributions or survivor benefits due to the beneficiary.

Funding Policy - The contribution rates for each member category of the Plan are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates. Employees are required to contribute 3.5% of the employees' annual pay. Participating entities are required to contribute 16.5% of the employee's annual pay.

The Authority's contributions to the Plan for the years ending:

June 30, 2019	\$ 312,734
June 30, 2020	\$ 349,718
June 30, 2021	\$ 343,882
June 30, 2022	\$ 432,954
June 30, 2023	\$ 400,863

Note 7 – Lease Agreement and Operation and Maintenance Contract

On July 1, 2001 the County (lessor) and the Authority (lessee) entered into a lease agreement and operation and maintenance contract, whereby the Authority leases the jail facilities from the County and agrees to operate and maintain the jail facilities or to pay the cost thereof. The lease term commences July 1, 2001 and ends June 30, 2041, unless terminated sooner: provided that all indebtedness secured by the facilities has been paid.

Note 8 – Risk Management

The Authority is exposed to various risks of loss related to torts theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority participates in a risk pool to cover these risks, including general and auto liability, property damage, public officials' liability and blanket bond coverage. The risk pool is the Association of County Commissioners of Oklahoma-Self Insured Group (ACCO-SIG) that operates as a common risk management and insurance program and is to be self-sustaining through member premiums. If

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Note 8 – Risk Management (continued)

claims exceed pool assets, the Authority would have to pay its share of the pool deficit. The lines of coverage and limits of liability afforded by ACCO-SIG are subject to a \$ 10,000 deductible and are as follows: Blanket Bond Coverage \$ 100,000, Comprehensive General Liability \$ 1,000,000, and Public Officials Wrongful Acts, \$ 2,000,000.

There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three fiscal years.

Note 9 – Commitments and Contingencies

Compensated Absences

As a result of the Authority's use of the modified cash basis of accounting, accrued liabilities related to compensated absences (accumulated but unused vacation leave, compensatory time earned but unpaid at year-end and banked holiday) are not reflected in the financial statements. At June 30, 2023 the liabilities are as follows: the Detention Center \$ 564,245 and Emergency Management \$ 16,068.

Note 10 – Subsequent Events

Management has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

TURNER & ASSOCIATES CPAs

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INDEPENDENT AUDITORS' 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

The Honorable Board of Trustees
Comanche County Facilities 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 modified cash basis financial statements of the business-type activities of the Comanche County Facilities Authority, Lawton, Oklahoma, 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 Authority's basic financial statements and have issued our report thereon dated, April 16, 2024. Our report on the financial statements disclosed, that, as described in Note 1 to the financial statements, the Authority prepares its financial statements on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Comanche County Facilities 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Comanche County Facilities Authority's financial statements are free from 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.

Robert D. Turner
Turner & Associates CPAs
Lawton, Oklahoma
April 16, 2024