



COMANCHE COUNTY

Financial Report

For the fiscal year ended June 30, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**COMANCHE COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 171, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



March 11, 2024

TO THE CITIZENS OF
COMANCHE COUNTY, OKLAHOMA

Transmitted herewith is the audit of Comanche County, Oklahoma for the fiscal year ended June 30, 2022. The audit was conducted in accordance with 19 O.S. § 171.

A report of this type can be critical in nature. Failure to report commendable features in the accounting and operating procedures of the entity should not be interpreted to mean that they do not exist.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

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

This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.) and shall be open to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

**COMANCHE COUNTY OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Board of County Commissioners

District 1 – Gail Turner
District 2 – Johnny Owens
District 3 – Alvin Cargill

County Assessor

Grant Edwards

County Clerk

Carrie Tubbs

County Sheriff

Kenny Stradley

County Treasurer

Rhonda Brantley

Court Clerk

Robert Morales

District Attorney

Kyle Cabelka

**COMANCHE COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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FINANCIAL SECTION



Independent Auditor's Report

TO THE OFFICERS OF
COMANCHE COUNTY, OKLAHOMA

Report on the Audit of the Financial Statement

Opinion

We have audited the total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Comanche County, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the regulatory basis total receipts, disbursements, and changes in cash balances for all county funds of Comanche County, as of and for the year ended June 30, 2022, in accordance with the financial reporting provisions of Title 19 O.S. § 171 of Oklahoma Statutes described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles (U.S. GAAP) section of our report, the financial statement referred to above does not present fairly, in accordance with U.S. GAAP, the financial position of Comanche County as of June 30, 2022, or changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 Statement section of our report. We are required to be independent of Comanche County, 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 of our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statement is prepared by Comanche County using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than U.S. GAAP to meet the requirements of the State of Oklahoma. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and U.S. GAAP, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the regulatory basis of accounting prescribed or permitted by Oklahoma state law, and for determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement 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 statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Comanche County'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.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Comanche County'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 statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Comanche County'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the total of all county funds on the financial statement. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the remaining supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statement.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards and the remaining supplementary information is fairly stated, in all material respects, in relation to the financial statement.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024, 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 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 County’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’s internal control over financial reporting and compliance.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

February 20, 2024

REGULATORY BASIS FINANCIAL STATEMENT

COMANCHE COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Beginning Cash Balances July 1, 2021	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2022
County Funds:						
County General	\$ 5,772,828	\$ 10,082,512	\$ 423	\$ -	\$ 9,813,005	\$ 6,042,758
County Highway Unrestricted	2,386,770	6,059,197	-	-	5,512,382	2,933,585
Health	3,060,989	2,100,566	-	-	1,800,952	3,360,603
Resale Property	1,786,543	867,780	-	-	1,191,713	1,462,610
Treasurer Mortgage Certification	19,526	26,160	-	-	20,660	25,026
County Clerk Lien Fee	64,145	39,625	-	-	882	102,888
County Clerk Records Management and Preservation	260,273	244,836	-	-	137,738	367,371
Assessor Revolving Fee	18,784	5,187	-	-	-	23,971
Sheriff Service Fee	172,264	268,508	-	-	207,804	232,968
Sheriff - ST	288,392	182,342	-	-	117,427	353,307
Byrnes Grant	2,857	26,963	-	-	7,616	22,204
Juvenile Detention	290,894	1,557,363	-	-	1,534,373	313,884
Juvenile Bureau Federal IV-E	253,338	49,252	-	-	8,404	294,186
911 Phone Fees	74,269	45,069	-	-	-	119,338
Emergency Management	82,604	189,543	-	-	245,001	27,146
County Donations - Home Finance	1,862,825	181,570	-	-	17,581	2,026,814
Fair Maintenance - ST	26,214	317,537	-	-	317,571	26,180
Use Tax - ST	2,441,961	908,193	29,143	-	216,067	3,163,230
General Gov't - ST	641,123	199,993	-	-	-	841,116
Jail - ST	388,355	4,704,220	-	-	4,704,721	387,854
Economic Development - ST	30,815	176,409	-	-	192,679	14,545
County Bridge and Road Improvement	2,059,437	1,635,376	-	-	1,777,707	1,917,106
Reward Fund	97	-	-	-	-	97
Rural Fire - ST	53,412	305,776	-	-	333,977	25,211
Court Clerk Payroll	10,722	402,228	-	-	376,648	36,302
National Association of County and City Health Officials	2,252	-	-	-	-	2,252
COVID Aid and Relief	423	-	-	423	-	-
Coronavirus Emergency Supplemental Grant	31,849	-	-	29,143	2,706	-
Civic Tech and Civic Life Donations	7,905	-	-	-	7,905	-
American Rescue Plan Act 2021	11,727,039	11,287	-	-	1,866,073	9,872,253
Comanche Tribe Joint Project	-	224,722	-	-	224,722	-
Total - All County Funds	\$ 33,818,905	\$ 30,812,214	\$ 29,566	\$ 29,566	\$ 30,636,314	\$ 33,994,805

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

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

1. Summary of Significant Accounting Policies

A. Reporting Entity

Comanche County is a subdivision of the State of Oklahoma created by the Oklahoma Constitution and regulated by Oklahoma Statutes.

The accompanying financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds under the control of the primary government. 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, where its use is restricted for a specified purpose. Other funds established by statute and under the control of the primary government are also presented.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical service districts, libraries, 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. Any trust or agency funds maintained by the County are not included in this presentation.

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 county funds included within the financial statement:

County General – accounts for the general operations of the government.

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

Health – accounts for monies collected on behalf of the county health department from ad valorem taxes and state and local revenues. Disbursements are for the operation of the county health department.

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

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

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

County Clerk Records Management and Preservation – accounts for fees collected for instruments filed in the County Clerk’s office as restricted by state statute for preservation of records.

Assessor Revolving Fee – accounts for the collection of fees collected by the Assessor’s Office as restricted by state statute for the visual inspection program.

Sheriff Service Fee – accounts for the collections of process service fees and court fees to be disbursed for the Sheriff’s office as restricted by state statute.

Sheriff - ST – accounts for the collection of sales tax monies. Disbursements are for the operational costs of the Comanche County Sheriff’s department as directed by the sales tax ballot.

Byrnes Grant – accounts for grant monies received the Sheriff’s office and disbursements are restricted per grant requirements.

Juvenile Detention – accounts for the collection from State of Oklahoma and other Oklahoma counties for the housing of juvenile offenders. Disbursements are for the general operations of the juvenile detention center.

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

911 Phone Fees – accounts for the collection of fees imposed on wireless users within the county for the operation of the Emergency 911 service.

Emergency Management – accounts for state and local government collections and disbursements are for allowable expenses provided by grant contracts.

County Donations - Home Finance – accounts for the collection of donations from Home Finance Authority. Disbursements are made as designated by the Board of County Commissioners (BOCC) for the general operations of the County and maintenance of County facilities.

Fair Maintenance - ST – accounts for the collection of sales tax monies. Disbursements are for capital improvements and operational costs of the Comanche County Fairgrounds.

Use Tax - ST – accounts for use tax collections from the Oklahoma Tax Commission. Disbursements are for general maintenance of the Comanche County Courthouse.

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

General Gov't - ST – accounts for the collection of sales tax monies. Disbursements are for the purpose of capital improvements.

Jail - ST – accounts for the collections of sales tax monies for the payment of bond issues held by a local financial institution related to the building of the county jail. After receipt of the sales tax by Comanche County, the sales tax proceeds are transferred to a local financial institution where indebtedness is held for the Comanche County Facilities Authority for operations of the capital improvements and operational cost of the Comanche County Jail.

Economic Development - ST – accounts for the collection of sales tax monies. Disbursements are made for necessary expenditures for the economic development efforts of the Comanche County Industrial Authority.

County Bridge and Road Improvement – accounts for the County Bridge and Road Improvement (CBRI) funding from the state to be used for improving county roads and bridges.

Reward Fund – accounts for monies collected and disbursed to citizens involved in the reporting of littering offenses.

Rural Fire - ST – accounts for the collection of sales tax monies. Disbursement are to provide funding for rural fire protection in Comanche County.

Court Clerk Payroll – accounts for funds collected by the Court Clerk and disbursed for payroll of the Court Fund employees.

National Association of County and City Health Officials – accounts for the collection of federal grant monies to be disbursed to strengthen Medical Reserve Corps Unit response capabilities.

COVID Aid and Relief – accounts for federal grant monies received from the Coronavirus Relief Fund for the reimbursement of COVID related expenditures. Disbursements are for any lawful purpose of the County as directed by BOCC resolution.

Coronavirus Emergency Supplemental Grant – accounts for the federal grant monies received and disbursed as restricted by grant requirements.

Civic Tech and Civil Life Donations – accounts for the collections of a private donation to be used by the Election Board to offset election expense and implement improvements of exposure related to the pandemic for either employees or election workers.

American Rescue Plan Act 2021 – accounts for monies received from the United States Department of Treasury and disbursed for responding to the COVID-19 public health emergency and its negative economic impact, premium pay to eligible workers, the provision of government services to the extent of the reduction in revenue due to the COVID-19 public

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

health emergency, and investments in water, sewer, and broadband infrastructure as restricted by federal requirements.

Comanche Tribe Joint Project – accounts for collections from the Comanche Nation Tribe in an Intergovernmental Agreement between the BOCC and Comanche Nation Tribe to be disbursed on road projects.

C. Basis of Accounting

The 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 (U.S. GAAP), 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 regulatory basis financial presentation is not a comprehensive measure of economic condition or changes therein.

Title 19 O.S. § 171 allows Oklahoma counties to present their financial statement in accordance with U.S. GAAP or on a regulatory basis. The County has elected to present their financial statement on a regulatory basis in conformity with Title 19 O.S. § 171, which specifies the format and presentation of such regulatory basis financial statements: county governments (primary only) are required to present their financial statements on a fund basis format with, at a minimum, the general fund and all other county funds, which represent ten percent or greater of total county revenue with all other funds included in the audit presented in the aggregate in a combining statement. However, the County has elected to present all funds included in the audit in the Statement of Receipts, Disbursements, and Changes in Cash Balances—Regulatory Basis.

D. Budget

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

E. Cash and Investments

For the purposes of financial reporting, “Ending Cash Balances, June 30” includes cash and cash equivalents and investments as allowed by statutes. 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.

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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).

The County Treasurer has been authorized by the County's governing board to make investments. Allowable investments are outlined in statutes 62 O.S. § 348.1 and § 348.3.

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. All investments as classified by state statute are nonnegotiable certificates of deposit. Nonnegotiable certificates of deposit are not subject to interest rate risk or credit risk.

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."

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. The County Treasurer, according to the law, shall give notice of delinquent taxes and special assessments by publication once a week for two consecutive weeks at any time after April 1, but prior to the end of September following the year the taxes were first due and payable. Unpaid real property taxes become a lien upon said property after the treasurer has perfected the lien by public notice.

Unpaid delinquent personal property taxes are usually published in May. If the taxes are not paid within 30 days from publication, they shall be placed on the personal tax lien docket.

3. Other Information

A. 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

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

B. Other Post Employment Benefits (OPEB)

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

C. 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; however, the County expects such amounts, if any, to be immaterial.

As of the end of the fiscal year, there were no claims or judgments that would have a material adverse effect on the financial condition of the County; however, the outcome of any lawsuit would not be determinable.

D. Sales Tax

Sales Tax of June 24, 2014

On June 24, 2014, Comanche County citizens voted to increase the Comanche County sales tax to three-eighths of one percent (3/8%) from the original two-eighths of one percent (2/8%). This was to replace both the economic development 1/8% tax, and the county jail 1/8% tax. It also extended the term of specifically set out in Resolution number 04-07-14 of the Board of County Commissioners of Comanche County, Oklahoma. This sales tax expires December 31, 2021. Per resolution, two-eighths of one percent (2/8%) of the sales tax is to provide funding for capital improvements and operational costs pertaining to the Comanche County Jail and is accounted for in the Jail - ST fund. The remaining 1/8% will provide funding for the economic development efforts through the Comanche County Industrial Authority, County Capital Improvements, County Fairgrounds, rural Fire Departments, and the County Sheriff's Department. The funds are

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

accounted for as separate cash funds on the County's general ledger as follows: Sheriff - ST, Fair Maintenance - ST, General Gov't - ST, Economic Development - ST, and Rural Fire - ST.

Sales Tax of March 2, 2021

On March 2, 2021, Comanche County citizens voted to extend the existing three-eighths of one percent (3/8%) County sales tax currently levied pursuant to Resolution number 04-07-2014 of the County which provides funding for the economic development efforts of Comanche County, including capital improvements and operational cost of rural fire protection, county fairgrounds, sheriff's office, county jail, and the Comanche County Industrial Authority and/or debt service in connection with obligations issued by or on behalf of the County to fund any of the capital improvements; becoming effective March 2, 2021 for 10 years expiring December 31, 2031. These funds are accounted for as separate cash funds on the County's general ledger as follows: Sheriff - ST, Fair Maintenance - ST, General Gov't - ST, Jail - ST, Economic Development- ST, and Rural Fire - ST.

E. Interfund Transfers

During the fiscal year, the County made the following transfers between cash funds:

- \$423 was transferred from the COVID Aid and Relief fund to the County General fund, for the purpose of closing the COVID Aid and Relief fund.
- \$29,143 was transferred from the Coronavirus Emergency Supplemental Grant fund to the Use Tax - ST fund, for the purpose of reimbursement of expenses incurred during the COVID pandemic allowed by federal grant guidelines.

SUPPLEMENTARY INFORMATION

COMANCHE COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund		
	Budget	Actual	Variance
District Attorney - State	\$ 25,000	\$ 25,000	\$ -
County Sheriff	2,206,552	2,206,448	104
County Treasurer	333,988	314,801	19,187
County Commissioners	507,182	488,594	18,588
OSU Extension	154,100	151,670	2,430
County Clerk	667,334	665,737	1,597
Court Clerk	852,299	791,840	60,459
County Assessor	426,014	418,798	7,216
Revaluation of Real Property	768,369	754,952	13,417
Juvenile Shelter Bureau: Detention	507,945	469,915	38,030
General Government	4,300,243	1,733,685	2,566,558
Excise - Equalization Board	8,000	5,970	2,030
County Election Expense	213,513	194,507	19,006
E-911	512,083	512,083	-
Emergency Management	139,458	139,458	-
Charity	4,000	2,250	1,750
County Audit Budget	78,299	78,299	-
Free Fair Budget Account	326,126	326,126	-
Library Budget	55,000	55,000	-
County Hospital	195,747	195,747	-
Juvenile Detention Center	285,427	284,439	988
Total Expenditures, Budgetary Basis	<u>\$ 12,566,679</u>	<u>\$ 9,815,319</u>	<u>\$ 2,751,360</u>

COMANCHE COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—HEALTH FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Health Fund		
	Budget	Actual	Variance
Health and Welfare	\$ 4,295,110	\$ 1,950,776	\$ 2,344,334
Total Expenditures, Budgetary Basis	\$ 4,295,110	\$ 1,950,776	\$ 2,344,334

**COMANCHE COUNTY, OKLAHOMA
NOTE TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

1. Budgetary Schedules

The Comparative Schedules of Expenditures—Budget and Actual—Budgetary Basis for the General Fund and the Health Fund presents comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Statement of Receipts, Disbursements, and Changes in Cash Balances 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.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Pass-Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through the Oklahoma Department of Education:				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A		\$ 18,361
National School Lunch Program	10.555	N/A		39,355
Total U.S. Department of Agriculture				<u>57,716</u>
U.S. DEPARTMENT OF INTERIOR				
Direct Grant:				
Payments in Lieu of Taxes	15.226	N/A		172,429
Total U.S. Department of Interior				<u>172,429</u>
U.S. DEPARTMENT OF JUSTICE				
Direct Grant:				
COVID-19 Coronavirus Emergency Supplemental Funding	16.034	N/A		31,849
Passed Through the Oklahoma State Bureau of Investigation:				
Missing Children's Assistance	16.543	N/A		2,367
Passed Through the Oklahoma District Attorneys Council:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAG-LLE 2021		7,615
Total U.S. Department of Justice				<u>41,831</u>
U.S. DEPARTMENT OF TREASURY				
Direct Grant:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 404,258	1,866,073
Total U.S. Department of Treasury			<u>404,258</u>	<u>1,866,073</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through the Oklahoma Department of Emergency Management:				
Emergency Management Performance Grants	97.042	EMPG-21		40,000
Total U.S. Department of Homeland Security				<u>40,000</u>
Total Expenditures of Federal Awards			<u>\$ 404,258</u>	<u>\$ 2,178,049</u>

**COMANCHE COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of Comanche County and is presented on the *cash basis of accounting*. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

Indirect Cost Rate

Comanche County has elected to not use the 10 percent de minimis cost rate allowed for by 2 CFR§ 200.414(f).

INTERNAL CONTROL AND COMPLIANCE SECTION



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*

TO THE OFFICERS OF
COMANCHE COUNTY, OKLAHOMA

We have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the total—all county funds of the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances of Comanche County, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise Comanche County’s financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated February 20, 2024.

Our report included an adverse opinion on the financial statement because the statement is prepared using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). However, our report also included our opinion that the financial statement does present fairly, in all material respects, the receipts, disbursements, and changes in cash balances – regulatory basis of the County as of and for the year ended June 30, 2022, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Comanche County’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 opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Comanche county’s internal control. Accordingly, we do not express an opinion on the effectiveness of Comanche County’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness: 2022-001.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency: 2022-002.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Comanche County's financial statement is 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 statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comanche County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Comanche County's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Comanche County's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

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.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

February 20, 2024



**Independent Auditor's Report on Compliance for Each Major Federal Program
and Report on Internal Control Over Compliance
Required by the Uniform Guidance**

TO THE OFFICERS OF
COMANCHE COUNTY, OKLAHOMA

Report on Compliance for Each Major Federal Program

Qualified Opinion

We have audited Comanche County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Comanche County's major federal program for the year ended June 30, 2022. Comanche County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Comanche County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Comanche County and to meet our other ethical responsibilities, in accordance with 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 qualified opinion on compliance for each major federal program. Our audit does not provide a legal determination of Comanche County's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds

As described in the accompanying schedule of findings and questioned costs, Comanche County did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2022-014	21.027	Coronavirus State and Local Fiscal Recovery Funds	Reporting
2022-015	21.027	Coronavirus State and Local Fiscal Recovery Funds	Subrecipient Monitoring

Compliance with such requirements is necessary, in our opinion, for Comanche County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Comanche County’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Comanche County’s compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Comanche County’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Comanche County’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Comanche County’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Comanche County’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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

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

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2022-006	21.027	Coronavirus State and Local Fiscal Recovery Funds	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance, Procurement and Suspension and Debarment, Reporting, Subrecipient Monitoring
2022-007	21.027	Coronavirus State and Local Fiscal Recovery Funds	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance, Procurement and Suspension and Debarment, Reporting, Subrecipient Monitoring

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Comanche County’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Comanche County’s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Comanche County’s response was not subjected

to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

February 20, 2024

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

SECTION 1—Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued:.....Adverse as to U.S. GAAP; unmodified as to regulatory presentation

Internal control over financial reporting:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? Yes

Noncompliance material to the financial statement noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? None Reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR § 200.516(a) of the Uniform Guidance? Yes

Identification of Major Programs

Assistance Listing Number(s)

21.027

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal
Recovery Funds

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

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

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Finding 2022-001 – Lack of County-Wide Internal Controls (Repeat Finding – 2011-001, 2012-001, 2013-001, 2014-001, 2015-001, 2016-001, 2017-001, 2018-001, 2019-001, 2020-001, 2021-001)

Condition: Through the process of gaining an understanding of the County’s internal control structure, it was noted that county-wide internal controls regarding Risk Assessment and Monitoring have not been designed.

Cause of Condition: Policies and procedures have not been designed and implemented to address Risk Assessment and Monitoring of the County.

Effect of Condition: Without an adequate system of county-wide controls, there is greater risk of a breakdown in control activities which could result in unrecorded transactions, undetected errors, or misappropriation of funds.

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that the County design and implement policies and procedures to document their internal control framework. This documentation should outline the importance of internal controls, the risk that the County has identified, the control activities established to address the risk, the steps taken to properly communicate pertinent information in a timely manner and the methodology to monitor the quality of performance over time. These procedures should be written policies and procedures and could be included in the County’s policies and procedures handbook.

Management Response:

Chairman of the Board of County Commissioners: The Board of County Commissioners will work towards assessing and identifying risks to design written county-wide controls.

Criteria: The United States Government Accountability Office’s *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

The GAO Standards – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

Definition of Internal Control

Internal control is a process effected by an entity’s oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.04 states in part:

Components, Principles, and Attributes

Control Environment - The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.

Risk Assessment - Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

Information and Communication - The quality information management and personnel communicate and use to support the internal control system.

Monitoring - Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

Finding 2022-002 – Lack of Internal Control and Noncompliance Over the Sales Tax Disbursements (Repeat Finding – 2015-002, 2016-002, 2017-002, 2018-002, 2019-002, 2020-002, 2021-002)

Condition: Based on inquiry of County Officials, observation of the sales tax disbursement process, and the audit of ten (10) sales tax disbursements, the following exceptions were noted:

- County sales tax collections are distributed directly to Comanche County Industrial Development Authority and Comanche County Emergency Management for the rural fire departments, which resulted in these sales tax disbursements not being monitored to determine they were expended in accordance with sales tax ballot.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with 68 O.S. 1370E and AG Opinion.

Effect of Condition: This condition resulted in noncompliance with state statute and AG Opinion, and could result in unrecorded transactions, misstated financials reports, undetected errors, and misappropriation of funds.

Recommendation: OSAI recommends the disbursements of County sales tax be expended in such a manner to provide assurance that expenditures are made in accordance with the purposes specified by the ballot as outlined by 68 O.S. § 1370E and AG Opinion 2014 OK AG 15.

Management Response:

Chairman of the Board of County Commissioners: Corrective action has been taken during fiscal year 2023 with regards to the Comanche County Industrial Development and the Emergency Management for the Rural Fire Departments in the disbursements of sales tax funds.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Criteria: The GAO Standards – Section 2 – Objectives of an Entity - OV2.23 states in part:

Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Further, GAO Standards – Principle 6 – Define Objectives and Risk Tolerances - 6.05 states:

Definitions of Objectives

Management considers external requirements and internal expectations when defining objectives to enable the design of internal control. Legislators, regulators, and standard setting bodies set external requirements by establishing the laws, regulations, and standards with which the entity is required to comply. Management identifies, understands, and incorporates these requirements into the entity’s objectives. Management sets internal expectations and requirements through the established standards of conduct, oversight structure, organizational structure, and expectations of competence as part of the control environment.

Title 68 O.S. § 1370E, requires the sales tax collections be deposited in the general revenue or sales tax revolving fund of the County and be used only for the purpose for which such sales tax was designated.

Further, AG opinion 2014 OK AG 15 dated 10/31/2014 states:

4. C. As the fiscal agent responsible for superintending the funds of Canadian County, the board of county commissioners is responsible to ensure that the sales tax proceeds are not intermingled and are used exclusively for the purpose expressed in the ballot measure and resolution. The board can direct that the funds be deposited in a dedicated revolving fund and not intermingled with other revenues. Okla. Const. art. X, § 19; 68 O.S. § 2011, § 1370; 19 O.S. Supp. 2013, § 339; 19 O.S. § 2011, § 345; Cavin v. Bd. of County Comm’rs, 1934 OK 245 ~ 11, 33 P.2d 477, 479.

SECTION 3—Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Finding 2022-006 – Lack of County-Wide Internal Controls Over Major Federal Program – Coronavirus State and Local Fiscal Recovery Funds

PASS-THROUGH GRANTOR: Direct Grant
FEDERAL AGENCY: U.S. Department of Treasury
ASSISTANCE LISTING: 21.027

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FEDERAL PROGRAM NAME: Coronavirus State and Local Fiscal Recovery Funds

FEDERAL AWARD YEAR: 2021

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Performance; Procurement and Suspension and Debarment; Reporting; and Subrecipient Monitoring

QUESTIONED COSTS: \$0

Condition: Through the process of gaining an understanding of the County’s internal control structure, it was noted that county-wide internal controls regarding Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been designed.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the County is in compliance with grant requirements.

Effect of Condition: Without an adequate system of county-wide controls, there is greater risk of a breakdown in control activities which could result in unrecorded transactions, undetected errors, or misappropriation of funds. Further, this condition could result in noncompliance with grant requirements and a loss of federal funds.

Recommendation: OSAI recommends that the County design and implement a system of internal control procedures to ensure compliance with grant requirements. This documentation should outline the importance of internal controls, the risk that the County has identified, the control activities established to address the risk, the steps taken to properly communicate pertinent information in a timely manner and the methodology to monitor the quality of performance over time. These procedures should be written policies and procedures and could be included in the County’s policies and procedures handbook.

Management Response:

Chairman of the Board of County Commissioners: The Board of County Commissioners will work toward assessing and identifying risks to design written county-wide controls.

Criteria: The GAO Standards – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

Definition of Internal Control

Internal control is a process effected by an entity’s oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.04 states in part:

Components, Principles, and Attributes

Control Environment - The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Risk Assessment - Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

Information and Communication - The quality information management and personnel communicate and use to support the internal control system.

Monitoring - Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

Finding 2022-007 – Lack of Internal Controls Over Major Federal Program – Coronavirus State and Local Fiscal Recovery Funds

PASS-THROUGH GRANTOR: Direct Grant

FEDERAL AGENCY: U.S. Department of Treasury

ASSISTANCE LISTING: 21.027

FEDERAL PROGRAM NAME: Coronavirus State and Local Fiscal Recovery Funds

FEDERAL AWARD YEAR: 2021

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Procurement and Suspension and Debarment; Reporting; and Subrecipient Monitoring

QUESTIONED COSTS: \$0

Condition: During the process of documenting the County’s internal controls regarding federal disbursements, we noted that Comanche County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Procurement and Suspension and Debarment; Reporting; and Subrecipient Monitoring

Cause of Condition: Policies and procedures have not been designed and implemented to ensure federal expenditures are made in accordance with federal compliance requirements.

Effect of Condition: This condition attributed to the noncompliance with grant requirements and could result in a loss of federal funds to the County.

Recommendation: OSAI recommends the County gain an understanding of requirements for these programs and implement internal control procedures to ensure compliance with requirements.

Management Response:

Chairman of the Board of County Commissioners: The Board of County Commissioners will work with all County Officials to go over all grants and federal monies that Comanche County receives to ensure that proper internal controls are implemented.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Criteria: 2 CFR § 200.303 Internal Controls (a) reads as follows:

The non-Federal entity must:

Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Further, accountability and stewardship should be overall goals in management's accounting of federal funds. Internal controls should be designed to monitor compliance with laws and regulations pertaining to grant contracts.

Finding 2022-014 – Noncompliance with Reporting Requirements Over Federal Grant – Coronavirus State and Local Fiscal Recovery Funds

PASS-THROUGH GRANTOR: Direct Grant

FEDERAL AGENCY: U.S. Department of Treasury

ASSISTANCE LISTING: 21.027

FEDERAL PROGRAM NAME: Coronavirus State and Local Fiscal Recovery Funds

FEDERAL AWARD YEAR: 2021

CONTROL CATEGORY: Reporting

QUESTIONED COSTS: \$0

Condition: The test of 100% of Coronavirus State and Local Fiscal Recovery Funds expenditures reflected that an incorrect classification category was used for contractors. The quarterly reports that were filed listed the contractors as subrecipients. Further, expenditures for federal programs were not adequately reported on the CSLFRF Compliance Reports. Federal expenditures were understated by \$221,261. The following misstatements were noted:

- The actual expenditures to vendors totaled \$161,634 and the County reported \$180,710, resulting in an overstatement of \$19,076.
- The actual expenditures to subrecipients totaled \$404,257 and the County reported \$403,909, resulting in an understatement of \$348.
- The actual expenditures paid to county employees for premium pay and employee benefits were \$1,300,148 and the County reported \$1,060,159, resulting in an understatement of \$239,989.

Reported Total Expenditures of Federal Awards	\$ 1,644,812
Add: Expenditures to Subrecipients	348
Add: Expenditures for Premium Pay	239,989
Less: Expenditures to Vendors	(19,076)
Actual Federal Expenditures of Federal Awards	1,866,073
Reporting Understated by	\$ 221,261

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Cause of Condition: Policies and procedures have not been designed and implemented to ensure federal expenditures are made in accordance with federal compliance requirements.

Effect of Condition: This condition resulted in noncompliance to grant requirements.

Recommendation: OSAI recommends the County gain an understanding of the requirements for this program and implement internal controls to ensure compliance with these requirements.

Management Response:

Chairman of the Board of County Commissioners: The Board of County Commissioners will take measures to ensure future compliance with all requirements of federal grants.

Criteria: *Coronavirus State and Local Fiscal Recovery Funds Guidance on Recipient Compliance and Reporting Responsibilities* reads as follows:

10. Reporting. All recipients of federal funds must complete financial, performance, and compliance reporting as required and outlined in Part 2 of this guidance. Expenditures may be reported on a cash or accrual basis, as long as the methodology is disclosed and consistently applied. Reporting must be consistent with the definition of expenditures pursuant to 2 CFR 200.1. Your organization should appropriately maintain accounting records for compiling and reporting accurate, compliant financial data, in accordance with appropriate accounting standards and principles.

In addition, where appropriate, your organization needs to establish controls to ensure completion and timely submission of all mandatory performance and/or compliance reporting. See Part 2 of this guidance for a full overview of recipient reporting responsibilities.

Further, *2 CFR § 200.329 Monitoring and Reporting Program Performance (c)(1)* reads as follows:

The non-Federal entity must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes. Reports submitted annually by the non-Federal entity and/or pass-through entity must be due no later than 90 calendar days after the reporting period. Reports submitted quarterly or semiannually must be due no later than 30 calendar days after the reporting period. Alternatively, the Federal awarding agency or pass-through entity may require annual reports before the anniversary dates of multiple year Federal awards. The final performance report submitted by the non-Federal entity and/or pass-through entity must be due no later than 120 calendar days after the period of performance end date. A subrecipient must submit to the pass-through entity, no later than 90 calendar days after the period of performance end date, all final performance reports as required by the terms and conditions of the Federal award. See also [§ 200.344](#). If a justified

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

request is submitted by a non-Federal entity, the Federal agency may extend the due date for any performance report.

Finding 2022-015 – Noncompliance with Subrecipient Monitoring Over Federal Grant – Coronavirus State and Local Fiscal Recovery Funds

PASS-THROUGH GRANTOR: Direct Grant

FEDERAL AGENCY: U.S. Department of Treasury

ASSISTANCE LISTING: 21.027

FEDERAL PROGRAM NAME: Coronavirus State and Local Fiscal Recovery Funds

FEDERAL AWARD YEAR: 2021

CONTROL CATEGORY: Subrecipient Monitoring

QUESTIONED COSTS: \$404,258

Condition: During our audit it was noted the County had three (3) subrecipients of the Coronavirus State and Local Fiscal Recovery Funds, in which the county does not have a subrecipient monitoring policy, and the County did not obtain subrecipient agreements comprising the following information:

- Subrecipient name.
- Subrecipient Authorized Representative and program contact information.
- Subrecipient Employee Identification Number (EIN) and DUNS number.
- Federal Award Identification Number (FAIN).
- Name of Federal Awarding Agency.
- Contact information for the official at the Federal Awarding Agency.
- Catalog of Assistance Listing (AL) number and name.
- Federal award date.
- Total amount of the federal award and Indirect Cost Rate.
- Federal award project description.
- Start and end date of the agreement.
- Amount of federal funds budgeted for the agreement and Indirect Cost Rate allowed.
- A statement that all activities must be in accordance with federal statutes, regulations, and terms and conditions of the federal award. The sub recipient should receive a copy of the award documents.
- A detailed description of any additional requirements you want the subrecipient to be responsible for such as performance and/or financial reports, attending meetings and/or trainings etc.
- A statement about the monitoring activities, such as where/when they will take place; also include a statement indicating the subrecipient will collaborate on monitoring activities including providing requested financial documents.
- A statement indicating if any of the items in the agreement change during the period of performance, the agreement will be amended.
- Provide close out terms and conditions.

In addition, it was noted the County did not verify the subrecipients were not suspended or debarred.

**COMANCHE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Further, it was noted the county expended the funds to the subrecipients before receiving the proper documentation and the county paid subrecipients \$83,546 more than documentation received.

Comanche County Fairgrounds Trust Authority	\$ 12,881
Comanche County Facilities Authority	<u>70,665</u>
Total undocumented:	<u>\$ 83,546</u>

Cause of Condition: Policies and procedures have not been designed and implemented to ensure federal expenditures are made in accordance with compliance requirements.

Effect of Condition: This condition resulted in noncompliance with grant requirements.

Recommendation: OSAI recommends the County gain an understanding of the requirements for this program and implement internal controls to ensure compliance with these requirements.

Management Response:

Chairman of the Board of County Commissioners: The Board of County Commissioners will take measures to ensure future compliance with all requirements of federal grants.

Criteria: *2 CFR 200, §200.332 Requirements for Pass-Through Entities states in part:*

All pass-through entities must:

- (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward.
- (2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.
- (5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part.
- (6) Appropriate terms and conditions concerning closeout of the subaward.

SECTION 4—This section contains certain matters not required to be reported in accordance with *Government Auditing Standards*. However, we believe these matters are significant enough to bring to management’s attention. We recommend that management consider these matters and take appropriate corrective action.

No matters were noted.

APPENDIX A

CORRECTIVE ACTION PLAN

(Prepared by County Management)



Board of County Commissioners

John O'Brien
District 1

Johnny Owens
District 2

Josh Powers
District 3

**Corrective Action Plan
in accordance with 2 CFR § 200.511c
for the fiscal year ended June 30, 2022**

Finding No.	Title (Financial) or Assistance Listings No. & Program Name (Federal)	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	Lack of County-Wide Internal Controls	The Board of County Commissioners will work towards assessing and identifying risks to establish county-wide internal controls.	07/01/2024	Johnny Owens, BOCC Chairman
2022-002	Lack of Internal Controls and Noncompliance Over Sales Tax Disbursements	The Board of County Commissioners will work to clarify expenditures of sales tax funds.	07/01/2024	Johnny Owens, BOCC Chairman
2022-006	Assistance Listing Number 21.027 County-Wide Internal Controls Over Major Federal Program – Coronavirus State and Local Fiscal Recovery Funds	We will work to implement County-Wide controls. We will implement controls to help make sure we are in compliance with all grant requirements and federal funds are expended in accordance with grant agreements and in a timely manner. We will ensure employees have the current and correct compliance supplement to work from.	07/01/2024	Johnny Owens, BOCC Chairman
2022-007	Assistance Listing Number 21.027 Internal Controls Over Major Federal Program – Coronavirus State and Local Fiscal Recovery Funds	The Board of County Commissioners will work with all County Officials to go over all grants and federal monies that Comanche County receives to ensure that proper internal controls are implemented.	07/01/2024	Johnny Owens, BOCC Chairman

2022-014	Assistance Listing Number 21.027 Noncompliance with Reporting Over Federal Grant - Coronavirus State and Local Fiscal Recovery Funds	The Board of County Commissioners will take measures to ensure future compliance with all requirements of federal grants	07/01/2024	Johnny Owens, BOCC Chairman
2022-015	Assistance Listing Number 21.027 Noncompliance With Subrecipient Monitoring Over Federal Grant - Coronavirus State and Local Fiscal Recovery Funds	The Board of County Commissioners will work with all County Officials to go over all grants. The Board of County Commissioners will take measures to ensure future compliance with all requirements of federal grants	07/01/2024	Johnny Owens, BOCC Chairman

APPENDIX B

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

(Prepared by County Management)



Board of County Commissioners

John O'Brien
District 1

Johnny Owens
District 2

Josh Powers
District 3

Summary Schedule of Prior Audit Findings in accordance with 2 CFR § 200.511b for the fiscal year ended June 30, 2022

FINANCIAL AUDIT FINDINGS

Finding 2011-001, 2012-001, 2013-001, 2014-001, 2015-001, 2016-001, 2017-001, 2018-001, 2019-001, 2020-001, 2021-001

Lack of County-Wide Internal Controls

Finding Summary: County-wide internal controls regarding Risk Assessment and Monitoring have not been designed.

Status: Corrective action has not been taken.

Finding 2016-002, 2017-002, 2018-002, 2019-002, 2020-002, 2021-002

Lack of Internal Controls and Noncompliance Over the Sales Tax Disbursement

Finding Summary: County sales tax collections are distributed directly to the Comanche County Emergency Management for the rural fire departments which resulted in the sales tax expenditures not being monitored to determine they are expended in accordance with the sales tax ballot.

Status: Corrective action has not been taken.

FEDERAL AUDIT FINDINGS

Finding 2021-006

Lack of County-Wide Internal Controls Over Major Federal Program – Coronavirus Relief Fund

Pass-Through Grantor: State of Oklahoma Office of Management Enterprise Services and Oklahoma Department of Emergency and Homeland Security

Federal Agency: U.S. Department of Treasury

Assistance Listing: 21.019

Federal Award Year: 2021

Control Category: Activities Allowed or Unallowed; Allowable Cost/Cost Principles; and Period of Performance

Questioned Cost: \$-0-

Finding Summary: County-wide internal controls regarding Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been designed.

Status: Corrective action has not been taken.

Finding 2021-007

Lack of Internal Controls Over Major Federal Program – Coronavirus Relief Fund

Pass-Through Grantor: State of Oklahoma Office of Management Enterprise Services and Oklahoma Department of Emergency and Homeland Security

Federal Agency: U. S. Department of Treasury

Assistance Listing: 20.019

Federal Program Name: Coronavirus Relief Fund

Federal Award Year: 2021

Control Category: Activities Allowed or Unallowed; Allowable Cost/Cost Principles; and Period of Performance.

Questioned Costs: \$-0-

Finding Summary: During the process of documenting the County's internal controls regarding federal disbursements, it was noted that Comanche County has not established procedures to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Cost/Cost Principles; and Period of Performance.

Status: Corrective Action has not been taken.

O·K·L·A·H·O·M·A
SAI
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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