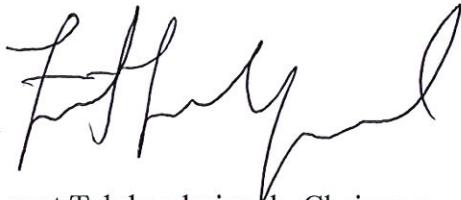


COMANCHE

February 11, 2025

Comanche Business Committee's Statement on Audit:

The Comanche Constitution, Article VI, Section 7(h) requires the Comanche Business Committee to secure and publish an audit of the Nation's financial activities in the tribal newspaper and two local newspapers. The Nation obtained from an independent auditor the following documents: (i) internal control and compliance reports (with supplementary information), (ii) audited financial statements (and supplementary information), and (iii) auditors' communication. The total volume of these documents is 55 pages. Consistent with prior years, enclosed herewith are the independent auditors' report regarding the audited financial statements, management's discussion and analysis of the audited financial statements, and schedule of findings and questioned costs. For the entire 55 pages of reports, including the complete financial statements and all supplementary information, you may submit a request under the Open Records Code.



Forrest Tahdooahnippah, Chairman
Comanche Tribal Council and
Comanche Business Committee



Independent Auditors' Report

Comanche Business Committee
Comanche Nation
Lawton, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the General Fund, each major fund, and the aggregate remaining fund information of the Comanche Nation Governmental Programs Department (the "Department") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Department'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 financial position of the governmental activities, the General Fund, each major fund, and the aggregate remaining fund information of the Department as of September 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 the Department 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 opinions.

Emphasis of Matter

As discussed in Note A, the financial statements of the Department are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, the General Fund, each major fund, and the aggregate remaining fund information of the Comanche Nation that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the Comanche Nation as of September 30, 2024, and the changes in its financial position for the year then ended in conformity with 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department'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 opinions. 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 judgment 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i. through v. be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2025, on our consideration of the Department'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 Department'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 Department's internal control over financial reporting and compliance.

Rose Rock CPAs PLLC

Edmond, Oklahoma
February 6, 2025

COMANCHE NATION GOVERNMENTAL PROGRAMS DEPARTMENT

MANAGEMENT’S DISCUSSION AND ANALYSIS

September 30, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS (“MD&A”)

The Management’s Discussion and Analysis (MD&A) of the Comanche Nation Governmental Programs Department (the “Department”), located in Lawton, Oklahoma, provides an overview and overall review of the Department’s financial activities for the year ended September 30, 2024. The intent of the MD&A is to look at the Department’s financial performance as a whole. It should, therefore, be read in conjunction with the Department’s financial statements and the notes thereto.

FINANCIAL HIGHLIGHTS

Total governmental net position increased by \$1.4 million, or 2% from the prior year. Net position classified as unrestricted represents \$39.3 million or 42% of the total governmental net position and may be used to meet the Department’s ongoing obligations to its Tribal members and creditors.

Total governmental assets decreased by \$3.9 million, or 3% from the prior year. This is primarily due to a decrease in cash and amounts due from other Comanche Nation entities, partially offset by an increase in capital assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements presented include the Department’s government-wide and fund financial statements.

Government-Wide Financial Statements: The government-wide statement of net position and statement of activities present information about the Department as a whole, divided into the following activity:

- **Governmental activities:** Most of the Department’s basic services are reported here, including the general government, public works, education, public safety, public health and welfare, culture and recreation, and environmental management. State and federal grants, gaming revenues, and taxes finance most of these activities.

The Department’s government-wide financial statements are designed to provide a broad overview of the Department’s Governmental Program finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Governmental Program’s assets and liabilities, with the difference reported as net position.

The statement of activities depicts how net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by intergovernmental revenues (governmental activities).

(Unaudited. See accompanying independent auditors’ report.)

COMANCHE NATION GOVERNMENTAL PROGRAMS DEPARTMENT

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

September 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED

Fund Statements: The accounts of the Department are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, net position, revenues, expenditures, or expenses, as appropriate.

The Department uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements help determine whether there are more or fewer financial resources that can be spent in the near future to finance the Department's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. A reconciliation is presented to facilitate this comparison between governmental programs department funds and governmental activities.

The Department maintains individual governmental funds separately. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major governmental programs department funds. The major governmental funds are the General Fund, the American Rescue Plan Fund, the Highway Planning and Construction Fund and the Local Assistance and Tribal Consistency Fund.

(Unaudited. See accompanying independent auditors' report.)

COMANCHE NATION GOVERNMENTAL PROGRAMS DEPARTMENT

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

September 30, 2024

GOVERNMENTAL PROGRAMS WIDE FINANCIAL ANALYSIS

Net Position

Following is a comparative summary of net position as of September 30, 2024 and 2023:

	Government Activities	
	2024	2023
Current and other assets	\$ 72,669,017	\$ 77,858,029
Capital assets, net	45,638,429	44,338,424
Total assets	<u>\$ 118,307,446</u>	<u>\$ 122,196,453</u>
Current and other liabilities	\$ 24,212,390	\$ 29,451,977
Long-term liabilities	678,215	736,616
Total liabilities	<u>\$ 24,890,605</u>	<u>\$ 30,188,593</u>
Net position:		
Net investment in capital assets	\$ 45,525,484	\$ 44,158,933
Restricted	8,617,579	7,594,831
Unrestricted	<u>39,273,778</u>	<u>40,254,096</u>
Total net position	<u>\$ 93,416,841</u>	<u>\$ 92,007,860</u>

For the year ended September 30, 2024, net position for the governmental activities increased by \$1.4 million. The results indicate the Department improved its financial condition from the prior year.

Net investment in capital assets reflects the Department's investment in capital assets, less any related debt used to acquire those assets that is still outstanding. As of September 30, 2024, the net investment in capital assets amounted to \$45.5 million.

The unrestricted net position of \$39.3 million at September 30, 2024 may be used to meet the Department's ongoing obligations to its Tribal members and creditors.

(Unaudited. See accompanying independent auditors' report.)

COMANCHE NATION GOVERNMENTAL PROGRAMS DEPARTMENT

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

September 30, 2024

GOVERNMENTAL PROGRAMS WIDE FINANCIAL ANALYSIS, CONTINUED

Change in Net Position

For the years ended September 30, 2024 and September 30, 2023 the net position of the Department's governmental programs department changed as follows:

	Government Activities	
	2024	2023
REVENUES		
Program Revenues		
Charges for services	\$ 1,014,997	\$ 764,868
Operating grants and contributions	25,350,370	37,083,443
Investment gain	752,781	346,823
Other	1,723,679	3,636,087
Total Revenues	<u>28,841,827</u>	<u>41,831,221</u>
EXPENSES		
Coronavirus relief	6,176,875	14,540,444
General government	26,049,243	24,117,627
Public health and welfare	10,385,838	11,928,469
Culture and recreation	3,582,935	3,833,868
Environmental management	500,387	265,857
Public safety	1,899,616	2,248,813
Education	6,749,096	6,590,536
Public works	2,911,988	2,495,373
Total Expenses	<u>58,255,978</u>	<u>66,020,987</u>
Decrease in net position before transfers	(29,414,151)	(24,189,766)
Net transfers	30,823,132	31,039,498
	<u>\$ 1,408,981</u>	<u>\$ 6,849,732</u>

The Department's governmental activities include a decrease of \$11.7 million, or 32%, in operating grants and contributions revenues and a decrease of \$8.4 million, or 58%, in Coronavirus relief expenses that were primarily due to decreased funding and expenses related to the Coronavirus pandemic. The Department's net transfers decreased by approximately \$0.2 million primarily due to decreased transfers from the Nation's gaming entities offset by decreased transfers to the Nation's Economic Development organizations.

(Unaudited. See accompanying independent auditors' report.)

COMANCHE NATION GOVERNMENTAL PROGRAMS DEPARTMENT

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

September 30, 2024

GOVERNMENTAL PROGRAMS WIDE FINANCIAL ANALYSIS, CONTINUED

Change in Net Position, Continued

The General Fund is the primary operating fund of the Department. For the year ended September 30, 2024, the General Fund's total fund balance decreased by \$0.1 million, or 0.2%.

CAPITAL ASSETS

Capital Assets: The Department's investment in capital assets for its governmental programs department as of September 30, 2024, amounted to \$45.6 million (net of accumulated depreciation and amortization). The investment in capital assets includes land, buildings, and equipment.

ECONOMIC OUTLOOK

The economy in Lawton, Oklahoma and the surrounding areas appears to be stable due to the presence of Ft. Sill and other industries. The U.S. Treasury has provided relief in the form of federal grants in recent years to assist state, local and Tribal governments in dealing with the Coronavirus pandemic. Due to considerable uncertainty, management is unable to reasonably estimate the ultimate financial impact of the pandemic.

The Department continues to look for other opportunities in the business sector to bring additional funds to the Department to serve the membership.

REQUEST FOR INFORMATION

This financial report is designed to provide our Tribal members, creditors, government and regulatory agencies with a general overview of the Department's finances and to demonstrate the Department's accountability for the money it receives. Questions about this report or requests for additional financial information should be requested from the Comanche Nation's Treasurer.

(Unaudited. See accompanying independent auditors' report.)

COMANCHE NATION GOVERNMENTAL PROGRAMS DEPARTMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2024

SECTION I--SUMMARY OF AUDITORS' RESULTS

Financial Statements

- a. Type of auditors' report issued Unmodified
- b. Internal control over financial reporting:
 - Material weaknesses identified None
 - Significant deficiency(ies) identified None reported
- c. Noncompliance material to the financial statements noted None

Federal Awards

- d. Internal control over major federal programs:
 - Material weaknesses identified None
 - Significant deficiency(ies) identified None reported
- e. Type of auditors' report issued on compliance for major programs Unmodified
- f. Any audit findings required to be reported in accordance with Section 2 CFR 200.516(a) None
- g. The federal award programs tested as major programs include:

<u>Federal Program or Cluster</u>	<u>AL Number</u>
American Rescue Plan	21.027
Indian Higher Education Grant Program	15.114
Food Distribution on Indian Reservations	10.567
Indian Health Service Behavioral Health Programs	93.654
Tribal Broadband Connectivity Program	11.029
Formula Grants for Rural Areas	20.509

- h. A threshold of \$760,511 was used to distinguish between Type A and Type B programs, as those terms are defined by the Uniform Guidance.
- i. For the year ended September 30, 2024, the Department met the criteria to be a low-risk auditee, as described by the Uniform Guidance.

COMANCHE NATION GOVERNMENTAL PROGRAMS DEPARTMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

September 30, 2024

SECTION II--FINANCIAL STATEMENT FINDINGS

Compliance Findings:

There are no findings reported under this section.

Internal Control Findings:

There are no findings reported under this section.

SECTION III--FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Compliance Findings:

There are no findings reported under this section.

Internal Control Findings:

There are no findings reported under this section.

Questioned Costs:

There are no findings reported under this section.

PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

Compliance Findings:

There are no findings reported under this section.

Internal Control Findings:

There are no findings reported under this section.

Questioned Costs:

There are no findings reported under this section.