

**TOWN OF GAGE, OKLAHOMA
GAGE, OKLAHOMA**

**AGREED UPON PROCEDURES
AND ACCOMPANYING
INDEPENDENT ACCOUNTANT'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2016**



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Members of American
Institute of Certified
Public Accountants

Members of Oklahoma
Society of Certified
Public Accountants

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Gage
Gage, Oklahoma

Trustees of the Gage Public Facilities Authority
Gage, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Management is responsible for the accompanying financials statements of The Town of Gage and the Gage Public Facilities Authority and Gage Sewer Savings Fund, which comprise the Summary of Changes in Fund Balances (Budgetary Basis) for the Town of Gage, the Gage Public Facilities Authority and the Gage Sewer Savings Fund, the Budgetary Comparison Schedule for the General Fund, and the Statement of Revenues, Expenses, and Changes in Fund Balance – Cash Basis for the Gage Public Facilities Authority and Gage Sewer Savings Fund, and the Schedule of Grants for the Town of Gage, for the fiscal year ended June 30, 2016, in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Trust's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We have performed the procedures enumerated within Appendix A and Appendix B which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town of Gage (the Town), the Gage Public Facilities Authority (GPFA), and Gage Sewer Savings Fund in meeting its financial accountability requirements as prescribed by such state laws and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2016. Management of the Town of Gage is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted

in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3.

The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in Appendix A or B, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on financial accountability and compliance with contractual requirements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



RSMeacham CPAs & Advisors
August 17, 2016

**Town of Gage, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2016**

As to the Town of Gage as of and for the fiscal year ended June 30, 2016:

- I. Prepare a schedule of changes in fund balances for each fund from the Town's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibit II. No instances of noncompliance noted.

- III. Agree the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances of noncompliance noted.

- IV. Compare the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted.

- V. Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. Compare the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VII. Compare the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VIII. For the grants received during the year, prepare a schedule of grant funds awarded, received expended and the remaining balances.

Findings: See Exhibit III.

TOWN OF GAGE, OKLAHOMA
GAGE PUBLIC FACILITIES AUTHORITY
GAGE SEWER SAVINGS FUND
SUMMARY OF CHANGES IN BUDGETARY FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Beginning of Year Fund Balance</u>	<u>Adjustments</u>	<u>Current Year Change</u>	<u>End of Year Fund Balance</u>
TOWN OF GAGE				
General Fund	\$ 503,443	\$ -	\$ (6,767)	\$ 496,676
Airport Improvement Fund	260,583	(62,843)	5,328	203,068
Municipal Court Fund	-	-	-	-
Library Fund	300	-	75	375
Cemetery Fund	35,542	-	3,106	38,648
Fire Department Fund	37,274	-	3,155	40,429
TOWN TOTAL	<u>\$ 837,142</u>	<u>\$ (62,843)</u>	<u>\$ 4,898</u>	<u>\$ 779,197</u>
GAGE PUBLIC FACILITIES AUTHORITY	\$ 353,631	\$ -	\$ 18,445	\$ 372,076
GAGE SEWER SAVINGS FUND	\$ 16,309	\$ -	\$ 1,665	\$ 17,974

**TOWN OF GAGE, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 92,300	\$ 503,443	\$ 411,143
Resources (Inflows):			
Taxes:			
Sales tax	65,000	65,112	112
Franchise tax	14,000	15,189	1,189
Cigarette tax	750	803	53
Gas Excise tax	3,250	4,290	1,040
Use tax	5,000	6,771	1,771
Other licensing and permits	-	50	50
Other taxes	1,500	1,614	114
Total Taxes	<u>89,500</u>	<u>93,830</u>	<u>4,330</u>
Intergovernmental:			
Alcoholic Beverage tax	18,000	19,532	1,532
Motor Vehicle tax	3,000	3,185	185
Other	250	364	114
Total Intergovernmental	<u>21,250</u>	<u>23,082</u>	<u>1,832</u>
Other Revenue:			
Water supply system	-	48	48
Rents	15,000	15,795	795
Royalties	250	355	105
Donations	3,000	3,566	566
Miscellaneous other revenues	3,000	3,415	415
Total Other Revenue	<u>21,250</u>	<u>23,179</u>	<u>1,929</u>
Total current year resources	<u>132,000</u>	<u>140,091</u>	<u>8,091</u>
Amounts available for appropriation	<u>224,300</u>	<u>643,534</u>	<u>419,234</u>
Charges to Appropriations (Outflows):			
General Government:			
Personal Services	75,000	18,582	(56,418)
Materials and Supplies	125,000	113,898	(11,102)
Other Services and Charges	5,000	3,217	(1,783)
Capital Outlay	5,000	-	(5,000)
Debt Service	-	-	-
Total General Government:	<u>210,000</u>	<u>135,697</u>	<u>(74,303)</u>
Transportation			
Personal Services	25,000	15,275	(9,725)
Materials and Supplies	5,000	4,946	(54)
Other Services and Charges	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
Total Transportation	<u>30,000</u>	<u>20,220</u>	<u>(9,780)</u>
Public Safety			
Personal Services	25,000	-	(25,000)
Materials and Supplies	2,500	2,055	(445)
Other Services and Charges	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
Total Public Safety	<u>27,500</u>	<u>2,055</u>	<u>(25,445)</u>
Culture and Recreation			
Personal Services	25,000	7,821	(17,179)
Materials and Supplies	12,500	12,052	(448)
Other Services and Charges	-	-	-
Capital Outlay	-	-	-
Debt Service	-	-	-
Total Culture and Recreation	<u>37,500</u>	<u>19,873</u>	<u>(17,627)</u>
Total Charges to Appropriations	<u>305,000</u>	<u>177,845</u>	<u>(127,155)</u>
Other Financing Sources (Uses)			
Interest Income	700	740	40
Gain on Sale of Assets	-	-	-
Transfers-out	(60,000)	(115,208)	(55,208)
Transfers-in	140,000	145,455	5,455
Total Other Financing Sources (Uses)	<u>80,700</u>	<u>30,987</u>	<u>(49,713)</u>
Change in Fund Balance	<u>(92,300)</u>	<u>(6,767)</u>	<u>85,533</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 496,676</u>	<u>\$ 496,676</u>

Exhibit III

TOWN OF GAGE, OKLAHOMA
 SCHEDULE OF GRANTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Grant revenue <i>Grant received from:</i>	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
OK Dept. of Ag., Food, and Forestry	2015-2016	Operational grant	4,290	4,290	4,290	-
Oklahoma Economic Development Authority	1/13/15 - 6/30/2016	Sewer lagoon	36,496	36,496	36,496	-
		Total	\$ 40,786	\$ 40,786	\$ 40,786	\$ -

See accountant's report

**Gage, Oklahoma Public Facilities Authority and
Gage Sewer Savings Fund
Procedures and Findings
For the Year Ended June 30, 2016**

As to the Gage Public Facilities Authority and Gage Sewer Savings Fund, as of and for the year ended June 30, 2016:

- I. Prepare a schedule of revenues, expenditures and changes in fund balance for each fund from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit IV. No instances of noncompliance noted.

- II. Agree the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances of noncompliance noted.

- III. Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted.

- IV. Compare the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- V. Compare the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. Compare the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

**GAGE PUBLIC FACILITIES AUTHORITY GAGE, OKLAHOMA
AND GAGE SEWER SAVINGS FUND GAGE, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

	Public Facilities Authority	Sewer Savings Fund
Operating Revenues:		
Charges for services:		
Water	\$ 60,042	\$ -
Sewer	33,212	-
Sanitation	68,426	-
Other	1,665	-
Grant Proceeds	36,496	-
Total Operating Revenues	<u>199,842</u>	<u>-</u>
Operating Expenses:		
Administration	-	-
Water	44,186	-
Sewer	105,323	-
Total Operating Expenses	<u>149,510</u>	<u>-</u>
Operating Income	\$ 50,332	\$ -
Non-Operating Revenues:		
Interest Income	11	15
Total Non-Operating Revenues	<u>11</u>	<u>15</u>
Net Income Before Contributions and Transfers	50,342	15
Transfers In	113,558	1,650
Transfers Out	(145,455)	-
Change in fund balance	\$ 18,445	\$ 1,665
Fund Balance - beginning	<u>353,631</u>	<u>16,309</u>
Fund Balance - ending	<u>\$ 372,076</u>	<u>\$ 17,974</u>