

**TOWN OF GORE, OKLAHOMA**  
**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2013**



**TOWN OF GORE, OKLAHOMA**  
**JUNE 30, 2013**

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PRZYBYSZ

& ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Corporation

## **Independent Auditor's Report**

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To the Honorable Mayor and Town Council  
Town of Gore, Oklahoma

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of Town of Gore, Oklahoma, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of Town of Gore, Oklahoma, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 31 be presented to supplement the basic financial statements. Such information, 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 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Gore, Oklahoma's basic financial statements. The schedule of governmental and non-governmental assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of governmental and non-governmental assistance is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of governmental and non-governmental assistance is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2013, on our consideration of Town of Gore, Oklahoma'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 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 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 Town of Gore, Oklahoma's internal control over financial reporting and compliance.



**Przybysz & Associates, CPAs, P.C.**  
**Fort Smith, Arkansas**  
**August 23, 2013**

***MANAGEMENT'S DISCUSSION AND ANALYSIS***

**TOWN OF GORE, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013**

The discussion and analysis of the Town of Gore, Oklahoma's financial performance provides an overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2013. It should be read in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The Town of Gore exceeded its liabilities at the close of the fiscal year ending June 30, 2013 by \$2,464,819 (net assets). Of this amount, \$675,421 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town of Gore's total net assets increased by \$121,008 for the year ended June 30, 2013.
- The Town expended a total of \$199,529 in capital assets during the year. Further detail of the amounts expended is explained later in this document.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis serves as an introduction to the Town of Gore's financial statements. The Town's financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town of Gore's finances, in a manner similar to a private-sector business. The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The Statement of Activities focuses gross and net costs of town programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

**TOWN OF GORE, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013**

**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

**Fund financial statements.** Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The Town's major governmental funds are presented in their own columns and the remaining funds are combined into a column titled "Other Nonmajor Funds." A budgetary comparison is presented for the general fund only. Statements for the Gore Public Works Authority follow the governmental funds and include net assets, revenue, expenses and changes in net assets, and cash flow.

**Notes to the financial statements.** The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Town's financial condition.

**CONDENSED FINANCIAL INFORMATION**

Condensed financial information from the statement of net assets as of June 30, 2013 and the statement of activities for the year then ended are as follows:

**Statement of Net Assets**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Current assets	\$ 327,811	\$ 456,056	\$ 783,867
Internal balances	(37,011)	37,011	0
Capital assets, net	557,988	1,282,348	1,840,336
Total assets	<u>848,788</u>	<u>1,775,415</u>	<u>2,624,203</u>
Current liabilities	57,513	59,061	116,574
Noncurrent liabilities	0	42,810	42,810
Total liabilities	<u>57,513</u>	<u>101,871</u>	<u>159,384</u>
Net assets:			
Invested in capital assets	555,311	1,234,087	1,789,398
Unrestricted	235,964	439,457	675,421
Total net assets	<u>\$ 791,275</u>	<u>\$ 1,673,544</u>	<u>\$ 2,464,819</u>

**TOWN OF GORE, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013**

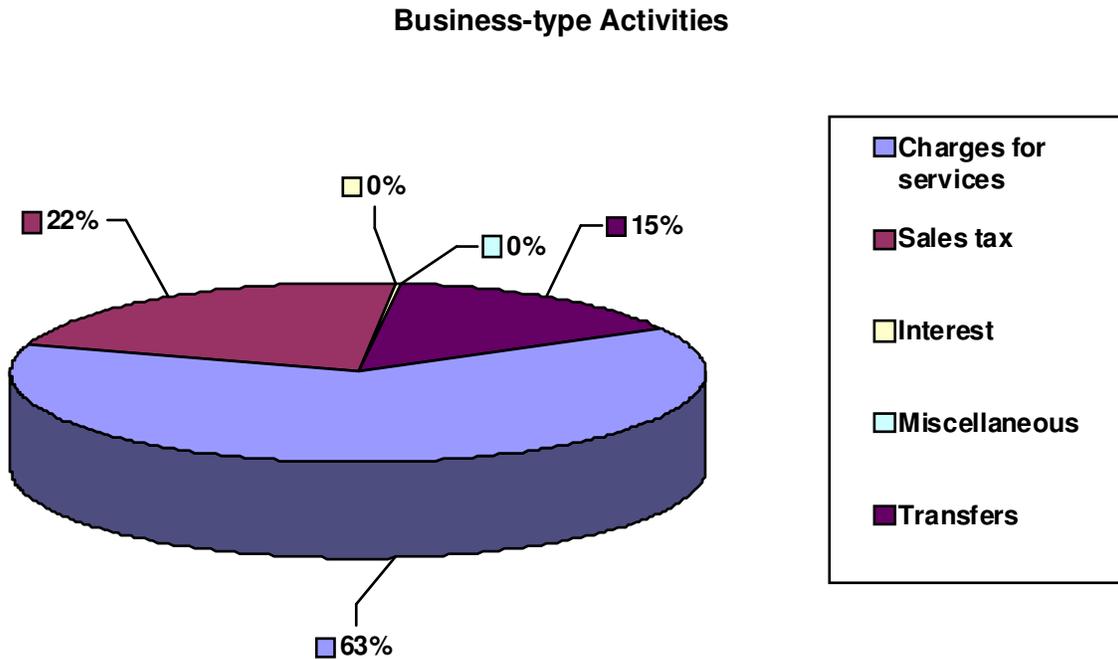
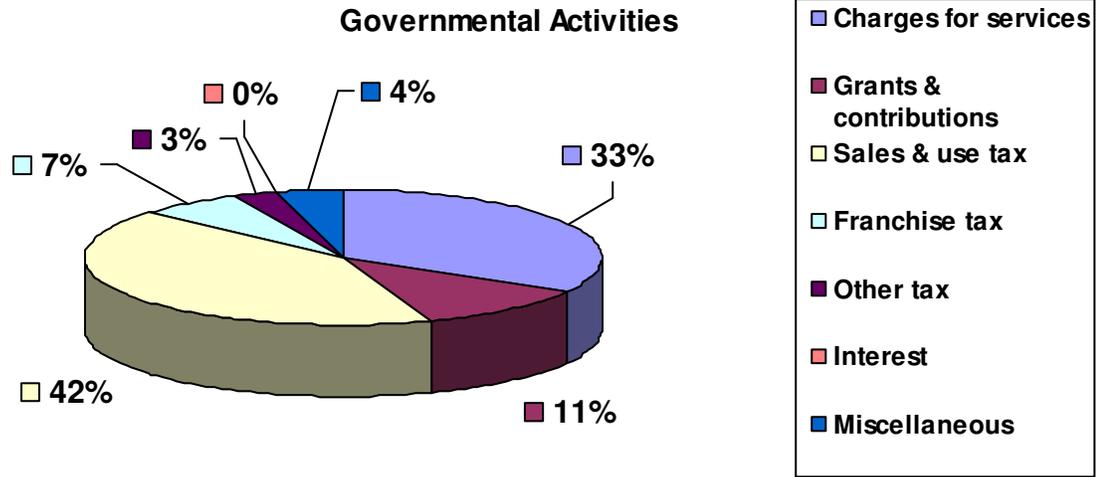
**CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**Statement of Activities**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues			
Charges for services	\$ 246,810	\$ 399,971	\$ 646,781
Grants and contributions	83,828	0	83,828
General revenues			
Taxes	380,733	138,444	519,177
Interest	158	1,229	1,387
Miscellaneous	30,110	650	30,760
Total revenues	<u>741,639</u>	<u>540,294</u>	<u>1,281,933</u>
Expenses			
General government	250,332	0	250,332
Personal services	239,020	0	239,020
Public safety	73,997	0	73,997
Street and alley	38,890	0	38,890
Parks and recreation	34,238	0	34,238
Interest on long-term debt	193	0	193
Water	0	524,255	524,255
Total expenses	<u>636,670</u>	<u>524,255</u>	<u>1,160,925</u>
Transfers	<u>(92,320)</u>	<u>92,320</u>	<u>0</u>
Change in net assets	12,649	108,359	121,008
Beginning net assets	778,626	1,565,185	2,343,811
Ending net assets	<u>\$ 791,275</u>	<u>\$ 1,673,544</u>	<u>\$ 2,464,819</u>

**TOWN OF GORE, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013**

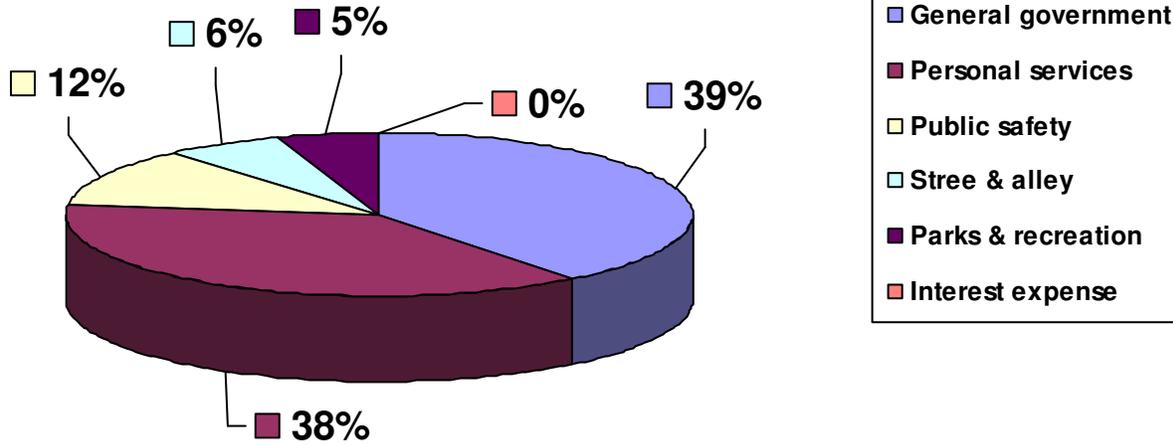
**Government-wide program and general revenues presented in a graph format**



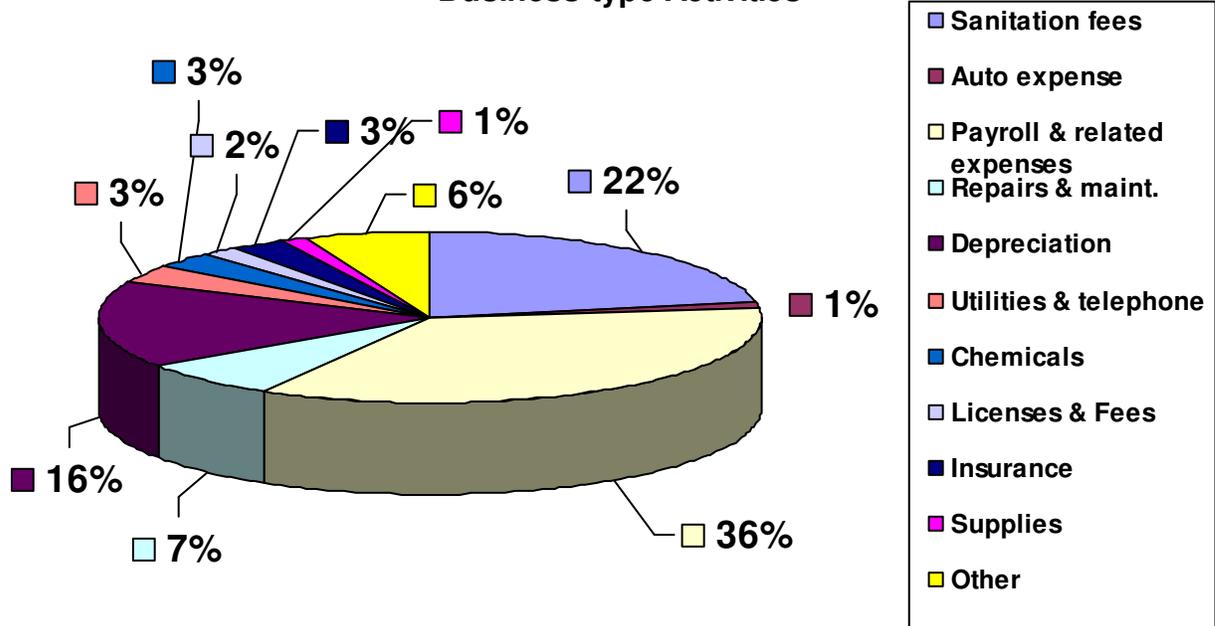
**TOWN OF GORE, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Government-wide functions, programs & expenses presented in graph format**

**Governmental Activities**



**Business-type Activities**



**TOWN OF GORE, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2013**

**BUDGETARY HIGHLIGHTS**

Compared to the Town's adopted budget, actual revenues were higher than budgeted; this was due to a combination of higher than anticipated tax, service, and grant revenues. The general fund's expenditures were higher than what was budgeted largely due to lower than anticipated capital outlays and street and alley expenditures.

**CAPITAL ASSETS**

As noted earlier the Town purchased \$199,529 in capital assets. This was comprised of \$53,600 for improvements at Ray Fine Park that consisted of bathrooms, tennis & volley ball courts, and a gazebo. Four ATVs were acquired for the fire department and police department that totaled \$11,000. Building improvements to the police station totaled \$5,990. The Public Works Authority spent \$52,632 for additions to the water plant and manhole rehabilitation, \$34,917 for a new skid steer, and \$4,890 for chain link fencing. Lastly, \$36,500 was spent to date for engineering fees on the upcoming water storage project.

**LONG-TERM DEBT**

Long-term debt activity consisted of scheduled payments made toward the loan with Armstrong Bank for the 2010 Chevrolet truck acquired in early 2010 resulting in a balance of \$2,677 as of June 30, 2013. The Public Works Authority took out a loan with Armstrong Bank for \$48,704. The proceeds, less applicable fees paid off the existing loan with Scott Financial Services and the remaining proceeds was used to acquire the new skid steer noted above. The balance of this loan was \$48,261 as of June 30, 2013. The Public Works Authority also began paying off the amount owed to the general fund of \$119,913. The payments are \$3,831 per month and the balance at June 30, 2013 was \$77,772.

**ADDITIONAL FINANCIAL INFORMATION**

This financial report is designed to provide the Town's citizens, customers, and other interested parties with an overview of the Town's financial operations and financial condition. Should the reader have questions regarding the information included in this report or need additional financial information, please contact the Town's administrator at P.O. Box 181, Gore, Oklahoma 74435.

***BASIC FINANCIAL STATEMENTS***

# TOWN OF GORE, OKLAHOMA

## STATEMENT OF NET POSITION

AS OF JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 272,542	\$ 198,941	\$ 471,483
Certificates of deposit	-	165,859	165,859
Receivables			
Franchise tax	25,349	-	25,349
Sales and use tax	25,316	25,153	50,469
Trade accounts	-	28,874	28,874
Other	11,906	-	11,906
Internal balances	(12,500)	12,500	-
Prepaid insurance	5,198	4,378	9,576
Restricted cash and cash equivalents	-	20,351	20,351
<b>Total Current Assets</b>	<b>327,811</b>	<b>456,056</b>	<b>783,867</b>
<b>Non-current Assets</b>			
Internal advances	(37,011)	37,011	-
Capital assets			
Land	-	6,500	6,500
Buildings and improvements	53,781	-	53,781
Sports complex	273,834	-	273,834
Sports complex equipment	7,990	-	7,990
Community center	327,453	-	327,453
Water plant and improvements	-	1,214,092	1,214,092
Automobiles	-	84,229	84,229
Equipment	259,345	222,661	482,006
Sewer improvements	-	678,162	678,162
Construction in process	-	36,500	36,500
Accumulated depreciation	(364,415)	(959,796)	(1,324,211)
Net capital assets	557,988	1,282,348	1,840,336
<b>Total Non-current Assets</b>	<b>520,977</b>	<b>1,319,359</b>	<b>1,840,336</b>
<b>Total Assets</b>	<b>848,788</b>	<b>1,775,415</b>	<b>2,624,203</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	46,599	28,446	75,045
Payroll withholdings	8,237	4,813	13,050
Current maturity of long-term debt	2,677	5,451	8,128
Payable from restricted assets			
Customer meter deposits	-	20,351	20,351
<b>Total Current Liabilities</b>	<b>57,513</b>	<b>59,061</b>	<b>116,574</b>
<b>Non-current liabilities</b>			
Long-term debt	-	42,810	42,810
<b>Total Non-current Liabilities</b>	<b>-</b>	<b>42,810</b>	<b>42,810</b>
<b>Total Liabilities</b>	<b>57,513</b>	<b>101,871</b>	<b>159,384</b>
<b>Net Position</b>			
Net investment in capital assets	555,311	1,234,087	1,789,398
Unrestricted	235,964	439,457	675,421
<b>Total Net Position</b>	<b>\$ 791,275</b>	<b>\$ 1,673,544</b>	<b>\$ 2,464,819</b>

See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue And Change In Net Position		
	Expenses	Charges for Services	Grants & Contributions	Governmental Activities	Business- Type Activities	Total
<b>Governmental Activities</b>						
General government	\$ 250,332	\$ 137,532	\$ 76,800	\$ (36,000)	\$ -	\$ (36,000)
Personnel services	239,020	-	-	(239,020)	-	(239,020)
Public safety	73,997	85,546	7,028	18,577	-	18,577
Street and alley	38,890	-	-	(38,890)	-	(38,890)
Parks and recreation	34,238	23,732	-	(10,506)	-	(10,506)
Interest on long-term debt	193	-	-	(193)	-	(193)
<b>Total Governmental Activities</b>	<b>636,670</b>	<b>246,810</b>	<b>83,828</b>	<b>(306,032)</b>	<b>-</b>	<b>(306,032)</b>
<b>Business-Type Activities</b>						
Water	524,255	399,971	-	-	(124,284)	(124,284)
<b>Total Business-Type Activities</b>	<b>524,255</b>	<b>399,971</b>	<b>-</b>	<b>-</b>	<b>(124,284)</b>	<b>(124,284)</b>
<b>Total</b>	<b>\$ 1,160,925</b>	<b>\$ 646,781</b>	<b>\$ 83,828</b>			

### General Revenues:

Sales and use tax	309,682	138,444	448,126
Franchise taxes and fees	50,014	-	50,014
Other taxes	21,037	-	21,037
Investment earnings	158	1,229	1,387
Gain on sale of property	7,000	-	7,000
Insurance recoveries	21,094	-	21,094
Miscellaneous	2,016	650	2,666
<b>Transfers</b>	<b>(92,320)</b>	<b>92,320</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>	<b>318,681</b>	<b>232,643</b>	<b>551,324</b>
<b>Change in Net Position</b>	<b>12,649</b>	<b>108,359</b>	<b>121,008</b>
<b>Net Position, Beginning of Year</b>	<b>778,626</b>	<b>1,565,185</b>	<b>2,343,811</b>
<b>Net Position, End of Year</b>	<b>\$ 791,275</b>	<b>\$ 1,673,544</b>	<b>\$ 2,464,819</b>

See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## BALANCE SHEET - GOVERNMENTAL FUNDS

AS OF JUNE 30, 2013				
	General	Special Revenue	Other Non-major Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 252,919	\$ 2,154	\$ 17,469	\$ 272,542
Receivables				
Franchise tax	25,349	-	-	25,349
Sales and use tax	25,316	-	-	25,316
Other	11,298	608	-	11,906
Prepaid insurance	4,099	-	1,099	5,198
Advance receivable from component unit	55,130	-	22,642	77,772
<b>Total Assets</b>	<b>374,111</b>	<b>2,762</b>	<b>41,210</b>	<b>418,083</b>
<b>Liabilities &amp; Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	31,806	-	14,793	46,599
Payroll withholdings	8,237	-	-	8,237
Due to other funds	12,500	-	-	12,500
Advance payable to component unit	114,783	-	-	114,783
<b>Total Liabilities</b>	<b>167,326</b>	<b>-</b>	<b>14,793</b>	<b>182,119</b>
<b>Fund Balances</b>				
Non-spendable	59,229	-	23,741	82,970
Assigned	76,324	-	-	76,324
Unassigned	71,232	2,762	2,676	76,670
<b>Total Fund Balances</b>	<b>206,785</b>	<b>2,762</b>	<b>26,417</b>	<b>235,964</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 374,111</b>	<b>\$ 2,762</b>	<b>\$ 41,210</b>	<b>\$ 418,083</b>

See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

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AS OF JUNE 30, 2013

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**Total Fund Balances - Governmental Funds** \$ 235,964

**Amounts reported for governmental activities in the Statement of Net  
Position are different because of the following:**

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$922,403 and the accumulated depreciation is \$364,415. 557,988

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term liabilities at year end consist of \$2,677. (2,677)

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**Total Net Position - Governmental Activities** \$ 791,275

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See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNEMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	GENERAL	SPECIAL REVENUE	OTHER NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>Revenues</b>				
Sanitation	\$ 116,023	\$ -	\$ -	\$ 116,023
Sales and use tax	309,682	-	-	309,682
Franchise taxes and fees	42,014	-	8,000	50,014
Other taxes	12,324	8,713	-	21,037
Fines	85,546	-	-	85,546
Permits and fees	1,152	-	22,732	23,884
Facility charges	9,000	-	-	9,000
Service charges	11,357	-	1,000	12,357
Grants and contributions	83,828	-	-	83,828
Miscellaneous	2,016	-	-	2,016
Interest	149	4	5	158
<b>Total Revenues</b>	<b>673,091</b>	<b>8,717</b>	<b>31,737</b>	<b>713,545</b>
<b>Expenditures</b>				
General government	236,750	-	-	236,750
Personnel services	239,020	-	-	239,020
Public safety	61,003	-	-	61,003
Street and alley	32,400	5,895	-	38,295
Parks and recreation	-	-	15,843	15,843
Capital outlay	16,990	-	53,600	70,590
Debt service:				
Principal	3,892	-	-	3,892
Interest	193	-	-	193
<b>Total Expenditures</b>	<b>590,248</b>	<b>5,895</b>	<b>69,443</b>	<b>665,586</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>82,843</b>	<b>2,822</b>	<b>(37,706)</b>	<b>47,959</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers	(85,900)	(19,000)	12,580	(92,320)
Proceeds from sale of property	-	7,000	-	7,000
Proceeds of loss recoveries	21,094	-	-	21,094
<b>Total Other Financing Sources (Uses)</b>	<b>(64,806)</b>	<b>(12,000)</b>	<b>12,580</b>	<b>(64,226)</b>
<b>Net Change in Fund Balance</b>	<b>18,037</b>	<b>(9,178)</b>	<b>(25,126)</b>	<b>(16,267)</b>
<b>Fund Balance, Beginning of Year</b>	<b>188,748</b>	<b>11,940</b>	<b>51,543</b>	<b>252,231</b>
<b>Fund Balance, End of Year</b>	<b>\$ 206,785</b>	<b>\$ 2,762</b>	<b>\$ 26,417</b>	<b>\$ 235,964</b>

See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

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FOR THE YEAR ENDED JUNE 30, 2013

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**Total Net Change in Fund Balances - Governmental Funds** \$ (16,267)

**Amounts reported for governmental activities in the Statement of  
Activities are different because of the following:**

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$70,590 exceeds depreciation expense of \$45,566 in the period. 25,024

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which long-term liabilities were reduced. 3,892

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**Change in Net Position of Governmental Activities** \$ 12,649

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See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## STATEMENT OF NET POSITION - PROPRIETARY FUNDS

<b>AS OF JUNE 30, 2013</b>	
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 198,941
Certificates of deposit	165,859
Receivables, net of allowance for doubtful accounts	
Trade accounts	28,874
Sales taxes	25,153
Due from primary government	12,500
Prepaid insurance	4,378
Restricted cash and cash equivalents	20,351
<b>Total Current Assets</b>	<b>456,056</b>
<b>Non-current Assets</b>	
Advance receivable from primary government	114,783
Capital assets	
Land	6,500
Water plant and improvements	1,214,092
Automobiles	84,229
Equipment	222,661
Sewer improvements	678,162
Construction in process	36,500
Accumulated depreciation	(959,796)
Net capital assets	1,282,348
<b>Total Non-current Assets</b>	<b>1,397,131</b>
<b>Total Assets</b>	<b>1,853,187</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Trade accounts payable	28,446
Payroll withholdings	4,813
Current maturity of long-term debt	5,451
Payable from restricted assets	
Customer meter deposits	20,351
<b>Total Current Liabilities</b>	<b>59,061</b>
<b>Non-current Liabilities</b>	
Long-term debt	42,810
Advance payable to primary government	77,772
<b>Total Non-current Liabilities</b>	<b>120,582</b>
<b>Total Liabilities</b>	<b>179,643</b>
<b>Net Position</b>	
Net investment in capital assets	1,234,087
Unrestricted	439,457
<b>Total Net Position</b>	<b>\$ 1,673,544</b>

See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

### Operating Revenues

Charges for services	\$	399,971
Sales tax revenue		138,444
Miscellaneous		650
<b>Total Operating Revenues</b>		<b>539,065</b>

### Operating Expenses

Sanitation collection fees		116,023
Supplies		6,389
Contract labor		88
Bank charges		40
Rent		3,000
Office expense		5,744
Salaries and wages		161,165
Professional fees		7,064
Chemicals		16,554
Insurance		13,412
Utilities and telephone		17,363
Licenses and fees		10,185
Repairs and maintenance		36,019
Testing expense		7,918
Auto expenses		4,447
Employee benefits		9,988
Uniforms		3,002
Payroll taxes		13,375
Travel		2,654
Miscellaneous expense		2,657
Depreciation		85,295
<b>Total Operating Expenses</b>		<b>522,382</b>

<b>Net Revenue from Operations</b>		<b>16,683</b>
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### Non-operating Revenue (Expenses)

Interest income		1,229
Interest expense		(1,873)
<b>Total Non-operating Revenue (Expenses)</b>		<b>(644)</b>

<b>Income Before Operating Transfers</b>		<b>16,039</b>
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Operating transfers		92,320
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<b>Change in Net Position</b>		<b>108,359</b>
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<b>Net Position, Beginning of Year</b>		<b>1,565,185</b>
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<b>Net Position, End of Year</b>	\$	<b>1,673,544</b>
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See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

**FOR THE YEAR ENDED JUNE 30, 2013**

### **Cash Flows from Operating Activities**

Cash received from customers	\$	400,687
Cash received from sales tax		138,903
Cash payments to suppliers for goods and services		(280,633)
Cash payments to employees		(161,165)

**Net Cash Provided by Operating Activities** 97,792

### **Cash Flows from Capital and Related Financing Activities**

Transfers		92,320
Cash used to acquire fixed assets		(94,022)
Repayment of advances from primary government		(42,141)
Principal paid on debt		(3,704)
Interest paid on debt		(1,873)

**Net Cash Used for Capital and Related Financing Activities** (49,420)

### **Cash Flows from Investing Activities**

Reinvestment of certificate of deposit earnings		(1,116)
Net activity of restricted accounts		24,216
Interest income		1,229

**Net Cash Provided by Investing Activities** 24,329

**Net Increase in Cash and Cash Equivalents** 72,701

Cash and Cash Equivalents, Beginning of Year 126,240

**Cash and Cash Equivalents, End of Year** \$ 198,941

### **Reconciliation of Operating Income to Net Cash Provided By Operating Activities**

Operating income	\$	16,683
Adjustments:		
Depreciation		85,295
Net change in assets and liabilities:		
Trade accounts receivable		441
Sales tax receivable		459
Due from primary government		(12,500)
Prepaid insurance		(1,517)
Accounts payable		11,124
Payroll withholdings		(1,818)
Customer meter deposits		(375)

**Net Cash Provided by Operating Activities** \$ 97,792

### **Supplemental Schedule of Non-cash Capital and Related Financing Activities:**

Total cost of fixed assets acquired	\$	128,939
Equipment acquired directly with loan proceeds		34,917
Fixed assets acquired with debt proceeds	\$	94,022

See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### 1. Summary of Significant Accounting Policies

#### a. Reporting Entity

Town of Gore, Oklahoma was incorporated in 1906 and operates under a statutory town form of government as directed by Title 11 of the Oklahoma statutes. The duties of the mayor are set forth in Title 11 and the Town is governed by 5 board members each representing a ward within the Town. Major operations include police and fire protection, parks and recreation, public works and general administrative services.

The financial statements of the Town have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The accompanying financial statements present the Town and its component unit (Gore Public Works Authority), an entity for which the government is considered financially accountable. A blended component unit, although a legally separate entity, is in substance, part of the government's operations and so data from this unit is included as part of the reporting entity. The Town's board members appoints the board of directors, sets the budget, and approves all significant management issues. Separate financial statements of the Authority are not issued.

#### b. Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

Government-wide financial statements report information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### 1. Summary of Significant Accounting Policies (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary, and fiduciary. Currently, the Town has only governmental and proprietary type funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements.

#### c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

Franchise taxes, sales taxes, other taxes, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### 1. Summary of Significant Accounting Policies (continued)

The Town reports the following major governmental funds:

The general fund is the Town's primary operating fund. It accounts for all financial resources of general government, except those required to be accounted for in another fund.

The special revenue funds account for revenue sources that are legally restricted to expenditures. Special revenue funds consist of the street and alley fund.

The Town reports the following non-major governmental fund:

The capital projects funds account for capital improvements to the Town. The capital projects funds consist of the parks and recreation account and the capital improvements fund.

The Town reports the following major proprietary fund:

The public works authority is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the Council is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The public works authority for the Town of Gore, Oklahoma, consists of one fund - the water department.

### d. Assets, Liabilities, and Net Position/Fund Balance

#### **Cash and Cash Equivalents**

Cash balances from all funds are pooled and invested to the extent available in certificates of deposit. For purposes of the Statement of Cash Flows, the proprietary fund considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

#### **Accounts Receivable**

Management establishes an allowance for uncollectible accounts receivable based on historical collection experience and management's evaluation of the collectability of outstanding accounts receivable. The allowance for doubtful accounts was \$7,401 at June 30, 2013.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### 1. Summary of Significant Accounting Policies (continued)

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial cost of more than \$500 and an estimated useful life in excess of two years. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of the donation.

The costs of normal maintenance and repairs that do not add to the value or capacity of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building and improvements	5-15
Sports complex	10-20
Sports complex equipment	5-7
Community center	7-40
Water plant and improvements	5-40
Automobiles	5-10
Equipment	5-10
Sewer improvements	20-40

#### Use of Estimates

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

#### Advertising

It is the policy of the Town to expense advertising expenditures as they are incurred.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### 1. Summary of Significant Accounting Policies (continued)

#### Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at year end are planned to be eliminated in the subsequent year. Long-term interfund loans are classified as "advances to/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances" or "internal advances".

#### Compensated Absences

Employee's vacation and holiday leave does not vest or accumulate and sick leave is not normally paid without an illness related absence; therefore, no accruals for compensated absences have been reflected in the accompanying financial statements.

### 2. Stewardship, Compliance and Accountability

The Town utilizes the accrual basis of accounting in the preparation of its budget. The budget data reflected in this report was taken from the budget formally enacted by the Town Council.

### 3. Bank Deposits

The Town had deposits in one area bank which were classified as follows:

<b>As of June 30, 2013</b>	<b>Book Value</b>	<b>Bank Value</b>
Town of Gore	\$ 272,542	\$ 278,867
Gore Public Works Authority checking	219,038	219,249
Gore Public Works Authority CD's	165,859	165,859
<b>Total</b>	<b>\$ 657,439</b>	<b>\$ 663,975</b>
Town of Gore/Gore Public Works Authority		
F.D.I.C. Insured checking	\$ 491,580	\$ 498,116
F.D.I.C. Insured CDs	165,859	165,859
<b>Total</b>	<b>\$ 657,439</b>	<b>\$ 663,975</b>

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### 4. Restricted Assets - Cash and Cash Equivalents

Restricted cash and cash equivalents represents amounts maintained in a separate bank account for the purpose of segregating funds received in payment of customer meter deposits.

### 5. Changes in Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2013, was as follows:

	July 1, 2012	Additions	Reductions	June 30, 2013
Capital assets, being depreciated				
Building and improvements	\$ 47,791	\$ 5,990	\$ -	\$ 53,781
Sports complex	273,834	-	-	273,834
Sports complex equipment	7,990	-	-	7,990
Community center	327,453	-	-	327,453
Ray Fine park	12,921	53,600	-	66,521
Equipment	200,724	11,000	18,900	192,824
Total capital assets, being depreciated	870,713	70,590	18,900	922,403
Less accumulated depreciation				
Building and improvements	18,260	5,046	-	23,306
Sports complex	116,411	16,052	-	132,463
Sports complex equipment	7,990	-	-	7,990
Community center	38,452	8,536	-	46,988
Ray Fine park	1,575	1,752	-	3,327
Equipment	155,061	14,180	18,900	150,341
Total accumulated depreciation	337,749	45,566	18,900	364,415
Governmental activities, capital assets, net	\$ 532,964	\$ 25,024	\$ -	\$ 557,988

Depreciation expense for governmental activities is charged to functions as follows:

General government	\$ 13,582
Public safety	12,994
Street and alley	595
Parks and recreation	18,395
Total depreciation for governmental activities	\$ 45,566

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### 5. Changes in Capital Assets (continued)

Capital asset activity for business-type activities for the year ended June 30, 2013, was as follows:

	July 1, 2012	Additions	Reductions	June 30, 2013
Capital assets, not being depreciated				
Land	\$ 6,500	\$ -	\$ -	\$ 6,500
Construction in process	-	36,500	-	36,500
Total capital assets, not being depreciated	6,500	36,500	-	43,000
Capital assets, being depreciated				
Water plant and improvements	1,187,390	26,702	-	1,214,092
Automobiles	84,229	-	-	84,229
Equipment	187,744	34,917	-	222,661
Sewer improvements	647,342	30,820	-	678,162
Total capital assets, being depreciated	2,106,705	92,439	-	2,199,144
Less accumulated depreciation				
Water plant and improvements	538,925	44,843	-	583,768
Automobiles	52,846	8,674	-	61,520
Equipment	141,629	10,590	-	152,219
Sewer improvements	141,101	21,188	-	162,289
Total accumulated depreciation	874,501	85,295	-	959,796
Total capital assets, being depreciated, net	1,232,204	7,144	-	1,239,348
Business-type activities, capital assets, net	\$ 1,238,704	\$ 43,644	\$ -	\$ 1,282,348

Depreciation expense for business-type activities totaled \$85,295, and was entirely charged to the Public Works Authority.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### 6. Long-Term Debt

In February 2010, the Town entered into a lease purchase agreement with Armstrong Bank to purchase a 2010 Chevrolet truck. Payments are made monthly in the amount of \$340.46 which includes interest of 4.00%. The loan is scheduled to mature in February 2014. The debt service requirements to maturity are as follows:

June 30,	Principal	Interest	Total
2014	\$ 2,677	\$ 40	\$ 2,717
Total	\$ 2,677	\$ 40	\$ 2,717

In May 2013, the Gore Public Works Authority entered into a loan agreement with Armstrong Bank to purchase a 2011 Case Skid Steer and payoff the loan agreement with Scott Financial Services, LLC for the purchase of a 2008 Case Excavator. Payments are made monthly in the amount of \$577.46 which includes interest of 3.23%. The loan is scheduled to mature in May 2021. The debt service requirements to maturity are as follows:

June 30,	Principal	Interest	Total
2014	\$ 5,451	\$ 1,479	\$ 6,930
2015	5,630	1,300	6,930
2016	5,814	1,116	6,930
2017	6,005	925	6,930
2018	6,202	728	6,930
2019-2023	19,159	931	20,090
Total	\$ 48,261	\$ 6,479	\$ 54,740

Activity of the long-term debt consists of the following:

As Of	July 1, 2012	Additions	Reductions	June 30, 2013
Governmental activities				
Armstrong Bank	\$ 6,569	\$ -	\$ 3,892	\$ 2,677
Water Department				
Scott Financial Services, LLC	17,029	-	17,029	-
Armstrong Bank	-	48,555	294	48,261
Total	\$ 23,598	\$ 48,555	\$ 21,215	\$ 50,938

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### 7. Inter-fund Balances and Transfers

#### Advances to/from other funds

The composition of interfund balances as of June 30, 2013, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>		
Capital Improvement Fund	Gore Public Works Authority	\$	22,642
Municipal Court Fund	Gore Public Works Authority		55,130
Gore Public Works Authority	General Fund		114,783

The amount totaling \$77,772 from the Gore Public Works Authority to the Capital Improvement Fund and the Municipal Court Fund was authorized by Town Ordinance number 07/02/91/1. The ordinance states that the loan has no stated interest rate, no set repayment plan and is unsecured. The ordinance calls for repayment of the loan through surplus funds. Total repayment on the loan amounted to \$42,141 for the year ended June 30, 2013.

The general fund also owes the water department \$12,500 of grant monies received in the current year for expenses incurred during the current year relating to the water storage project. This amount will be eliminated in the subsequent year.

#### Interfund transfers

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds			
General	\$ 31,271	\$ 117,171	\$ (85,900)
Special Revenue Funds	-	19,000	(19,000)
Other Non-major Funds	24,851	12,271	12,580
Total - Governmental Funds	<u>56,122</u>	<u>148,442</u>	<u>(92,320)</u>
Business-type Activities	92,320	-	92,320
Total	<u>\$ 148,442</u>	<u>\$ 148,442</u>	<u>\$ -</u>

Throughout the course of the year, the Town has to make occasional interfund transfers. The transfers are usually approved so that the fund receiving the money can continue to operate. During the year ended June 30, 2013, the street and alley fund transferred \$19,000 to the general fund for expenses related to street repairs. The general fund received grant monies during the year of \$67,320 which were transferred to the water department for sewer improvements and the ongoing water storage project.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### 8. Concentrations of Credit Risks

Financial instruments that potentially subject the Town and Gore Public Works Authority to credit risk consist primarily of the accounts receivable of Gore Public Works Authority. Gore Public Works Authority sells primarily to members in and around Gore, Oklahoma.

### 9. Risk Management

The Town is exposed to various levels of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance along with policies through Oklahoma Municipal Assurance Group for risk of loss.

There has been no significant reduction in the Town's insurance coverage from the previous year. In addition, there have been no settlements in excess of the Town's coverage in any of the prior three fiscal years.

### 10. Fund Balance Reporting

The Town follows GASB 54 as part of its 2012-2013 fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town does not have any non-spendable funds related to inventories or endowments.

As of June 30, 2013, fund balances of the governmental funds are classified as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### 10. Fund Balance Reporting (continued)

Committed - amounts that can be used only for specific purposes determined by a formal action of the Town. The council is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned - all other spendable amounts.

	General	Special Revenue	Other Non-major Funds	Total Governmental Funds
<b>Fund Balances</b>				
Non-spendable				
Prepays	\$ 4,099	\$ -	\$ 1,099	\$ 5,198
Receivable from component unit	55,130	-	22,642	77,772
Assigned				
Police department	60,197	-	-	60,197
Fire department	16,127	-	-	16,127
Unassigned	71,232	2,762	2,676	76,670
<b>Total Fund Balances</b>	<b>\$ 206,785</b>	<b>\$ 2,762</b>	<b>\$ 26,417</b>	<b>\$ 235,964</b>

### 11. Contingent Liabilities

The Town is a defendant in pending litigation. A judgment in the amount of \$51,724, plus interest and attorney fees totaling \$50,265 was obtained against the Town; however, the case is currently being appealed to the Supreme Court of the State of Oklahoma. As of the date the financial statements were available to be issued, the ultimate outcome of the matter was not known.

### 12. Subsequent Events

The Town has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2013 through August 23, 2013, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

***REQUIRED SUPPLEMENTARY INFORMATION***

# TOWN OF GORE, OKLAHOMA

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

**FOR THE YEAR ENDED JUNE 30, 2013**

<b>Revenues</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
Sanitation	\$ 111,000	\$ 116,023	\$ 5,023
Sales and use tax	304,000	309,682	5,682
Franchise tax	31,000	42,014	11,014
Other taxes	12,800	12,324	(476)
Fines	58,000	85,546	27,546
Permits and fees	250	1,152	902
Facility charges	9,000	9,000	-
Service charges	18,000	11,357	(6,643)
Grants and contributions	2,400	83,828	81,428
Miscellaneous	-	2,016	2,016
Interest	200	149	(51)
<b>Total Revenues</b>	<b>546,650</b>	<b>673,091</b>	<b>126,441</b>
<b>Expenditures</b>			
General government	221,820	236,750	(14,930)
Personnel services	261,000	239,020	21,980
Public safety	59,650	61,003	(1,353)
Street and alley	-	32,400	(32,400)
Capital outlay	-	16,990	(16,990)
Debt service:			
Principal	-	3,892	(3,892)
Interest	-	193	(193)
<b>Total Expenditures</b>	<b>542,470</b>	<b>590,248</b>	<b>(47,778)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>4,180</b>	<b>82,843</b>	<b>78,663</b>
<b>Total Other Financing Sources</b>	<b>-</b>	<b>(64,806)</b>	<b>(64,806)</b>
<b>Net Change in Fund Balance</b>	<b>4,180</b>	<b>18,037</b>	<b>13,857</b>
<b>Fund Balance, Beginning of Year</b>	<b>188,748</b>	<b>188,748</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ 192,928</b>	<b>\$ 206,785</b>	<b>\$ 13,857</b>

See accompanying notes and independent auditor's report.

***ADDITIONAL SUPPLEMENTARY INFORMATION***

# TOWN OF GORE, OKLAHOMA

## SCHEDULE OF GOVERNMENTAL & NON-GOVERNMENTAL ASSISTANCE

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**FOR THE YEAR ENDED JUNE 30, 2013**

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Rural Economic Action Plan grant	\$	36,500
Sewer improvements grant		40,300
Fire grant		3,583
Police grant		3,445
<b>Total</b>	<b>\$</b>	<b>83,828</b>

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### Note A - Basis of Presentation

This schedule of governmental and non-governmental assistance of Town of Gore, Oklahoma is presented on the accrual basis of accounting.

See independent auditor's report.

***ADDITIONAL REQUIRED REPORT***



PRZYBYSZ

& ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Corporation

**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***

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To the Honorable Mayor and Town Council  
Town of Gore, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of Town of Gore, Oklahoma, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Town of Gore, Oklahoma's basic financial statements, and have issued our report thereon dated August 23, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Gore Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Gore, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Gore, Oklahoma's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Town of Gore, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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



**Przybysz & Associates, CPAs, P.C.**  
**Fort Smith, Arkansas**  
**August 23, 2013**