

**TOWN OF GORE, OKLAHOMA**

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2012**



**TOWN OF GORE, OKLAHOMA**  
**JUNE 30, 2012**

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PRZYBYSZ

& ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Corporation

## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Town of Gore, Oklahoma, as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Gore, Oklahoma's management. Our responsibility is to express an opinion 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 the Town of Gore, Oklahoma, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2012, on our consideration of Town of Gore, Oklahoma's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 supplemental 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.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. 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. This information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



**Przybysz & Associates, CPAs, P.C.**  
**Fort Smith, Arkansas**  
**November 8, 2012**

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

**TOWN OF GORE, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2012**

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, 2012. 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, 2012 by \$2,343,811 (net assets). Of this amount, \$595,741 (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 \$71,503 for the year ended June 30, 2012.
- The Town expended a total of \$133,807 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 Assets 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, 2012**

**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, 2012 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	\$ 287,250	\$ 393,318	\$ 680,568
Internal balances	5,130	(5,130)	0
Capital assets, net	532,964	1,238,704	1,771,668
Total assets	<u>825,344</u>	<u>1,626,892</u>	<u>2,452,236</u>
Current liabilities	44,043	61,707	105,750
Noncurrent liabilities	2,675	0	2,675
Total liabilities	<u>46,718</u>	<u>61,707</u>	<u>108,425</u>
Net assets:			
Invested in capital assets	526,395	1,221,675	1,748,070
Unrestricted	252,231	343,510	595,741
Total net assets	<u>\$ 778,626</u>	<u>\$ 1,565,185</u>	<u>\$ 2,343,811</u>

**TOWN OF GORE, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2012**

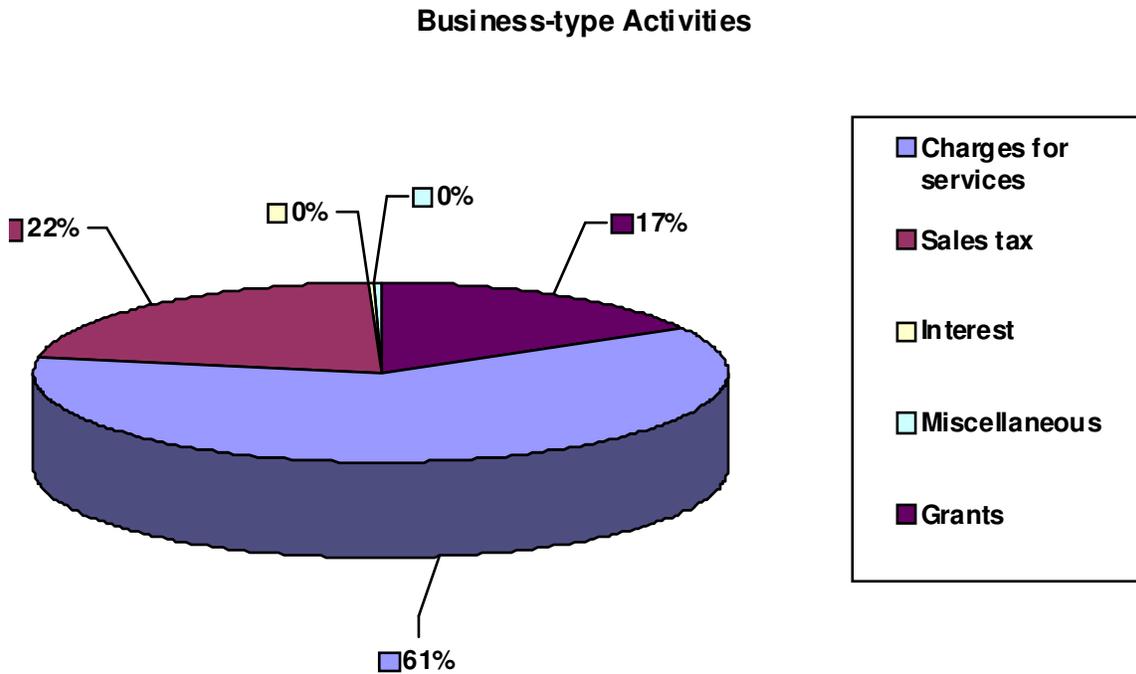
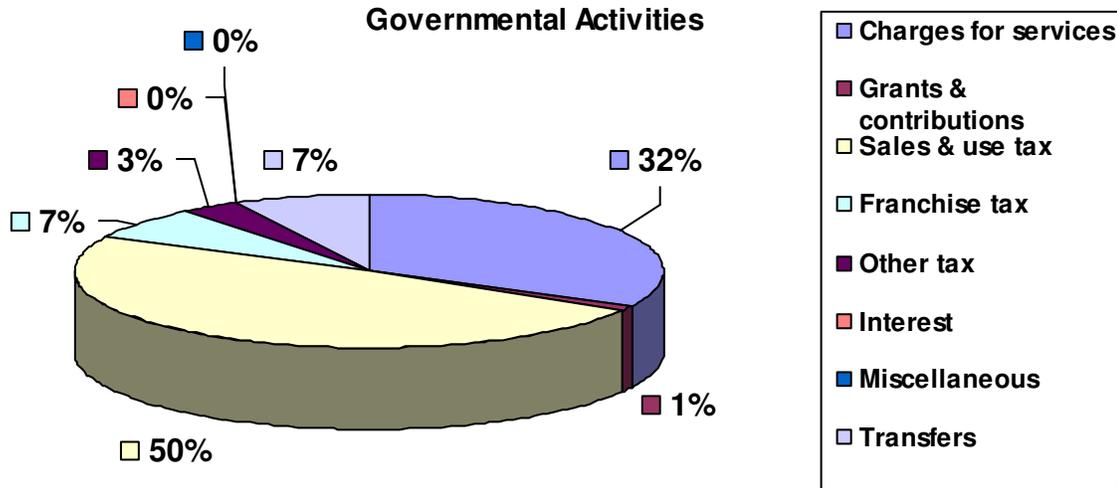
**CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**Statement of Activities**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues			
Charges for services	\$ 204,075	\$ 397,081	\$ 601,156
Grants and contributions	7,786	108,110	115,896
General revenues			
Taxes	369,123	141,352	510,475
Interest	219	1,750	1,969
Miscellaneous	717	2,406	3,123
Total revenues	<u>581,920</u>	<u>650,699</u>	<u>1,232,619</u>
Expenses			
General government	231,574	0	231,574
Personal services	241,964	0	241,964
Public safety	84,271	0	84,271
Street and alley	13,375	0	13,375
Parks and recreation	35,229	0	35,229
Interest on long-term debt	349	0	349
Water	0	554,354	554,354
Total expenses	<u>606,762</u>	<u>554,354</u>	<u>1,161,116</u>
Transfers	<u>25,000</u>	<u>(25,000)</u>	<u>0</u>
Change in net assets	158	71,345	71,503
Beginning net assets	778,468	1,493,840	2,272,308
Ending net assets	<u>\$ 778,626</u>	<u>\$ 1,565,185</u>	<u>\$ 2,343,811</u>

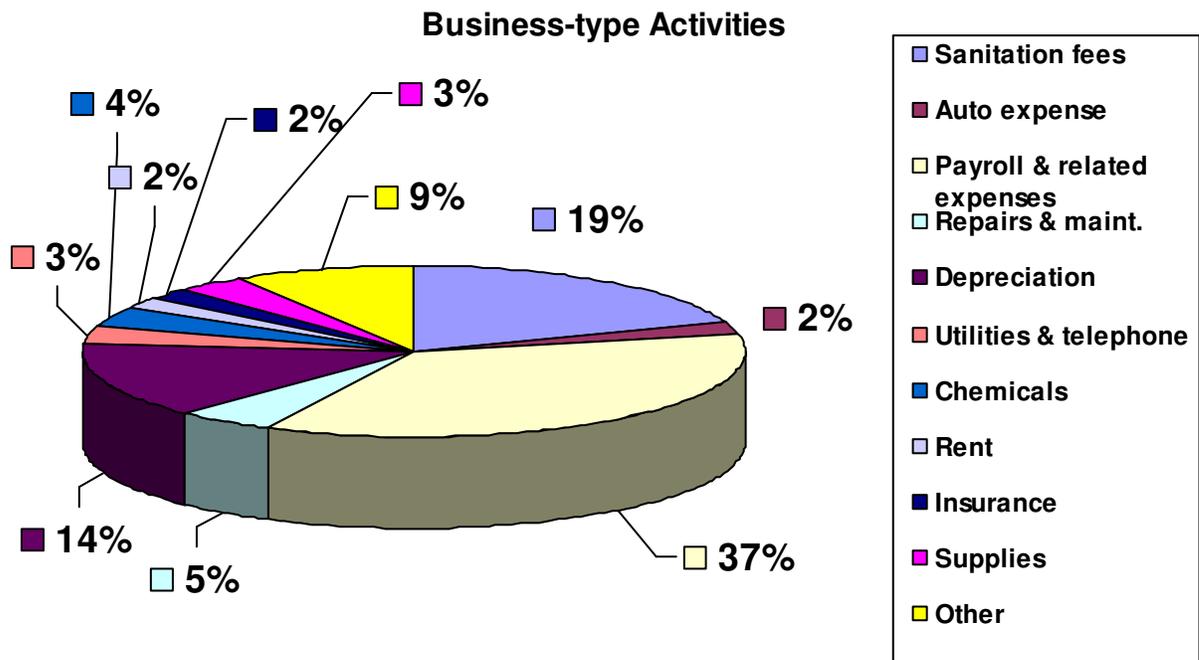
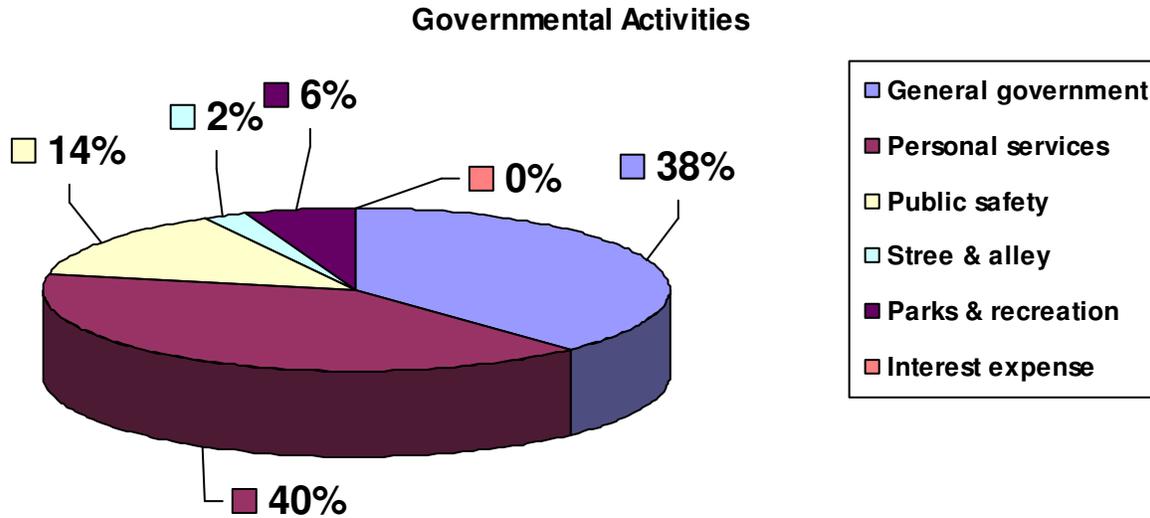
**TOWN OF GORE, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2012**

**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, 2012**

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



**TOWN OF GORE, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2012**

**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 and service revenues. The general fund's expenditures were higher than what was budgeted largely due to lower than anticipated capital outlays and public safety expenditures.

**CAPITAL ASSETS**

As noted earlier the Town purchased \$133,807 in capital assets. This was comprised of \$27,000 for a truck for the police department, \$1,650 for a new sign for the municipal building, and \$4,168 for a truck mounted salt spreader. \$10,970 was spent for 879 feet of chain link fence at the Steve Owens Sports Complex. The Public Works Authority spent \$25,713 for a new truck as well as \$3,806 for a 200 gallon sprayer. Lastly, the sewer lagoon de-sludge project was completed with current year costs totaling \$60,500. The cost of the project totaled \$147,985 and was funded with a current year CDBG grant of \$108,110.

**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 \$6,569 as of June 30, 2012. Additionally, the Public Works Authority continued scheduled payments on a loan with Scott Financial Services, LLC which financed a Case excavator resulting in a balance of \$17,029 as of June 30, 2012. Both of these loans should be paid off in fiscal year 2013.

**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 ASSETS

AS OF JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 218,755	\$ 126,240	\$ 344,995
Certificates of deposit	-	164,723	164,723
Receivables			
Franchise taxes	26,897	-	26,897
Sales taxes	25,242	25,612	50,854
Trade accounts	-	29,315	29,315
Other	11,105	-	11,105
Prepaid insurance	5,251	2,861	8,112
Restricted checking account	-	44,567	44,567
<b>Total Current Assets</b>	<b>287,250</b>	<b>393,318</b>	<b>680,568</b>
<b>Noncurrent Assets</b>			
Internal balances	5,130	(5,130)	-
Capital assets			
Land	-	6,500	6,500
Buildings and improvements	47,791	-	47,791
Sports complex	273,834	-	273,834
Sports complex equipment	7,990	-	7,990
Community center	327,453	-	327,453
Water plant and improvements	-	1,187,390	1,187,390
Automobiles	-	84,229	84,229
Equipment	213,645	187,744	401,389
Sewer improvements	-	647,342	647,342
Less accumulated depreciation	(337,749)	(874,501)	(1,212,250)
Net capital assets	532,964	1,238,704	1,771,668
<b>Total Noncurrent Assets</b>	<b>538,094</b>	<b>1,233,574</b>	<b>1,771,668</b>
<b>Total Assets</b>	<b>825,344</b>	<b>1,626,892</b>	<b>2,452,236</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	32,318	17,322	49,640
Payroll withholdings	7,831	6,631	14,462
Current maturity of long-term debt	3,894	17,029	20,923
Payable from restricted assets			
Customer meter deposits	-	20,725	20,725
<b>Total Current Liabilities</b>	<b>44,043</b>	<b>61,707</b>	<b>105,750</b>
<b>Noncurrent liabilities</b>			
Long-term debt	2,675	-	2,675
<b>Total Noncurrent Liabilities</b>	<b>2,675</b>	<b>-</b>	<b>2,675</b>
<b>Total Liabilities</b>	<b>46,718</b>	<b>61,707</b>	<b>108,425</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	526,395	1,221,675	1,748,070
Unrestricted	252,231	343,510	595,741
<b>Total Net Assets</b>	<b>\$ 778,626</b>	<b>\$ 1,565,185</b>	<b>\$ 2,343,811</b>

See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenue And Change In Net Assets		Total
	Expenses	Charges for Services	Grants & Contributions	Governmental Activities	Business- Type Activities	
<b>Governmental Activities</b>						
General government	\$ 231,574	\$ 140,474	\$ -	\$ (91,100)	\$ -	\$ (91,100)
Personal services	241,964	-	-	(241,964)	-	(241,964)
Public safety	84,271	49,246	7,786	(27,239)	-	(27,239)
Street and alley	13,375	-	-	(13,375)	-	(13,375)
Parks and recreation	35,229	14,355	-	(20,874)	-	(20,874)
Interest on long-term debt	349	-	-	(349)	-	(349)
<b>Total Governmental Activities</b>	<b>606,762</b>	<b>204,075</b>	<b>7,786</b>	<b>(394,901)</b>	<b>-</b>	<b>(394,901)</b>
<b>Business-Type Activities</b>						
Water	554,354	397,081	108,110	-	(49,163)	(49,163)
<b>Total Business-Type Activities</b>	<b>554,354</b>	<b>397,081</b>	<b>108,110</b>	<b>-</b>	<b>(49,163)</b>	<b>(49,163)</b>
<b>Total</b>	<b>\$ 1,161,116</b>	<b>\$ 601,156</b>	<b>\$ 115,896</b>			
<b>General Revenues:</b>						
Sales and use tax				305,304	141,352	446,656
Franchise taxes and fees				43,112	-	43,112
Other taxes				20,707	-	20,707
Investment earnings				219	1,750	1,969
Miscellaneous				717	2,406	3,123
<b>Transfers</b>				<b>25,000</b>	<b>(25,000)</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>				<b>395,059</b>	<b>120,508</b>	<b>515,567</b>
<b>Change in Net Assets</b>				<b>158</b>	<b>71,345</b>	<b>71,503</b>
<b>Net Assets Beginning of Year</b>				<b>778,468</b>	<b>1,493,840</b>	<b>2,272,308</b>
<b>Net Assets End of Year</b>				<b>\$ 778,626</b>	<b>\$ 1,565,185</b>	<b>\$ 2,343,811</b>

See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## BALANCE SHEET - GOVERNMENTAL FUNDS

AS OF JUNE 30, 2012				
	General	Special Revenue	Other Nonmajor Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 190,200	\$ 12,029	\$ 16,526	\$ 218,755
Receivables				
Franchise taxes	26,897	-	-	26,897
Sales taxes	25,242	-	-	25,242
Other	10,511	594	-	11,105
Prepaid insurance	4,326	-	925	5,251
Due from component unit	85,000	-	34,913	119,913
<b>Total Assets</b>	<b>\$ 342,176</b>	<b>\$ 12,623</b>	<b>\$ 52,364</b>	<b>\$ 407,163</b>
<b>Liabilities &amp; Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 30,814	\$ 683	\$ 821	\$ 32,318
Payroll withholdings	7,831	-	-	7,831
Due to component unit	114,783	-	-	114,783
<b>Total Liabilities</b>	<b>153,428</b>	<b>683</b>	<b>821</b>	<b>154,932</b>
<b>Fund Balances</b>				
Nonspendable	89,326	-	925	90,251
Assigned	47,782	-	-	47,782
Unassigned	51,640	11,940	50,618	114,198
<b>Total Fund Balances</b>	<b>188,748</b>	<b>11,940</b>	<b>51,543</b>	<b>252,231</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 342,176</b>	<b>\$ 12,623</b>	<b>\$ 52,364</b>	<b>\$ 407,163</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 ASSETS

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AS OF JUNE 30, 2012

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<b>Total Fund Balances - Governmental Funds</b>	\$	252,231
<b>Amounts reported for governmental <i>activities</i> in the statement of net assets are different because:</b>		
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 \$870,713 and the accumulated depreciation is \$337,749.		532,964
Long-term liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of \$6,569.		(6,569)
<b>Total Net Assets - Governmental Activities</b>	\$	778,626

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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 - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	GENERAL	SPECIAL REVENUE	OTHER NONMAJOR FUNDS FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>Revenues</b>				
Sanitation	\$ 109,557	\$ -	\$ -	\$ 109,557
Sales and use tax	305,304	-	-	305,304
Franchise taxes and fees	31,112	-	12,000	43,112
Other taxes	12,401	8,306	-	20,707
Fines	49,246	-	-	49,246
Permits and fees	815	-	14,355	15,170
Facility charges	9,000	-	-	9,000
Service charges	21,103	-	-	21,103
Donations and grants	7,786	-	-	7,786
Miscellaneous	617	-	100	717
Interest	190	23	6	219
<b>Total Revenues</b>	<b>547,131</b>	<b>8,329</b>	<b>26,461</b>	<b>581,921</b>
<b>Expenditures</b>				
General government	218,386	-	-	218,386
Personal services	241,964	-	-	241,964
Public safety	69,112	-	-	69,112
Street and alley	2,400	10,049	-	12,449
Parks and recreation	-	-	17,777	17,777
Capital outlays	28,650	4,168	10,970	43,788
Debt service:				
Principal	3,736	-	-	3,736
Interest	349	-	-	349
<b>Total Expenditures</b>	<b>564,597</b>	<b>14,217</b>	<b>28,747</b>	<b>607,561</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(17,466)</b>	<b>(5,888)</b>	<b>(2,286)</b>	<b>(25,640)</b>
<b>Other Financing Sources</b>				
Operating Transfers	24,236	(10,970)	11,734	25,000
<b>Total Other Financing Sources</b>	<b>24,236</b>	<b>(10,970)</b>	<b>11,734</b>	<b>25,000</b>
<b>Net Change in Fund Balance</b>	<b>6,770</b>	<b>(16,858)</b>	<b>9,448</b>	<b>(640)</b>
<b>Fund Balance at Beginning of Year</b>	<b>181,978</b>	<b>28,798</b>	<b>42,095</b>	<b>252,871</b>
<b>Fund Balance at End of Year</b>	<b>\$ 188,748</b>	<b>\$ 11,940</b>	<b>\$ 51,543</b>	<b>\$ 252,231</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, 2012

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Total Net Change in Fund Balances - Governmental Funds \$ (640)

**Amounts reported for governmental *activities* in the statement of activities are different because:**

Capital outlays are reported in governmental funds 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 depreciation expense \$46,726 exceeds capital outlays \$43,788 in the period. (2,938)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which long-term liabilities were reduced. 3,736

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**Change in Net Assets of Governmental Activities \$ 158**

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See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

<b>AS OF JUNE 30, 2012</b>	
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 126,240
Certificates of deposit	164,723
Receivables, net of allowance for doubtful accounts	
Trade accounts	29,315
Sales taxes	25,612
Prepaid insurance	2,861
Restricted checking account	44,567
<b>Total Current Assets</b>	<b>393,318</b>
<b>Noncurrent Assets</b>	
Capital assets	
Land	6,500
Water plant and improvements	1,187,390
Automobiles	84,229
Equipment	187,744
Sewer improvements	647,342
Less: accumulated depreciation	(874,501)
Net capital assets	1,238,704
<b>Total Noncurrent Assets</b>	<b>1,238,704</b>
<b>Total Assets</b>	<b>1,632,022</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Trade accounts payable	17,322
Payroll withholdings	6,631
Current maturity of long-term debt	17,029
<b>Total Current Liabilities</b>	<b>40,982</b>
<b>Current Liabilities Payable From Restricted Assets</b>	
Customer meter deposits	20,725
<b>Noncurrent liabilities</b>	
Due to primary government	5,130
<b>Total Noncurrent Liabilities</b>	<b>5,130</b>
<b>Total Liabilities</b>	<b>66,837</b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	1,221,675
Unrestricted	343,510
<b>Total Net Assets</b>	<b>\$ 1,565,185</b>

See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

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

**FOR THE YEAR ENDED JUNE 30, 2012**

### **Operating Revenues**

Charges for services	\$	397,081
Sales tax revenue		141,352
Miscellaneous		2,406
<b>Total Operating Revenues</b>		<b>540,839</b>

### **Operating Expenses**

Sanitation Collection Fees		109,557
Supplies		18,316
Contract labor		256
Advertisements		1,013
Bank charges		1,122
Rent		11,000
Office expense		16,764
Salaries and wages		176,248
Professional fees		3,984
Chemicals		21,406
Insurance		13,170
Utilities and telephone		19,665
Licenses and fees		1,973
Repairs and maintenance		29,036
Testing expense		6,083
Auto expenses		12,108
Employee benefits		10,098
Uniforms		1,271
Payroll taxes		14,288
Travel		1,889
Miscellaneous expense		4,597
Depreciation		79,263
<b>Total Operating Expenses</b>		<b>553,107</b>
<b>Net Loss from Operations</b>		<b>(12,268)</b>

### **Nonoperating Revenue (Expenses)**

CDBG grant		108,110
Operating transfers		(25,000)
Interest income		1,750
Interest expense		(1,247)
<b>Total Nonoperating Revenue (Expenses)</b>		<b>83,613</b>

<b>Change in Net Assets</b>		<b>71,345</b>
<b>Beginning of Year Net Assets</b>		<b>1,493,840</b>
<b>End of Year Net Assets</b>	\$	<b>1,565,185</b>

See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

**FOR THE YEAR ENDED JUNE 30, 2012**

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### Cash Flows from Operating Activities

Cash received from customers	\$	400,820
Cash received from sales tax		140,301
Cash payments to suppliers for goods and services		(295,384)
Cash payments to employees		(176,248)

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**Net Cash Provided by Operating Activities** 69,489

### Cash Flows from Capital and Related Financing Activities

CDBG grant		108,110
Transfers		(25,000)
Cash used to acquire fixed assets		(90,019)
Principal paid on debt		(4,753)
Interest paid on debt		(1,247)

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**Net Cash Used for Capital and Related Financing Activities** (12,909)

### Cash Flows from Investing Activities

Reinvestment of certificate of deposit earnings		(1,609)
Net activity of restricted accounts		(1,899)
Interest income		1,750

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**Net Cash Used by Investing Activities** (1,758)

**Net Increase in Cash and Cash Equivalents** 54,822

Cash and Cash Equivalents - beginning of year 71,418

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**Cash and Cash Equivalents - end of year** \$ 126,240

### Reconciliation of Operating Loss to Net Cash Provided By Operating Activities

Operating loss	\$	(12,268)
Adjustments:		
Depreciation		79,263
Net change in assets and liabilities:		
Trade accounts receivable		(692)
Sales tax receivable		(1,051)
Prepaid insurance		(288)
Accounts payable		865
Payroll withholdings		1,635
Customer meter deposits		2,025

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**Net Cash Provided by Operating Activities** \$ 69,489

See accompanying notes and independent auditor's report.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

### 1. Summary of Significant Accounting Policies

#### a. Reporting Entity

The 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 Principals (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 support.

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 Assets and the Statement of Activities.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

### 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. Nonmajor 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 with 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, 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.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

### 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 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 Assets or Equity

#### **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 \$6,378 at June 30, 2011.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

### 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 materiality extend assets lives 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	15
Sports complex	10-20
Sports complex equipment	5-7
Community center	40
Water plant and improvements	40
Automobiles	5-10
Equipment	5-10
Sewer improvements	40

#### Use of Estimates

The preparation of financial statements in conformity with accounting principals 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, 2012

### 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."

#### 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, 2012</b>	<b>Book Value</b>	<b>Bank Value</b>
Town of Gore	\$ 218,753	\$ 221,182
Gore Public Works Authority checking	170,553	171,622
Gore Public Works Authority CD's	164,723	164,723
<b>Total</b>	<b>\$ 554,029</b>	<b>\$ 557,527</b>
Town of Gore/Gore Public Works Authority		
F.D.I.C. Insured checking	\$ 389,306	\$ 392,804
F.D.I.C. Insured CDs	164,723	164,723
<b>Total</b>	<b>\$ 554,029</b>	<b>\$ 557,527</b>

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

### 4. Restricted Assets - Cash

Restricted cash represents amounts maintained in a separate bank accounts 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, 2011, was as follows:

	July 1, 2011	Additions	Reductions	June 30, 2012
Capital assets, being depreciated				
Building and improvements	\$ 46,141	\$ 1,650	\$ -	\$ 47,791
Sports complex	262,864	10,970	-	273,834
Sports complex equipment	7,990	-	-	7,990
Ray Fine park	12,921	-	-	12,921
Community center	327,453	-	-	327,453
Equipment	169,556	31,168	-	200,724
Total capital assets, being depreciated	826,925	43,788	-	870,713
Less accumulated depreciation:				
Building and improvements	13,608	4,652	-	18,260
Sports complex	101,182	15,229	-	116,411
Sports complex equipment	7,947	43	-	7,990
Ray Fine park	614	961	-	1,575
Community center	29,916	8,536	-	38,452
Equipment	137,757	17,304	-	155,061
Total accumulated depreciation	291,024	46,725	-	337,749
Governmental activities, capital assets, net	\$ 535,901	\$ (2,937)	\$ -	\$ 532,964

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

General government	\$ 13,188
Public safety	15,159
Street and alley	926
Parks and recreation	17,452
Total depreciation for governmental activities	\$ 46,725

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

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

Capital asset activity for business-type activities for the year ended June 30, 2012, was as follows:

	July 1, 2011	Additions	Reductions	June 30, 2012
<b>Capital assets, not being depreciated</b>				
Land	\$ 6,500	\$ -	\$ -	\$ 6,500
Total capital assets not being depreciated	6,500	-	-	6,500
<b>Capital assets, being depreciated</b>				
Water plant and improvements	1,126,890	60,500	-	1,187,390
Automobiles	58,516	25,713	-	84,229
Equipment	183,938	3,806	-	187,744
Sewer improvements	647,342	-	-	647,342
Total capital assets, being depreciated	2,016,686	90,019	-	2,106,705
<b>Less accumulated depreciation:</b>				
Water plant and improvements	494,887	42,675	-	537,562
Automobiles	46,744	6,102	-	52,846
Equipment	133,052	9,940	-	142,992
Sewer improvements	120,555	20,546	-	141,101
Total accumulated depreciation	795,238	79,263	-	874,501
Total capital assets, being depreciated, net	1,221,448	10,756	-	1,232,204
Business-type activities, capital assets, net	\$ 1,227,948	\$ 10,756	\$ -	\$ 1,238,704

Depreciation expense for business-type activities totaled \$71,431, and was entirely charged to the Public Works Authority.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

### 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
2013	\$ 3,894	\$ 192	\$ 4,086
2014	2,675	40	2,715
Total	\$ 6,569	\$ 232	\$ 6,801

In July 2009, the Gore Public Works Authority entered into a loan agreement with Scott Financial Services, LLC to purchase a Case excavator. Payments are made monthly in the amount of \$500 which includes interest of 6.25%. The loan is scheduled to mature in July 2012 with a balloon payment. The debt service requirements to maturity are as follows:

June 30,	Principal	Interest	Total
2013	\$ 17,029	\$ 89	\$ 17,118
Total	\$ 17,029	\$ 89	\$ 17,118

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

As Of	July 1, 2011	Additions	Reductions	June 30, 2012
Governmental activities				
Armstrong Bank	\$ 10,306	\$ -	\$ 3,737	\$ 6,569
Water Department				
Scott Financial Services, LLC	21,782	-	4,753	17,029
Total	\$ 32,088	\$ -	\$ 8,490	\$ 23,598

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

### 7. Inter-fund Balances and Transfers

#### Advances to/from other funds

The composition of interfund balances as of June 30, 2012, is as follows:

<u>Receivable Fund</u>	<u>Payable fund</u>		
Capital Improvement Fund	Gore Public Works Authority	\$	34,913
Gore Public Works Authority	General Fund		114,783
Municipal Court Fund	Gore Public Works Authority		85,000

The amount totaling \$119,913 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 \$0 for the year ended June 30, 2012.

#### Interfund transfers

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds			
General	\$ 24,236	\$ -	\$ 24,236
Other Nonmajor Funds	11,734	10,970	764
Total - Governmental Funds	<u>35,970</u>	<u>10,970</u>	<u>25,000</u>
Business-type activities	-	25,000	(25,000)
Total	<u>\$ 35,970</u>	<u>\$ 35,970</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.

### 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.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

### 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 has adopted GASB 54 as part of its 2010-2011 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 District'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 nonspendable 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 District does not have any nonspendable funds related to inventories or endowments.

As of June 30, 2012, 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.

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.

# TOWN OF GORE, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

### 10. Fund Balance Reporting (continued)

Unassigned - all other spendable amounts.

	General	Special Revenue	Other Nonmajor Funds	Total Governmental Funds
<b>Fund Balances</b>				
Nonspendable				
Prepays	\$ 4,326	\$ -	\$ 925	\$ 5,251
Receivable from component unit	85,000	-	-	85,000
Assigned				
Police department	27,606	-	-	27,606
Fire department	20,176	-	-	20,176
Unassigned	51,640	11,940	50,618	114,198
<b>Total Fund Balances</b>	<b>\$ 188,748</b>	<b>\$ 11,940</b>	<b>\$ 51,543</b>	<b>\$ 252,231</b>

### 11. Subsequent Events

The Town has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2012 through November 8, 2012, 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, 2012**

<b>Revenues</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
Sanitation	\$ 111,000	\$ 109,557	\$ (1,443)
Sales and use tax	283,000	305,304	22,304
Franchise tax	30,000	31,112	1,112
Other taxes	11,100	12,401	1,301
Fines	50,000	49,246	(754)
Permits and fees	340	815	475
Facility charges	9,500	9,000	(500)
Service charges	8,800	21,103	12,303
Donations and grants	2,400	7,786	5,386
Miscellaneous	-	617	617
Interest	200	190	(10)
<b>Total Revenues</b>	<b>506,340</b>	<b>547,131</b>	<b>40,791</b>
<b>Expenditures</b>			
General government	210,600	218,386	(7,786)
Personal services	243,000	241,964	1,036
Public safety	52,050	69,112	(17,062)
Street and alley	-	2,400	(2,400)
Capital outlays	2,000	28,650	(26,650)
Debt service:			
Principal	-	3,736	(3,736)
Interest	-	349	(349)
<b>Total Expenditures</b>	<b>507,650</b>	<b>564,597</b>	<b>(56,947)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,310)</b>	<b>(17,466)</b>	<b>(16,156)</b>
<b>Total Other Financing Sources</b>	<b>-</b>	<b>24,236</b>	<b>24,236</b>
<b>Net Change in Fund Balance</b>	<b>(1,310)</b>	<b>6,770</b>	<b>8,080</b>
<b>Fund Balance at Beginning of Year</b>	<b>181,978</b>	<b>181,978</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 180,668</b>	<b>\$ 188,748</b>	<b>\$ 8,080</b>

See accompanying notes and independent auditor's report.

***ADDITIONAL SUPPLEMENTARY INFORMATION***

# TOWN OF GORE, OKLAHOMA

## SCHEDULE OF GOVERNMENTAL & NONGOVERNMENTAL ASSISTANCE

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**FOR THE YEAR ENDED JUNE 30, 2012**

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Community Development Block Grant	\$	108,110
Police grant		4,203
<b>Total</b>	<b>\$</b>	<b>112,313</b>

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### Note A Basis Of Presentation

This schedule of governmental & non-governmental assistance of the 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

**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 the financial statements of the governmental activities, the business-type activities, each major fund, and remaining fund information of the Town of Gore, Oklahoma as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements and have issued our report thereon dated November 8, 2012. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the System is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

*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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of 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*.

This report is intended solely for the information and use of the Mayor and Town Council, management, and the State of Oklahoma and is not intended to be and should not be used by anyone other than these specified parties.



**Przybysz & Associates, CPAs, P.C.**  
**Fort Smith, Arkansas**  
**November 8, 2012**