

TOWN OF GORE, OKLAHOMA
AUDITED FINANCIAL STATEMENTS

JUNE 30, 2014



TOWN OF GORE, OKLAHOMA
JUNE 30, 2014

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PRZYBYSZ

& ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Corporation

Independent Auditor's Report

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, 2014, 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, 2014, 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.

Comparative Information

We have previously audited the Town of Gore, Oklahoma's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statement in our report dated August 23, 2013. In our opinion, the comparative information presented herein for the proprietary funds as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it was derived.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Gore, Oklahoma's basis 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 December 5, 2014, 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
December 5, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TOWN OF GORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014. 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, 2014 by \$2,315,897 (net position). Of this amount, \$727,579 (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 decreased by \$216,212 for the year ended June 30, 2014.
- The Town expended a total of \$144,098 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, 2014**

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, 2014 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	\$ 351,924	\$ 1,977,367	\$ 2,329,291
Capital assets, net	545,721	1,299,314	1,845,035
Total assets	<u>897,645</u>	<u>3,276,681</u>	<u>4,174,326</u>
Current liabilities	39,080	157,148	196,228
Noncurrent liabilities	0	1,662,201	1,662,201
Total liabilities	<u>39,080</u>	<u>1,819,349</u>	<u>1,858,429</u>
Net assets:			
Invested in capital assets	545,721	1,042,597	1,588,318
Unrestricted	312,844	414,735	727,579
Total net assets	<u>\$ 858,565</u>	<u>\$ 1,457,332</u>	<u>\$ 2,315,897</u>

**TOWN OF GORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

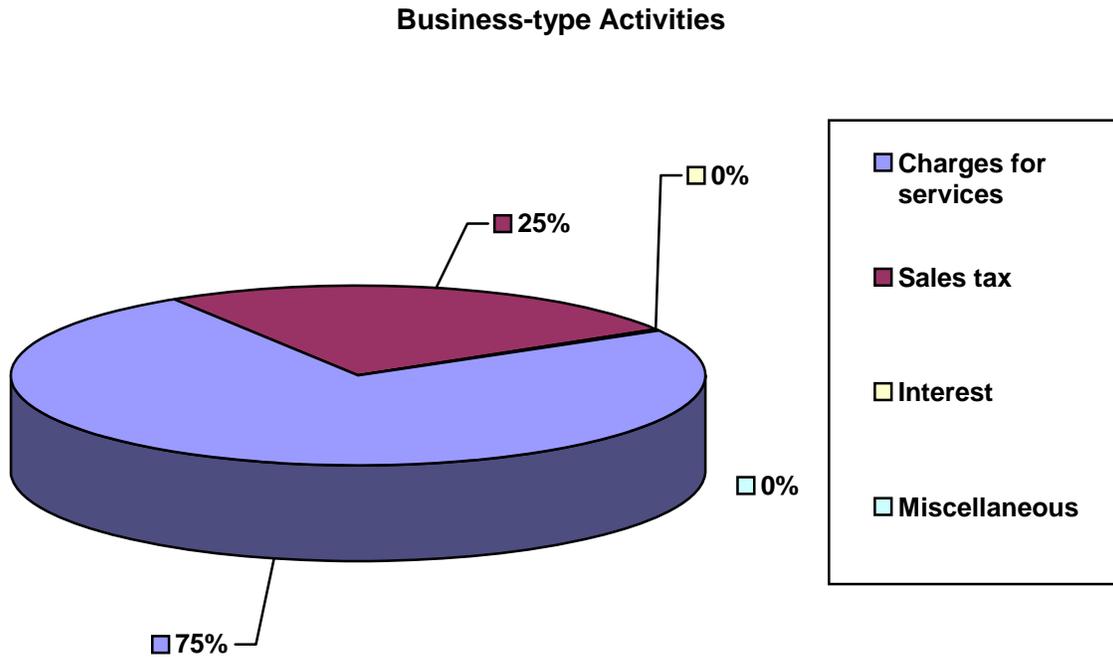
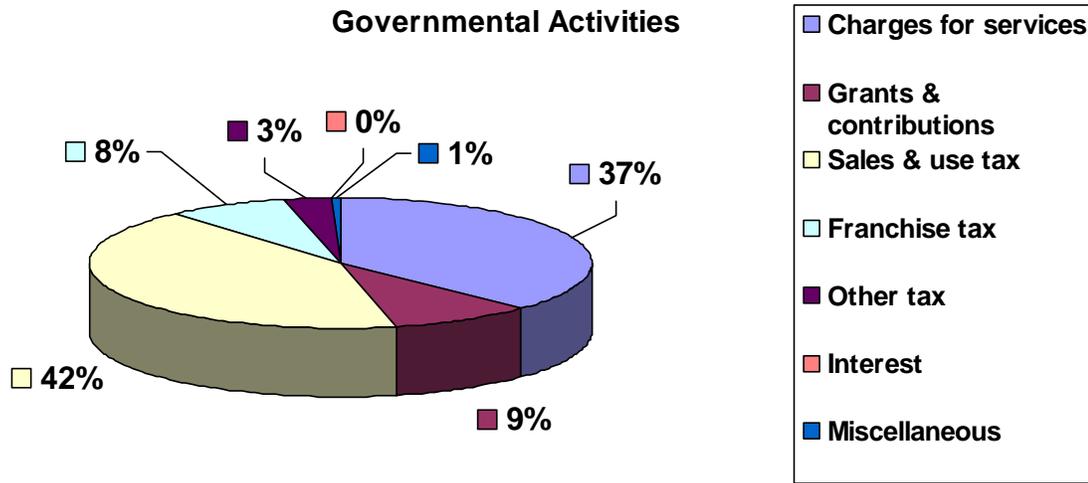
CONDENSED FINANCIAL INFORMATION (CONTINUED)

Statement of Activities

	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues			
Charges for services	\$ 265,036	\$ 411,059	\$ 676,095
Grants and contributions	65,632	0	65,632
General revenues			
Taxes	376,812	140,065	516,877
Interest	137	879	1,016
Miscellaneous	3,830	542	4,372
Total revenues	711,447	552,545	1,263,992
Expenses			
General government	274,818	0	274,818
Personal services	255,783	0	255,783
Public safety	70,139	0	70,139
Street and alley	1,198	0	1,198
Parks and recreation	42,909	0	42,909
Interest on long-term debt	41	0	41
Water	0	768,026	768,026
Total expenses	644,888	768,026	1,412,914
Transfers	731	(731)	0
Change in net assets	67,290	(216,212)	(148,922)
Beginning net assets	791,275	1,673,544	2,464,819
Ending net assets	\$ 858,565	\$ 1,457,332	\$ 2,315,897

**TOWN OF GORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

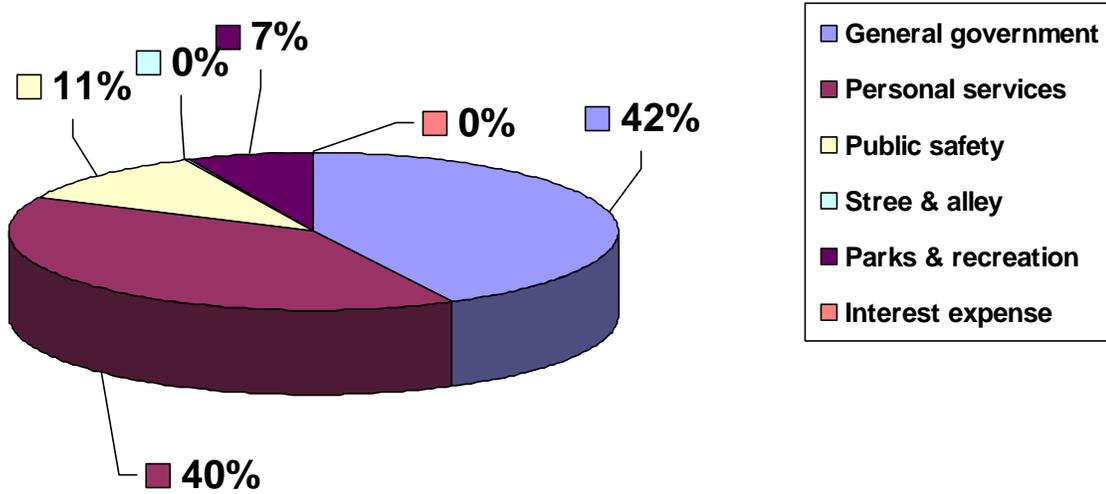
Government-wide program and general revenues presented in a graph format



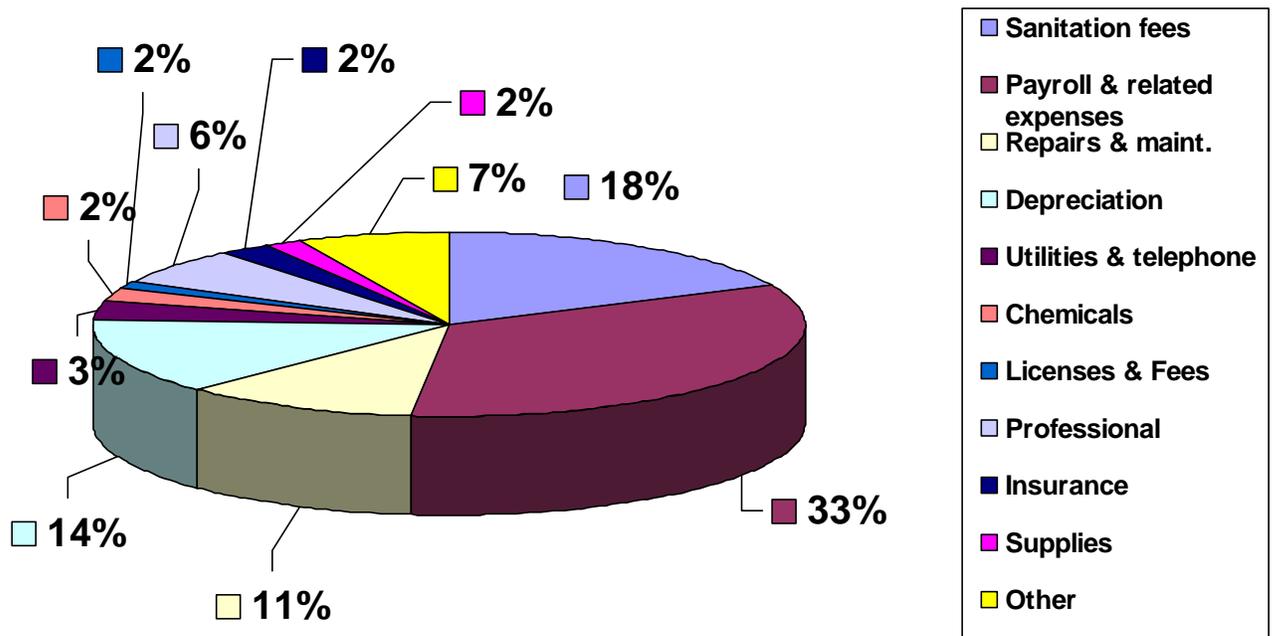
**TOWN OF GORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014**

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 franchise tax, fine revenue, and grant revenues. The general fund's expenditures were higher than what was budgeted.

CAPITAL ASSETS

As noted earlier the Town purchased \$144,098 in capital assets. This was comprised of \$25,000 for land and \$5,500 for a dump truck. Two tasers and related accessories were acquired for \$2,563 as well as miscellaneous items for \$2,300. Park equipment was acquired for \$2,241 which consisted of 4 picnic tables. The Public Works Authority spent \$2,580 for a kit for the skid steer, \$3,350 for a brush mower, \$5,130 for an equipment shed, and \$1,119 for miscellaneous equipment additions. Finally, \$94,315 was spent on engineering fees for the water treatment plant expansion project as well as capitalizing \$7,265 of accrued interest on the construction loan.

LONG-TERM DEBT

Long-term debt activity consisted of paying off the loan with Armstrong Bank for the 2010 Chevrolet truck acquired in early 2010. The loan with Armstrong Bank that the Public Works Authority is paying on that was used to acquire a skid steer ended with a balance of \$42,930. In May, the Public Works Authority issued a loan referred to as the Sales Tax Revenue Note, Series 2014 for \$1,710,000. After loan issuance fees of \$105,200, the Authority netted \$1,604,800 to be used toward the water treatment plant expansion project.

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, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 278,857	\$ 261,741	\$ 540,598
Certificates of deposit	-	110,608	110,608
Receivables			
Franchise tax	26,895	-	26,895
Sales and use tax	29,035	24,254	53,289
Trade accounts	-	36,906	36,906
Other	11,137	-	11,137
Prepaid insurance	6,000	3,395	9,395
Restricted cash and cash equivalents	-	1,540,463	1,540,463
Total Current Assets	351,924	1,977,367	2,329,291
Non-current Assets			
Capital assets			
Land	25,000	6,500	31,500
Buildings and improvements	56,081	-	56,081
Transportation and equipment	5,500	-	5,500
Sports complex	273,834	-	273,834
Sports complex equipment	7,990	-	7,990
Community center	327,453	-	327,453
Water plant and improvements	-	1,219,222	1,219,222
Automobiles	-	84,229	84,229
Equipment	264,149	229,710	493,859
Sewer improvements	-	678,162	678,162
Construction in process	-	130,815	130,815
Accumulated depreciation	(414,286)	(1,049,324)	(1,463,610)
Net capital assets	545,721	1,299,314	1,845,035
Total Non-current Assets	545,721	1,299,314	1,845,035
Total Assets	897,645	3,276,681	4,174,326
Liabilities			
Current Liabilities			
Accounts payable	31,551	32,927	64,478
Payroll withholdings	7,529	5,827	13,356
Interest payable	-	7,265	7,265
Current maturity of long-term debt	-	90,629	90,629
Payable from restricted assets			
Customer meter deposits	-	20,500	20,500
Total Current Liabilities	39,080	157,148	196,228
Non-current liabilities			
Long-term debt	-	1,662,201	1,662,201
Total Non-current Liabilities	-	1,662,201	1,662,201
Total Liabilities	39,080	1,819,349	1,858,429
Net Position			
Net investment in capital assets	545,721	1,042,597	1,588,318
Unrestricted	312,844	414,735	727,579
Total Net Position	\$ 858,565	\$ 1,457,332	\$ 2,315,897

See accompanying notes and independent auditor's report.

TOWN OF GORE, OKLAHOMA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue And Change In Net Position	
	Expenses	Charges for Services	Grants & Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities						
General government	\$ 274,818	\$ 144,250	\$ 58,000	\$ (72,568)	\$ -	\$ (72,568)
Personnel services	255,783	-	-	(255,783)	-	(255,783)
Public safety	70,139	100,236	7,632	37,729	-	37,729
Street and alley	1,198	-	-	(1,198)	-	(1,198)
Parks and recreation	42,909	20,550	-	(22,359)	-	(22,359)
Interest on long-term debt	41	-	-	(41)	-	(41)
Total Governmental Activities	644,888	265,036	65,632	(314,220)	-	(314,220)
Business-Type Activities						
Water	768,026	411,059	-	-	(356,967)	(356,967)
Total Business-Type Activities	768,026	411,059	-	-	(356,967)	(356,967)
Total	\$ 1,412,914	\$ 676,095	\$ 65,632			
General Revenues:						
Sales and use tax				300,315	140,065	440,380
Franchise taxes and fees				55,325	-	55,325
Other taxes				21,172	-	21,172
Investment earnings				137	879	1,016
Insurance recoveries				2,018	-	2,018
Miscellaneous				1,812	542	2,354
Transfers				731	(731)	-
Total General Revenues and Transfers				381,510	140,755	522,265
Change in Net Position				67,290	(216,212)	(148,922)
Net Position, Beginning of Year				791,275	1,673,544	2,464,819
Net Position, End of Year				\$ 858,565	\$ 1,457,332	\$ 2,315,897

See accompanying notes and independent auditor's report.

TOWN OF GORE, OKLAHOMA

BALANCE SHEET - GOVERNMENTAL FUNDS

AS OF JUNE 30, 2014

	General	Special Revenue	Other Non-major Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 238,893	\$ 23,098	\$ 16,866	\$ 278,857
Receivables				
Franchise tax	26,895	-	-	26,895
Sales and use tax	29,035	-	-	29,035
Other	10,551	586	-	11,137
Prepaid insurance	4,754	-	1,246	6,000
Advance receivable from component unit	-	-	525	525
Total Assets	310,128	23,684	18,637	352,449
Liabilities & Fund Balances				
Liabilities				
Accounts payable	31,176	-	375	31,551
Payroll withholdings	7,529	-	-	7,529
Due to other funds	525	-	-	525
Advance payable to component unit	-	-	-	-
Total Liabilities	39,230	-	375	39,605
Fund Balances				
Non-spendable	4,754	-	1,771	6,525
Assigned	106,572	-	-	106,572
Unassigned	159,572	23,684	16,491	199,747
Total Fund Balances	270,898	23,684	18,262	312,844
Total Liabilities and Fund Balances	\$ 310,128	\$ 23,684	\$ 18,637	\$ 352,449

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

AS OF JUNE 30, 2014

Total Fund Balances - Governmental Funds \$ 312,844

**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 \$960,007 and the accumulated depreciation is \$414,286. 545,721

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. -

Total Net Position - Governmental Activities \$ 858,565

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, 2014

	GENERAL	SPECIAL REVENUE	OTHER NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues				
Sanitation	\$ 119,997	\$ -	\$ -	\$ 119,997
Sales and use tax	300,315	-	-	300,315
Franchise taxes and fees	55,325	-	-	55,325
Other taxes	12,155	9,017	-	21,172
Fines	99,476	-	-	99,476
Permits and fees	630	-	20,550	21,180
Facility charges	7,500	-	-	7,500
Service charges	16,883	-	-	16,883
Grants and contributions	65,632	-	-	65,632
Miscellaneous	1,812	-	-	1,812
Interest	124	8	5	137
Total Revenues	679,849	9,025	20,555	709,429
Expenditures				
General government	260,716	-	-	260,716
Personnel services	255,783	-	-	255,783
Public safety	55,521	-	-	55,521
Street and alley	-	603	-	603
Parks and recreation	-	-	22,352	22,352
Capital outlay	35,364	-	2,241	37,605
Debt service:				
Principal	2,677	-	-	2,677
Interest	41	-	-	41
Total Expenditures	610,102	603	24,593	635,298
Excess of Revenues Over (Under) Expenditures	69,747	8,422	(4,038)	74,131
Other Financing Sources (Uses)				
Operating transfers	(7,652)	12,500	(4,117)	731
Proceeds of loss recoveries	2,018	-	-	2,018
Total Other Financing Sources (Uses)	(5,634)	12,500	(4,117)	2,749
Net Change in Fund Balance	64,113	20,922	(8,155)	76,880
Fund Balance, Beginning of Year	206,785	2,762	26,417	235,964
Fund Balance, End of Year	\$ 270,898	\$ 23,684	\$ 18,262	\$ 312,844

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

FOR THE YEAR ENDED JUNE 30, 2014

Total Net Change in Fund Balances - Governmental Funds \$ 76,880

**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 depreciation expense of \$49,872 exceeds capital outlays of \$37,605 for the period. (12,267)

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. 2,677

Change in Net Position of Governmental Activities \$ 67,290

See accompanying notes and independent auditor's report.

TOWN OF GORE, OKLAHOMA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

AS OF JUNE 30,	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	\$ 261,741	\$ 198,941
Certificates of deposit	110,608	165,859
Receivables, net of allowance for doubtful accounts		
Trade accounts	36,906	28,874
Sales taxes	24,254	25,153
Due from primary government	-	12,500
Prepaid insurance	3,395	4,378
Restricted cash and cash equivalents	1,540,463	20,351
Total Current Assets	1,977,367	456,056
Non-current Assets		
Advance receivable from primary government	-	114,783
Capital assets		
Land	6,500	6,500
Water plant and improvements	1,219,222	1,214,092
Automobiles	84,229	84,229
Equipment	229,710	222,661
Sewer improvements	678,162	678,162
Construction in process	130,815	36,500
Accumulated depreciation	(1,049,324)	(959,796)
Net capital assets	1,299,314	1,282,348
Total Non-current Assets	1,299,314	1,397,131
Total Assets	3,276,681	1,853,187
Liabilities		
Current Liabilities		
Trade accounts payable	32,927	28,446
Payroll withholdings	5,827	4,813
Interest payable	7,265	-
Current maturity of long-term debt	90,629	5,451
Payable from restricted assets		
Customer meter deposits	20,500	20,351
Total Current Liabilities	157,148	59,061
Non-current Liabilities		
Long-term debt	1,662,201	42,810
Advance payable to primary government	-	77,772
Total Non-current Liabilities	1,662,201	120,582
Total Liabilities	1,819,349	179,643
Net Position		
Net investment in capital assets	1,042,597	1,234,087
Unrestricted	414,735	439,457
Total Net Position	\$ 1,457,332	\$ 1,673,544

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 YEARS ENDED JUNE 30,	2014	2013
Operating Revenues		
Charges for services	\$ 411,059	\$ 399,971
Sales tax revenue	140,065	138,444
Miscellaneous	542	650
Total Operating Revenues	551,666	539,065
Operating Expenses		
Sanitation collection fees	119,997	116,023
Supplies	12,149	6,389
Contract labor	1,177	88
Bank charges	40	40
Rent	-	3,000
Office expense	6,024	5,744
Salaries and wages	196,277	161,165
Professional fees	40,897	7,064
Advertising and promotion	1,676	-
Chemicals	15,137	16,554
Insurance	14,784	13,412
Utilities and telephone	20,684	17,363
Licenses and fees	10,079	10,185
Repairs and maintenance	70,301	36,019
Equipment rental	4,479	-
Testing expense	11,039	7,918
Auto expenses	8,399	4,447
Employee benefits	9,444	9,988
Uniforms	6,005	3,002
Payroll taxes	16,575	13,375
Travel	2,972	2,654
Miscellaneous expense	3,665	2,657
Depreciation	89,528	85,295
Total Operating Expenses	661,328	522,382
Net Loss from Operations	(109,662)	16,683
Non-operating Revenue (Expenses)		
Interest income	879	1,229
Interest expense	(1,498)	(1,873)
Loan issue costs	(105,200)	-
Total Non-operating Revenue (Expenses)	(105,819)	(644)
Net Income (Loss) Before Operating Transfers	(215,481)	16,039
Operating transfers	(731)	92,320
Change in Net Position	(216,212)	108,359
Net Position, Beginning of Year	1,673,544	1,565,185
Net Position, End of Year	\$ 1,457,332	\$ 1,673,544

See accompanying notes and independent auditor's report.

TOWN OF GORE, OKLAHOMA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEARS ENDED JUNE 30,	2014	2013
Cash Flows from Operating Activities		
Cash received from customers	\$ 403,718	\$ 400,687
Cash received from sales tax	140,964	138,903
Cash payments to suppliers for goods and services	(369,046)	(280,633)
Cash payments to employees	(196,277)	(161,165)
Net Cash Provided (Used) By Operating Activities	(20,641)	97,792
Cash Flows from Capital and Related Financing Activities		
Cash transfers	36,280	92,320
Cash used to acquire fixed assets	(99,229)	(94,022)
Repayment of advances from primary government	12,500	(42,141)
Proceeds from issuance of sales tax loan, net of issue costs	1,604,800	-
Principal paid on debt	(5,431)	(3,704)
Interest paid on debt	(1,498)	(1,873)
Net Cash Provided (Used) For Capital and Related Financing Activities	1,547,422	(49,420)
Cash Flows from Investing Activities		
Reinvestment of certificate of deposit earnings	(747)	(1,116)
Cash from redeeming certificate of deposit	55,999	-
Net activity of restricted accounts	(1,520,112)	24,216
Interest income	879	1,229
Net Cash Provided (Used) By Investing Activities	(1,463,981)	24,329
Net Increase in Cash and Cash Equivalents	62,800	72,701
Cash and Cash Equivalents, Beginning of Year	198,941	126,240
Cash and Cash Equivalents, End of Year	\$ 261,741	\$ 198,941
Reconciliation of Operating Income to Net Cash Provided By Operating Activities		
Operating loss	\$ (109,662)	\$ 16,683
Adjustments:		
Depreciation	89,528	85,295
Net change in assets and liabilities:		
Trade accounts receivable	(8,033)	441
Sales tax receivable	899	459
Due from primary government	-	(12,500)
Prepaid insurance	983	(1,517)
Accounts payable	4,480	11,124
Payroll withholdings	1,014	(1,818)
Customer meter deposits	150	(375)
Net Cash Provided by Operating Activities	\$ (20,641)	\$ 97,792
Supplemental Schedule of Non-cash Capital and Related Financing Activities		
Total cost of fixed assets acquired	\$ 99,229	\$ 128,939
Equipment acquired directly with loan proceeds	-	34,917
Fixed assets acquired with debt proceeds	\$ 99,229	\$ 94,022

See accompanying notes and independent auditor's report.

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014

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, 2014

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 \$8,143 at June 30, 2014.

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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
Transportation and equipment	5-10
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, 2014

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:

As of June 30, 2014	Book Value	Bank Value
Town of Gore	\$ 278,857	\$ 279,327
Gore Public Works Authority checking	281,986	282,945
Gore Public Works Authority CD's	110,608	110,608
Total	\$ 671,451	\$ 672,880
Town of Gore/Gore Public Works Authority		
F.D.I.C. Insured checking	\$ 560,843	\$ 562,272
F.D.I.C. Insured CDs	110,608	110,608
Total	\$ 671,451	\$ 672,880

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

4. Restricted Assets - Cash and Cash Equivalents

Restricted cash and cash equivalents consist of the following:

As of June 30,	2014	2013
Amounts held in payment of customer meter deposits	\$ 20,500	\$ 20,351
Series 2014 loan construction fund	1,496,113	-
Series 2014 bond fund	23,850	-
Total	\$ 1,540,463	\$ 20,351

5. Changes in Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2014, was as follows:

	July 1, 2013	Additions	Reductions	June 30, 2014
Capital assets, not being depreciated				
Land	\$ -	\$ 25,000	\$ -	\$ 25,000
Total capital assets, not being depreciated	-	25,000	-	25,000
Capital assets, being depreciated				
Building and improvements	\$ 53,781	\$ 2,300	\$ -	\$ 56,081
Transportation and equipment	-	5,500	-	5,500
Sports complex	273,834	-	-	273,834
Sports complex equipment	7,990	-	-	7,990
Community center	327,453	-	-	327,453
Ray Fine park	66,521	-	-	66,521
Equipment	192,824	4,804	-	197,628
Total capital assets, being depreciated	922,403	12,604	-	935,007
Less accumulated depreciation				
Building and improvements	23,306	5,199	-	28,505
Transportation and equipment	-	367	-	367
Sports complex	132,463	15,304	-	147,767
Sports complex equipment	7,990	-	-	7,990
Community center	46,988	8,536	-	55,524
Ray Fine park	3,327	5,077	-	8,404
Equipment	150,340	15,389	-	165,729
Total accumulated depreciation	364,414	49,872	-	414,286
Governmental activities, capital assets, net	\$ 557,989	\$ (12,268)	\$ -	\$ 545,721

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

5. Changes in Capital Assets (continued)

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

General government	\$	14,102
Public safety		14,618
Street and alley		595
Parks and recreation		20,557
Total depreciation for governmental activities	\$	49,872

Capital asset activity for business-type activities for the year ended June 30, 2014, was as follows:

	July 1, 2013	Additions	Reductions	June 30, 2014
Capital assets, not being depreciated				
Land	\$ 6,500	\$ -	\$ -	\$ 6,500
Construction in process	36,500	94,315	-	130,815
Total capital assets, not being depreciated	43,000	94,315	-	137,315
Capital assets, being depreciated				
Water plant and improvements	1,214,092	5,130	-	1,219,222
Automobiles	84,229	-	-	84,229
Equipment	222,661	7,049	-	229,710
Sewer improvements	678,162	-	-	678,162
Total capital assets, being depreciated	2,199,144	12,179	-	2,211,323
Less accumulated depreciation				
Water plant and improvements	583,768	45,619	-	629,387
Automobiles	61,520	8,674	-	70,194
Equipment	152,219	13,918	-	166,137
Sewer improvements	162,289	21,317	-	183,606
Total accumulated depreciation	959,796	89,528	-	1,049,324
Total capital assets, being depreciated, net	1,239,348	(77,349)	-	1,161,999
Business-type activities, capital assets, net	\$ 1,282,348	\$ 16,966	\$ -	\$ 1,299,314

Depreciation expense for business-type activities totaled \$89,528, and was entirely charged to the Public Works Authority.

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

6. Long-Term Debt

Long-term debt consists of:

As Of June 30,	2014	2013
2014 Series Sales Tax Revenue Note, issued May 1, 2014, in the original amount of \$1,710,000. The note bears interest of 3.69% with principal and interest paid semi-annually. The note is due to mature May 1, 2029. Security for the bonds is a	\$ 1,710,000	\$ -
Armstrong Bank - payments are made monthly in the amount of \$577.46 including interest of 3.23%. The loan is scheduled to mature in May 2021 and is secured by a 2008 Case Excavator.	42,830	48,261
Total	1,752,830	48,261
Less current portion	90,629	5,451
Long-Term Debt	\$ 1,662,201	\$ 42,810

Principal is scheduled to mature as follows:

June 30,	Principal	Interest	Total
2015	\$ 90,629	\$ 63,662	\$ 154,291
2016	95,814	60,248	156,062
2017	101,004	56,737	157,741
2018	101,201	53,034	154,235
2019	106,404	49,233	155,637
2020-2024	582,778	184,361	767,139
2025-2029	675,000	70,479	745,479
Total	\$ 1,752,830	\$ 537,754	\$ 2,290,584

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

As Of	July 1, 2013	Additions	Reductions	June 30, 2014
Governmental activities				
Armstrong Bank	\$ 2,677	\$ -	\$ 2,677	\$ -
Water Department				
2014 Sales Tax Revenue Note	-	1,710,000	-	1,710,000
Armstrong Bank	48,261	-	5,431	42,830
Total	\$ 50,938	\$ 1,710,000	\$ 8,108	\$ 1,752,830

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

7. Inter-fund Transfers

Interfund transfers

	Transfers In	Transfers Out	Net Transfers
Governmental Funds			
General	\$ 79,497	\$ 87,149	\$ (7,652)
Special Revenue Funds	12,500	-	12,500
Other Non-major Funds	18,525	22,642	(4,117)
Total - Governmental Funds	110,522	109,791	731
Business-type Activities	-	731	(731)
Total	\$ 110,522	\$ 110,522	\$ -

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 2013-2014 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.

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

10. Fund Balance Reporting (continued)

As of June 30, 2014, 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.

Unassigned - all other spendable amounts.

	General	Special Revenue	Other Non-major Funds	Total Governmental Funds
Fund Balances				
Non-spendable				
Prepays	\$ 4,754	\$ -	\$ 1,246	\$ 6,000
Receivable from component unit	-	-	525	525
Assigned				
Police department	90,525	-	-	90,525
Fire department	16,047	-	-	16,047
Unassigned	159,572	23,684	16,491	199,747
Total Fund Balances	\$ 270,898	\$ 23,684	\$ 18,262	\$ 312,844

11. Capitalized Interest

The Public Works Authority follows the policy of capitalizing interest as a component of the cost of property, plant and equipment constructed for its own use. For the year ended June 30, 2014, total interest incurred was \$8,763 of which \$7,265 was capitalized and \$1,498 was charged to operations. For the year ended June 30, 2013, total interest incurred was \$1,873, all of which was charged to operations.

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

12. 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.

13. Subsequent Events

The Town has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2014 through December 5, 2014, 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, 2014

Revenues	Budget	Actual	Variance Favorable (Unfavorable)
Sanitation	\$ 110,000	\$ 119,997	\$ 9,997
Sales and use tax	308,000	300,315	(7,685)
Franchise tax	30,000	55,325	25,325
Other taxes	12,400	12,155	(245)
Fines	50,000	99,476	49,476
Permits and fees	800	630	(170)
Facility charges	9,000	7,500	(1,500)
Service charges	20,000	16,883	(3,117)
Grants and contributions	-	65,632	65,632
Miscellaneous	30,000	1,812	(28,188)
Interest	200	124	(76)
Total Revenues	570,400	679,849	109,449
Expenditures			
General government	193,270	260,716	(67,446)
Personnel services	274,000	255,783	18,217
Public safety	49,050	55,521	(6,471)
Capital outlay	30,000	35,364	(5,364)
Debt service:			
Principal	-	2,677	(2,677)
Interest	-	41	(41)
Total Expenditures	546,320	610,102	(63,782)
Excess of Revenues Over Expenditures	24,080	69,747	45,667
Total Other Financing Sources	-	(5,634)	(5,634)
Net Change in Fund Balance	24,080	64,113	40,033
Fund Balance, Beginning of Year	192,928	206,785	-
Fund Balance, End of Year	\$ 217,008	\$ 270,898	\$ 40,033

See accompanying notes and independent auditor's report.

ADDITIONAL SUPPLEMENTARY INFORMATION

TOWN OF GORE, OKLAHOMA

SCHEDULE OF GOVERNMENTAL & NON-GOVERNMENTAL ASSISTANCE

FOR THE YEAR ENDED JUNE 30, 2014

Rural Economic Action Plan grant	\$	57,500
Community center		500
Fire grant		3,762
Police grant		3,870
Total	\$	65,632

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***

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, 2014, 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 December 5, 2014.

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
December 5, 2014