

TOWN OF GORE, OKLAHOMA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2011



TOWN OF GORE, OKLAHOMA
JUNE 30, 2011

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PRZYBYSZ

& ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Corporation

Independent Auditors' Report

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, 2011**, 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, 2010**, 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, 2011**, 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, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TOWN OF GORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2011. 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, 2011 by \$2,140,055 (net assets). Of this amount, \$408,291 (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 \$50,122 for the year ended June 30, 2011.
- The Town expended a total of \$115,252 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, 2011**

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, 2011 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	\$ 235,978	\$ 332,958	\$ 568,936
Internal balances	(79,870)	79,870	0
Capital assets, net	<u>535,903</u>	<u>1,227,949</u>	<u>1,763,852</u>
Total assets	<u>692,011</u>	<u>1,640,777</u>	<u>2,332,788</u>
Current liabilities	39,231	44,908	84,139
Noncurrent liabilities	6,565	17,029	23,594
Due to external parties	<u>0</u>	<u>85,000</u>	<u>85,000</u>
Total liabilities	<u>45,796</u>	<u>146,937</u>	<u>192,733</u>
Net assets:			
Invested in capital assets	525,597	1,206,167	1,731,764
Unrestricted	<u>120,618</u>	<u>287,673</u>	<u>408,291</u>
Total net assets	<u>\$ 646,215</u>	<u>\$ 1,493,840</u>	<u>\$ 2,140,055</u>

**TOWN OF GORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

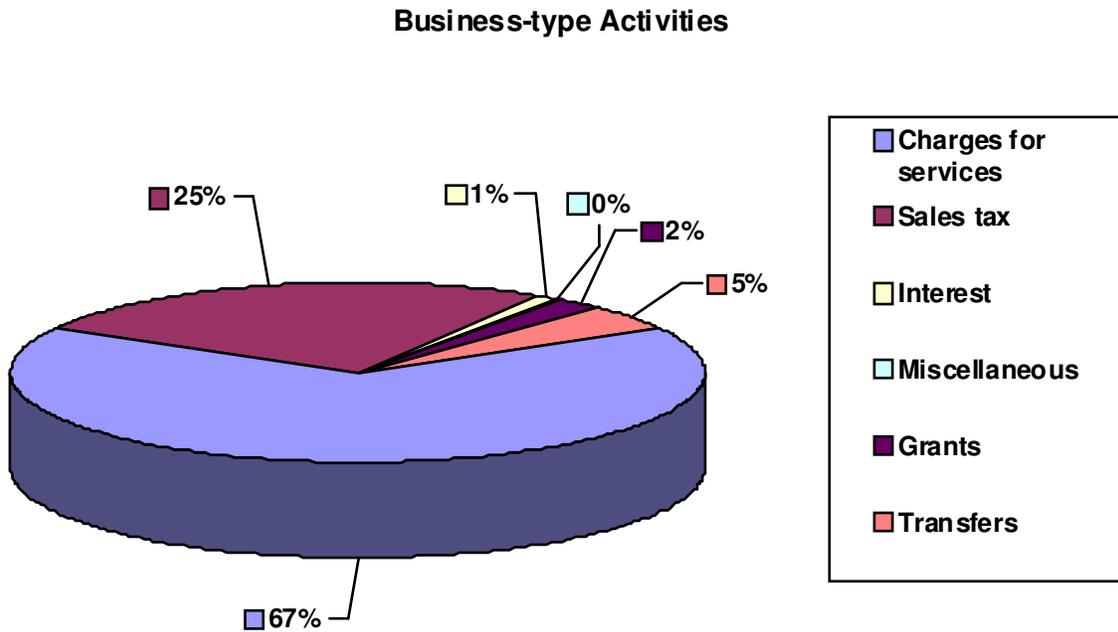
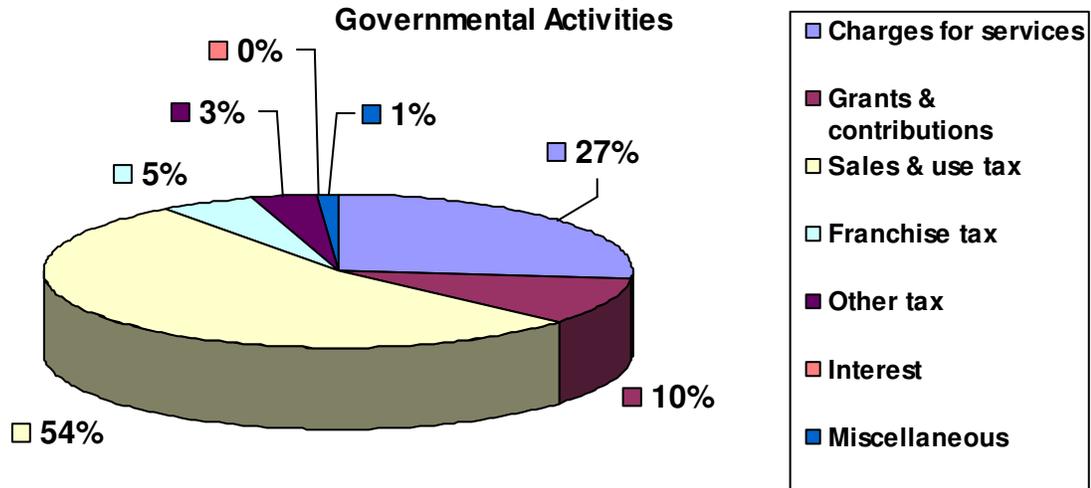
CONDENSED FINANCIAL INFORMATION (CONTINUED)

Statement of Activities

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues			
Charges for services	\$ 151,857	\$ 370,560	\$ 522,417
Grants and contributions	56,202	12,685	68,887
General revenues			
Taxes	354,979	140,140	495,119
Interest	192	5,592	5,784
Miscellaneous	6,604	853	7,457
Total revenues	<u>569,834</u>	<u>529,830</u>	<u>1,099,664</u>
Expenses			
General government	234,587	0	234,587
Personal services	223,453	0	223,453
Public safety	41,149	0	41,149
Parks and recreation	47,076	0	47,076
Interest on long-term debt	504	0	504
Water	0	519,621	519,621
Total expenses	<u>546,769</u>	<u>519,621</u>	<u>1,066,390</u>
Transfers	<u>(8,152)</u>	<u>25,000</u>	<u>16,848</u>
Change in net assets	14,913	35,209	50,122
Beginning net assets	631,302	1,458,631	2,089,933
Ending net assets	<u>\$ 646,215</u>	<u>\$ 1,493,840</u>	<u>\$ 2,140,055</u>

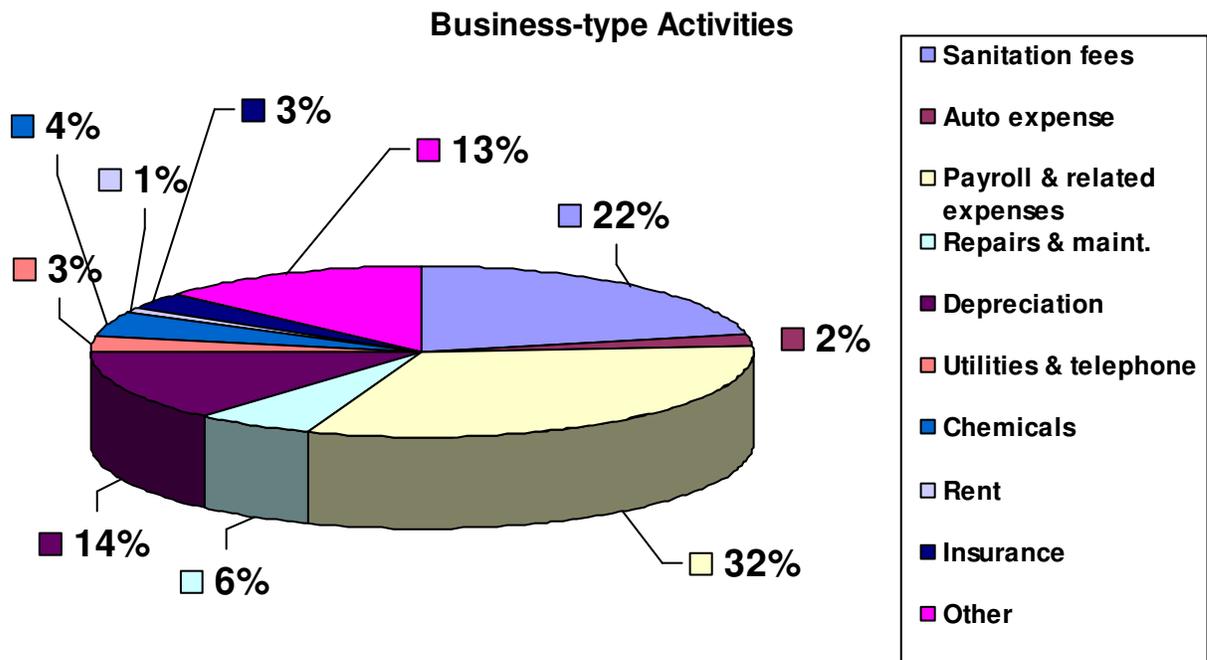
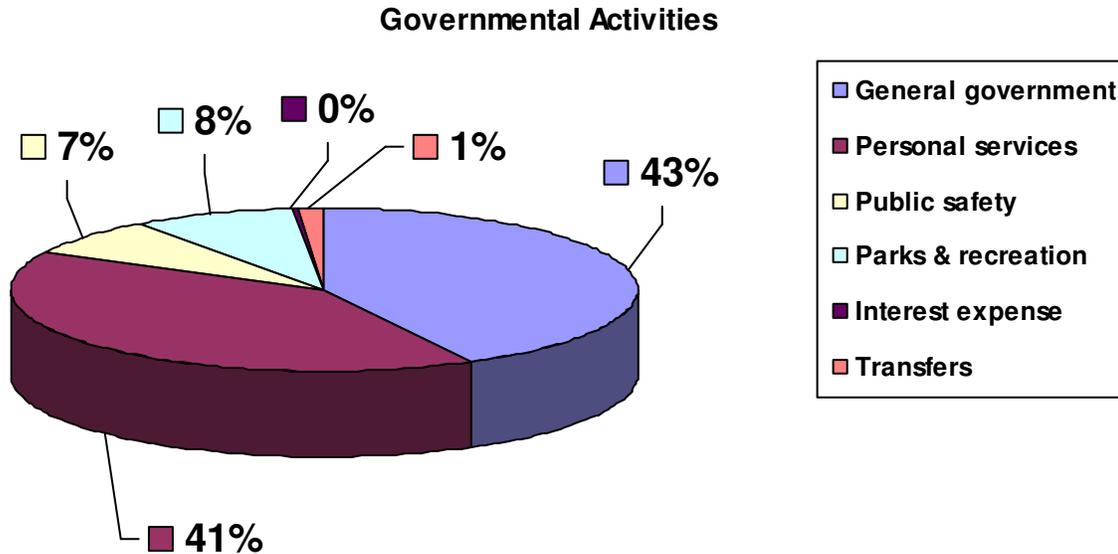
**TOWN OF GORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2011**

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



**TOWN OF GORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

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 grant revenues. The general fund's expenditures were lower than what was budgeted largely due to lower than anticipated general expenditures.

CAPITAL ASSETS

As noted earlier the Town purchased \$115,252 in capital assets. This was comprised of \$2,970 for two computers, \$1,259 for a security system, and \$1,931 for video cameras. \$12,921 was expended on the Ray Fine Park project as well as \$8,686 for 745 feet of chain link fence at the Steve Owens Sports Complex. The Public Works Authority has incurred \$87,485 to date toward the sewer lagoon de-sludge project.

LONG-TERM DEBT

Long-term debt activity consisted of scheduled payments made toward the loan with Armstrong Bank for the 2010 Chevrolet truck acquired in early 2010 resulting in a balance of \$10,306 as of June 30, 2011. 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 \$21,782 as of June 30, 2011.

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, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 167,345	\$ 71,418	\$ 238,763
Certificates of deposit	-	163,116	163,116
Receivables			
Franchise taxes	25,946	-	25,946
Sales taxes	27,008	24,560	51,568
Trade accounts	-	28,623	28,623
Other	11,289	-	11,289
Prepaid insurance	4,390	2,573	6,963
Restricted checking account	-	42,668	42,668
Total Current Assets	235,978	332,958	568,936
Noncurrent Assets			
Internal balances	(79,870)	79,870	-
Capital assets			
Land	-	6,500	6,500
Buildings and improvements	46,141	-	46,141
Sports complex	262,864	-	262,864
Sports complex equipment	7,990	-	7,990
Community center	327,453	-	327,453
Water plant and improvements	-	1,126,890	1,126,890
Automobiles	-	58,517	58,517
Equipment	182,478	183,938	366,416
Sewer improvements	-	647,342	647,342
Less accumulated depreciation	(291,023)	(795,238)	(1,086,261)
Net capital assets	535,903	1,227,949	1,763,852
Total Noncurrent Assets	456,033	1,307,819	1,763,852
Total Assets	692,011	1,640,777	2,332,788
Liabilities			
Current Liabilities			
Accounts payable	29,621	16,458	46,079
Payroll withholdings	5,869	4,997	10,866
Current maturity of long-term debt	3,741	4,753	8,494
Payable from restricted assets			
Customer meter deposits	-	18,700	18,700
Total Current Liabilities	39,231	44,908	84,139
Noncurrent liabilities			
Long-term debt	6,565	17,029	23,594
Due to external parties	-	85,000	85,000
Total Noncurrent Liabilities	6,565	102,029	108,594
Total Liabilities	45,796	146,937	192,733
Net Assets			
Invested in capital assets, net of related debt	525,597	1,206,167	1,731,764
Unrestricted	120,618	287,673	408,291
Total Net Assets	\$ 646,215	\$ 1,493,840	\$ 2,140,055

See accompanying notes and independent auditor's report.

TOWN OF GORE, OKLAHOMA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue And Change In Net Assets		Total
	Expenses	Charges for Services	Grants & Contributions	Governmental Activities	Business- Type Activities	
Governmental Activities						
General government	\$ 234,587	\$ 139,115	\$ 56,202	\$ (39,270)	\$ -	\$ (39,270)
Personal services	223,453	-	-	(223,453)	-	(223,453)
Public safety	41,149	-	-	(41,149)	-	(41,149)
Parks and recreation	47,076	12,742	-	(34,334)	-	(34,334)
Interest on long-term debt	504	-	-	(504)	-	(504)
Total Governmental Activities	546,769	151,857	56,202	(338,710)	-	(338,710)
Business-Type Activities						
Water	519,621	370,560	12,685	-	(136,376)	(136,376)
Total Business-Type Activities	521,156	370,560	12,685	-	(136,376)	(136,376)
Total	\$ 1,067,925	\$ 522,417	\$ 68,887			
General Revenues:						
Sales and use tax				304,138	140,140	444,278
Franchise tax				31,097	-	31,097
Other taxes				19,744	-	19,744
Investment earnings				192	5,592	5,784
Miscellaneous				6,604	853	7,457
Transfers				(8,152)	25,000	16,848
Total General Revenues and Transfers				353,623	171,585	525,208
Change in Net Assets				14,913	35,209	50,122
Net Assets Beginning of Year				631,302	1,458,631	2,089,933
Net Assets End of Year				\$ 646,215	\$ 1,493,840	\$ 2,140,055

See accompanying notes and independent auditor's report.

TOWN OF GORE, OKLAHOMA

BALANCE SHEET - GOVERNMENTAL FUNDS

AS OF JUNE 30, 2011					
	General	Special Revenue	Other Nonmajor Funds	Total Governmental Funds	
Assets					
Cash and cash equivalents	\$ 130,539	\$ 28,496	\$ 8,310	\$	167,345
Receivables					
Franchise taxes	25,946	-	-		25,946
Sales taxes	27,008	-	-		27,008
Other	10,770	519	-		11,289
Prepaid insurance	3,616	-	774		4,390
Due from component unit	-	-	34,913		34,913
Total Assets	\$ 197,879	\$ 29,015	\$ 43,997	\$	270,891
Liabilities & Fund Balances					
Liabilities					
Accounts payable	\$ 27,502	\$ 217	\$ 1,902	\$	29,621
Payroll withholdings	5,869	-	-		5,869
Due to component unit	114,783	-	-		114,783
Total Liabilities	148,154	217	1,902		150,273
Fund Balances					
Nonspendable					
Prepays	3,616	-	774		4,390
Assigned to					
Fire department	21,344	-	-		21,344
Unassigned	24,765	28,798	41,321		94,884
Total Fund Balances	49,725	28,798	42,095		120,618
Total Liabilities and Fund Balances	\$ 197,879	\$ 29,015	\$ 43,997	\$	270,891

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

AS OF JUNE 30, 2011

Total Fund Balances - Governmental Funds \$ 120,618

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

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 \$826,926 and the accumulated depreciation is \$291,023. 535,903

Long-term liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the funds. (10,306)
Long-term liabilities at year end consist of \$10,306.

Total Net Assets - Governmental Activities \$ 646,215

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, 2011

	GENERAL	SPECIAL REVENUE	OTHER NONMAJOR FUNDS FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues				
Sanitation	\$ 112,054	\$ -	\$ -	\$ 112,054
Sales and use tax	304,138	-	-	304,138
Franchise tax	31,097	-	-	31,097
Other taxes	11,989	7,755	-	19,744
Permits and fees	402	-	12,742	13,144
Facility charges	9,000	-	-	9,000
Service charges	17,657	-	-	17,657
Grants	56,202	-	-	56,202
Miscellaneous	879	-	5,725	6,604
Interest	155	27	10	192
Total Revenues	543,573	7,782	18,477	569,832
Expenditures				
General government	215,860	4,837	-	220,697
Personal services	223,453	-	-	223,453
Public safety	22,081	-	-	22,081
Parks and recreation	-	-	29,851	29,851
Capital outlays	6,159	-	21,608	27,767
Debt service:				
Principal	3,581	-	-	3,581
Interest	504	-	-	504
Total Expenditures	471,638	4,837	51,459	527,934
Excess of Revenues Over (Under) Expenditures	71,935	2,945	(32,982)	41,898
Other Financing Sources				
Operating Transfers	(27,411)	(8,686)	27,945	(8,152)
Total Other Financing Sources	(27,411)	(8,686)	27,945	(8,152)
Net Change in Fund Balance	44,524	(5,741)	(5,037)	33,746
Fund Balance at Beginning of Year	5,201	34,539	47,132	86,872
Fund Balance at End of Year	\$ 49,725	\$ 28,798	\$ 42,095	\$ 120,618

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, 2011

Total Net Change in Fund Balances - Governmental Funds \$ 33,746

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 \$50,183 exceeds capital outlays \$27,769 in the period. (22,414)

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. 3,581

Change in Net Assets of Governmental Activities \$ 14,913

See accompanying notes and independent auditor's report.

TOWN OF GORE, OKLAHOMA

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

AS OF JUNE 30, 2011	
Assets	
Current Assets	
Cash and cash equivalents	\$ 71,418
Certificates of deposit	163,116
Receivables, net of allowance for doubtful accounts	
Trade accounts	28,623
Sales taxes	24,560
Prepaid insurance	2,573
Restricted checking account	42,668
Total Current Assets	332,958
Noncurrent Assets	
Due from primary government	79,870
Capital assets	
Land	6,500
Water plant and improvements	1,126,890
Automobiles	58,517
Equipment	183,938
Sewer improvements	647,342
Less: accumulated depreciation	(795,238)
Net capital assets	1,227,949
Total Noncurrent Assets	1,307,819
Total Assets	1,640,777
Liabilities	
Current Liabilities	
Trade accounts payable	16,458
Payroll withholdings	4,997
Current maturity of long-term debt	4,753
Total Current Liabilities	26,208
Current Liabilities Payable From Restricted Assets	
Customer meter deposits	18,700
Noncurrent liabilities	
Long-term debt	17,029
Due to external parties	85,000
Total Noncurrent Liabilities	102,029
Total Liabilities	146,937
Net Assets	
Invested in capital assets, net of related debt	1,206,167
Unrestricted	287,673
Total Net Assets	\$ 1,493,840

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, 2011

Operating Revenues

Charges for services	\$	370,560
Sales tax revenue		140,140
Miscellaneous		853
Total Operating Revenues		511,553

Operating Expenses

Sanitation Collection Fees		112,054
Supplies		6,803
Contract labor		24,054
Rent		10,000
Office expense		6,548
Salaries and wages		142,519
Professional fees		6,652
Chemicals		22,649
Insurance		14,572
Utilities and telephone		15,092
Taxes and licenses		7,414
Repairs and maintenance		29,714
Testing expense		6,573
Auto expenses		12,416
Employee benefits		9,293
Payroll taxes		11,692
Travel		208
Miscellaneous expense		8,402
Depreciation		71,431
Total Operating Expenses		518,086
Net Loss from Operations		(6,533)

Nonoperating Revenue (Expenses)

EODD grant		12,685
Operating transfers		25,000
Interest income		5,592
Interest expense		(1,535)
Total Nonoperating Revenue (Expenses)		41,742

Change in Net Assets

Change in Net Assets		35,209
Beginning of Year Net Assets		1,458,631
End of Year Net Assets	\$	1,493,840

See accompanying notes and independent auditor's report.

TOWN OF GORE, OKLAHOMA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

Cash Flows from Operating Activities

Cash received from customers	\$	373,269
Cash received from sales tax		140,669
Cash payments to suppliers for goods and services		(293,509)
Cash payments to employees		(142,519)

Net Cash Provided by Operating Activities 77,910

Cash Flows from Capital and Related Financing Activities

EODD grant		12,685
Transfers		25,000
Cash used to acquire fixed assets		(87,485)
Principal paid on debt		(4,464)
Interest paid on debt		(1,536)

Net Cash Used for Capital and Related Financing Activities (55,800)

Cash Flows from Investing Activities

Reinvestment of certificate of deposit earnings		(1,894)
Purchase of CD		(50,000)
Net activity of restricted accounts		3,613
Interest income		102

Net Cash Used by Investing Activities (48,179)

Net Decrease in Cash and Cash Equivalents (26,069)

Cash and Cash Equivalents - beginning of year 97,487

Cash and Cash Equivalents - end of year \$ 71,418

Reconciliation of Operating Loss to Net Cash Provided By Operating Activities

Operating loss	\$	(6,533)
Adjustments:		
Depreciation		71,431
Net change in assets and liabilities:		
Trade accounts receivable		732
Sales tax receivable		529
Prepaid insurance		7,238
Accounts payable		2,495
Payroll withholdings		893
Customer meter deposits		1,125

Net Cash Provided by Operating Activities \$ 77,910

See accompanying notes and independent auditor's report.

TOWN OF GORE, OKLAHOMA

STATEMENT OF FIDUCIARY NET ASSETS

AS OF JUNE 30, 2011	
	Agency Funds
Assets	
Current Assets	
Cash and cash equivalents	\$ 47,394
Due from external party	85,000
Total Assets	132,394
Liabilities	
Current Liabilities	
Accounts payable	141
Total Liabilities	141
Total Net Assets	\$ 132,253

See accompanying notes and independent auditor's report.

TOWN OF GORE, OKLAHOMA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2011	
	Agency Funds
Additions	
Fines	\$ 58,005
Other income	8,856
Interest income	53
Total Additions	66,914
Deductions	
Insurance	1,085
Vehicle	6,165
Licenses & fees	13,252
Operations	14,138
Repairs and Maintenance	29,178
Transfers	16,848
Total Deductions	80,666
Change In Net Assets	(13,752)
Beginning Of Year Net Assets	146,005
End Of Year Net Assets	\$ 132,253

See accompanying notes and independent auditor's report.

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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, 2011

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, 2011

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.

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others and consists of the agency fund. The agency fund is custodial in nature and does not present results of operations or have a measurement focus. The agency fund consists of the municipal court account.

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.

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

1. Summary of Significant Accounting Policies (continued)

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.

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.

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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.

Advertising

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

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, 2010	Book Value		Bank Value	
Town of Gore	\$	214,739	\$	217,743
Gore Public Works Authority checking		113,831		119,205
Gore Public Works Authority CD's		163,114		163,114
Total	\$	491,684	\$	500,062
Town of Gore/Gore Public Works Authority				
F.D.I.C. Insured checking	\$	328,570	\$	336,948
F.D.I.C. Insured CDs		163,114		163,114
Total	\$	491,684	\$	500,062

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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, 2010	Additions	Reductions	June 30, 2011
Capital assets, being depreciated				
Building and improvements	\$ 39,981	\$ 6,160	\$ -	\$ 46,141
Sports complex	254,178	8,686	-	262,864
Sports complex equipment	7,990	-	-	7,990
Ray Fine park	-	12,921	-	12,921
Community center	327,453	-	-	327,453
Equipment	169,557	-	-	169,557
Total capital assets, being depreciated	799,159	27,767	-	826,926
Less accumulated depreciation:				
Building and improvements	9,197	4,411	-	13,608
Sports complex	86,275	14,907	-	101,182
Sports complex equipment	7,775	172	-	7,947
Ray Fine park	-	614	-	614
Community center	21,379	8,537	-	29,916
Equipment	116,216	21,540	-	137,756
Total accumulated depreciation	240,842	50,181	-	291,023
Governmental activities, capital assets, net	\$ 558,317	\$ (22,414)	\$ -	\$ 535,903

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

General government	\$ 13,890
Public safety	19,068
Parks and recreation	17,225
Total depreciation for governmental activities	\$ 50,183

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

5. Changes in Capital Assets (continued)

Capital asset activity for business-type activities for the year ended June 30, 2011, was as follows:

	July 1, 2010	Additions	Reductions	June 30, 2011
Capital assets, not being depreciated				
Land	\$ 6,500	\$ -	\$ -	\$ 6,500
Total capital assets not being depreciated	6,500	-	-	6,500
Capital assets, being depreciated				
Water plant and improvements	1,039,405	87,485	-	1,126,890
Automobiles	58,517	-	-	58,517
Equipment	183,938	-	-	183,938
Sewer improvements	647,342	-	-	647,342
Total capital assets, being depreciated	1,929,202	87,485	-	2,016,687
Less accumulated depreciation:				
Water plant and improvements	459,038	35,849	-	494,887
Automobiles	43,213	3,531	-	46,744
Equipment	121,547	11,505	-	133,052
Sewer improvements	100,009	20,546	-	120,555
Total accumulated depreciation	723,807	71,431	-	795,238
Total capital assets, being depreciated, net	1,205,395	16,054	-	1,221,449
Business-type activities, capital assets, net	\$ 1,211,895	\$ 16,054	\$ -	\$ 1,227,949

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, 2011

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
2012	\$ 3,741	\$ 344	\$ 4,085
2013	3,894	192	4,086
2014	2,671	40	2,711
Total	\$ 10,306	\$ 576	\$ 10,882

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
2012	\$ 4,753	\$ 1,247	\$ 6,000
2013	17,029	89	17,118
Total	\$ 21,782	\$ 1,336	\$ 23,118

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

As Of	July 1, 2010	Additions	Reductions	June 30, 2011
Governmental activities				
Armstrong Bank	\$ 13,887	\$ -	\$ 3,581	\$ 10,306
Water Department				
Scott Financial Services, LLC	26,246	-	4,464	21,782
Total	\$ 40,133	\$ -	\$ 8,045	\$ 32,088

TOWN OF GORE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

7. Inter-fund Balances and Transfers

Advances to/from other funds

The composition of interfund balances as of June 30, 2011, 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
Fiduciary 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 Fiduciary 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, 2011.

Interfund transfers

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds			
General	\$ -	\$ 27,411	\$ (27,411)
Other Nonmajor Funds	27,945	25,534	2,411
Total - Governmental Funds	<u>27,945</u>	<u>52,945</u>	<u>(25,000)</u>
Business-type activities	25,000	-	25,000
Total	<u>\$ 52,945</u>	<u>\$ 52,945</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, 2011

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, 2011, 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, 2011

10. Fund Balance Reporting (continued)

Unassigned - all other spendable amounts.

	General	Special Revenue	Other Nonmajor Funds	Total Governmental Funds
Fund Balances				
Nonspendable				
Prepays	\$ 3,616	\$ -	\$ 774	\$ 4,390
Assigned				
Fire department	21,344	-	-	21,344
Unassigned	24,765	28,798	41,321	94,884
Total Fund Balances	\$ 49,725	\$ 28,798	\$ 42,095	\$ 120,618

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, 2011 through November 8, 2011, 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, 2011

Revenues	Budget	Actual	Variance Favorable (Unfavorable)
Sanitation	\$ 112,000	\$ 112,054	\$ 54
Sales and use tax	272,333	304,138	31,805
Franchise tax	26,000	31,097	5,097
Other taxes	11,200	11,989	789
Permits and fees	1,020	402	(618)
Facility charges	11,000	9,000	(2,000)
Service charges	6,700	17,657	10,957
Grants	19,800	56,202	36,402
Donations	900	-	(900)
Miscellaneous	180	879	699
Interest	300	155	(145)
Total Revenues	461,433	543,573	82,140
Expenditures			
General government	204,080	215,860	(11,780)
Personal services	233,000	223,453	9,547
Public safety	47,800	22,081	25,719
Capital outlays	1,700	6,159	(4,459)
Debt service:			
Principal	-	3,581	(3,581)
Interest	-	504	(504)
Total Expenditures	486,580	471,638	14,942
Excess of Revenues Over (Under) Expenditures	(25,147)	71,935	97,082
Total Other Financing Sources	(127,000)	43,392	170,392
Net Change in Fund Balance	(152,147)	115,327	267,474
Fund Balance at Beginning of Year	23,498	23,498	-
Fund Balance at End of Year	\$ (128,649)	\$ 138,825	\$ 267,474

See accompanying notes and independent auditor's report.

ADDITIONAL SUPPLEMENTARY INFORMATION

TOWN OF GORE, OKLAHOMA

SCHEDULE OF GOVERNMENTAL & NONGOVERNMENTAL ASSISTANCE

FOR THE YEAR ENDED JUNE 30, 2011

Community Development Block Grant	\$	12,685
REAP grant		26,515
Police grant		10,885
East Central Oklahoma Gas		12,000
Rural fire defense operational grants		6,802
Total	\$	68,887

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 of 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 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, 2011**, which collectively comprise the Town's basic financial statements and have issued our report thereon dated **November 8, 2011**. 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

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 misstatements on a timely basis. A *material weakness* is a deficiency, 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. We consider the deficiency 2011-1 described in the accompanying schedule of findings and responses to be a material weakness.

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. We consider the deficiency 2011-1 described in the accompanying schedule of findings and responses to be more than a significant deficiency.

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*.

The Town's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Town's responses and, accordingly, we express no opinion on it.

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, 2011

TOWN OF GORE, OKLAHOMA

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2010

Findings - Financial Statements Audits

2011 - 1 Misappropriation Of Funds

Condition: Approximately \$13,900 in cash collections from water customers did not get deposited into the public works authority's bank account.

Criteria: Daily payments from water customers whether in the form of cash, checks, or money orders are posted to the customers accounts within the billing software as being paid; the same amounts should correspond to a deposit slip totaling the monies and then deposited into the authority's bank account daily.

Cause: The procedures in place do not allow for a method of matching the amounts received from the water clerk from customer to what is deposited into the bank account.

Recommendation: The authority should follow the following procedures regarding cash receipts:

Opening the Mail - The mail is to be opened and a listing of cash and/or checks received should be prepared under the supervision of a responsible official.

The individuals preparing the list of cash receipts should include the name, amount, adjustment to bill, date, and the total of all receipts. This is done in the RVS billing software and reflected on the daily allocation of receipts report.

When a lockbox is used, the bank should provide the authority with a list or computer file of the cash receipt information.

Endorsement of Checks - Where cash receipts are received directly by the authority, checks should be restrictively endorsed immediately.

Bank Deposits - All cash, check, and money order receipts should be deposited intact daily.

Reconciliation of Cash/Checks Received to Bank Deposit - Records of cash receipts and summaries should be compared to deposit slips and bank statements by persons other than those who handle cash receipts.

Summarize Cash Receipts - Records of cash receipts should be summarized and totals established for posting to the cash receipts journal.

Response: Town Officials evaluated the discrepancy and requested the Sequoyah County Sheriff's Office, in coordination with the Oklahoma State Bureau of Investigation, conduct a formal review of the audit and a review of cash handling policies and personnel. The recommendations noted above have been implemented.

See independent auditor's report.