

ANNUAL FINANCIAL REPORT
INDEPENDENT SCHOOL DISTRICT NO. 8
GUYMON PUBLIC SCHOOL DISTRICT
TEXAS COUNTY, OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011

GUYMON PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
JUNE 30, 2011

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

COMBINED FINANCIAL STATEMENTS

- Combined Statement of Assets, Liabilities, and Equity – Regulatory Basis
All Fund Types and Account Groups
- Combined Statement of Revenues Collected, Expenditures Paid, and Changes in Fund
Balances – Regulatory Basis – All Governmental Fund Types
- Combined Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Regulatory Basis – Budgeted Governmental Fund Types
- Notes to Combined Financial Statements

OTHER SUPPLEMENTARY INFORMATION

- Combining Statements of Assets, Liabilities, and Fund Balances – Regulatory
Basis—All Special Revenue Funds
- Combining Statements of Revenues Collected, Expenditures Paid, and Changes in
Fund Balances – Regulatory Basis – All Special Revenue Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual – Regulatory Basis – All Special Revenue Funds
- Combining Statements of Assets, Liabilities, and Fund Balances – Regulatory
Basis—All Capital Project Funds
- Combining Statements of Revenues Collected, Expenditures Paid, and Changes in
Fund Balances – Regulatory Basis – All Capital Project Funds
- Combining Statement of Changes in Cash Balances – Regulatory Basis – Activity
Funds
- Supporting Schedules
 - Schedule of Federal Awards Expended
 - Statutory, Fidelity, and Honesty Bonds

INTERNAL CONTROL AND COMPLIANCE REPORTS

- Report on the Internal Control and Compliance over Financial Reporting in
Accordance with Government Auditing Standards
- Single Audit Report on Internal Control and Compliance over Major Federal
Programs

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

ACCOUNTANTS' PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT

MANAGEMENT LETTER COMMENTS/ MANAGEMENT'S RESPONSE

**GUYMON PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
JULY 1, 2010 TO JUNE 30, 2011**

SCHOOL DISTRICT BOARD MEMBERS

**Elvia Hernandez
Mitzi Dain
Kevin Breuer
Steve Brown
Michael Ray**

SUPERINTENDENT OF SCHOOL DISTRICT

Doug Melton

CLERK OF THE BOARD

Kevin Breuer

SCHOOL DISTRICT TREASURER

Denise Darnell

PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

169 S.E. 32ND

EDMOND, OKLAHOMA 73013

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Guymon Independent School District No. 8
Texas County, Oklahoma

We have audited the accompanying fund type and account group financial statements of Guymon School District No. 8, Texas County, Oklahoma, as listed in the table of contents as combined financial statements, as of and for the year ended June 30, 2011. These financial statements are the responsibility of the Guymon School District, No. 8, Texas County, Oklahoma. 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 *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 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 opinion.

As discussed in Note 1, these financial statements were prepared in conformity with the accounting and financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and equity arising from regulatory basis transactions of each fund type and account group of Guymon School District No. 8, Oklahoma, as of June 30, 2011, and the revenues collected, expenditures paid/expenses, and cash flows of each fund type, where applicable, for the year then ended on the regulatory basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2012, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the fund type and account group financial statements within the combined financial statement. The combining fund statements and schedules and other schedules as listed in the table of contents under other supplementary information are presented for purposes of additional analysis. This other supplementary information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole on the regulatory basis of accounting described in Note 1.

This report is intended solely for the information and use of the Board of Education of Guymon School District No. 8, Oklahoma State Department of Education, and certain federal regulatory agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Putnam & Company
Putnam & Company, PLLC

Edmond, Oklahoma
March 30, 2012

COMBINED FINANCIAL STATEMENTS

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
COMBINED STATEMENT OF ASSETS AND LIABILITIES
(ALL FUND TYPES AND ACCOUNT GROUPS) - STATUTORY BASIS
JUNE 30, 2011**

	<u>Governmental Fund Types</u>				<u>Fiduciary</u>	<u>Account</u>	<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Trust and Agency</u>	<u>General Long-Term Debt</u>	
ASSETS							
Cash and Cash Equivalents	\$3,913,780	1,977,049	289,571	1,577	404,250		6,586,227
Amount Available for Debt Service						32,196	32,196
Amount to be Provided for General Long-Term Debt						2,127,679	2,127,679
Total Assets	\$3,913,780	1,977,049	289,571	1,577	404,250	2,159,875	8,746,102
LIABILITIES							
Warrants Payable	\$1,301,441	39,830			5,405		1,346,676
Long-Term Debt							
Bonds Payable			250,500			1,999,500	2,250,000
Interest Payable			6,875			160,375	167,250
Total Liabilities	1,301,441	39,830	257,375	0	5,405	2,159,875	3,763,926
FUND EQUITY							
Fund Equity:							
Designated for Capital Projects				1,577			1,577
Designated for Trust & Agency Funds					398,845		398,845
Designated for Debt Service			32,196				32,196
Reserved for Encumbrances	394,900	33,610					428,510
Fund Balance	2,217,439	1,903,609					4,121,048
Total Fund Equity	2,612,339	1,937,219	32,196	1,577	398,845	0	4,982,176
Total Liabilities and Fund Equity	\$3,913,780	1,977,049	289,571	1,577	404,250	2,159,875	8,746,102

The notes to the financial statements are an integral part of this statement.

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS - STATUTORY BASIS
FOR THE YEAR ENDED JUNE 30, 2010**

	Governmental Fund Types				Fiduciary Fund Types	Totals
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	(Memorandum Only)
REVENUES:						
Local Sources	\$3,174,845	763,656	791,125		787,162	5,516,788
Intermediate Sources	490,007					490,007
State Sources	12,511,050	21,154	67			12,532,271
Federal Sources	3,154,943	998,641				4,153,584
Total Revenues Collected	19,330,845	1,783,451	791,192	0	787,162	22,682,650
EXPENDITURES:						
Instruction	11,726,196					11,726,196
Support Services	6,091,107	70,251			41,250	6,202,608
Non-instructional Services	98,729	1,324,952			634,348	2,058,029
Other Outlays	28,444					28,444
Other Uses	198,090					198,090
Repayments						0
Bank Charges	21					21
DEBT SERVICE:						
Principal Retirement			666,500			666,500
Interest Paid			104,844			104,844
Total Expenditures	18,142,587	1,395,203	771,344	0	675,598	20,984,732
Revenues over (under) expenditures	1,188,258	388,248	19,848	0	111,564	1,707,918
OTHER FINANCING SOURCES (USES):						
Stopped Warrants	8,577	74				8,651
Return of Assets	55,737	207				55,944
Deobligation of Prior Year Funds	39,148	12,782			(29,327)	22,613
Total Other Financing Sources (Uses):	103,462	13,073	0	0	(29,327)	87,208
Revenue and Other Sources Over (Under) Expenditures and Other Uses	1,291,720	401,321	19,848	0	82,237	1,785,126
Fund Balance, Beginning of Year	925,719	1,502,288	12,348	1,577	316,608	2,758,540
Fund Balance, End of Year	\$2,217,439	1,903,609	32,196	1,577	398,845	4,553,666

The notes to the financial statements are an integral part of this statement

GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STATUTORY BASIS
GENERAL FUND AND BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund			Special Revenue Funds			
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES							
Local Sources	\$2,812,678	3,174,845	362,167	750,064	750,064	763,656	13,592
Intermediate Sources	426,393	490,007	63,614				0
State Sources	11,145,793	12,511,050	1,365,257	68,473	68,473	21,154	(47,319)
Federal Sources	4,161,394	3,154,943	(1,006,451)	782,077	852,566	998,641	146,075
Total Revenues Collected	18,546,258	19,330,845	784,587	1,600,614	1,671,103	1,783,451	112,348
EXPENDITURES							
Instruction	12,362,271	11,726,196	636,075				0
Support Services	6,682,703	6,091,107	591,596	789,199	789,199	70,251	698,948
Non-Instructional Services	133,932	98,729	35,203	1,298,768	1,369,257	1,324,952	44,305
Facilities Acquisition & Construction Services	71,881		71,881	1,034,935	1,034,935		1,034,935
Other Outlays	23,100	28,444	(5,344)				0
Other Uses	198,090	198,090	0				0
Repayments			0				0
Bank Charges		21	(21)				0
Total Expenditures	19,471,977	18,142,587	1,329,390	3,102,902	3,173,391	1,395,203	1,778,168
Revenues over (under) expenditures	(925,719)	1,188,258	2,113,977	(1,502,288)	(1,502,288)	388,248	1,890,536
OTHER FINANCING SOURCES (USES):							
Estopped Warrants		8,577	8,577			74	74
Return of Assets		55,737	55,737			207	207
Deobligation of Prior Year Funds		39,148	39,148			12,792	12,792
Total Other Financing Sources (Uses)	0	103,462	103,462	0	0	13,073	13,073
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(925,719)	1,291,720	2,217,439	(1,502,288)	(1,502,288)	401,321	1,903,609
Fund Balance, Beginning of Year	925,719	925,719	0	1,502,288	1,502,288	1,502,288	0
Fund Balance, End of Year	\$0	2,217,439	2,217,439	0	0	1,903,609	1,903,609

The notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**GUYMON SCHOOL DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Guymon Public Schools Independent District No. 8, Texas County, Oklahoma (the "District") have been prepared in conformity with an other comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District is a corporate body for public purposes created under Title 70 of the Oklahoma statutes and accordingly is a separate entity for operating and financial reporting purposes.

The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the District is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the District.

In evaluating how to define the district, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

B. Fund Accounting and Description of Funds

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain district functions or activities.

**GUYMON SCHOOL DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

B. Fund Accounting and Description of Funds – (continued)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

Governmental Fund Types

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

General Fund – The general fund is used to account for all financial transactions, except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Salary Incentive Aid program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Special Revenue Fund – The special revenue fund is the District’s Building Fund. The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment.

The Child Nutrition Fund derives monies from State, Federal and local sources.

Debt Service Fund – The debt service fund is the District’s Sinking Fund and is used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

Capital Projects Fund – The capital projects fund is the District’s Bond Fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a trust agreement, trust funds are used for their accounting and reporting. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

**GUYMON SCHOOL DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Agency Fund – The Agency fund is the School Activities fund, which is used to account for monies, collected principally through fundraising efforts of the students and District-sponsored groups. The administration is responsible, under the authority of the Board, of collecting, disbursing and accounting for these activity funds.

Account Groups

Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and general fixed assets not accounted for in proprietary funds.

General Long-Term Debt Account Group – This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for liabilities for compensated absences and early retirement incentives, which are to be paid from funds provided in future years.

General Fixed Asset Account Group – This account group is used to account for property, plant, and equipment of the school district. The District does not have the information necessary to include this group in its combined financial statements.

Memorandum Only – Total Column - The total column on the general purpose financial statements is captioned “memorandum only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting and Presentation

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

The basic financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma State Department of Education (OSDE) as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments and inventories are recorded as assets when purchased.
- Capital assets in proprietary funds are recorded when acquired and depreciated over their useful lives.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

**GUYMON SCHOOL DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

C. Basis of Accounting and Presentation -- (continued)

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned and liabilities are incurred for proprietary fund types and trust funds.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the second Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

The District may upon approval by a majority of the electors of the District voting on the question make the ad valorem levy for emergency levy and local support levy permanent. Under current Oklahoma Statutes, a formal budget is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories.

E. Assets, Liabilities, and Fund Equity

Cash and Cash Equivalents – For purposes of the statement of cash flows, the District considers all cash on hand, demand deposits, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments – Investments consist of direct obligations of the United States Government and Agencies with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Property Tax Revenues – The district is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the district. The county assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax roll for submission to the County Treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes are due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

GUYMON SCHOOL DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

E. Assets, Liabilities, and Fund Equity – (continued)

Inventories – The value of consumable inventories at June 30, 2011 is not material to the basic financial statements.

Capital Assets – The accounting treatment over capital assets (property, plant, and equipment) depends on whether the assets are used in governmental fund-type operations or proprietary fund-type operations. Fixed assets used in governmental fund-type operations (general fixed assets) are recorded for as capital outlay expenditures of the governmental fund-type upon acquisition and are recorded as property, plant, and equipment in the General Fixed Asset Account Group. Fixed assets used in proprietary fund-type operations are accounted for as property, plant, and equipment within the proprietary fund itself.

All fixed assets are valued at historical cost, or estimated cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Depreciation and accumulated depreciation are not reported against general fixed assets.

Compensated Absences – The district provides vacation and sick leave benefits in accordance with Oklahoma Statutes, which provides for annual sick leave and personal business days. Accrued vacation and sick leave benefits are not reflected in the financial statements because such statements are prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. There are no amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources.

Long-Term Debt – Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Balance – Fund balance represents the cash and investments not encumbered by purchase order, legal contracts, and outstanding warrants.

F. Revenue, Expenses, and Expenditures

State Revenues – Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts.

**GUYMON SCHOOL DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

F. Revenue, Expenses, and Expenditures – (continued)

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided. These rules also require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

Interfund Transactions – Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditure/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

2. DEPOSIT AND INVESTMENT RISKS

Custodial Credit Risk - The District's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the District must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2011, the District was not exposed to custodial credit risk as defined above.

Investment Credit Risk – The District's investment policy limits investments to those allowed in state law applicable to school districts as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

**GUYMON SCHOOL DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Investment Credit Risk (continued) - Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investments to those with a short-term maturities, as a means of managing exposure to fair value losses arising from increasing interest rates. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

Concentration of Investment Credit Risk – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The District's investment policy requires diversification of investments.

At June 30, 2011, the District had no concentration of credit risk as defined above.

3. INTERFUND RECEIVABLES AND PAYABLES

There were no Interfund receivables or payables at June 30, 2011.

4. GENERAL LONG-TERM DEBT

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue.

**GUYMON SCHOOL DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

4. GENERAL LONG-TERM DEBT - (continued)

General long-term debt of the District consists of bonds payable, obligations for compensated absences, and capital leases. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2011:

	<u>Bonds Payable</u>	<u>Total</u>
Balance, July 1, 2010	\$ 3,000,000	\$ 3,000,000
Additions		
Retirements	<u>750,000</u>	<u>750,000</u>
Balance, June 30, 2011	<u>\$ 2,250,000</u>	<u>\$ 2,250,000</u>

A brief description of the outstanding general obligation bond issues at June 30, 2011 is set forth below:

	<u>Amount Outstanding</u>
Independent School District No. 8 General Obligation Bonds, Series 2004, original Issue \$6,665,000, interest rate of 2.75% to 3.80%, due in an annual installments of \$750,000, final payment of \$750,000 due July 1, 2014.	<u>\$ 2,250,000</u>
 TOTAL	 <u>\$ 2,250,000</u>

The annual debt service requirements for retirement of bond principal and payment of interest are as follows:

<u>Year ending June 30</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 750,000	\$ 82,500	\$ 832,500
2013	750,000	56,250	806,250
2014	750,000	28,500	778,500
	<u>\$ 2,250,000</u>	<u>\$ 167,250</u>	<u>\$ 2,417,250</u>

Interest expense on general long-term debt incurred during the current year totaled \$104,844.

**GUYMON SCHOOL DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

5. EMPLOYEE RETIREMENT SYSTEM

Basis of Accounting

The Retirement System's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The financial statements have also been prepared in compliance with the requirements of the Government Accounting Standards Board Statement No. 34.

The financial statements are prepared on the accrual basis of accounting, under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are recognized when due, pursuant to formal commitments. Benefits and refunds are recognized when due and payable.

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. Actuarial valuations are not performed on individual school districts. The nonfunded pension benefit obligation of the System, as determined as part of the latest actuarial valuation indicates a significant unfunded pension benefit obligation.

Funding Policy

A participant with five years of creditable service may retire with a normal retirement allowance at the age of sixty-two (62) or with reduced benefits as early as age fifty-five (55). The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his/her accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit of \$18,000.00 and the participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death. The contribution rates for the Districts, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. Employers' contribution of applicable employee earnings was 9.5% through June 30, 2011.

Annual Pension Cost

The District's contribution to the System for the year ending June 30, 2011, was \$892,373. The District's total payroll for fiscal year 2010-11 was \$9,190,104.

**GUYMON SCHOOL DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

6. CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

7. RISK MANAGEMENT AND LITIGATION

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employees' health and life, and natural disasters. The District manages these various risks of loss through the purchase of commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 30, 2012, which is the date the financial statements were issued.

OTHER SUPPLEMENTARY INFORMATION

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
SPECIAL REVENUE FUNDS - STATUTORY BASIS
JUNE 30, 2011**

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (Memorandum Only)</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	<u>\$1,803,508</u>	<u>173,541</u>	<u>1,977,049</u>
 Total Assets	 <u>\$1,803,508</u>	 <u>173,541</u>	 <u>1,977,049</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Outstanding Warrants	<u>\$0</u>	<u>39,830</u>	<u>39,830</u>
 Total Liabilities	 <u>0</u>	 <u>39,830</u>	 <u>39,830</u>
 Fund Equity:			
Reserved for Encumbrances	33,610		33,610
Fund Balance	<u>1,769,898</u>	<u>133,711</u>	<u>1,903,609</u>
 Total Fund Equity	 <u>1,803,508</u>	 <u>133,711</u>	 <u>1,937,219</u>
 Total Liabilities and Fund Equity	 <u>\$1,803,508</u>	 <u>173,541</u>	 <u>1,977,049</u>

The notes to the financial statements are an integral part of this statement.

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - STATUTORY BASIS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (Memorandum Only)</u>
Revenues:			
Local Sources	\$437,789	325,867	763,656
State Sources	37	21,117	21,154
Federal Sources		998,641	998,641
Total Revenues Collected	<u>437,826</u>	<u>1,345,625</u>	<u>1,783,451</u>
Expenditures:			
Support Services	70,251		70,251
Operation of Non-Instruction Services		1,324,952	1,324,952
Total Expenditures	<u>70,251</u>	<u>1,324,952</u>	<u>1,395,203</u>
Revenues Over (Under) Expenditures	<u>367,575</u>	<u>20,673</u>	<u>388,248</u>
OTHER FINANCING SOURCES (USES):			
Return of Assets		207	207
Estopped Warrants		74	74
Deobligation of Prior Year Funds		12,792	12,792
Total Other Financing Sources (Uses)	<u>0</u>	<u>13,073</u>	<u>13,073</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>367,575</u>	<u>33,746</u>	<u>401,321</u>
Fund Balance, Beginning of Year	<u>1,402,323</u>	<u>99,965</u>	<u>1,502,288</u>
Fund Balance, End of Year	<u>\$1,769,898</u>	<u>133,711</u>	<u>1,903,609</u>

The notes to the financial statements are an integral part of this statement.

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETED SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011**

	Building Fund			Child Nutrition Fund			
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:							
Local Sources	\$401,811	437,789	35,978	348,253	348,253	325,867	-22,386
State Sources		37	37	68,473	68,473	21,117	-47,356
Federal Sources			0	782,077	852,566	998,641	146,075
Total Revenues	401,811	437,826	36,015	1,198,803	1,269,292	1,345,625	76,333
EXPENDITURES :							
Support Services	769,199	70,251	698,948				0
Operation of Non-Instructional Services			0	1,298,768	1,369,257	1,324,952	44,305
Facilities Acquisition & Construction Services	1,034,935		1,034,935				0
Total Expenditures	1,804,134	70,251	1,733,883	1,298,768	1,369,257	1,324,952	44,305
Revenues Over (Under) Expenditures	(1,402,323)	367,575	1,769,898	(99,965)	(99,965)	20,673	120,638
OTHER FINANCING SOURCES (USES):							
Return of Assets			0			207	207
Estopped Warrants			0			74	74
Deobligation of Prior Year Funds			0			12,792	12,792
Total Other Financing Sources (Uses)	0	0	0	0	0	13,073	13,073
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(1,402,323)	367,575	1,769,898	(99,965)	(99,965)	33,746	133,711
Fund Balance, Beginning of Year	1,402,323	1,402,323	0	99,965	99,965	99,965	0
Fund Balance, End of Year	\$0	1,769,898	1,769,898	0	0	133,711	133,711

The notes to financial statements are an integral part of this statement

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
STATUTORY BASIS
CAPITAL PROJECTS FUNDS
JUNE 30, 2011**

	<u>1994 BUILDING BOND FUND</u>	<u>2004 BUILDING BOND FUND</u>	<u>TOTALS (Memorandum Only)</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	<u>\$554</u>	<u>1,023</u>	<u>1,577</u>
Total Assets	<u>554</u>	<u>1,023</u>	<u>1,577</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities			
Outstanding Warrants	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity:			
Reserved for Encumbrances			0
Designated for Capital Projects	<u>554</u>	<u>1,023</u>	<u>1,577</u>
Total Fund Equity	<u>554</u>	<u>1,023</u>	<u>1,577</u>
Total Liabilities and Fund Equity	<u>\$554</u>	<u>1,023</u>	<u>1,577</u>

The notes to the financial statements are an integral part of this statement.

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - STATUTORY BASIS
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	1994 BUILDING BOND FUND	2004 BUILDING BOND FUND	TOTALS (Memorandum Only)
Revenues:			
Local Sources--Bond Proceeds	\$0		0
Local Sources--Interest Earnings			0
Total Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Support Service			0
Facilities Acquisition and Construction Service			0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenue Over Expenditures	0	0	0
Other Financing Sources (Uses):			
Deobligation of Prior Year Funds			0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	0	0	0
Fund Balance, Beginning of Year	<u>554</u>	<u>1,023</u>	<u>1,577</u>
Fund Balance, End of Year	<u>\$554</u>	<u>1,023</u>	<u>1,577</u>

The notes to the financial statements are an integral part of this statement.

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
COMBINING STATEMENT OF ASSETS AND LIABILITIES - STATUTORY BASIS
TRUST AND AGENCY FUNDS
JUNE 30, 2011**

	<u>Dale Scholarship Fund</u>	<u>Insurance Recovery Fund</u>	<u>Casualty/Flood Insurance Fund</u>	<u>Activity Fund</u>	<u>TOTALS (Memorandum Only)</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	<u>\$2,978</u>	<u>55,898</u>	<u>129,585</u>	<u>215,789</u>	<u>404,250</u>
Total Assets	<u>\$2,978</u>	<u>55,898</u>	<u>129,585</u>	<u>215,789</u>	<u>404,250</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities:					
Warrants Outstanding	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>5,405</u>	<u>5,405</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,405</u>	<u>5,405</u>
Fund Equity:					
Fund Balance	<u>2,978</u>	<u>55,898</u>	<u>129,585</u>	<u>210,384</u>	<u>398,845</u>
Total Fund Equity	<u>2,978</u>	<u>55,898</u>	<u>129,585</u>	<u>210,384</u>	<u>398,845</u>
Total Liabilities and Fund Equity	<u>\$2,978</u>	<u>55,898</u>	<u>129,585</u>	<u>215,789</u>	<u>404,250</u>

The notes to the financial statements are an integral part of this statement.

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - STATUTORY BASIS
TRUST AND AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Dale Scholarship Fund</u>	<u>Insurance Recovery Fund</u>	<u>Casualty/Flood Insurance Fund</u>	<u>Activity Fund</u>	<u>TOTALS (Memorandum Only)</u>
Revenues:					
Local Sources	<u>\$109</u>		<u>155,863</u>	<u>631,190</u>	<u>787,162</u>
Total Revenues Collected	<u>109</u>	<u>0</u>	<u>155,863</u>	<u>631,190</u>	<u>787,162</u>
Expenditures:					
Support Services			<u>41,250</u>		<u>41,250</u>
Non-Instructional Services				<u>634,348</u>	<u>634,348</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>41,250</u>	<u>634,348</u>	<u>675,598</u>
Revenues Over (Under) Expenditures	<u>109</u>	<u>0</u>	<u>114,613</u>	<u>(3,158)</u>	<u>111,564</u>
Other Financing Sources (Uses)					
Deobligation of Prior Year Funds			<u>(29,327)</u>		<u>(29,327)</u>
Excess of Revenues and Expenditures Over (Under) Other Financing Sources	<u>109</u>	<u>0</u>	<u>85,286</u>	<u>(3,158)</u>	<u>82,237</u>
Fund Balance, Beginning of Year	<u>2,869</u>	<u>55,898</u>	<u>44,299</u>	<u>213,542</u>	<u>316,608</u>
Fund Balance, End of Year	<u>\$2,978</u>	<u>55,898</u>	<u>129,585</u>	<u>210,384</u>	<u>398,845</u>

The notes to the financial statements are an integral part of this statement.

GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND
JULY 1, 2010 TO JUNE 30, 2011

	<u>Balance</u> <u>6/30/10</u>	<u>Deposits</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>6/30/11</u>
Admissions Account	\$2,881.75	52,053.60	0.00	48,826.31	8,109.04
Academic Bowl	54.49	0.00	0.00	0.00	54.49
Advanced Placement	283.00	0.00	0.00	0.00	283.00
Business Professionals/America	651.09	23,401.69	0.00	23,864.94	187.84
Junior High Art	178.37	0.00	0.00	0.00	178.37
High School Art	1,490.41	4,121.50	0.00	3,855.18	1,756.75
Advanced Placement Spanish	120.94	0.00	0.00	0.00	120.94
Academy-Homer Long	16,351.42	4,204.74	0.00	6,262.37	14,293.79
Academy-Grades 3-4	20,742.69	28,307.21	0.00	30,739.70	18,310.20
Athletics Football	2,856.06	6,378.38	0.00	9,251.06	83.36
Golf	360.37	9,540.00	0.00	9,794.39	105.98
Cross Country	558.65	11,638.11	0.00	11,919.30	277.46
Basketball Girls	9,085.64	20,704.75	100.00	18,225.32	11,665.07
Basketball Boys	4,558.97	0.00	0.00	1,837.21	2,921.76
Softball Fast-Pitch	2,221.10	9,749.00	0.00	9,795.30	2,174.80
Baseball	667.87	6,400.81	0.00	5,635.82	1,432.86
Track	422.50	4,893.38	0.00	4,148.84	1,168.04
Girls Soccer	9.83	4,390.50	0.00	4,382.21	17.92
Bake Fund	0.00	40.80	0.00	0.00	40.80
Band	600.52	54,218.03	0.00	47,873.54	6,943.01
Junior High Volleyball	2,922.56	5,746.50	0.00	5,546.67	3,122.39
Alumni Court	5,168.05	1,225.00	0.00	748.44	5,644.61
Caught Ya	680.19	890.00	0.00	968.26	601.93
Academic Booster Club	1,501.75	12,085.16	0.00	9,740.50	3,846.43
Accelerated Reading Jr Hi	326.00	127.00	0.00	144.46	308.54
Boys Soccer	1,121.44	3,075.00	0.00	4,173.99	22.45
Banquet	124.81	0.00	0.00	0.00	124.81
Choir, Junior High	1,484.33	8,086.50	0.00	7,347.32	2,223.51
Choir, High School	2,021.22	6,030.29	0.00	7,721.54	329.97
Computer/Skills USA	159.31	360.00	0.00	489.84	19.47
Junior High Cheerleaders	973.14	4,375.30	0.00	3,928.16	1,420.28
High School Cheerleaders	8,850.32	35,900.27	0.00	34,629.78	10,120.81
Class of 2008	0.00	0.00	0.00	0.00	0.00
Class of 2011	3,786.41	6,061.00	(2,257.37)	5,874.38	1,715.66
Class of 2009	0.00	11,192.50	2,147.37	10,424.32	2,915.55
Class of 2010	366.00	0.00	110.00	476.00	0.00
Class of 2005	0.00	0.00	0.00	0.00	0.00
Class of 2006	0.00	0.00	0.00	0.00	0.00
Class of 2007	0.00	110.20	0.00	0.00	110.20
Coke Fund	9,322.17	5,020.00	0.00	0.00	14,342.17
High School Ceramics	398.32	2,625.50	0.00	2,425.89	597.93
Debate Club	21.49	0.00	0.00	0.00	21.49
Dance Team	1,568.23	16,864.35	0.00	18,559.46	1,873.12
DECA	0.00	0.00	0.00	0.00	0.00
Elementary Yearbook	691.49	6,576.20	0.00	7,200.12	67.77
North Park Elementary	15,042.70	16,863.47	0.00	25,271.62	6,634.55
FCA, Junior High	727.91	0.00	0.00	44.00	683.91
Fellowship Christian Athletes	78.17	105.00	0.00	163.33	19.84
FFA	6,506.53	87,126.78	(100.00)	80,481.84	13,051.47
FCCLA, Junior High	10,033.35	17,745.86	0.00	15,762.56	12,016.65
FCCLA, High School	3,093.98	1,641.14	0.00	1,989.65	2,745.47
FHA Teen Business	0.00	0.00	0.00	0.00	0.00
French Club	5,894.00	1,660.00	0.00	1,027.82	6,526.18
Halo, Junior High	81.93	4,261.65	(68.00)	4,265.64	19.94
Halo, High School	154.40	0.00	0.00	0.00	154.40
FTA	327.65	0.00	0.00	0.00	327.65
Junior High Faculty	1,110.83	171.89	0.00	86.00	1,196.72
Junior High	380.85	278.93	0.00	172.13	487.65
Library, Elementary	7,319.73	4,853.39	(807.68)	4,715.76	6,449.68
Library, Junior High	346.65	3,365.86	0.00	3,143.82	588.49
Library, High School	1,342.65	3,461.70	0.00	3,092.74	1,711.81
Math Dept. Junior High	1,279.53	0.00	0.00	1,279.53	0.00
Library, K-3	0.00	5,188.24	552.24	2,755.80	2,984.68
Model United Nations	194.87	0.00	0.00	0.00	194.87

GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND
JULY 1, 2010 TO JUNE 30, 2011

	Balance 6/30/10	Deposits	Transfers	Disbursed	Balance 6/30/11
Miscellaneous HS	3,839.94	6,773.10	0.00	4,701.67	5,911.37
NJHS	1,731.65	3,880.50	0.00	1,772.02	3,840.13
NHS High School	417.06	0.00	0.00	395.05	22.01
Science Club High School	3.96	0.00	0.00	0.00	3.96
Academy Alternative School	146.19	2,562.48	0.00	2,361.16	347.51
Folkston, HS	2,784.37	3,531.00	88.00	4,994.54	1,368.83
Publications	25,825.98	29,745.49	0.00	52,584.90	2,986.57
Science Club JR. HI	775.08	0.00	0.00	0.00	775.08
Tech Education	1,036.42	8,974.30	0.00	8,389.13	1,621.59
Prairie , Salyer, Camier	6,675.05	14,703.71	255.44	12,092.08	9,542.12
Tri-County Administrators	199.00	0.00	0.00	0.00	199.00
Tiger Chronicle	463.42	0.00	0.00	0.00	463.42
Special Education	526.81	1,174.50	0.00	1,011.58	689.83
STUCO, Junior High	601.84	5,783.15	0.00	5,978.05	386.94
STUCO, Sr. Hi	2,482.97	23,660.25	0.00	21,070.80	5,072.62
Tiger Pack	83.39	0.00	0.00	0.00	83.39
Skills/USA_VICA	0.00	0.00	0.00	0.00	0.00
Wellness	2.27	3,000.00	0.00	1,284.67	1,717.60
TSA, Junior High	92.19	726.00	0.00	626.87	191.32
General Fund	0.00	6,578.94	0.00	6,578.94	0.00
Petty Cash	0.00	0.00	0.00	0.00	0.00
Panhandle Printshop	700.34	0.00	0.00	0.00	700.34
Yearbook, Junior High	6,606.49	7,201.15	0.00	13,632.16	175.48
Returned Checks	(1,041.14)	0.00	0.00	0.00	(1,041.14)
	<u>\$213,541.81</u>	<u>631,180.55</u>	<u>0.00</u>	<u>634,348.26</u>	<u>210,384.10</u>

The notes to the financial statements are an integral part of this statement.

GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE - STATUTORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	Federal CFDA Number	Project Code	Program or Award Amount	Cash/ Beginning Balance at July 1, 2010	Federal Receipts	Federal Expenditures	Cash/ Ending Balance at June 30, 2011
U.S. Department of Education							
Passed through the Department of Education:							
Title I - Basic Program - Reading	84.010	511	\$725,573.19			642,427.47	(642,427.47)
Title I - Basic Program - Prior Year	84.010	511		(554,265.47)	554,265.47		0.00
Title I - LEA's Excess Carryover	84.010	512	40,491.12		40,491.12	40,491.12	0.00
Title I - ARRA	84.389	516	227,873.18		85,283.50	227,873.18	(142,589.68)
Title I - ARRA - Prior Year	84.389	516		(11,464.30)	11,464.30		0.00
Title I - Migrant Education	84.011	521	718,175.10			486,611.14	(486,611.14)
Title I - Migrant Education - Prior Year	84.011	521		(257,256.96)	257,256.96		0.00
Title II - Part A	84.367	541	128,770.84			116,913.32	(116,913.32)
Title II - Part A - Prior Year	84.367	541		(73,657.06)	73,657.06		0.00
Title II - Part A - Video Conf. Centers	84.367	543	29,500.00			27,418.24	(27,418.24)
Title II - Part A - Video Conf. Centers - Pnor Year	84.367	543		(26,024.70)	26,024.70		0.00
Title III - Emergency Immigrant	84.365	571	11,236.40			6,029.31	(6,029.31)
Title III - Emergency Immigrant - Prior Year	84.365	571		(751.02)	751.02		0.00
Title III - Part A - English Language	84.365	572	108,440.71			87,340.34	(87,340.34)
Title III - Part A - English Language - Prior Year	84.365	572		(85,633.85)	85,633.85		0.00
Title II - Part D	84.318	546	1,583.00			1,574.00	(1,574.00)
Title II - Part D - Prior Year	84.318	546		(4,491.37)	4,491.37		0.00
Title II - Part D	84.318	548	2,024.80			1,430.00	(1,430.00)
Title IV - Part A	84.186	551		(13,759.14)	13,759.14		0.00
Foundation & Salary Aid - ARRA	84.394	782	622,152.00		622,152.00	622,152.00	0.00
Education Jobs Fund	84.410	790	493,954.00		405,898.74	491,711.00	(85,812.26)
IDEA-B Project ECHO	84.027	615	5,000.00			2,200.00	(2,200.00)
IDEA Discretionary	84.027	613	5,000.00			476.05	(476.05)
IDEA Discretionary - Prior Year	84.027	613		(5,000.00)	5,000.00		0.00
IDEA Flow Through	84.027	621	526,190.70			511,334.76	(511,334.76)
IDEA Flow Through - Prior Year	84.027	621		(494,445.37)	494,445.37		0.00
IDEA Flow Through - ARRA	84.391	622	189,985.85		162,238.60	189,979.56	(27,740.96)
IDEA Flow Through - ARRA - Prior Year	84.391	622		(117,235.08)	117,235.08		0.00
IDEA Preschool	84.173	641	19,189.05		19,189.05	19,189.05	0.00
IDEA Preschool - ARRA	84.382	643	9,609.65		9,609.65	9,609.65	0.00
Title VI - Part B	84.358	587	84,638.60			72,702.28	(72,702.28)
Title VI - Part B - Prior Year	84.358	587		(44,854.12)	44,854.12		0.00
Adult Basic Education - LEA	84.002	731	34,575.77			20,519.81	(20,519.81)
Adult Basic Education - LEA - Prior Year	84.002	731		(49,674.37)	49,674.37		0.00
Sub-total			3,983,963.96	(1,738,512.81)	3,083,375.47	3,577,982.28	(2,233,119.62)

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE - STATUTORY BASIS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Federal CFDA Number</u>	<u>Project Code</u>	<u>Program or Award Amount</u>	<u>Cash/ Beginning Balance at July 1, 2010</u>	<u>Federal Receipts</u>	<u>Federal Expenditures</u>	<u>Cash/ Ending Balance at June 30, 2011</u>
Passed Through State Department of Education							
Food Service Programs - Lunch	10.555	385	766,243.68		766,243.68	766,243.68	0.00
Food Service Programs - Breakfast	10.553	385	191,674.70		191,674.70	191,674.70	0.00
Food Service Programs - Special Milk	10.556	385	4,057.78		4,057.78	4,057.78	0.00
Food Service Programs - Summer Food	10.559	766	47,635.01		12,520.21	47,635.01	(35,114.80)
Food Service Programs - Summer Food - Prior Year	10.559	766		(36,664.53)	36,664.53		0.00
Sub-total			<u>1,009,611.17</u>	<u>(36,664.53)</u>	<u>1,011,160.90</u>	<u>1,009,611.17</u>	<u>(35,114.80)</u>
Passed through the State Department of Vocational and Technical Education:							
Carl Perkins - Comp. Secondary Program	84.048	421	60,750.00			55,403.64	(55,403.64)
Carl Perkins - Comp. Secondary Program - Pnor Year	84.048	421		(59,047.03)	59,047.03		0.00
Sub-total			<u>60,750.00</u>	<u>(59,047.03)</u>	<u>59,047.03</u>	<u>55,403.64</u>	<u>(55,403.64)</u>
Passed through the State Department of Human Services:							
Commodity Distribution	10.550	385	<u>49,986.79</u>		<u>38,661.12</u>	<u>38,661.12</u>	<u>0.00</u>
Total Federal Assistance			<u>\$5,104,311.92</u>	<u>(1,834,224.37)</u>	<u>4,192,244.52</u>	<u>4,681,658.21</u>	<u>(2,323,638.06)</u>

Note A: Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Guymon Public Schools District and is presented on another comprehensive basis of accounting conforming with the accounting practices prescribed or permitted by the Oklahoma State Department of Education which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this method, expenditures are recognized when an approved purchase order is issued.

Note B: Commodities representing non-cash expenditures have been included in the Schedule of Federal Awards which is an exception to the prescribed basis of accounting.

The notes to the financial statements are an integral part of this statement.

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
SCHEDULE OF STATUTORY, FIDELITY, AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2011**

Denise Darnell – Treasurer

**Employee Dishonesty Bond
The Ohio Casualty Insurance Company - Policy No. 3431232
\$50,000.00 Limit
Effective: From February 12, 2010 to February 11, 2011
February 12, 2011 to February 11, 2012**

**Employee Dishonesty Bond
The Ohio Casualty Insurance Company – Policy No. 3431235
\$1,000 Limit
Effective: From July 1, 2010 to June 30, 2011**

Mary Jane Fast

**Employee Dishonesty Bond
The Ohio Casualty Insurance Company – Policy No. 3427113
\$5,000 Limit
Effective: From July 1, 2010 to June 30, 2011**

Barbara Sue Darnell - Treasurer

**Employee Dishonesty Bond
The Ohio Casualty Insurance Company – Policy No. 5055829
\$50,000 Limit
Effective: From July 1, 2010 to June 30, 2011**

Doug Melton – Superintendent

**Employee Dishonesty Bond
The Ohio Casualty Insurance Company – Policy No. 5055827
\$100,000 Limit
Effective: From July 1, 2010 to June 30, 2011**

INTERNAL CONTROL AND COMPLIANCE REPORTS

PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

169 S.E. 32ND

EDMOND, OKLAHOMA 73013

(405) 348-3800

Fax (405) 348-7965

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*

**The Honorable Board of Education
Guymon School District No. 8
Texas County, Oklahoma**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Guymon School District No. 8, Texas County, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise the District's financial statements and have issued our report thereon dated March 30, 2012. The report on these financial statements is adverse with respect to the presentation of financial statements in conformity with accounting principles generally accepted in the United States of America because the District has elected to prepare its financial statements in conformity with a regulatory basis of accounting. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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.

We noted certain matters that we reported to management of Guymon School District No. 8 in a separate letter dated March 30, 2012.

This report is intended solely for the information and use of management, the audit committee and others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, though restricted in use, this report is a matter of public record, and its distribution is not limited.

Putnam & Company

Putnam & Company, PLLC

Edmond, Oklahoma
March 30, 2012

PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

169 S.E. 32ND

EDMOND, OKLAHOMA 73013

(405) 348-3800

Fax (405) 348-7965

Report on Compliance with Requirements Applicable to Each Major Program and Internal Controls over Compliance In Accordance with *Office of Management and Budget Circular A-133*

The Honorable Board of Education
Guymon School District No. 8
Texas County, Oklahoma

Compliance

We have audited the compliance of Guymon School District No. 8, Texas County, Oklahoma, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of District's management. Our responsibility is to express an opinion on District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

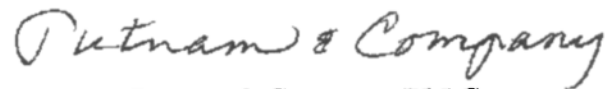
The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

A *control deficiency* 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote

likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A *material weakness* is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the School Board, management, federal awarding agencies, pass-through entities, all applicable state agencies, and those other Governments from which financial assistance was received, and is not intended to be, and should not be, used by anyone other than these specified parties.



Putnam & Company, PLLC

Edmond, Oklahoma
March 30, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Qualified due to regulatory basis presentation.

Internal control over financial reporting:

- * Material weakness(es) identified? Yes No
- * Significant Deficiency(ies) identified not considered to be material weakness(es)? Yes None Reported

Noncompliance material to financial statement noted? Yes No

Federal Awards

Internal control over major programs:

- * Material weakness(es) identified? Yes No
- * Significant Deficiency(ies) identified not considered to be material weakness(es)? Yes None Reported

Type of auditors’ report issued on compliance for Major programs

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of OMB Circular A-133?

Yes No

Identification of major programs:

CFDA Number

Name of Federal Program

84.010 and 84.011

Title I

84.389

Title I ARRA

84.394

Foundation & Salary Incentive Aid - ARRA

84.027

Flowthrough

84.391

Flowthrough ARRA

84.410

Education Jobs

10.555, 10.553, 10.556, 10.559

Federal Food Service Programs

Dollar threshold used to distinguish between type A and type B programs

\$300,000

Auditee qualified as low-risk auditee?

Yes No

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section II – Findings Relating to the Financial Statements

None

Section III – Findings and Questioned Costs for Federal Awards

N/A

Section IV – Status of Prior Year Audit Findings

None related to the financial statements or questioned costs for federal awards.

Section V – Management’s Corrective Action Plan

N/A

ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT

Guymon School District No. 8
Texas County, Oklahoma

Schedule of Accountants' Professional Liability Insurance Affidavit
For the Year Ending June 30, 2011

STATE OF OKLAHOMA)
) ss
County of Oklahoma)

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in Accordance with the "Oklahoma Public School Audit law" at the time of audit contract and during the entire audit engagement with Guymon School District No. 8 for the audit year 2010-2011.

Putnam & Company, PLLC

JW Putnam CPA

Subscribed and sworn to before me on this 31st day of March, 2012.
My commission expires on 4th day of June, 2015.

Amy Ziemba
Notary Public
Commission No. 03003504



MANAGEMENT LETTER AND COMMENTS

PUTNAM & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
169 S.E. 32ND
EDMOND, OKLAHOMA 73013
(405) 348-3800
fax (405) 348-7965

March 30, 2012

The Honorable Board of Education
Guymon School District No. 8
Texas County, Oklahoma

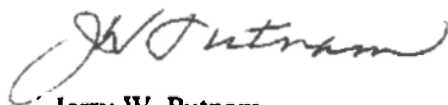
We have audited financial statements of Guymon School District No. 8, Texas County, Oklahoma, as of and for the year ended June 30, 2011, as listed in the table of contents, and have issued our report thereon dated March 30, 2012. As a part of our audit, we made a study and evaluation of the District's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of some matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated March 30, 2012 on the financial statements of Guymon School District No. 8.

We will review the status of these comments during our next audit engagement. We would be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We also wish to express our appreciation of the courteous attention and cooperation which we received from staff members during our engagement.

Sincerely,



Jerry W. Putnam

**GUYMON SCHOOL DISTRICT NO. 8
TEXAS COUNTY, OKLAHOMA
MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

PRIOR YEAR'S COMMENTS AND RECOMMENDATIONS:

The prior year's comments have been addressed and resolved.

CURRENT YEAR'S COMMENTS AND RECOMMENDATIONS:

REVIEW OF PURCHASE ORDERS AND PAYMENTS—APPROPRIATED FUNDS

Our review of the purchase orders indicated that in almost every instance the purchase orders were properly approved and supported with adequate documentation.

REVIEW OF ACTIVITY FUND TRANSACTIONS

The Activity Fund transactions were generally well documented. We noted some improvement, however, we also noted the following findings during our review:

A few invoices did not totally support the payments made, and,

Activity Fund purchase orders and requisitions were not used in some situations.

DISTRICT'S RESPONSE TO AUDIT COMMENTS/CORRECTIVE ACTION PLAN:

The District is generally in agreement with the finding and recommendations above and will review current procedures in order to implement necessary changes.