

DP

FILED

JAN 03 2012

State Auditor & Inspector

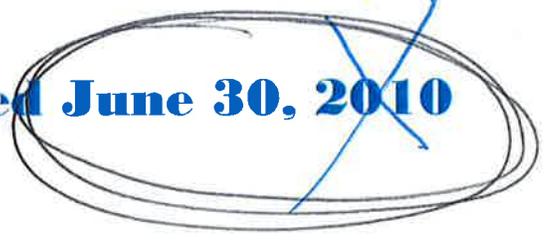
The City of Guymon, Oklahoma



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

2011



10

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

CITY OF GUYMON, OKLAHOMA

TABLE OF CONTENTS

	<u>Page</u>
COMPREHENSIVE ANNUAL FINANCIAL REPORT:	
INTRODUCTORY SECTION:	
Transmittal Letter	i-iii
Certificate of Achievement for Excellence in Financial Reporting	v
Organizational Chart	vi
List of Principal Officials	vii
FINANCIAL SECTION:	
INDEPENDENT AUDITOR’S REPORTS	1-2
REQUIRED SUPPLEMENTARY INFORMATION:	
Management’s Discussion and Analysis	3-10
BASIC FINANCIAL STATEMENTS:	11
<u>Statement</u>	
	<i>Government-Wide Financial Statements:</i>
1	Statement of Net Assets 12
2	Statement of Activities 13
	<i>Fund Financial Statements:</i>
3	Balance Sheet – Governmental Funds and Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets 14-15
4	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds and Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 16-17
5	Statement of Net Assets—Proprietary Fund 18
6	Statement of Revenues, Expenses, and Changes in Fund Net Assets—Proprietary Fund 19
7	Statement of Cash Flows—Proprietary Fund 20
	Notes to Basic Financial Statements 21-52

CITY OF GUYMON, OKLAHOMA

TABLE OF CONTENTS (Continued)

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A:	53
<u>Exhibit</u>	
1 Schedule of Funding Progress - Defined Benefit Retirement Plan	54
2 Budgetary Comparison Schedule—General Fund	55
3 Notes to Required Supplementary Information	56-57
OTHER SUPPLEMENTARY INFORMATION:	58
<u>Schedule</u>	
1 Combining Balance Sheet—Nonmajor Governmental Funds	59
2 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds	60
3 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—Nonmajor Governmental Funds	61-65
4 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—Major Governmental Capital Project Funds	66
5 Combining Balance Sheet—General Fund Accounts	67
6 Combining Schedule of Revenues, Expenses, and Changes in Fund Balances—General Fund Accounts	68
7 Schedule of Departmental Operating Revenues and Expenses Enterprise Fund—Operating Account (Guymon Utilities Authority)	69

CITY OF GUYMON, OKLAHOMA

TABLE OF CONTENTS (Continued)

STATISTICAL SECTION:		<u>Page</u>
		71
<u>Table</u>		
1	Net Assets by Component Unit – Last Nine Fiscal Years	72
2	Change in Net Assets – Last Nine Fiscal Years	73-74
3	Fund Balances, Governmental Funds—Last Ten Fiscal Years	75
4	Changes in Fund Balances, Governmental Funds- Last Ten Fiscal Years	76
5	Governmental Activities Tax Revenues By Source—Last Ten Fiscal Years	77
6	Gas Revenue by Customer Type – Last Five Fiscal Years	78
7	Top Ten Gas Customers – Current and Four Fiscal Years Ago	79
8	Gas Rates – Last Five Fiscal Years	80
9	Taxable Sales by Category – Last Ten Fiscal Years	81
10	Sales Tax Rates of Direct and Overlapping Governments – Last Ten Fiscal Years	82
11	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Fiscal Years	83
12	Computation of Direct and Overlapping Debt – June 30, 2010	84
13	Legal Debt Margin Information – Last Ten Fiscal Years	85
14a	Municipal Authority Pledged Revenue Coverage – Last Ten Fiscal Years	86
14b	Municipal Authority Pledged Revenue Coverage – Last Ten Fiscal Years	87
15	Ratio for Outstanding Debt By Type – Last Ten Fiscal Years	88
16	Demographic and Economic Statistics - Last Ten Calendar Years	89
17	Principal Employers - Current Year and Ten Years Ago	90

CITY OF GUYMON, OKLAHOMA

**TABLE OF CONTENTS
(Continued)**

STATISTICAL SECTION (Cont.):		<u>Page</u>
<u>Table</u>		
18a	Capital Asset Statistics by Function/Program – Last Five Fiscal Years	91
18b	Full-Time Equivalent City Government Employees by Function/Program - Last Five Fiscal Years	92
18c	Operating Indicators by Function/Program – Last Five Fiscal Years	93

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL AND COMPLIANCE:

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 AUDIT STANDARDS

95-96



Introductory Section

DAVE O'SULLIVAN, Mayor
JIM NORRIS, Vice Mayor
RANDY HINDS, Council Member



WILLIAM KING, Council Member
RYAN BELLEW, Council Member
TED GRAHAM, City Manager

December 28, 2011

To the Honorable Mayor Jim Norris, Members of the City Council and Citizens:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Guymon for the fiscal year ended June 30, 2011. We believe the information, as presented, is accurate in all material aspects and that all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial affairs have been included. The Management's Discussion and Analysis provides additional narrative and detailed analysis of the City's financial affairs. The City's MD&A can be found immediately following the independent auditor's report. It is the responsibility of the management of the City to prepare the CAFR.

Responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with management. Management is responsible for establishing and maintaining an internal control structure to ensure that the assets of the City are protected from loss, theft or misuse and that adequate accounting data is compiled for preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. We believe the information, as presented, is accurate in all material aspects and that all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial activities have been included.

The City of Guymon provides many municipal services including public safety, streets, parks, general administration, and public utilities. For financial reporting purposes, all funds, agencies, boards, commissions, trusts and authorities involved in providing these services are included. Those included in this financial report are the Guymon Utilities Authority, the Guymon Industrial Authority, and the Guymon Airport Authority as well as all funds of the City.

Governmental Structure

The City operates as a statutory council-manager form of government. The legislative authority of the City is vested in a five member elected council, consisting of one council member from each of four wards and one council member elected at-large. The mayor is elected from among the council members. The City Council also serves as trustees of the Guymon Utilities Authority, the Guymon Industrial Authority, and the Guymon Airport Authority. The Mayor and Council appoint the City Treasurer and a City Manager, who is the chief executive officer of the City. Responsibility for the day-to-day operations of the City rests with the City Manager.

CITY HALL . 219 NW FOURTH STREET . GUYMON, OKLAHOMA 73942
580/338-3396 . FAX 580/338-6889 . TDD/TTY #1-800-722-0353

www.guymonok.org

City of Guymon is an equal opportunity employer.

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD)

Economic Condition and Outlook

Guymon, originally incorporated in 1905, is situated in the heart of the Oklahoma Panhandle among productive oil and gas fields and rich agricultural land. Guymon is home to the largest pork exporter in the United States, Seaboard Foods, which processes over 6 million hogs per year. Over \$5.8 billion dollars in cattle are produced in the region each year. Texas County consistently ranks in the top five highest ranking gross agriculture producing counties in the United States and ranks first in the state. The estimated population of Guymon is 14,000 and continues to grow.

Guymon continues to be a progressive City. In 2007, the doors were opened to the Guymon Business Enterprise Center, a business incubator, to help develop entrepreneurs in our region and diversify our economic base. Since its inception, we have helped bring in six new successful businesses with thirty-two new jobs being created and over five million dollars in revenue. Several of these have moved out of the incubator and purchased property in the area to continue their business and add quality jobs to our community. In 2012 the City will utilize a USDA RBEG grant for \$74,000 to help build a certified community commercial kitchen at the Business Enterprise Center. This will be matched with some funds from WTAMU Enterprise Center to help entrepreneurs.

The City continues to recruit value-added agriculture companies to help bring in new jobs to the region. In the spring of 2010 the City started working with SPF North American to build their new plant in the Guymon Industrial Park. The plant is expected to be operational by January, 2012 and will bring in 40-60 new quality jobs. The City applied for and was awarded two grants for this project. The first is a CDBG EDIF grant for \$1 million dollars from the Department of Commerce to help with infrastructure based on the number of quality jobs created. The second grant is an Industrial Access grant from the Department of Transportation for \$475,000 to help with the streets in the Industrial Park leading to the new SPF plant.

The City has also been working with developers that will put Guymon in the center of the renewable energy economy. In March of 2010 we started working with Clean Line Energy, a Houston-based private company that will be investing \$3.5 billion in an eight-hundred mile wind energy transmission line from Texas County to the Tennessee Valley Authority in Tennessee. They will invest approximately \$1.7 billion in Oklahoma. Their plans will start with spending approximately \$250 million in Texas County to build an AC to DC converter station. Thousands of construction jobs will be created to build the converter stations (one at each end of the line) and the transmission line. In October of 2011, the Oklahoma Corporation Commission approved Clean Line's application for utility status. Installation of this transmission line will open up the doors for wind energy and, eventually bring hundreds of permanent jobs across the region. The three counties in the Oklahoma Panhandle have approximately 10,000 megawatts of untapped clean energy potential.

High Plains Bio Energy produces over 30 million gallons of bio diesel per year in the Guymon Industrial Park creating over 40 quality jobs.

A Biogas Plant company based in Germany is interested in building a biogas plant around Guymon to utilize waste products to produce clean energy and heat.

Oklahoma communities have to rely on sales tax and utility revenues for operations. The City of Guymon has been working with several retail developers in recent years to bring in new and diverse retailers. In 2009 Land Run Commercial Real Estate purchased the former Homeland Shopping Center and has invested over \$1.5 million to renovate the facility. This created new retailers, new jobs and new sales tax revenue for the City of Guymon. Several other developers are planning retail development projects in Guymon as we continue to grow. Guymon continues to focus on quality of life projects that will attract sales tax revenue and strengthen our economic base.

The use of a two-cent increase in sales tax passed by voters in October of 2007 will continue to be dedicated for capital assets and improvements. Specifically, one cent was used in 2008 and 2009 to build a new state-of-the art wastewater treatment plant and install six new water wells for the City with some additional help from ARRA funding. Those projects were completed in the early part of 2010 and are huge assets to the City and new businesses looking at Guymon. The remaining one cent has been and will be

used to repair and replace declining capital assets and infrastructure, as well as expand existing infrastructure for future growth.

Ground breaking for three new community facilities including a new fire station, library and animal shelter will begin in the early part of 2012. In 2010, the City was awarded a Community Facilities Grant from the USDA Rural Development for over \$660,000 towards the building of the new library, part of these funds are ARRA funds dedicated to "shovel ready libraries."

The City was awarded a \$400,000 Sidewalk Enhancement and Beautification grant from the Department of Transportation. This project will start the process of renovating and beautifying our Main Street Corridor starting at the corner of Highway 54 and Main Street attracting visitors into the downtown district. Public meetings were held in 2011 and final design plans were formed. The project is expected to break ground in the spring of 2012.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Guymon for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgment

We would like to thank our consultants, Crawford & Associates, P.C., for their professional guidance and our auditors, Finley and Cook for their assistance in this process.

Finally, to the Guymon City Council we extend heartfelt thanks for their support. It is their commitment to financial reporting excellence that allows the citizens of Guymon to be fully informed about their municipal government finances. We are proud to convey the Council's commitment to our citizens and to all readers of this CAFR.

Respectfully submitted,



Ted Graham
City Manager/Acting CFO



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Guymon
Oklahoma

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



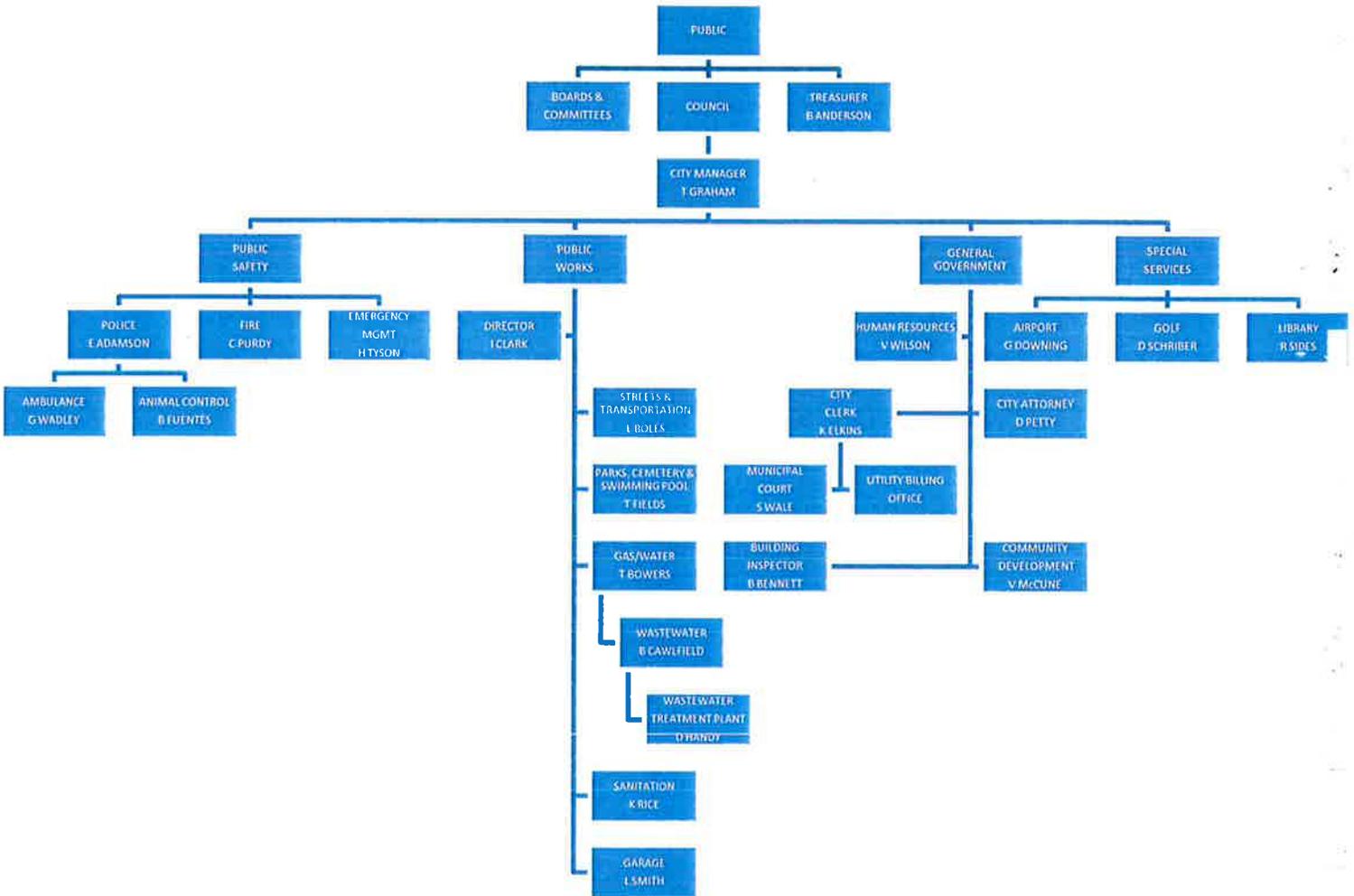
Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

CITY OF GUYMON, OKLAHOMA ORGANIZATIONAL CHART



CITY OF GUYMON
LIST OF PRINCIPAL OFFICIALS

City Council

Dave O'Sullivan	Mayor
Jim Norris	Vice-Mayor
William King	Member
Randy Hinds	Member
Ryan Bellew	Member

City Manager

Ted Graham

City Treasurer

Brian Anderson

City Clerk/Finance Director

Kimberly Elkins





Financial Section



INDEPENDENT AUDITORS' REPORT

To the Users of the City of Guymon, Oklahoma,
Annual Financial Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Guymon, Oklahoma (the "City") as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States 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 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 aggregate remaining fund information of the City as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED

Accounting principles generally accepted in the United States require that the management's discussion and analysis, the schedule of pension plan funding progress, and budgetary comparison information on pages 3 through 10, page 54, and page 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, 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 basic 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, other supplemental schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary schedules are the responsibility of management and were 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 statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Finley + Cook, PLLC

Shawnee, Oklahoma
December 28, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Guymon's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the transmittal letter on page "i" and the City's financial statements.

FINANCIAL HIGHLIGHTS

- ◆ Net assets of the City increased by 6.6%.
- ◆ While the General Fund total fund balance increased \$0.8 million, the unassigned fund balance decreased 23% to \$1.9 million due mainly to assignment of \$1.4 million to supplement next fiscal year's budget.
- ◆ During fiscal year 2011, the city issued \$5.5 million in sales tax revenue debt to construct an animal shelter and fire station. This debt will be funded with a voter-approved ¾ cent sales tax.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net assets and changes in them. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's sales tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- ◆ Governmental activities—Most of the City’s basic services are reported here, including the police, fire, general administration, streets, parks, and ambulance. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- ◆ Business-type activities—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City’s water, sewer, sanitation, and natural gas systems are reported here.

Reporting the City’s Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes (like the Guymon Development Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the Oklahoma Department of Commerce). The City’s two fund categories—governmental and proprietary—use different accounting approaches.

- ◆ Governmental funds—Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting and a current financial resources measurement focus, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. We illustrate the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds with a reconciliation at the bottom of the fund financial statements.
- ◆ Proprietary funds—When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City’s enterprise fund is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

THE CITY AS A WHOLE

Net Assets

As Table 1 shows, the City's *combined* net assets showed an increase—increasing 6.6% from \$32.96 million to \$35.26 million. Explanations of increases and decreases in excess of 20% and \$200,000 are as follows:

Governmental Activities:

Current and other assets and Long-term debt outstanding – the significant increase in both of these balances is due to the issuance of \$5.5 million of sales tax revenue debt that has not yet been spent for the animal shelter and fire station construction.

Net assets, unrestricted – 32% increase of approximately \$875,000 resulting mainly from the excess unrestricted revenues over expenses in the General Fund.

Business-type Activities:

Other liabilities – 24% decrease of \$600,000 resulting from decline in construction –related accounts payable.

Table 1
Net Assets
(In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	Restated			Restated			Restated		
	2011	2010		2011	2010		2011	2010	
Current and other assets	\$ 12,658	\$ 6,697	89%	\$ 4,633	\$ 4,644	0%	\$ 17,291	\$ 11,341	52%
Capital assets	11,789	10,918	8%	36,016	36,337	-1%	47,805	47,255	1%
Total assets	24,447	17,615	39%	40,649	40,981	-1%	65,096	58,596	11%
Long-term debt outstanding	5,431	448	1112%	21,063	21,365	-1%	26,494	21,813	21%
Other liabilities	1,475	1,231	20%	1,866	2,467	-24%	3,341	3,698	-10%
Total liabilities	6,906	1,679	311%	22,929	23,832	-4%	29,835	25,511	17%
Net assets:									
Invested in capital assets, net of debt	11,430	10,443	9%	13,584	13,408	1%	25,014	23,851	5%
Restricted	2,514	2,770	-9%	259	306	-15%	2,773	3,076	-10%
Unrestricted	3,597	2,723	32%	3,877	3,435	13%	7,474	6,158	21%
Total net assets	\$ 17,541	\$ 15,936	10%	\$ 17,720	\$ 17,149	3%	\$ 35,261	\$ 33,085	7%

Changes in Net Assets

Overall, the City's "Net Assets" increased by approximately \$2.2 million. Explanations for this increase are given for individual items in excess of 20% change and in excess of \$200,000 change as follows:

Governmental Activities:

Capital grants – 111% increase of \$378,000 due to \$250,000 CDBG grant for street construction and \$300,000 increase in airport grants.

Transfers – 337% increase - \$801,000 increase due to \$400,000 increase in operating transfer from GUA to General Fund; decrease of \$100,000 of capital assets from General Fund to GUA; additional \$60,000 operating transfer to the golf fund from GUA; and \$220,000 decrease in transfer from GUA Sales Tax Fund to GUA for capital purchases.

Business-type Activities:

Capital grants – 78% decrease of \$507,000 represents decrease in ARRA grant used for forgiveness of OWRB debt.

Water expenses – 41% increase of \$540,000 resulting primarily from increased depreciation (\$156,000) and interest expense (\$128,000) related to OWRB loan-funded water system improvements that were placed in service this year; and \$145,000 increase in utilities cost.

Sewer expenses – 113% increase of \$1.4 million resulting primarily from increased depreciation (\$610,000) and interest expense (\$497,000) related to OWRB loan-funded wastewater treatment improvements that were placed in service this year; and \$137,000 increase in utilities cost.

Transfers – 337% decrease – see explanation in Governmental Activities section.

Table 2
Changes in Net Assets
(In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2011	2010		2011	2010		2011	2010	
Revenues:									
Program revenues:									
Charges for services	\$ 1,121	\$ 1,173	-4%	\$ 10,183	\$ 9,369	9%	\$ 11,304	\$ 10,542	7%
Operating grants	693	624	11%	-	-	-	693	624	11%
Capital grants	720	342	111%	143	650	-78%	863	992	-13%
General revenues:									
Sales and use taxes	6,052	5,780	5%	-	-	-	6,052	5,780	5%
Other taxes	1,686	1,484	14%	-	-	-	1,686	1,484	14%
Other general revenue	480	372	29%	82	41	100%	562	413	36%
Total revenues	<u>10,752</u>	<u>9,775</u>	10%	<u>10,408</u>	<u>10,060</u>	3%	<u>21,160</u>	<u>19,835</u>	7%
Program expenses:									
General government	585	534	10%	-	-	-	585	534	10%
Public safety and judiciary	4,247	3,956	7%	-	-	-	4,247	3,956	7%
Transportation	1,907	1,736	10%	-	-	-	1,907	1,736	10%
Cultural, parks and recreation	1,596	1,522	5%	-	-	-	1,596	1,522	5%
Community/economic development	1,238	1,058	17%	-	-	-	1,238	1,058	17%
Interest	138	25	452%	-	-	-	138	25	452%
Gas	-	-	-	3,455	3,316	4%	3,455	3,316	4%
Garage	-	-	-	66	60	10%	66	60	10%
Water	-	-	-	1,842	1,302	41%	1,842	1,302	41%
Sewer	-	-	-	2,636	1,239	113%	2,636	1,239	113%
Sanitation	-	-	-	1,275	1,205	6%	1,275	1,205	6%
Farm	-	-	-	-	10	-100%	-	10	-100%
Total expenses	<u>9,711</u>	<u>8,831</u>	10%	<u>9,274</u>	<u>7,132</u>	30%	<u>18,985</u>	<u>15,963</u>	19%
Excess (deficiency) before transfers	1,041	944	10%	1,134	2,928	-61%	2,175	3,872	-44%
Transfers	563	(238)	337%	(563)	238	-337%	-	-	-
Increase (decrease) in net assets	1,604	706	127%	571	3,166	-82%	2,175	3,872	-44%
Beginning net assets	<u>15,937</u>	<u>15,107</u>	5%	<u>17,149</u>	<u>13,983</u>	23%	<u>33,086</u>	<u>29,090</u>	14%
Ending net assets	<u>17,541</u>	<u>15,813</u>	11%	<u>17,720</u>	<u>17,149</u>	3%	<u>35,261</u>	<u>32,962</u>	7%
Prior period adjustment	-	123	100%	-	-	-	-	123	100%
Ending net assets, as adjusted	<u>\$ 17,541</u>	<u>\$ 15,936</u>	10%	<u>\$ 17,720</u>	<u>\$ 17,149</u>	3%	<u>\$ 35,261</u>	<u>\$ 33,085</u>	7%

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Table 3 presents the cost of each of the City's seven largest programs—police, economic development, fire, street, golf, general government, and community development—as well as each program's net cost (total cost less revenues

generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3
Governmental Activities
(In Thousands)

	Total Cost of Services		%	Net Cost of Services		%
	2011	2010		2011	2010	
Police Dept.	\$ 2,068	\$ 2,030	2%	\$ 1,692	\$ 1,459	16%
Economic Development	877	729	20%	844	726	16%
Fire Dept.	1,473	1,348	9%	1,299	1,196	9%
Street Dept.	982	869	13%	637	774	-18%
Golf Dept.	554	538	3%	203	182	12%
General Government Dept.	354	301	18%	316	268	18%
Community Development	283	252	12%	190	167	14%
All others	3,121	2,765	13%	1,997	1,921	4%
Totals	<u>\$ 9,712</u>	<u>\$ 8,832</u>	10%	<u>\$ 7,178</u>	<u>\$ 6,693</u>	7%

Overall, the city's governmental activities' total costs increased 10% from last year and net costs also increased but only by 7%. The explanations on the previous page account for the major changes in expenses and net cost of services.

Business-type Activities

Overall, total cost of services for the city's business-type activities increased 30% from last year. The explanations for the major components of the increases are noted on the previous page. The net revenues reported a decrease of 64% which was mainly caused by sewer revenues not increasing to cover doubled sewer expenses related to operations of the new wastewater treatment plant. Also water revenues did not increase enough to cover additional interest and depreciation expense related to new water system improvements.

Table 4
Business-Type Activities
(In Thousands)

	Total Cost of Services		%	Net Revenues (Expenses)		%
	2011	2010		2011	2010	
Gas	\$ 3,455	\$ 3,316	4%	\$ 815	\$ 860	-5%
Garage	66	60	10%	(66)	(60)	10%
Water	1,842	1,302	41%	1,356	1,972	-31%
Sewer	2,636	1,239	113%	(1,252)	(50)	2404%
Sanitation	1,275	1,205	6%	98	115	-15%
Farm	-	10	-100%	102	50	104%
Totals	<u>\$ 9,274</u>	<u>\$ 7,132</u>	30%	<u>\$ 1,053</u>	<u>\$ 2,887</u>	-64%

THE CITY'S FUNDS

The City's total governmental fund balance increased by \$5.9 million. Individual funds with major changes include the General Sales Tax CIF Fund which increased fund balance because of unspent note proceeds for construction of the animal shelter and fire station of

\$5.4 million. The General Fund reported an \$842,000 increase in fund balance due mainly to an increased operating transfer from GUA. GUA Sales Tax CIF fund balance continues to decline (this year \$310,000) with the use of fund balance to now pay for debt service on OWRB loans.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council did not supplement the General Fund budget except for transfers within departments and an increase in the Golf Fund appropriations of \$26,000. Actual revenues were more than budgeted by \$283,000 mainly from an unplanned increase in sales and use tax revenues. And actual expenses were \$415,000 less which is 5% of overall budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2011, the City had \$78 million invested in capital assets including police and fire equipment, buildings, park facilities, roads, and water, sewer, and gas lines. (See Table 5) This represents a net increase of \$1.34 million or 1.7% more than last year. A physical inventory was performed and as a result additional donated assets were located and beginning capital asset balances restated for 2010 at an increase of \$124,000. Further detailed information can be found in the notes to the financial statements (Notes 1D and 3.D).

Table 5
Capital Assets
(In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
		Restated				Restated
Land	\$ 290	\$ 290	\$ 2,245	\$ 2,245	\$ 2,535	\$ 2,535
Buildings	2,193	2,195	976	976	3,169	3,171
Improvements	9,620	8,054	460	103	10,080	8,157
Equipment	6,324	7,046	2,998	3,365	9,322	10,411
Infrastructure	4,954	4,865	-	-	4,954	4,865
Utility Property	-	-	44,743	44,762	44,743	44,762
Construction in Progress	1,594	1,881	2,100	1,380	3,694	3,261
Totals	<u>\$ 24,975</u>	<u>\$ 24,331</u>	<u>\$ 53,522</u>	<u>\$ 52,831</u>	<u>\$ 78,497</u>	<u>\$ 77,162</u>

The City issued revenue-backed debt to purchase a portion of the capital asset additions as well as using restricted sales tax. Both the business-type and governmental activities replaced assets that exceeded depreciation this year which accounts for the overall increase in net capital assets of approximately \$550,000. This year's major additions (excluding construction in progress) included:

5 police SUVs	150,000
2010 Sealcoat Project	305,000
Thompson Park Playground Equipment	83,000
Cross Park Improvements	62,000

At the end of the fiscal year \$1.1 million in street projects and \$319,000 in Adams Building Renovations were placed in service.

Debt

At year-end, the City had \$28.1 million in outstanding notes and capital leases compared to \$23.4 million last year. This represents an increase of 20% as shown in the following table. Other long-term obligations of the City include accrued compensated absences and customer deposit liability. Further detailed information can be found in Note 3E.

Table 6
Long-term Debt
(In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Revenue notes (backed by fee and tax revenues)	\$ 5,400	\$ -	\$ 22,337	\$ 22,798	\$ 27,737	\$ 22,798
Capital lease obligations (backed by City and GUA)	295	475	117	163	412	638
Totals	<u>\$ 5,695</u>	<u>\$ 475</u>	<u>\$ 22,454</u>	<u>\$ 22,961</u>	<u>\$ 28,149</u>	<u>\$ 23,436</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City will be changing its fiscal year end date to December 31 effective January 1, 2012. So next year's budget is only for the six months ended December 31, 2011. The General Fund six month 2011 budget reflects an use of \$1.4 million of fund balance. Sales and use taxes are budgeted to increase 2% while operating expenses are budgeted to increase by 18%. The difference is funded by use of fund balance. However, even with the use of fund balance, the ending fund balance amount is still 43% of estimated annual revenues.

The enterprise fund is budgeting for an increase in fund balance of \$1.4 million. To obtain that, all utility rates (other than wastewater) are budgeted to be raised 10% and wastewater rates will increase 12% to cover increased costs related to the new wastewater treatment plant. The GUA ending fund balance is estimated to be 35% of annual revenues.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk's Office at 219 N.W. 4th Street, Guymon, Oklahoma or telephone at 580-338-3396.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
 - Governmental funds
 - Proprietary (enterprise) fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

City of Guymon, Oklahoma
Statement of Net Assets
June 30, 2011

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash, including time deposits	\$ 5,261,238	\$ 2,389,089	\$ 7,650,327
Restricted cash, including time deposits	5,597,116	278,567	5,875,683
Investments	57,099	-	57,099
Accounts receivable, net	545,843	1,081,910	1,627,753
Due from other governments	1,057,136	33,676	1,090,812
Deposit with insurance pool	2,552	1,169	3,721
Total current assets	<u>12,520,984</u>	<u>3,784,411</u>	<u>16,305,395</u>
Noncurrent Assets:			
Restricted cash, including time deposits	-	298,204	298,204
Unamortized note issue costs	136,885	550,486	687,371
Capital Assets:			
Nondepreciable	1,884,537	4,345,331	6,229,868
Depreciable, net	9,904,329	31,670,681	41,575,010
Total noncurrent assets	<u>11,925,751</u>	<u>36,864,702</u>	<u>48,790,453</u>
Total Assets	<u>24,446,735</u>	<u>40,649,113</u>	<u>65,095,848</u>
LIABILITIES			
Current liabilities:			
Accounts payable	400,604	123,982	524,586
Retainage payable	-	-	-
Accrued interest payable	57,510	221,333	278,843
Due to other governmental agencies	946	-	946
Refundable court bonds	17,785	-	17,785
Unearned revenues	549,165	-	549,165
Current portion of long-term:			
Capital lease obligation	150,436	48,427	198,863
Notes payable	280,000	1,467,330	1,747,330
Refundable grant obligation	-	-	-
Accrued compensated absences	18,490	5,510	24,000
Total current liabilities	<u>1,474,936</u>	<u>1,866,582</u>	<u>3,341,518</u>
Noncurrent liabilities:			
Customer deposits payable	-	96,704	96,704
Capital lease obligation	144,858	68,073	212,931
Notes payable, net	5,120,000	20,848,616	25,968,616
Refundable grant obligation	-	-	-
Accrued compensated absences	166,410	49,589	215,999
Total Noncurrent liabilities	<u>5,431,268</u>	<u>21,062,982</u>	<u>26,494,250</u>
Total liabilities	<u>6,906,204</u>	<u>22,929,564</u>	<u>29,835,768</u>
NET ASSETS			
Invested in capital assets, net of related debt	11,429,614	13,583,566	25,013,180
Restricted by (Note 3.G.):			
Enabling legislation	2,171,466	-	2,171,466
Statutory requirements	147,158	258,734	405,892
External contracts:			
Permanent fund - nonexpendable	4,300	-	4,300
Permanent fund - expendable	62,394	-	62,394
Other contracts	128,514	-	128,514
Unrestricted	3,597,085	3,877,249	7,474,334
Total net assets	<u>\$ 17,540,531</u>	<u>\$ 17,719,549</u>	<u>\$ 35,260,080</u>

See accompanying notes to the basic financial statements.

City of Guyton, Oklahoma
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Indirect Expense Allocation	Charges for Services	Program Revenue		Net (Expense) Revenue and Changes in Net Assets		
				Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
						Governmental Activities	Business-type Activities	
Primary government								
Governmental Activities								
General government:								
City clerk	\$ 31,920	\$ -	\$ -	\$ -	\$ -	\$ (31,920)	\$ -	\$ (31,920)
City treasurer	65,887	-	-	-	-	(65,887)	-	(65,887)
Human resources	133,272	-	-	-	-	(133,272)	-	(133,272)
General government	354,204	-	38,073	-	-	(316,131)	-	(316,131)
Total General Government	585,283	-	38,073	-	-	(547,210)	-	(547,210)
Public Safety and Judiciary:								
City attorney	86,901	-	-	-	-	(86,901)	-	(86,901)
Ambulance	448,534	-	359,134	-	-	(89,400)	-	(89,400)
Police	2,068,169	-	239,699	97,820	39,822	(1,691,828)	-	(1,691,828)
Municipal court	146,987	-	-	-	-	(146,987)	-	(146,987)
Fire	1,473,392	-	-	173,933	100	(1,299,359)	-	(1,299,359)
Civil emergency management	23,114	-	-	235	5,961	(16,918)	-	(16,918)
Total Public Safety and Judiciary	4,247,097	-	598,833	271,988	44,883	(3,331,393)	-	(3,331,393)
Transportation:								
Airport	286,005	-	8,750	-	385,416	108,161	-	108,161
Streets	982,192	-	-	95,652	250,000	(636,540)	-	(636,540)
Public transportation	638,624	-	46,217	236,741	-	(356,666)	-	(356,666)
Total Transportation	1,906,821	-	54,967	332,393	635,416	(884,045)	-	(884,045)
Cultural, Parks, and Recreation:								
Golf	554,013	-	350,863	-	-	(203,150)	-	(203,150)
Library	309,254	-	4,737	26,805	463	(277,249)	-	(277,249)
Cemetery	107,663	-	16,786	-	-	(90,877)	-	(90,877)
Swimming pool	59,717	-	15,654	-	-	(44,063)	-	(44,063)
Parks	426,573	-	7,141	-	4,489	(416,943)	-	(416,943)
Tourism	137,230	-	-	5,000	-	(132,230)	-	(132,230)
Total Cultural, Parks, and Recreation	1,596,450	-	395,181	31,805	4,952	(1,164,512)	-	(1,164,512)
Community/Economic Development:								
Community development	283,359	-	33,551	24,416	34,999	(190,393)	-	(190,393)
Business incubator	78,119	-	-	-	-	(78,119)	-	(78,119)
Economic development	876,763	-	-	32,500	-	(844,263)	-	(844,263)
Total Community/Economic Development	1,238,241	-	33,551	56,916	34,999	(1,112,775)	-	(1,112,775)
Interest on Long-term Debt	137,763	-	-	-	-	(137,763)	-	(137,763)
Total governmental activities	9,711,655	-	1,120,605	693,102	720,250	(7,177,698)	-	(7,177,698)
Business-type activities:								
Gas	3,070,319	384,639	4,270,139	-	-	-	815,181	815,181
Garage	66,103	-	-	-	-	-	(66,103)	(66,103)
Water	1,567,269	275,157	3,054,706	-	143,241	-	1,355,521	1,355,521
Sewer	2,511,335	124,621	1,383,603	-	-	-	(1,252,453)	(1,252,453)
Sanitation	1,151,309	123,634	1,372,532	-	-	-	97,589	97,589
Farm	145	-	102,474	-	-	-	102,329	102,329
Administration	908,051	(908,051)	-	-	-	-	-	-
Total business-type activities	9,274,531	-	10,183,354	-	143,241	-	1,052,064	1,052,064
Total primary government	18,986,186	-	11,303,959	693,102	863,491	(7,177,698)	1,052,064	(6,125,634)
General revenues:								
Taxes:								
Sales and use taxes						6,051,511	-	6,051,511
Franchise and public service taxes						538,097	-	538,097
E-911 taxes, dedicated for emergency services						129,895	-	129,895
Hotel/Motel taxes, dedicated for tourism						138,096	-	138,096
Tax apportionment taxes, dedicated for economic development						876,763	-	876,763
Airport fuel tax						3,376	-	3,376
Intergovernmental, unrestricted						209,269	-	209,269
Unrestricted investment earnings						61,295	34,123	95,418
Miscellaneous						210,049	48,320	258,369
Transfers						563,464	(563,464)	-
Total general revenues, special items, and transfers						8,781,815	(481,021)	8,300,794
Change in net assets						1,604,117	571,043	2,175,160
Net assets - beginning (restated - See Note 3.G.)						15,936,414	17,148,508	33,084,922
Net assets - ending						\$ 17,540,531	\$ 17,719,549	\$ 35,260,080

See accompanying notes to the basic financial statements.

**City of Guymon, Oklahoma
Balance Sheet
Governmental Funds
June 30, 2011**

	<u>General Fund</u>	<u>General Sales Tax CIF</u>	<u>GUA Sales Tax CIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash, including time deposits	\$ 2,888,697	\$ 6,479,430	\$ 647,778	\$ 842,449	\$ 10,858,354
Investments	-	-	-	57,099	57,099
Receivable from other governments	511,877	184,177	184,177	176,905	1,057,136
Accounts receivable, net	501,817	-	-	44,026	545,843
Deposit with insurance pool	2,504	-	-	48	2,552
Total assets	<u>3,904,895</u>	<u>6,663,607</u>	<u>831,955</u>	<u>1,120,527</u>	<u>12,520,984</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	84,256	113,016	-	203,332	400,604
Due to other governments	946	-	-	-	946
Refundable court bonds	17,785	-	-	-	17,785
Deferred revenue	314,633	374,767	-	174,398	863,798
Total liabilities	<u>417,620</u>	<u>487,783</u>	<u>-</u>	<u>377,730</u>	<u>1,283,133</u>
Fund balances:					
Nonspendable	-	-	-	4,300	4,300
Restricted	138,095	6,175,824	831,955	738,161	7,884,035
Assigned	1,422,679	-	-	336	1,423,015
Unassigned	1,926,501	-	-	-	1,926,501
Total fund balances	<u>3,487,275</u>	<u>6,175,824</u>	<u>831,955</u>	<u>742,797</u>	<u>11,237,851</u>
Total liabilities and fund balances	<u>\$ 3,904,895</u>	<u>\$ 6,663,607</u>	<u>\$ 831,955</u>	<u>\$ 1,120,527</u>	<u>\$ 12,520,984</u>

See accompanying notes to the basic financial statements.

City of Guymon, Oklahoma
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net
Assets
June 30, 2011

Total fund balance, governmental funds	\$	11,237,851
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 in the funds, net of accumulated depreciation of \$13,186,026		11,788,866
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Accounts receivable, net of allowance for doubtful accounts		314,633
Unamortized note issue costs		136,885
Certain liabilities are not due and payable in the current period from current financial resources, and therefore are not reported in the funds:		
Capital lease obligations		(295,294)
Notes payable		(5,400,000)
Accrued interest payable		(57,510)
Accrued compensated absences		(184,900)
Net Assets of Governmental Activities in the Statement of Net Assets	\$	17,540,531

See accompanying notes to the basic financial statements.

City of Guymon, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	<u>General Fund</u>	<u>General Sales Tax CIF</u>	<u>GUA Sales Tax CIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 3,734,269	\$ 1,428,333	\$ 1,428,333	\$ 1,144,754	\$ 7,735,689
Intergovernmental	1,200,779	255,961	-	115,971	1,572,711
Charges for services	784,943	-	-	38,462	823,405
Fines and forfeitures	203,418	-	-	-	203,418
Licenses and permits	45,109	-	-	-	45,109
Investment earnings	24,073	9,456	6,868	21,651	62,048
Miscellaneous	283,610	26,403	-	46,260	356,273
Total revenues	<u>6,276,201</u>	<u>1,720,153</u>	<u>1,435,201</u>	<u>1,367,098</u>	<u>10,798,653</u>
EXPENDITURES					
Current:					
General Government:					
City clerk	31,623	-	-	-	31,623
City treasurer	65,156	-	-	-	65,156
Human resources	132,412	-	-	-	132,412
General government	265,198	-	-	-	265,198
Total General Government	<u>494,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>494,389</u>
Public Safety and Judiciary:					
City attorney	86,901	-	-	-	86,901
Ambulance	387,298	-	-	-	387,298
Police	1,888,859	-	-	44,703	1,933,562
Municipal court	147,931	-	-	-	147,931
Fire	1,323,340	-	-	5,000	1,328,340
Civil emergency management	20,136	-	-	-	20,136
Total Public Safety and Judiciary	<u>3,854,465</u>	<u>-</u>	<u>-</u>	<u>49,703</u>	<u>3,904,168</u>
Transportation:					
Airport	66,304	-	-	-	66,304
Street	756,573	-	-	-	756,573
Public Transportation	563,977	-	-	-	563,977
Total Transportation	<u>1,386,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,386,854</u>
Cultural, Parks, and Recreation:					
Golf	489,332	-	-	-	489,332
Library	276,390	-	-	23,034	299,424
Cemetery	95,617	-	-	-	95,617
Swimming pool	60,123	-	-	-	60,123
Parks	387,923	-	-	725	388,648
Tourism	-	-	-	120,819	120,819
Total Cultural, Parks and Recreation	<u>1,309,385</u>	<u>-</u>	<u>-</u>	<u>144,578</u>	<u>1,453,963</u>
Community/Economic Development:					
Community development	222,077	-	-	43,612	265,689
Business incubator	77,382	-	-	-	77,382
Economic development	-	-	-	876,763	876,763
Total Community/Economic Development	<u>299,459</u>	<u>-</u>	<u>-</u>	<u>920,375</u>	<u>1,219,834</u>
Debt Service:					
Principal	179,299	200,496	-	-	379,795
Interest and other charges	14,757	-	-	-	14,757
Capital Outlay	536,576	1,451,103	-	289,542	2,277,221
Total Expenditures	<u>8,075,184</u>	<u>1,651,599</u>	<u>-</u>	<u>1,404,198</u>	<u>11,130,981</u>
Excess (deficiency) of revenues over expenditures	<u>(1,798,983)</u>	<u>68,554</u>	<u>1,435,201</u>	<u>(37,100)</u>	<u>(332,328)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt	-	5,535,000	-	-	5,535,000
Transfers in	4,052,934	-	-	25,792	4,078,726
Transfers out	(1,411,934)	(85,000)	(1,745,419)	(2,000)	(3,244,353)
Note issuance costs	-	(141,688)	-	-	(141,688)
Total other financing sources and uses	<u>2,641,000</u>	<u>5,308,312</u>	<u>(1,745,419)</u>	<u>23,792</u>	<u>6,227,685</u>
Net change in fund balances	842,017	5,376,866	(310,218)	(13,308)	5,895,357
Fund balances - beginning	2,645,258	798,958	1,142,173	756,105	5,342,494
Fund balances - ending	<u>\$ 3,487,275</u>	<u>\$ 6,175,824</u>	<u>\$ 831,955</u>	<u>\$ 742,797</u>	<u>\$ 11,237,851</u>

See accompanying notes to the basic financial statements.

City of Guymon, Oklahoma
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2011

Net change in fund balances - total governmental funds:	\$	5,895,357
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:</p>		
Capital asset purchases capitalized		2,187,322
Depreciation expense		(941,577)
Capital assets transferred from business-type activities		5,830
Capital assets transferred to business-type activities		(275,383)
Book value of disposed capital assets		(105,255)
<p>In the Statement of Activities, the proceeds of long-term capital leases is recognized as an increase in long-term debt. The fund financial statements recognize proceeds as revenue.</p>		
Proceeds from long-term and short-term debt		(5,535,000)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Accounts receivable, net of deferred revenue		(4,952)
<p>Repayment of debt principal and note issue costs is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:</p>		
Long-term debt principal payments		314,299
Note issue costs payments		141,688
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>		
Change in accrued compensated absences		(15,899)
Change in accrued interest payable		(57,510)
Amortization of note issue costs		(4,803)
Change in net assets of governmental activities	\$	1,604,117

See accompanying notes to the basic financial statements.

**CITY OF GUYMON, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2011**

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets

Permanent Fund

The Permanent Fund accounts for and reports resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Proprietary Fund

Enterprise Fund

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Guymon Utilities Authority enterprise fund. This fund accounts for activities of the public trust in providing water, wastewater, sanitation, and gas services to the public.

Major and Non-Major Funds

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
Major:	
General	See above for description
General Sales Tax CIF	A capital projects fund that accounts for one cent sales tax restricted for capital items.
GUA Sales Tax CIF	A capital projects fund that accounts for one cent sales tax restricted for specific water and wastewater projects.
Proprietary Fund:	
Guymon Utilities Authority	Accounts for activities of the public trust in providing water, wastewater, sanitation, and gas services to the public.
Non-Major:	
Capital Project Fund:	
Cemetery Care	Accounts for 15 percent of cemetery revenue restricted by State law for cemetery capital improvements.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

Special Revenue Funds:	
E-911	Accounts for revenues and expenditures of E-911 service that are legally restricted for public safety use.
Guymon Development	Accounts for donations on specific projects which are restricted for each individual project.
Library	Accounts for revenues and expenditures of library grant funds.
Grant	Accounts for revenues and expenditures of various grant funds.
Hotel/Motel Tax	Accounts for revenues and expenditures of hotel/motel tax restricted by local ordinance for the promotion of convention and tourism.
Police	Accounts for drug forfeiture funds received from the district attorney to be used for specified police activities.
Guymon Industrial Authority	Accounts for revenues and expenditures of promoting industrial economic development.
Permanent Fund:	
Dale	Accounts for monies donated by F. Hiner Dale to be used for maintaining his cemetery plots, providing for books to be placed in the city library, providing for expenses incurred in recognizing a "Citizen of the Year", and maintaining Dale Park No. 1.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter (within 60 days of period end) to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

1.D. ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Assets, "cash, including time deposits" includes all demand, savings accounts and certificates of deposits of the City. For the purposes of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" includes all demand and savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. Investments of the promissory note trustee accounts are not considered cash equivalents.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 2.B. and Note 3.A.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and ambulance fees. Business-type activities report utilities as its major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, tax increment revenue, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable (such as gas, water, wastewater, and sanitation revenues) comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

Deposit with Insurance Pool

The City of Guymon receives interest on the deposits held by its insurance pool. This interest is held by the insurance pool and is invested. The City may withdraw the funds at any time or use it as payment for future insurance premiums.

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 1993.

Prior to July 1, 1998, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$1,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

- Buildings	25-50 years
- Improvements	10-50 years
- Machinery and Equipment	3-20 years
- Utility System	25-50 years
- Infrastructure	25-50 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to promissory note trustee accounts and utility meter deposits.

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of notes payable, capital leases, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for the proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. Compensated absences are reported in governmental funds only if they have matured (i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement).

Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

- a. Nonspendable – includes amounts that cannot be spend because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints place on the use of resources either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city's highest level of decision-making authority.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

The City's highest level of decision-making authority is made by ordinance while the GUA, GIA, and GAA highest level of decision-making authority is made by resolution. The City currently has no committed fund balance.

- d. Assigned – includes amounts that are constrained by the city's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

It is the City's policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The only exception to this policy is for assigned interest income in governmental funds other than the General Fund. In those funds, interest income is used first before other revenues.

Proprietary fund equity is classified the same as in the government-wide statements. See Note 3.G. for additional disclosures.

1.E. REVENUES, EXPENDITURES, AND EXPENSES

Sales Tax

Since March 2008, the City levies a four-cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The Tax Commission receives the sales tax approximately one-half month after collection by vendors. Two cents is recorded entirely in the General Fund initially. Then one cent is transferred to the Guymon Utilities Authority to be used for debt service. Any remaining unused sales tax after payment of debt service is then transferred back to the General Fund. An additional one cent is deposited into the General Sales Tax CIF Fund to be used for capital purposes and another one cent is recorded in the GUA Sales Tax CIF to be used for specific water and wastewater capital projects. Sales taxes collected by the State in June and July (which represent sales for the last half of May and June) and received by the City in July has been accrued. Half of August collections by the City have also been accrued and are included under the caption "Due from other governments".

Use Tax

The City levies a four-cent use tax on personal property purchased outside the city limits but stored, used or consumed within the city. The use tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission, which is one-half month after the tax is received from the vendors. The use taxes are allocated entirely to the General Fund. Use taxes collected by the State in June and July and received by the City in July and August are included under the caption "Due from other governments".

Property Tax

Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

any court-assessed judgements. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually on November 1 and are due one-half by December 31 and one-half by March 31. The Office of Texas County bills and collects the property taxes and remits to the City its portion. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. Due to the immaterial amount of any additional property taxes receivable after the 60-day period, no additional accrual is made in the government-wide financial statements.

Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the city's taxpayers are reported as program revenue. The City has the following program revenues in each activity:

General government	Building permits, alley cut permits, occupational licenses, and plumbing/electric inspections.
Ambulance	Ambulance run charges
Police	Fines and 911 county charges for services; individual donations, state on-behalf payments, and county 911 contributions for operations are categorized as operating grants; drug forfeiture funds and private donations are categorized as capital grants.
Fire	Outside city limits fire run charges; State on-behalf payments and private donations are classified as operating grants and a private donation capital grant.
Emergency Management	Operating private donation and capital federal grant
Airport	Hangar lease charges; federal capital grant
Streets	Commercial vehicle and gasoline excise tax granted by the State; and CDBG capital grant.
Public Transportation	Bus fares; Federal and state operating grants
Golf	Golf fees
Library	Fines; operating grants include state and private foundation grants; capital grants include donations.
Cemetery	Grave opening/closing fees.
Swimming pool	Swimming fees
Parks	Fishing licenses; federal capital grant
Tourism	State operating grant
Community development	Building rent; operating grants include federal and state grants and private donations; and federal capital grant
Economic development	Private foundation operating grant

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged two cents (or 50%) of future sales tax revenues to repay \$2,445,000 of Series 2005 and 2007 Sales Tax Revenue Notes; \$4,175,000 Series 2008A OWRB

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

DWSRF Note, \$16,400,000 Series 2008B OWRB CWSRF Note, \$1,255,000 Series 2009A OWRB DWSRF Note, \$1,335,000 Series 2009B OWRB CWSRF Note, and \$5,535,000 Series 2010 Sales Tax Revenue Note. Proceeds from the notes provided financing for utility capital assets. The notes are payable from water, sewer, and gas net revenues and are payable through 2010, 2017, 2027, 2027, 2030, 2030, and 2025 respectively. The total principal and interest payable for the remainder of the life of these notes is \$36,166,105. If the net utility revenues are sufficient to service the debt on the 2005 and 2007 Series Notes, these pledged sales taxes are transferred back to the General Fund. Total pledged sales taxes received in the current fiscal year were \$2,823,866. Pledged sales taxes of \$1,411,933 were transferred back to the General Fund for the current fiscal year. Debt service payments for the current fiscal year (excluding ARRA principle forgiveness) of \$2,296,270 were 81.3% of the pledged sales taxes.

The City has pledged an additional $\frac{3}{4}$ cent sales tax (or 18.75%) of future sales tax revenues

Utility Net Revenues Pledge – The City has also pledged future water, sewer, and gas net revenues to repay \$25,298,680 of 1993A, 2004, 2008A, 2008B, 2009A and 2009B Series Oklahoma Water Resources Board Notes Payable. Proceeds from the bonds and notes provided financing for utility system capital assets. The bonds are payable through 2013, 2027 and 2030 respectively. The total principal and interest payable for the remainder of the life of these notes is \$28,592,088. The bonds are payable from the above-mentioned utility net revenues and pledged sales taxes for the 2008A and B Series and 2009A and B Series Notes. The debt service payments on the notes this year (excluding ARRA principle forgiveness) were \$2,057,390 which was 72% of pledged net utility revenues of \$2,914,280.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay
Proprietary Fund - By Operating and Non-Operating	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

1.F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

In the process of aggregating the financial information for the government-wide Statement of Net Assets and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements:

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

3. Interfund reimbursements - repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government-Wide Financial Statements:

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds, if any, are not eliminated in the Statement of Activities.

1.G. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component units are subject to various federal, state and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows.

2.A. FUND ACCOUNTING REQUIREMENTS

The City complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include the following:

<u>Fund</u>	<u>Required By</u>
Cemetery Care Fund	State Law
Grant Fund	Grant Agreements
Airport Fund	State Law
Utility Authority Fund	Trust Indenture
Industrial Authority Fund	Trust Indenture
Dale Fund	Trust Indenture
Sales Tax CIF	State Law
GUA Sales Tax CIF	State Law

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, surety bonds, or certain letters of credit. As required by 12 U.S.C.A., Section 1823 (e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3A., all deposits were fully insured or collateralized.

Investments of the City (excluding Public Trusts) are limited by state law to the following:

- a. Direct obligations of the U.S. Government or its agencies or 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 of Oklahoma 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.
- c. With certain limitation, negotiable certificates of deposits, prime bankers acceptances, prime commercial paper and repurchase agreements.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgements, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligation of national mortgage associations.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c., and d.

Public trusts created under O.S. Title 60, are not subject to the above noted investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2011, the City and its public trusts complied, in all material respects, with these investment restrictions.

2.C. REVENUE RESTRICTIONS

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales Tax	See Note 1.E.
Gasoline Excise & Commercial Vehicle Tax	Street and Alley Purposes
Police Drug Forfeiture Funds	Police Activities
E-911 Revenue	E-911 Emergency Services Purposes
Water, Sewer and Gas Revenue	Debt Service and Utility Operations
Cemetery Revenue (15%)	Cemetery Capital Improvements

**CITY OF GUYMON, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2011**

Hotel/Motel Tax
 Tax Increment Revenue
 Airport Operations Revenue
 CDBG

Convention and Tourism
 Economic Development
 Airport Operations and Maintenance
 Grant Program Expenditures

For the year ended June 30, 2011, the City complied, in all material respects, with these revenue restrictions.

2.D. DEBT RESTRICTIONS AND COVENANTS

General Obligation Debt

Article 10, Sections 26 and 27 of the Oklahoma Constitution limits the amount of outstanding general obligation bonded debt of the municipality for non-utility or non-street purposes to no more than 10% of net assessed valuation. For the year ended June 30, 2011, the City had no outstanding general obligation debt.

Other Long-Term Debt

Except as noted in the following paragraph, as required by the Oklahoma State Constitution, the City (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without first obtaining voter approval. For the year ended June 30, 2011, the City incurred no such indebtedness.

Notes Payable

The loan agreement relating to the notes payable issuance of the Guymon Utilities Authority contains some restrictions or covenants that are financial related. These include covenants such as debt service coverage requirement and required reserve account balances. The following schedule presents a brief summary of the most significant requirements and the Authority's level of compliance thereon as of June 30, 2011.

<u>Requirement</u>	<u>Level of Compliance</u>
a. Note Payable Coverage:	
1. Net water, sewer and gas operating revenues (excluding depreciation and amortization) plus pledged sales taxes of the Authority must equal 1.25 times the maximum annual debt service on all OWRB notes.	For the year ended June 30, 2011, net operating revenues and pledged sales taxes are \$4,326,213 and the maximum annual debt service is \$2,036,086. Actual coverage is 2.12 times.
b. Reserve Account Requirement:	
1. 2004 OWRB Note: Account balance should be equal to \$201,500.	Account balance at June 30, 2011, is \$201,500.

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

2.E. FUND EQUITY RESTRICTIONS

Deficit Prohibition

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund (excluding public trusts). The City was in compliance with this statute at June 30, 2011.

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues and expenditures/expenses.

3.A. CASH AND INVESTMENTS

Deposits

The City of Guymon is governed by the deposit and investment limitations of state law (See Note 2.B.). The deposits and investments held at June 30, 2011 are as follows:

Type	Credit Rating	Fair Value
Deposits:		
Demand deposits		6,288,535
Demand deposits - Trustee accounts		204,361
Time deposits - Trustee account		201,500
Time deposits		1,534,548
Total deposits		\$ 8,228,944
Investments:		
Cavanal Hill US Treas Inst CL Fd #0052	AAAm	5,595,270
Mutual Funds - equity		57,099
Total deposits and investments		\$ 13,881,313
 Reconciliation to Statement of Net Assets:		
Cash, including time deposits		\$ 7,650,327
Restricted cash, including time deposits, current		5,875,683
Investment, current		57,099
Restricted cash, including time deposits, noncurrent		298,204
		\$ 13,881,313

Custodial Credit Risk – Deposits - Deposits in financial institutions, reported as components of cash, cash equivalents, and investments, had a bank balance of \$8,694,206 at June 30, 2011. All of that amount is fully insured by depository insurance or secured with collateral held by the City's agent in its name at June 30, 2011.

Investment Interest Rate Risk - the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

Investment Credit Risk - The City has no investment policy that limits its investment choices other than the limitation of state law 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.
- c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c., and d.

Concentration of Investment Credit Risk - the City places no limit on the amount it may invest in any one issuer.

3.B. RESTRICTED ASSETS

The amounts reported as restricted assets are comprised of cash, investments and accrued interest held by the trustee bank on behalf of the various public trusts (Authorities) related to their required note payable accounts as described in Note 2.D, and amounts held in trust for customer utility meter deposits.

The restricted assets as of June 30, 2011 are as follows:

<u>Type of Restricted Assets</u>	<u>Cash including time deposits</u>
Meter Deposits	96,704
Note Payable Trustee Accounts:	
2004 Debt Reserve Fund	201,500
2004 Debt Service Fund	204,361
2007 Debt Service Principal Fund	58,166
2007 Debt Service Interest Fund	16,040
2008 Series Principal Fund	76,052
2010 Sales Tax Construction Fund	5,393,552
2010 Sales Tax Principal Fund	70,001
2010 Sales Tax Interest Fund	57,511
Total	<u>\$ 6,173,887</u>
Reconciliation to Statement of Net Assets:	
Current cash, including time deposits	5,875,683
Noncurrent cash, including time deposits	298,204
	<u>\$ 6,173,887</u>

3.C. ACCOUNTS RECEIVABLE

Accounts receivable of the business-type activities consist of utilities receivable. Accounts receivable of the governmental activities consist of the following at June 30, 2011:

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

	Governmental Activities	Business-Type Activities	Total
Accounts Receivable:			
Police Fines	\$ 232,835	\$ -	\$ 232,835
Ambulance	177,056	-	177,056
E-911 Tax	26,611	-	26,611
Franchise Tax	153,314	-	153,314
Hotel/Motel Tax	13,628	-	13,628
Airport Hangar Lease	12,825	-	12,825
Utilities	-	1,792,221	1,792,221
Miscellaneous	31,782	1,624	33,406
Allowance for doubtful accounts	<u>(102,208)</u>	<u>(711,935)</u>	<u>(814,143)</u>
Net accounts receivable	<u>\$ 545,843</u>	<u>\$ 1,081,910</u>	<u>\$ 1,627,753</u>

3.D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance at July 01, 2010 Restated	Additions	Transfers	Disposals	Balance at June 30, 2011
Governmental activities:					
Non-depreciable:					
Land	\$ 290,132	\$ -	\$ -	\$ -	\$ 290,132
Construction-in-progress	1,881,013	1,021,896	-	(1,308,504)	1,594,405
Total non-depreciable assets at historical cost	<u>2,171,145</u>	<u>1,021,896</u>	<u>-</u>	<u>(1,308,504)</u>	<u>1,884,537</u>
Depreciable:					
Buildings	2,194,943	-	-	(2,500)	2,192,443
Improvements	8,053,735	1,576,322	-	(9,820)	9,620,237
Machinery and equipment	7,046,281	532,675	85,507	(1,340,967)	6,323,496
Infrastructure	4,864,629	89,550	-	-	4,954,179
Total depreciable assets at historical cost	<u>22,159,588</u>	<u>2,198,547</u>	<u>85,507</u>	<u>(1,353,287)</u>	<u>23,090,355</u>
Less accumulated depreciation					
Buildings	(1,123,163)	(57,742)	-	2,500	(1,178,405)
Improvements	(4,512,511)	(268,437)	5,988	7,186	(4,767,774)
Machinery and equipment	(4,153,816)	(471,241)	(85,665)	1,238,346	(3,472,376)
Infrastructure	(3,623,314)	(144,157)	-	-	(3,767,471)
Total accumulated depreciation	<u>(13,412,804)</u>	<u>(941,577)</u>	<u>(79,677)</u>	<u>1,248,032</u>	<u>(13,186,026)</u>
Net depreciable assets	<u>8,746,784</u>	<u>1,256,970</u>	<u>5,830</u>	<u>(105,255)</u>	<u>9,904,329</u>
Governmental activities capital assets, net	<u>10,917,929</u>	<u>2,278,866</u>	<u>5,830</u>	<u>(1,413,759)</u>	<u>11,788,866</u>
Business-type activities					
Non-depreciable:					
Land	2,244,799	-	-	-	2,244,799
Construction-in-progress	1,379,841	1,075,427	-	(354,736)	2,100,532
Total non-depreciable assets at historical cost	<u>3,624,640</u>	<u>1,075,427</u>	<u>-</u>	<u>(354,736)</u>	<u>4,345,331</u>
Depreciable:					
Buildings	975,805	-	-	-	975,805
Improvements	102,558	357,135	-	-	459,693
Machinery and equipment	3,365,371	230,823	(85,507)	(512,978)	2,997,709
Utility property	44,762,195	-	-	(18,534)	44,743,661
Totals depreciable assets at historical cost	<u>49,205,929</u>	<u>587,958</u>	<u>(85,507)</u>	<u>(531,512)</u>	<u>49,176,868</u>
Less accumulated depreciation					
Buildings	(392,203)	(23,959)	-	-	(416,162)
Improvements	(62,348)	(2,153)	-	-	(64,501)
Machinery and equipment	(2,337,640)	(227,725)	79,677	500,463	(1,985,225)
Utility property	(13,701,754)	(1,357,079)	-	18,534	(15,040,299)
Total accumulated depreciation	<u>(16,493,945)</u>	<u>(1,610,916)</u>	<u>79,677</u>	<u>518,997</u>	<u>(17,506,187)</u>
Net depreciable assets	<u>32,711,984</u>	<u>(1,022,958)</u>	<u>(5,830)</u>	<u>(12,515)</u>	<u>31,670,681</u>
Business-type capital assets, net	<u>\$ 36,336,624</u>	<u>\$ 52,469</u>	<u>\$ (5,830)</u>	<u>\$ (367,251)</u>	<u>\$ 36,016,012</u>

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

Depreciation expense was charged to governmental activities as follows:

General Government:	
City clerk	555
Treasurer	148
General Government	22,954
Total General Government	<u>23,657</u>
Public safety and judiciary:	
Ambulance	60,262
911	16,360
Police	71,440
Municipal court	791
Fire	114,171
Civil emergency management	2,978
Total Public safety and judiciary	<u>266,002</u>
Transportation:	
Airport	216,429
Public transportation	73,505
Streets	227,946
Total Transportation	<u>517,880</u>
Cultural, parks and recreation:	
Golf	63,355
Library	11,788
Cemetery	11,344
Swimming pool	347
Parks	32,651
Tourism	6,089
Total cultural, parks and recreation	<u>125,574</u>
Community/economic development:	
Business incubator	737
Community development	7,727
Total Community/economic development	<u>8,464</u>
Total depreciation expense	<u>\$ 941,577</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 424,897
Wastewater	943,593
Sanitation	84,088
Farm	145
Gas	93,211
Garage	1,145
Administration	63,837
Total Depreciation Expense	<u>\$ 1,610,916</u>

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

3.E. LONG-TERM DEBT

Long-Term Debt

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities:

As of June 30, 2011, the governmental long-term debt of the financial reporting entity consisted of the following:

Capital Lease Obligations:

130,650 capital lease for an ambulance dated June 2006; Payable in monthly installments of 2,093, final payment due June 2012. Stated interest rate of 4.74%	\$	24,468
211,017 capital lease for a fire truck dated July 2006; Payable in monthly installments of 3,380, final payment due June 2012. Stated interest rate of 4.74%		39,376
404,235 capital lease for a fire truck and ambulance dated April 2008; Payable in monthly installments of 6,260, final payment due June 2014. Stated interest rate of 3.39%		213,546
152,750 capital lease for golf carts dated November 2008; Payable in monthly installments of 4,439, final payment due November 2013. Stated interest rate of 2.95%		17,904
Total Capital Leases Payable	\$	<u>295,294</u>
Current portion	\$	150,436
Noncurrent portion		<u>144,858</u>
Total Capital Leases Payable	\$	<u>295,294</u>

Notes Payable:

Series 2010 Sales Tax Revenue Note original issue amount of 5,535,000, dated December 1, 2010 issued by Guymon Utilities Authority payable to the Bank of Oklahoma, secured by 3/4 cent sales tax, interest rate of 4.26% with final maturity dated October 1, 2025; proceeds used to construct animal shelter and fire station.	\$	5,400,000
Total Notes Payable	\$	<u>5,400,000</u>
Current portion		280,000
Noncurrent portion		<u>5,120,000</u>
Total Capital Leases Payable	\$	<u>5,400,000</u>

Accrued Compensated Absences:

Current portion	\$	18,490
Noncurrent portion		166,410
Total Accrued Compensated Absences	\$	<u>184,900</u>

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

Business-Type Activities:

As of June 30, 2011, the long-term debt payable from proprietary fund resources consisted of the following:

Notes Payable:

Series 1993A Utility System Note Payable original issue amount of 118,680, dated April 1, 1993, issued by Guymon Utilities Authority payable to the Oklahoma Water Resources Board (OWRB), secured by water and sewer revenues, non-interest bearing with final maturity dated March 15, 2013; proceeds used to construct wastewater improvements.	\$ 11,868
Series 2004 Utility System Note Payable original issue amount of 2,015,000, dated May 12, 2004 issued by Guymon Utilities Authority payable to the Oklahoma Water Resources Board (OWRB), secured by water, sewer and gas revenues, interest rates between 2.77% and 3.895% with final maturity dated August 15, 2013; proceeds used to construct water system improvements	710,000
Series 2007 Sales Tax Revenue Note original issue amount of 1,345,000, dated February 1, 2007 issued by Guymon Utilities Authority payable to the Bank of Oklahoma, secured by ½ cent sales tax, interest rate of 4.12% with final maturity dated February 1, 2017; proceeds used to purchase capital equipment.	925,000
Series 2008A Drinking Water SRF Note Payable original issue amount of 4,175,000, dated August 2008 issued by Guymon Utilities Authority payable to the Oklahoma Water Resources Board (OWRB), secured by water, sewer, gas and sales tax revenues, interest rate of 3.65% with final maturity dated September 2027; proceeds used to construct water system improvements.	3,735,104
Series 2008B Clean Water SRF Note Payable original issue amount of 16,400,000, dated September 2008 issued by Guymon Utilities Authority payable to the Oklahoma Water Resources Board (OWRB), secured by water, sewer, gas and sales tax revenues, interest rate of 3.10% with final maturity dated September 2027; Remaining amount to be drawn at June 30, 2011 is \$558; proceeds used to construct wastewater improvements.	15,579,442
Series 2009A Drinking Water SRF Note Payable original issue amount of 1,255,000, dated November 2009 issued by Guymon Utilities Authority payable to the Oklahoma Water Resources Board (OWRB), secured by water, sewer, gas and sales tax revenues, interest rate of 3.19% with final maturity dated March 2030; Remaining amount to be drawn at June 30, 2011 is \$285,685; proceeds used to construct water system improvements.	538,084
Series 2009B Clean Water SRF Note Payable original issue amount of 1,335,000, dated November 2009 issued by Guymon Utilities Authority payable to the Oklahoma Water Resources Board (OWRB), secured by water, sewer, gas and sales tax revenues, interest rate of 2.80% with final maturity dated March 2030; Remaining amount to be drawn at June 30, 2011 is \$31,953; proceeds used to construct wastewater system improvements.	837,399
Total Notes Payable	\$ 22,336,897
Unamortized refunding loss	(20,951)
	<u>\$ 22,315,946</u>
	Current portion \$ 1,467,330
	Noncurrent portion 20,848,616
Total Notes Payable	<u>\$ 22,315,946</u>

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

Capital Lease Obligations:

\$237,292 capital lease for two trash trucks, dated November 2008; Payable in monthly installments of \$4,339, final payment due November 2013. Stated interest rate of 3.71%	\$	116,500
Total Capital Leases Payable	<u>\$</u>	<u>116,500</u>
Current portion	\$	48,427
Noncurrent portion		68,073
Total Capital Leases Payable	<u>\$</u>	<u>116,500</u>

Accrued Compensated Absences:

Current portion	\$	5,510
Noncurrent portion		49,589
Total Accrued Compensated Absences	<u>\$</u>	<u>55,099</u>

Non-Commitment Debt:

<u>Original Debt</u>	<u>Project</u>	<u>Remaining Principal</u>
Guymon Industrial Authority:		
\$4,500,000	(1) Seaboard Farms of Oklahoma, Inc Tax Apportionment Bonds dated December 1, 1993	\$9,899,121
\$300,000	(2) Oklahoma Department of Commerce Promissory Note dated July 2004	<u>202,500</u>
	Total GIA Non-Commitment Debt	<u>\$10,101,621</u>
Guymon Utilities Authority:		
\$3,300,000	(3) Seaboard Farms of Oklahoma, Inc. Adjustable Rate 7-day Demand Revenue Bonds dated February 21, 1995	<u>\$3,300,000</u>

(1) Seaboard Farms of Oklahoma, Inc. Tax Apportionment Bonds

The Tax Apportionment Bonds were issued to partially fund the construction of a pork processing plant. The bonds were purchased by a subsidiary of Seaboard Corporation and are secured by incremental ad valorem taxes on the processing plant property. The only commitment the Guymon Industrial Authority has is remittance to a trustee bank of these incremental taxes received from the county. Principle and interest payments will not be made for the first five years because Seaboard Farms of Oklahoma, Inc. has elected to claim a five-year property tax abatement allowed by state statutes. The interest accruing during that five-year period is added to the principal balance and at June 30, 2011 the total accrued interest is \$5,399,121. The City began receiving incremental taxes in 2005. These are paid to the trustee bank to be applied to the debt. If the incremental taxes are insufficient to service the debt, the GIA has no further liability.

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

(2) Oklahoma Department of Commerce Promissory Note

This note was issued to construct an office building for Seaboard Farms of Oklahoma, Inc. The City and Authority are not liable for this debt since payments are made solely with lease agreement proceeds from Guymon Industrial Foundation primarily and Seaboard Farms of Oklahoma, Inc., secondarily. In the event of default, the City or Authority only become liable if they are negligent in carrying out debt administration responsibilities.

(3) Seaboard Farms of Oklahoma, Inc. Revenue Bonds

These bonds were issued to construct a primary wastewater treatment plant and are payable solely by Seaboard Farms of Oklahoma, Inc. with a guarantee from Seaboard, Inc.

Changes in Long-Term Debt

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

Type of Debt	Balance July 01, 2010	Additions	Deductions	Balance June 30, 2011	Amounts Due Within One Year
Governmental Activities:					
Notes Payable	\$ -	\$ 5,535,000	\$ (135,000)	\$ 5,400,000	\$ 280,000
Capital Lease Obligations	474,593	-	(179,299)	295,294	150,436
Accrued Compensated Absences	169,001	187,102	(171,203)	184,900	18,490
Total General Long-Term Debt	<u>\$ 643,594</u>	<u>\$ 5,722,102</u>	<u>\$ (485,502)</u>	<u>\$ 5,880,194</u>	<u>\$ 448,926</u>
Business-Type Activities:					
Notes Payable	\$ 22,798,006	\$ 1,290,416	\$ (1,751,525)	\$ 22,336,897	\$ 1,467,330
Capital Lease Obligations	163,166	-	(46,666)	116,500	48,427
Accrued Compensated Absences	79,243	38,319	(62,463)	55,099	5,510
Total Enterprise Fund Debt	<u>\$ 23,040,415</u>	<u>\$ 1,328,735</u>	<u>\$ (1,860,654)</u>	<u>\$ 22,508,496</u>	<u>\$ 1,521,267</u>

The governmental capital lease obligations are paid by the general and golf funds. Governmental accrued compensated absences will be liquidated by the general fund.

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2011 are as follows:

Year Ended June 30,	Governmental Activities				Business-Type Activities			
	Capital Lease Obligations		Notes Payable		Notes Payable		Capital Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	150,436	8,273	280,000	227,058	1,467,330	745,425	48,427	3,641
2013	71,152	3,970	295,000	215,024	1,483,932	696,149	50,254	1,813
2014	73,706	1,417	305,000	202,350	1,499,476	645,978	17,819	192
2015	-	-	315,000	189,251	1,266,194	599,791	-	-
2016	-	-	330,000	175,618	1,282,866	558,114	-	-
2017-2021	-	-	1,860,000	653,697	5,874,450	2,192,182	-	-
2022-2026	-	-	2,015,000	220,349	5,921,872	1,256,591	-	-
2027-2031	-	-	-	-	3,858,973	296,206	-	-
Total	<u>\$ 295,294</u>	<u>\$ 13,660</u>	<u>\$ 5,400,000</u>	<u>\$ 1,883,347</u>	22,655,093	<u>\$ 6,990,436</u>	<u>\$ 116,500</u>	<u>\$ 5,646</u>
Note proceeds remaining to be drawn					(318,196)			
Balance at June 30, 2011					<u>\$ 22,336,897</u>			

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

3.F. INTERFUND TRANSFERS AND BALANCES

Interfund Transfers

Transfers between funds of the primary government for the year ended June 30, 2011, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>	
GUA	General Fund	2,190,000	Operating	
General Fund	GUA	705,966	Required 2007 Series 1/2 cent sales tax	
General Fund	GUA	705,967	Required 2005 Series 1/2 cent sales tax	
GUA	GDF	23,792	To cover negative project balances	
GUA	General Fund	705,967	Return of unused 2005 Series 1/2 cent sales tax	
GUA	General Fund	705,966	Return of unused 2007 Series 1/2 cent sales tax	
GUA	Golf Course	210,000	Operating	
GUA	Pool	50,000	Operating	
GUA	Airport	106,000	Operating	
Hotel/Motel Fund	GDF	2,000	Tourism program	
Sales Tax CIF	Airport	85,000	Grant match for capital project	
GUA Sales Tax CIF	GUA	1,745,420	OWRB note draws and capital outlay	
Total		<u>\$ 7,236,078</u>		

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers/ Internal Activity</u>
Reconciliation to Fund Financial Statements:			
Governmental Funds	\$ 4,078,726	\$ (3,244,353)	\$ 834,373
Enterprise Funds	<u>3,157,352</u>	<u>(3,991,725)</u>	<u>(834,373)</u>
Total Transfers	<u>\$ 7,236,078</u>	<u>\$ (7,236,078)</u>	<u>\$ -</u>

	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>	<u>Transfer of Capital Assets</u>	<u>Net Transfers</u>
Reconciliation to Statement of Activities:				
Net transfers for governmental activities:				
Governmental Funds	\$ (3,244,353)	\$ 4,078,726	\$ (270,909)	\$ 563,464
Total Net transfers for governmental activities	<u>(3,244,353)</u>	<u>4,078,726</u>	<u>(270,909)</u>	<u>563,464</u>
Net transfers for business-type activities:				
Enterprise Funds	\$ (3,991,725)	\$ 3,157,352	270,909	\$ (563,464)
Total Net transfers for business-type activities	<u>(3,991,725)</u>	<u>3,157,352</u>	<u>270,909</u>	<u>(563,464)</u>

3.G. FUND EQUITY

Fund Balance and Fund Net Assets:

The following tables show the fund balance classifications as shown on the Governmental Funds Balance Sheet in accordance with GASB Statement 54 and Proprietary Fund Statement of Net Assets:

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

	General Fund	Major Capital Project Funds		Other Governmental Funds	TOTAL
		General Sales Tax CIF	GUA Sales Tax CIF		
Fund Balances:					
Nonspendable:					
Dale Fund Principal	\$ -	\$ -	\$ -	\$ 3,300	\$ 3,300
Sweet Cemetery Trust	-	-	-	1,000	1,000
Sub-total Nonspendable	-	-	-	4,300	4,300
Restricted for:					
Capital outlay	-	6,175,824	-	-	6,175,824
Water & Wastewater ODEQ required improvements	-	-	831,955	-	831,955
Cemetery capital	-	-	-	9,063	9,063
E-911	-	-	-	317,899	317,899
Fire Equipment	-	-	-	963	963
Police	-	-	-	22,103	22,103
Library Building	-	-	-	13,282	13,282
Ennis Cemetery	-	-	-	11,232	11,232
Police Bike Program	-	-	-	374	374
Fire/Life Safety Education	-	-	-	38	38
Cultural Symposium	-	-	-	4,300	4,300
Rodeo Grounds	-	-	-	7,555	7,555
Cross Park	-	-	-	45	45
Park Improvements	-	-	-	274	274
Leadership Oklahoma	-	-	-	833	833
Animal Shelter	-	-	-	265	265
Sweet Cemetery Trust	-	-	-	1,172	1,172
Library Operations	-	-	-	22,745	22,745
Business Incubator	-	-	-	23,284	23,284
Tourism	-	-	-	234,868	234,868
Industrial development	-	-	-	4,472	4,472
Dale Trust - Cemetery	-	-	-	10,367	10,367
Dale Trust - Citizenship	-	-	-	10,505	10,505
Dale Trust - Library	-	-	-	30,647	30,647
Dale Trust - Dale Park	-	-	-	11,875	11,875
Airport	138,095	-	-	-	138,095
Sub-total Restricted	138,095	6,175,824	831,955	738,161	7,884,035
Assigned to:					
Fiscal Year 12 budget	1,358,334	-	-	-	1,358,334
Swimming pool	64,345	-	-	-	64,345
Police	-	-	-	124	124
Interest for Guymon Development Projects	-	-	-	212	212
Sub-total Assigned	1,422,679	-	-	336	1,423,015
Unassigned:					
	1,926,501	-	-	-	1,926,501
TOTAL FUND BALANCES	\$ 3,487,275	\$ 6,175,824	\$ 831,955	\$ 742,797	\$ 11,237,851

Enterprise Fund:

Restricted for Debt Service:	
Debt Service and Reserve for Promissory Notes:	
Cash and investments	\$ 480,067
Less: accrued interest payable	(221,333)
Total Enterprise Fund Restriction for debt service	\$ 258,734

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

Restricted Net Assets -- Governmental Activities

The following table shows the net assets restricted for other purposes as shown on the Statement of Net Assets:

<u>Fund</u>	<u>Restricted By</u>	<u>Amount</u>
E-911	Enabling legislation	\$ 317,899
General Sales Tax CIF	Enabling legislation	782,272
GUA Sales Tax CIF	Enabling legislation	831,955
Hotel/Motel Fund	Enabling legislation	234,868
Guymon Industrial Authority	Enabling legislation	4,472
		<u>\$ 2,171,466</u>
Cemetery	Statutory requirements	\$ 9,063
General Fund (Airport)	Statutory requirements	138,095
		<u>147,158</u>
Guymon Development	Other contracts - Contributors	\$ 44,891
Library	Other contracts - Grantors	41,794
Drug Forfeiture Police	Other contracts - Grantors	18,545
Grants Fund	Other contracts - Grantors	23,284
		<u>\$ 128,514</u>

Prior Period Adjustment

During fiscal year 2011, the City performed a physical inventory of capital assets. As a result of that inventory, some donated assets were located that had not been included in capital assets. Therefore, beginning net assets for governmental activities is being restated as follows:

Beginning Net Assets, governmental activities as previously reported	\$15,811,926
Understated governmental capital assets	<u>124,488</u>
Beginning Net Assets, governmental activities, restated	<u>\$15,936,414</u>

NOTE 4. OTHER NOTES

4A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

The City participates in four employee pension systems as follows:

<u>Names of Plan/System</u>	<u>Type of Plan</u>
Oklahoma Police Pension and Retirement Fund	Cost Sharing Multiple Employer - Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund	Cost Sharing Multiple Employer - Defined Benefit Plan
Oklahoma Municipal Retirement Fund (OMRF)	Agent Multiple Employer - Defined Contribution Plans
Oklahoma Municipal Retirement Fund (OMRF)	Agent Multiple Employer - Defined Benefit Plan

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

Oklahoma Police and Firefighter's Pension and Retirement Systems

The City of Guymon, as the employer, participates in two statewide cost-sharing multi-employer defined benefit plans on behalf of the policemen and firefighters. The systems are funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary. The following is a summary of eligibility factors, contributions methods, and benefit provisions.

	<u>Oklahoma Police Pension and Retirement System</u>	<u>Oklahoma Firefighter's Pension and Retirement System</u>
Obtaining separately issued Financial statements	Police Pension and Retirement 1001 N.W. 63 rd St. Oklahoma City, OK 73116-7335	Firefighter's Pension and Retirement 4545 N. Lincoln Blvd., Oklahoma City, OK 73105-3414
Eligibility to participate	All full-time officers, by a participating municipality, not less than 21 years of age or more than 45 years of age when hired.	All full-time or voluntary firefighters of a partici- pating municipality and hired before age 45.
Authority establishing contribution obligations and benefits	State Statute	State Statute
Employee's contribution rate (percent of covered payroll)	8%	8%
City's contribution rate (percent of covered payroll)	13%	13%
State obligation	State appropriation to fund unfunded actu- arial accrued liability	State appropriation to fund the unfunded actuarial accrued liability
Period required to vest	10 years	10 years
Eligibility and benefits for distribution (full-time)	20 years credited ser- vice, 2 1/2% of final average salary multi- plied by the years of credited service with a maximum of 30 years considered.	20 years credited service 2 1/2% of final average salary multiplied by the years of credited service with a maximum of 30 years considered.
	If vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits.	If vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

Eligibility and benefits for distribution (volunteer)	-	20 years credited service equal to \$5.46 per month per year of service, with a maximum of 30 years considered. If vested, same as full-time.
Deferred retirement option	Yes, 20 years credited service with continued service for a maximum of 5 years.	Yes, 20 years credited service with continued service for a maximum of 30 or more years.
Provisions for:		
Cost of living adjustments (normal retirement)	Yes	Yes, if vested by 5/83
Death (duty, non-duty, post retirement)	Yes	Yes
Disability (duty, non-duty)	Yes	Yes
Cost of living allowances	Yes	Yes

A. Trend Information

Contributions required by State statute:

	Oklahoma Police Pension & Retirement System			Oklahoma Firefighter's Pension & Retirement System	
<i>Fiscal Year</i>	<i>Required Contribution</i>	<i>Percent Contributed</i>	<i>Required Contribution</i>	<i>Percent Contributed</i>	
2009	74,827	100%	83,666	100%	
2010	78,285	100%	81,073	100%	
2011	73,087	100%	91,947	100%	

The state made on-behalf payments of \$56,729 for the police pension system and \$173,933 for the fire pension during the current fiscal year. These on-behalf payments were recognized as revenues and expenditures/expenses in the current fiscal year.

Trend information showing the progress of the Systems in accumulating sufficient assets to pay benefits when due is presented in their respective separate annual financial reports.

B. Related Party Investments

As of June 30, 2011 the Systems held no related party investments of the City or of its related entities.

Historical trend information showing the progress of the Systems in accumulating sufficient assets to pay benefits when due is presented in their separate respective annual financial reports for June 30, 2011.

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

Defined Contribution Plans - Oklahoma Municipal Retirement Fund

The City has also provided, effective March 1, 1992, a defined contribution plan with the Oklahoma Municipal Retirement Fund. The plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. According to state law, the authority for establishing or amending the plan's provisions rests with the city council. The defined contribution plan is available to all full-time employees not already participating in another plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, investment earnings, and forfeitures of other participants' benefits that may be allocated to such participant's account. Benefits vest after 7 years of service. The City is currently contributing to two types of defined contribution plans. Under the Trust Money Purchase Pension plan, the participants are required to contribute from 3% of their compensation and the city is required to match 100% of the mandatory employee contribution. Under the Trust Profit Sharing plan, the city contributed 1.66% of covered payroll. This percentage can vary from year to year. Participants are permitted to make voluntary deductible contributions to the plan.

For the year ended June 30, 2011, the following amounts related to the defined contribution plan:

City total payroll	\$4,268,994
Payroll for covered employees	\$2,249,069
Employer (City) contributions made	\$85,015

Department Head and City Manager Plans (the DH and CMO Plan)

DH Plan Description – Effective December 1, 2007, the City has also provided a defined contribution plan and trust known as the City of Guymon Department Head Retirement Plan and Trust (the DH Plan) in the form of The Oklahoma Municipal Retirement Fund Master Defined Contribution Plan (OMRF). The plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. The defined contribution plan is available to all full-time employees defined as Department Head or City Manager except for the fire chief. Separate audited GAAP – basis financial statements are not available.

Funding Policy – Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon employment, and must make a mandatory minimum pre-tax contribution of 6%. Employees are allowed to contribute in excess of the 6%. The employer makes variable contributions to the fund. For the current year, the employer contribution rate was 4.66%. The employee is fully vested upon employment. The authority to establish and amend the provisions of the plan rests with the City Council. Contributions to the plan for the year ended June 30, 2011, for employees and employer were \$50,869 and \$24,031, respectively, on a covered payroll of \$870,860.

CMO Plan Description and Funding Policy – Effective October 1, 2006, the City has also provided a defined contribution plan and trust known as the City of Guymon City Manager Retirement Plan and Trust (CMO Plan). The plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. According to state law, the authority for establishing or amending the plan's provisions and contribution requirements rests with the city council. This plan is similar to the Department Head with the following exceptions: This plan is available only to the City Manager. The employee does not contribute to the plan and the employer makes variable contributions to the fund. For the current year, the employer contribution rate is 15%. Contributions to the plan for the year ended June 30, 2011 were \$12,194 on a covered payroll of \$81,294.

**CITY OF GUYMON, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2011**

Defined Benefit Plan - Oklahoma Municipal Retirement Fund

A. Plan Description

The City contributes to the OMRF for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The plan is an agent multiple employer - defined benefit plan. The OMRF plan issues a separate financial report and can be obtained from OMRF. Membership in the plan and applicable payrolls are as follows:

B. Eligibility Factors, Contribution Methods and Benefit Provisions

<u>Provision</u>	<u>As of 07/01/11</u> <u>OMRF Plan</u>
a. Eligible to participate	Full-time employees upon hire if less than age 60 and not participating in another retirement plan set up by state statutes.
b. Contribution Requirements:	
-Authorization	By City ordinance
-Actuarially Determined	Yes
-Employer Rate	9.22% of covered payroll
-Employee Rate	0.00% - employees cannot contribute
c. Period Required to Vest	7 years of credited service
d. Eligibility for Distribution	-Normal retirement at age 65 with 7 years of service -Early retirement at age 55 with 7 years of service -Disability retirement upon disability with 7 years of service -Death benefit with 7 years of service for married employees
e. Benefit Determination Base	Final average salary - the average of the five highest consecutive annual salaries out of the last 10 calendar years of service
f. Benefit Determination Methods:	
Normal Retirement	-1.875% of final average salary multiplied by credited years of service
Early Retirement	-Actuarially reduced benefit based upon age, final average salary, and years of service at termination
Disability Retirement	-Same as normal retirement
Death Benefit	-50% of employee's accrued benefit, but terminates upon spouse re-marriage
Prior to 7 Years Service	-No benefits
g. Form of Benefit Payments	Normal form is a 60 months certain and life thereafter basis. Employee may elect, with City consent, option form based on actuarial equivalent

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

C. Annual Pension Costs

1. Current Year Contribution Information

For the year ended June 30, 2011, the City's annual pension cost and required contributions of \$265,879 were made.

2. Actuarial Assumptions

Date of Last Actuarial Valuation	January 1, 2011
a. Actuarial cost method	Entry age normal
b. Rate of Return on Investments	7.5%
c. Projected Salary Increase	Average of 5.12%
d. Post Retirement cost-of-Living Increase	None
e. Inflation Rate	Separate inflation rate not available; inflation included in projected salary increase
f. Amortization Method of Unfunded Actuarial Accrued Liability	Level percentage of projected payroll
g. Remaining Amortization Period	30 years - open
h. Asset Valuation Method	Actuarial write-up method

D. Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
June 30, 2009	166,235	100%
June 30, 2010	230,582	100%
June 30, 2011	265,879	100%

Actuarial valuation information for the current year is as follows (expressed in millions of dollars):

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) -- EAN</u>	<u>Unfunded (Overfunded) AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded (Overfunded) AAL as a Percentage of Covered Payroll</u>
1/1/11	\$4.6	\$5.2	\$.6	88.7%	\$2.7	21.4%

The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

4.B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The City manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk Retained</u>
a. Torts, errors and omissions, health and life	Purchased insurance with Oklahoma Municipal Assurance Group.	(1)
b. Injuries to employees (workers compensation)	Participates in OMAG risk entity pool. Participation fee includes an actuarially determined amount held by OMAG as the loss reserve fund, to pay claims incurred. Claims are administered by Consolidated Benefits Resources, Inc.	(2)
c. Physical property loss and natural disasters	Purchased insurance with Oklahoma Municipal Assurance Group.	(1)
d. Health and life	Purchased insurance with commercial carrier	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Risk Entity Pools

The City participates in the Oklahoma Municipal Assurance Group Liability Protection Plan and Oklahoma Public Employee's Health and Welfare Plan (risk entity pools).

(1) Liability Protection Plan

The basic insurance agreements cover claims against municipalities for all government functions, utilities, and services covered in the Plan. These include bodily injury, property damage, wrongful acts, personal injury, and related torts under the state tort claims law and federal civil rights laws. All public officials, employees, services, and municipal functions are covered unless they are specifically listed as exclusions in the Plan.

The title to all assets acquired by the Plan are vested in the Group. In the event of termination of the Group, such property shall belong to the then members of the Group in equal shares. Each participating City pays all costs, premiums, or other fees attributable to its respective participation in the Plan, and is responsible for its obligation under any contract entered into with the Plan.

Reserves for claim losses include provisions for reported claims on a case basis and an estimate of claims incurred but not reported limited by aggregate and individual loss levels as specified by the Plan's reinsurance contracts. These credits, if any, represent contingent liabilities of the Plan if the reinsurer was unable to meet its obligations under the reinsurance agreement.

**CITY OF GUYMON, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Defined Benefit Retirement Plan – Schedule of Funding Progress

Actuarial Valuation Date	<u>1/1/2011</u>	<u>1/1/2010</u>	<u>1/1/2009</u>	<u>1/1/2008</u>	<u>1/1/2007</u>	<u>1/1/2006</u>
Actuarial Value of Assets	\$4,621,268	\$4,548,323	\$4,342,833	\$4,560,310	\$4,287,082	\$4,001,608
Actuarial Accrued Liability (AAL)	\$5,211,186	\$5,075,639	\$4,548,587	\$4,318,223	\$3,987,595	\$3,780,209
Actuarial Method*	EAN	EAN	EAN	EAN	EAN	EAN
Unfunded (Overfunded) AAL (UAAL)	\$589,918	\$527,315	\$205,754	(\$242,086)	(\$299,487)	(\$221,399)
Funded Ratio	88.70%	89.60%	95.50%	105.60%	107.50%	105.90%
Covered Payroll	\$2,753,381	\$2,821,126	\$2,404,884	\$2,565,030	\$2,384,583	\$2,325,113
UAAL as a Percentage of Covered Payroll	21.40%	18.70%	8.60%	-9.40%	-12.60%	-9.50%

Covered payroll is the total annualized rate of pay as of the valuation date based on actual pay for the preceding year.

*Actuarial Method – EAN refers to “Entry Age Normal”.

City of Guymon, Oklahoma
Budgetary Comparison Schedule (Budgetary Basis)
General Fund
For the year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Taxes	\$ 3,465,000	\$ 3,465,000	\$ 3,734,269	\$ 269,269
Intergovernmental	904,000	904,000	970,117	66,117
Charges for services	633,215	653,215	784,943	131,728
Fines and forfeitures	354,500	354,500	203,418	(151,082)
Licenses and permits	24,000	24,000	45,109	21,109
Investment earnings	16,100	16,100	24,073	7,973
Miscellaneous	345,550	345,550	283,610	(61,940)
Total revenues	<u>5,742,365</u>	<u>5,762,365</u>	<u>6,045,539</u>	<u>283,174</u>
EXPENDITURES				
Departmental:				
City attorney	60,000	87,413	86,901	512
City clerk	70,765	44,352	31,623	12,729
City treasurer	65,400	67,900	65,156	2,744
Community development	248,818	236,318	193,904	42,414
Arts council CR grant	30,000	30,000	28,173	1,827
General government	318,562	302,562	265,198	37,364
Human resources	142,246	142,246	132,412	9,834
Business incubator	104,926	94,926	77,382	17,544
Library	295,945	295,945	276,390	19,555
Ambulance	446,709	496,709	487,532	9,177
Police	2,110,884	2,010,884	1,937,430	73,454
Municipal court	152,906	152,906	148,794	4,112
Fire	1,263,438	1,213,438	1,199,966	13,472
Civil emergency management	21,500	24,000	20,136	3,864
Cemetery	132,692	120,192	95,617	24,575
Parks	388,337	388,337	387,923	414
Golf	538,564	558,564	542,595	15,969
Pool	86,895	86,895	62,018	24,877
Street	711,773	761,773	756,573	5,200
Airport	544,521	544,521	484,822	59,699
Transportation - Administration	47,940	47,940	34,800	13,140
Transportation - Operations	571,363	551,363	529,177	22,186
Total Expenditures	<u>8,354,184</u>	<u>8,259,184</u>	<u>7,844,522</u>	<u>414,662</u>
Excess (deficiency) of revenues over expenditures	<u>(2,611,819)</u>	<u>(2,496,819)</u>	<u>(1,798,983)</u>	<u>697,836</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,941,000	3,967,000	4,052,934	85,934
Transfers out	(1,300,000)	(1,415,000)	(1,411,934)	3,066
Total other financing sources and uses	<u>2,641,000</u>	<u>2,552,000</u>	<u>2,641,000</u>	<u>89,000</u>
Net change in fund balances	29,181	55,181	842,017	786,836
Fund balances - beginning	2,335,177	2,335,177	2,645,258	310,081
Fund balances - ending	<u>\$ 2,364,358</u>	<u>\$ 2,390,358</u>	<u>\$ 3,487,275</u>	<u>\$ 1,096,917</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements – Non-major governmental funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds and Major Capital Project Funds
- Combining Schedules – General fund accounts

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011**

Schedule 1

	SPECIAL REVENUE FUNDS				
	<u>E-911 Fund</u>	<u>Guymon</u> <u>Development</u> <u>Fund</u>	<u>Library Fund</u>	<u>Grant Fund</u>	<u>Hotel/Motel Tax</u> <u>Fund</u>
ASSETS					
Cash and cash equivalents	293,133	46,449	42,689	175,947	241,356
Investments	-	-	-	-	-
Accounts receivable, net	26,611	-	-	3,787	13,628
Receivable from other governments	-	-	-	-	-
Deposit with insurance pool	48	-	-	-	-
Total assets	<u>319,792</u>	<u>46,449</u>	<u>42,689</u>	<u>179,734</u>	<u>254,984</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,893	1,346	746	1,250	20,116
Deferred revenue	-	-	19,198	155,200	-
Total liabilities	<u>1,893</u>	<u>1,346</u>	<u>19,944</u>	<u>156,450</u>	<u>20,116</u>
Fund balances:					
Nonspendable	-	1,000	-	-	-
Restricted	317,899	43,891	22,745	23,284	234,868
Assigned	-	212	-	-	-
Total fund balances	<u>317,899</u>	<u>45,103</u>	<u>22,745</u>	<u>23,284</u>	<u>234,868</u>
Total liabilities and fund balances	<u>\$ 319,792</u>	<u>\$ 46,449</u>	<u>\$ 42,689</u>	<u>\$ 179,734</u>	<u>\$ 254,984</u>

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011**

Schedule 1

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUND	PERMANENT FUND	Total Governmental Funds
	<u>Police Fund</u>	<u>Guymon</u> <u>Industrial</u> <u>Authority</u>	<u>Cemetery Care</u> <u>Fund</u>	<u>Dale Funds</u>	
ASSETS					
Cash and cash equivalents	18,669	5,548	9,063	9,595	\$ 842,449
Investments	-	-	-	57,099	57,099
Accounts receivable, net	-	-	-	-	44,026
Receivable from other governments	-	176,905	-	-	176,905
Deposit with insurance pool	-	-	-	-	48
Total assets	<u>18,669</u>	<u>182,453</u>	<u>9,063</u>	<u>66,694</u>	<u>1,120,527</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	177,981	-	-	203,332
Deferred revenue	-	-	-	-	174,398
Total liabilities	<u>-</u>	<u>177,981</u>	<u>-</u>	<u>-</u>	<u>377,730</u>
Fund balances:					
Nonspendable	-	-	-	3,300	4,300
Restricted	18,545	4,472	9,063	63,394	738,161
Assigned	124	-	-	-	336
Total fund balances	<u>18,669</u>	<u>4,472</u>	<u>9,063</u>	<u>66,694</u>	<u>742,797</u>
Total liabilities and fund balances	<u>\$ 18,669</u>	<u>\$ 182,453</u>	<u>\$ 9,063</u>	<u>\$ 66,694</u>	<u>\$ 1,120,527</u>

City of Guymon, Oklahoma
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
 Budget and Actual - Nonmajor Governmental Funds
 For the year ended June 30, 2011

Schedule 3
(Continued)

	Guymon Industrial Authority			Cemetery Care Fund		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ 730,000	\$ 699,858	\$ (30,142)	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	4,500	4,911	411
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	165	165	100	91	(9)
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>730,000</u>	<u>700,023</u>	<u>(29,977)</u>	<u>4,600</u>	<u>5,002</u>	<u>402</u>
EXPENDITURES						
Departmental:						
Community development	-	-	-	-	-	-
Economic development	730,800	699,858	30,942	-	-	-
General government	-	-	-	-	-	-
Golf course	-	-	-	-	-	-
Library	-	-	-	-	-	-
Ambulance	-	-	-	-	-	-
Police	-	-	-	-	-	-
Municipal court	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Airport	-	-	-	-	-	-
Cemetery	-	-	-	10,000	9,562	438
Parks	-	-	-	-	-	-
Streets	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-
Tourism	-	-	-	-	-	-
Water	-	-	-	-	-	-
Wastewater	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Gas	-	-	-	-	-	-
Garage	-	-	-	-	-	-
Administration	-	-	-	-	-	-
Total Expenditures	<u>730,800</u>	<u>699,858</u>	<u>30,942</u>	<u>10,000</u>	<u>9,562</u>	<u>438</u>
Excess (deficiency) of revenues over expenditures	<u>(800)</u>	<u>165</u>	<u>965</u>	<u>(5,400)</u>	<u>(4,560)</u>	<u>840</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from capital leases	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SPECIAL ITEM						
Proceeds from sale capital assets	-	-	-	-	-	-
Net change in fund balances	<u>(800)</u>	<u>165</u>	<u>965</u>	<u>(5,400)</u>	<u>(4,560)</u>	<u>840</u>
Fund balances - beginning	<u>2,610</u>	<u>4,307</u>	<u>1,697</u>	<u>12,731</u>	<u>13,623</u>	<u>892</u>
Fund balances - ending	<u>\$ 1,810</u>	<u>\$ 4,472</u>	<u>\$ 2,662</u>	<u>\$ 7,331</u>	<u>\$ 9,063</u>	<u>\$ 1,732</u>

City of Guymon, Oklahoma
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
 Budget and Actual - Nonmajor Governmental Funds
 For the year ended June 30, 2011

Schedule 3
 (Continued)

	Dale Funds		<u>Variance with</u>
	<u>Final</u>	<u>Actual Amounts,</u> <u>Budgetary Basis</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	700	14,258	13,558
Miscellaneous	-	-	-
Total revenues	<u>700</u>	<u>14,258</u>	<u>13,558</u>
EXPENDITURES			
Departmental:			
Community development	1,000	55	945
Economic development	-	-	-
General government	-	-	-
Golf course	-	-	-
Library	-	-	-
Ambulance	-	-	-
Police	-	-	-
Municipal court	-	-	-
Fire	-	-	-
Airport	-	-	-
Cemetery	-	-	-
Parks	-	-	-
Streets	-	-	-
Public transportation	-	-	-
Tourism	-	-	-
Water	-	-	-
Wastewater	-	-	-
Sanitation	-	-	-
Gas	-	-	-
Garage	-	-	-
Administration	-	-	-
Total Expenditures	<u>1,000</u>	<u>55</u>	<u>945</u>
Excess (deficiency) of revenues over expenditures	<u>(300)</u>	<u>14,203</u>	<u>14,503</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
SPECIAL ITEM			
Proceeds from sale capital assets	-	-	-
Net change in fund balances	<u>(300)</u>	<u>14,203</u>	<u>14,503</u>
Fund balances - beginning	9,334	52,491	43,157
Fund balances - ending	<u>\$ 9,034</u>	<u>\$ 66,694</u>	<u>\$ 57,660</u>

City of Guymon, Oklahoma
 Schedule of Revenues, Expenditures, and Changes In Fund Balance - (Budgetary Basis)
 Budget and Actual - Major Governmental Capital Project Funds
 For the year ended June 30, 2011

Schedule 4

	General Capital Improvement Fund			GUA Sales Tax CIF		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ 1,300,000	\$ 1,428,333	\$ 128,333	\$ 1,300,000	\$ 1,428,333	\$ 128,333
Intergovernmental	165,043	255,961	90,918	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investment earnings	-	9,456	9,456	-	6,868	6,868
Miscellaneous	-	26,403	26,403	-	-	-
Total revenues	<u>1,465,043</u>	<u>1,720,153</u>	<u>255,110</u>	<u>1,300,000</u>	<u>1,435,201</u>	<u>135,201</u>
EXPENDITURES						
Departmental:						
Golf Course	65,000	45,801	19,199	-	-	-
City attorney	-	-	-	-	-	-
City treasurer	1,200	1,114	86	-	-	-
Community development	2,000	-	2,000	-	-	-
General government	-	-	-	-	-	-
Library	3,663,000	29,784	3,633,216	-	-	-
Ambulance	140,000	32,100	107,900	-	-	-
Police	1,398,000	306,449	1,091,551	-	-	-
Municipal court	4,680	-	4,680	-	-	-
Fire	4,230,000	367,616	3,862,384	-	-	-
Civil emergency management	-	-	-	-	-	-
Cemetery	40,000	4,900	35,100	-	-	-
Parks	92,000	35,931	56,069	-	-	-
Street	688,000	683,313	4,687	-	-	-
Transportation - Operations	19,660	9,540	10,120	-	-	-
Water	151,807	99,935	51,872	1,193,417	1,098,766	94,651
Wastewater	47,459	47,458	1	1,968,257	1,937,069	31,188
Wastewater treatment plant	44,400	43,131	1,269	-	-	-
Sanitation	85,000	-	85,000	-	-	-
Gas	69,041	66,349	2,692	-	-	-
Garage	6,500	2,399	4,101	-	-	-
Administration	22,000	17,467	4,533	-	-	-
Total Expenditures	<u>10,769,747</u>	<u>1,793,287</u>	<u>8,976,460</u>	<u>3,161,674</u>	<u>3,035,835</u>	<u>125,839</u>
Excess (deficiency) of revenues over expenditures	<u>(9,304,704)</u>	<u>(73,134)</u>	<u>9,231,570</u>	<u>(1,861,674)</u>	<u>(1,600,634)</u>	<u>261,040</u>
OTHER FINANCING SOURCES (USES)						
Issuance of long-term debt	8,744,397	5,535,000	(3,209,397)	1,278,008	1,290,416	12,408
Transfers in	-	-	-	-	-	-
Transfers out	(85,000)	(85,000)	-	-	-	-
Total other financing sources and uses	<u>8,659,397</u>	<u>5,450,000</u>	<u>(3,209,397)</u>	<u>1,278,008</u>	<u>1,290,416</u>	<u>12,408</u>
Net change in fund balances	(645,307)	5,376,866	6,022,173	(583,666)	(310,218)	273,448
Fund balances - beginning	753,796	798,958	45,162	2,351,358	1,142,173	(1,209,185)
Fund balances - ending	<u>\$ 108,489</u>	<u>\$ 6,175,824</u>	<u>\$ 6,067,335</u>	<u>\$ 1,767,692</u>	<u>\$ 831,955</u>	<u>\$ (935,737)</u>

City of Guymon, Oklahoma
 Combining Balance Sheet
 General Fund Accounts
 June 30, 2011

Schedule 5

	<u>General Fund</u>	<u>Golf Course Fund</u>	<u>Pool/Recreation Fund</u>	<u>Airport Authority</u>	<u>TOTAL</u>
ASSETS					
Cash, including time deposits	\$ 2,689,234	\$ 2,168	\$ 75,646	\$ 121,649	\$ 2,888,697
Investments	-	-	-	-	-
Receivable from other governments	492,828	-	-	19,049	511,877
Accounts receivable, net	484,125	-	-	17,692	501,817
Due from other funds	6,021	-	-	-	6,021
Deposit with insurance pool	2,262	230	12	-	2,504
Total assets	<u>3,674,470</u>	<u>2,398</u>	<u>75,658</u>	<u>158,390</u>	<u>3,910,916</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	62,591	10,052	11,313	300	84,256
Due to other funds	-	6,021	-	-	6,021
Due to other governments	-	-	-	946	946
Refundable court bonds	17,785	-	-	-	17,785
Deferred revenue	295,584	-	-	19,049	314,633
Total liabilities	<u>375,960</u>	<u>16,073</u>	<u>11,313</u>	<u>20,295</u>	<u>423,641</u>
Fund balances:					
Restricted	-	-	-	138,095	138,095
Assigned	1,358,334	-	64,345	-	1,422,679
Unassigned	1,940,176	(13,675)	-	-	1,926,501
Total fund balances	<u>3,298,510</u>	<u>(13,675)</u>	<u>64,345</u>	<u>138,095</u>	<u>3,487,275</u>
Total liabilities and fund balances	<u>\$ 3,674,470</u>	<u>\$ 2,398</u>	<u>\$ 75,658</u>	<u>\$ 158,390</u>	<u>\$ 3,910,916</u>

City of Guymon, Oklahoma
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund Accounts
For the Year Ended June 30, 2011

Schedule 6

	<u>General Fund</u>	<u>Golf Course Fund</u>	<u>Pool/Recreation Fund</u>	<u>Airport Authority</u>	<u>TOTAL</u>
REVENUES					
Taxes	\$ 3,730,893	\$ -	\$ -	\$ 3,376	\$ 3,734,269
Intergovernmental	800,592	-	-	400,187	1,200,779
Charges for services	410,097	350,457	15,639	8,750	784,943
Fines and forfeitures	203,418	-	-	-	203,418
Licenses and permits	45,109	-	-	-	45,109
Investment earnings	22,021	700	753	599	24,073
Miscellaneous	282,077	406	15	1,112	283,610
Total revenues	<u>5,494,207</u>	<u>351,563</u>	<u>16,407</u>	<u>414,024</u>	<u>6,276,201</u>
EXPENDITURES					
Current:					
General Government:					
City clerk	31,623	-	-	-	31,623
City treasurer	65,156	-	-	-	65,156
Human resources	132,412	-	-	-	132,412
General government	265,198	-	-	-	265,198
Total General Government	<u>494,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>494,389</u>
Public Safety and Judiciary:					
City attorney	86,901	-	-	-	86,901
Ambulance	387,298	-	-	-	387,298
Police	1,888,859	-	-	-	1,888,859
Municipal court	147,931	-	-	-	147,931
Fire	1,323,340	-	-	-	1,323,340
Civil emergency management	20,136	-	-	-	20,136
Total Public Safety and Judiciary	<u>3,854,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,854,465</u>
Transportation:					
Airport	-	-	-	66,304	66,304
Street	756,573	-	-	-	756,573
Public Transportation	563,977	-	-	-	563,977
Total Transportation	<u>1,320,550</u>	<u>-</u>	<u>-</u>	<u>66,304</u>	<u>1,386,854</u>
Cultural, Parks, and Recreation:					
Golf	-	489,332	-	-	489,332
Library	276,390	-	-	-	276,390
Cemetery	95,617	-	-	-	95,617
Swimming pool	-	-	60,123	-	60,123
Parks	387,923	-	-	-	387,923
Total Cultural, Parks and Recreation	<u>759,930</u>	<u>489,332</u>	<u>60,123</u>	<u>-</u>	<u>1,309,385</u>
Community/Economic Development:					
Community development	222,077	-	-	-	222,077
Business incubator	77,382	-	-	-	77,382
Economic development	-	-	-	-	-
Total Community/Economic Development	<u>299,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,459</u>
Debt Service:					
Principal	127,517	51,782	-	-	179,299
Interest and other charges	13,276	1,481	-	-	14,757
Capital Outlay	116,163	-	1,895	418,518	536,576
Total Expenditures	<u>6,985,749</u>	<u>542,595</u>	<u>62,018</u>	<u>484,822</u>	<u>8,075,184</u>
Excess (deficiency) of revenues over expenditures	<u>(1,491,542)</u>	<u>(191,032)</u>	<u>(45,611)</u>	<u>(70,798)</u>	<u>(1,798,983)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	3,601,934	210,000	50,000	191,000	4,052,934
Transfers out	(1,411,934)	-	-	-	(1,411,934)
Total other financing sources and uses	<u>2,190,000</u>	<u>210,000</u>	<u>50,000</u>	<u>191,000</u>	<u>2,641,000</u>
Net change in fund balances	698,458	18,968	4,389	120,202	842,017
Fund balances - beginning	2,600,052	(32,643)	59,956	17,893	2,645,258
Fund balances - ending	<u>\$ 3,298,510</u>	<u>\$ (13,675)</u>	<u>\$ 64,345</u>	<u>\$ 138,095</u>	<u>\$ 3,487,275</u>

City of Guymon, Oklahoma
Schedule of Departmental Operating Revenues and Expenses
Enterprise Fund - Operating Accounts
(Guymon Utilities Authority)
For the Year Ended June 30, 2011

Operating Revenues:	
Charges for services:	
Gas charges	\$ 4,206,127
Water charges	3,045,613
Sewer charges	1,257,915
Sanitation charges	1,372,272
Penalties	43,299
Agricultural revenue	<u>102,474</u>
Total Charges for services	<u>10,027,700</u>
Miscellaneous:	
Gas	20,713
Water	3,311
Sewer	27,240
Sanitation	260
Administrative	<u>152,450</u>
Total Miscellaneous	<u>203,974</u>
Total Operating Revenues	<u>10,231,674</u>
Operating Expenses:	
Gas Department:	
Cost of goods sold	2,516,234
Personal Services	377,311
Materials and Supplies	32,513
Other Services and Charges	50,503
Depreciation	93,211
Amortization Expense	<u>374</u>
Total Gas Operating Expenses	<u>3,070,146</u>
Garage Department:	
Personal Services	57,285
Materials and Supplies	2,466
Other Services and Charges	5,207
Depreciation	1,145
Amortization Expense	<u>-</u>
Total Garage Operating Expenses	<u>66,103</u>
Water Department:	
Personal Services	263,778
Materials and Supplies	49,851
Other Services and Charges	579,566
Depreciation	424,897
Amortization Expense	<u>20,765</u>
Total Water Operating Expenses	<u>1,338,857</u>
Sewer Department:	
Personal Services	424,171
Materials and Supplies	103,238
Other Services and Charges	512,103
Depreciation	943,593
Amortization Expense	<u>24,708</u>
Total Sewer Operating Expenses	<u>2,007,813</u>
Sanitation Department:	
Personal Services	553,472
Materials and Supplies	97,113
Other Services and Charges	410,372
Depreciation	84,088
Amortization Expense	<u>572</u>
Total Sanitation Operating Expenses	<u>1,145,617</u>
Farm Department:	
Cost of Sales	-
Materials and Supplies	-
Other Services and Charges	-
Depreciation	<u>145</u>
Total Farm Operating Expenses	<u>145</u>
Administration Department:	
Personal Services	468,501
Materials and Supplies	38,202
Other Services and Charges	335,995
Depreciation	63,837
Amortization Expense	<u>110</u>
Total Administration Operating Expenses	<u>906,645</u>
Total Operating Expenses	<u>8,535,326</u>
Net Operating Income (Loss)	<u>\$ 1,696,348</u>





Statistical Section

STATISTICAL SECTION

This part of the City of Guymon's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health

Such statistical information includes:

- Financial Trends – These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time
- Revenue Capacity – These schedules contain information to help the reader assess the city's most significant local revenue sources, gas and sales tax revenues.
- Debt Capacity – These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.
- Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place
- Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

CITY OF GUYMON, OKLAHOMA
NET ASSETS BY COMPONENT
Last Ten Fiscal Years
June 30, 2011
TABLE 1

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	\$ 8,545,000	\$ 9,798,880	\$ 9,558,478	\$ 9,269,913	\$ 8,640,868	\$ 8,621,065	\$ 8,966,029	\$ 9,162,018	\$ 10,318,848	\$ 11,429,614
Restricted	421,000	370,919	539,846	418,459	520,762	730,026	903,470	3,698,645	2,770,010	2,513,832
Unrestricted	1,575,000	1,079,135	862,763	1,311,074	1,049,550	1,892,074	2,931,393	2,246,199	2,723,068	3,597,085
Total governmental activities net assets	\$ 10,541,000	\$ 11,248,934	\$ 10,961,087	\$ 10,999,446	\$ 10,211,180	\$ 11,243,165	\$ 12,800,892	\$ 15,106,862	\$ 15,811,926	\$ 17,540,531
Business-type activities										
Invested in capital assets, net of related debt	\$ 11,696,000	\$ 11,466,711	\$ 11,022,562	\$ 10,687,214	\$ 10,908,056	\$ 10,014,350	\$ 10,684,925	\$ 11,498,662	\$ 13,408,159	\$ 13,583,566
Restricted	648,000	520,312	245,643	363,735	423,278	466,272	491,281	388,271	305,603	258,734
Unrestricted	1,623,000	1,643,216	1,953,107	1,733,509	1,827,964	2,161,375	2,231,176	2,095,644	3,434,744	3,877,249
Total business-type activities net assets	\$ 13,967,000	\$ 13,630,239	\$ 13,221,312	\$ 12,684,458	\$ 13,159,288	\$ 12,641,997	\$ 13,407,382	\$ 13,982,577	\$ 17,148,506	\$ 17,719,549
Primary government										
Invested in capital assets, net of related debt	\$ 20,241,000	\$ 21,265,591	\$ 20,581,040	\$ 19,857,127	\$ 19,548,924	\$ 18,635,415	\$ 19,650,954	\$ 20,660,680	\$ 23,727,007	\$ 25,013,180
Restricted	1,069,000	891,231	785,489	782,194	944,040	1,196,298	1,394,751	4,086,916	3,075,613	2,772,666
Unrestricted	3,196,000	2,722,351	2,815,870	3,044,583	2,877,514	4,053,449	5,162,569	4,341,843	6,157,812	7,474,334
Total primary government net assets	\$ 24,506,000	\$ 24,879,173	\$ 24,182,399	\$ 23,683,904	\$ 23,370,478	\$ 23,885,162	\$ 26,208,274	\$ 29,089,439	\$ 32,960,432	\$ 35,260,080

CITY OF GUYMON, OKLAHOMA
 CHANGES IN NET ASSETS
 Last Ten Fiscal Years
 June 30, 2011
 TABLE 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Government activities:										
Government government	\$ 433,028	\$ 485,154	\$ 533,126	\$ 374,727	\$ 401,164	\$ 565,327	\$ 717,083	\$ 643,553	\$ 533,855	\$ 585,283
Public Safety and Judiciary	2,512,249	2,707,366	2,633,217	2,780,129	2,888,446	3,090,973	3,495,581	3,864,574	3,749,612	4,247,097
Transportation	1,017,162	1,112,682	1,199,284	1,316,595	1,352,916	1,469,875	1,658,416	1,764,056	1,736,197	1,906,821
Cultural, parks and recreation	1,185,022	1,226,087	1,240,005	1,202,851	1,219,565	1,301,120	1,435,348	1,635,588	1,522,697	1,596,450
Community/economic development	1,329,323	2,496,364	2,444,133	901,941	609,996	707,533	854,617	811,289	1,058,400	1,238,241
Interest on long-term debt	25,574	27,063	19,256	9,848	5,406	12,197	13,556	32,866	25,407	137,763
Total governmental activities expenses	6,502,358	8,054,726	8,069,021	6,586,091	6,477,493	7,147,025	8,174,601	8,751,926	8,626,168	9,711,655
Business-type activities:										
Gas	4,191,827	3,574,261	3,521,884	3,748,097	4,985,011	4,505,783	4,085,783	5,895,883	3,316,002	3,454,958
Garage	50,204	52,835	45,590	48,645	51,695	60,645	55,898	55,107	59,517	66,103
Water	1,166,749	1,267,171	1,247,677	1,126,723	1,195,418	1,227,412	1,348,690	1,333,705	1,301,576	1,842,426
Sewer	625,903	651,225	619,368	751,882	818,907	885,394	882,983	968,852	1,239,383	2,635,956
Sanitation	866,649	960,484	934,913	1,010,715	1,127,135	1,245,773	1,263,676	1,310,876	1,205,294	1,274,943
Farm	104,111	29,895	22,137	33,090	19,358	23,625	16,027	30,438	10,372	145
Total business-type activities expenses	7,025,443	6,535,881	6,391,569	6,719,152	8,197,524	7,948,632	7,653,057	9,594,861	7,132,144	9,274,531
Total primary government expenses	\$ 13,527,801	\$ 14,590,607	\$ 14,460,590	\$ 13,305,243	\$ 14,675,017	\$ 15,095,657	\$ 15,827,658	\$ 18,346,787	\$ 15,758,312	\$ 18,986,186
Program Revenues										
Government activities:										
Charges for services:										
General government	\$ 12,828	\$ 13,178	\$ 15,329	\$ 16,970	\$ 17,416	\$ 20,797	\$ 43,543	\$ 18,521	\$ 32,474	\$ 38,073
Public Safety and Judiciary	535,752	560,745	493,988	599,635	608,372	508,798	593,836	647,377	654,426	596,833
Transportation	25,270	21,204	26,738	27,541	34,236	39,484	48,061	54,557	61,885	54,967
Cultural, parks and recreation	293,791	292,176	296,906	260,721	310,202	305,070	397,118	420,867	389,030	395,181
Community/economic development	-	500	-	-	-	-	-	9,082	35,410	93,551
Operating grants and contributions	263,167	701,922	1,129,683	575,608	472,379	801,544	608,414	599,845	417,306	693,102
Capital grants and contributions	1,579,978	1,613,819	354,094	239,337	82,093	707,335	829,327	167,926	342,442	720,250
Total governmental activities program revenues	2,710,786	3,203,544	2,316,738	1,719,812	1,524,698	2,383,028	2,520,299	1,918,175	1,932,973	2,533,957

(Continued)

TABLE 2
(Continued)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:										
Charges for services:										
Gas	\$ 3,644,277	\$ 3,809,354	\$ 3,513,330	\$ 3,692,192	\$ 4,835,967	\$ 4,214,364	\$ 4,219,989	\$ 6,114,725	\$ 4,175,688	\$ 4,277,139
Garage	-	-	-	-	-	-	-	-	-	-
Water	1,509,029	1,445,628	1,531,817	1,432,874	2,013,524	2,146,935	2,617,876	2,630,331	2,623,130	3,054,706
Sewer	707,212	731,857	762,093	800,039	815,237	975,814	1,071,762	1,218,920	1,189,168	1,383,503
Sanitation	460,681	583,850	706,446	737,556	966,339	1,182,018	1,193,833	1,317,995	1,320,341	1,372,532
Farm	98,577	93,229	143,635	112,209	128,180	147,562	167,879	209,121	60,628	102,474
Operating grants and contributions	-	-	24,486	-	-	-	-	-	-	-
Capital grants and contributions	6,419,776	56,031	6,701,807	6,774,870	8,759,247	8,666,693	47,059	11,491,092	650,038	143,241
Total business-type activities program revenues	\$ 9,130,562	\$ 6,719,949	\$ 9,018,545	\$ 8,494,682	\$ 10,283,945	\$ 11,049,721	\$ 9,316,396	\$ 13,409,267	\$ 10,018,993	\$ 10,325,995
Total primary government program revenues	\$ 9,130,562	\$ 9,923,493	\$ 9,018,545	\$ 8,494,682	\$ 10,283,945	\$ 11,049,721	\$ 9,316,396	\$ 13,409,267	\$ 11,951,966	\$ 12,867,552
Net (Expense)/Revenue										
Government activities:										
Business-type activities:										
Total primary government net expense	\$ (3,791,572)	\$ (4,851,182)	\$ (5,752,283)	\$ (4,866,279)	\$ (4,952,795)	\$ (4,765,997)	\$ (5,654,302)	\$ (6,833,751)	\$ (6,693,195)	\$ (7,177,698)
	(605,667)	184,068	310,238	55,718	561,723	718,061	1,665,341	1,896,231	2,886,849	1,052,064
	\$ (4,397,239)	\$ (4,667,114)	\$ (5,442,045)	\$ (4,810,561)	\$ (4,391,072)	\$ (4,045,936)	\$ (3,988,961)	\$ (4,937,520)	\$ (3,806,346)	\$ (6,125,634)
General Revenues and Other Changes in Net Assets										
Government activities:										
Taxes:										
Sales and use taxes	\$ 3,733,872	\$ 3,432,292	\$ 3,624,653	\$ 3,004,400	\$ 2,617,568	\$ 2,964,238	\$ 4,727,544	\$ 6,219,525	\$ 5,780,043	\$ 6,051,511
Property taxes, levied for debt service	6,126	-	-	-	-	-	-	-	-	-
Franchise and public service taxes	313,272	324,610	347,589	367,492	450,885	446,475	501,663	496,341	452,632	538,097
E-911 taxes, dedicated fire emergency services	74,868	74,354	74,130	70,273	66,643	64,377	66,459	59,045	171,040	129,895
Hotel/Motel taxes, dedicated for tourism	88,060	78,482	73,826	73,239	92,967	156,614	167,979	137,361	128,186	138,096
Tax apportionment taxes, dedicated for economic develop	-	730,162	418,077	447,109	452,296	464,451	470,782	468,376	727,883	876,763
Airport fuel tax	5,145	6,358	4,888	5,485	6,053	5,465	4,833	5,182	4,164	3,376
Intergovernmental	87,966	90,372	83,361	122,222	138,385	145,141	175,326	192,261	196,462	209,269
Investment income	37,258	19,677	21,128	28,271	32,888	38,488	33,410	39,934	69,342	61,295
Miscellaneous	103,751	199,649	113,057	167,415	116,715	85,952	82,931	186,681	106,691	210,049
Special item—Loss on sale of wastewater treatment plant	-	-	-	-	-	-	-	-	-	-
Transfers—Internal activity	723,202	603,391	676,552	618,732	190,129	1,398,800	981,102	1,335,015	(238,384)	563,464
Total governmental activities	\$ 5,173,520	\$ 5,559,337	\$ 5,437,261	\$ 4,904,638	\$ 4,164,529	\$ 5,770,001	\$ 7,212,029	\$ 9,139,721	\$ 7,398,259	\$ 8,781,815
Business-type activities:										
Investment earnings	105,501	67,208	23,614	26,160	54,156	102,587	61,146	33,979	40,696	34,123
Miscellaneous	6,540	15,405	21,273	-	-	-	-	-	-	48,320
Special items	-	-	-	-	-	60,851	-	-	-	-
Transfers	(723,202)	(603,391)	(676,552)	(618,732)	(190,129)	(1,398,800)	(981,102)	(1,335,015)	238,384	(563,464)
Total business-type activities	(611,161)	(520,778)	(631,665)	(592,572)	(135,973)	(1,235,362)	(919,956)	(1,301,036)	279,080	(481,021)
Total primary government	\$ 4,562,359	\$ 5,038,559	\$ 4,805,596	\$ 4,312,066	\$ 4,028,556	\$ 4,534,639	\$ 6,292,073	\$ 7,838,685	\$ 7,677,339	\$ 8,300,794
Change in Net Assets										
Government activities:										
Business-type activities	\$ 1,381,948	\$ 708,155	\$ (315,022)	\$ 38,359	\$ (788,266)	\$ 1,006,004	\$ 1,557,727	\$ 2,305,970	\$ 705,064	\$ 1,604,117
Business-type activities	(1,216,828)	(336,710)	(321,427)	(536,854)	425,750	(517,301)	745,385	595,195	3,165,929	571,043
Total primary government	\$ 165,120	\$ 371,445	\$ (636,449)	\$ (498,495)	\$ (362,516)	\$ 488,703	\$ 2,303,112	\$ 2,901,165	\$ 3,870,993	\$ 2,175,160

CITY OF GUYMON, OKLAHOMA
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 June 30, 2011
TABLE 3

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved										
Unreserved										
Nonspendable										
Restricted										
Assigned										
Unassigned										
Total general fund	\$ 1,183,006	\$ 950,011	\$ 766,050	\$ 1,151,792	\$ 834,947	\$ 1,737,841	\$ 2,073,758	\$ 2,097,840	\$ 2,645,258	\$ 3,487,275
All Other Governmental Funds										
Reserved	\$ 51,600	\$ 95,328	\$ 56,935	\$ 59,655	\$ 64,562	\$ 117,574	\$ 105,296	\$ 93,921	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	425,384	290,897	503,545	367,462	506,062	653,721	1,667,316	3,589,604	-	-
Debt service funds										
Capital project funds	246,811	(2,894)							4,300	4,300
Nonspendable									2,710,114	7,745,940
Restricted									4,307	336
Assigned										
Unassigned									(21,485)	
Total all other governmental funds	\$ 725,795	\$ 383,331	\$ 560,480	\$ 427,117	\$ 570,624	\$ 771,295	\$ 1,772,612	\$ 3,683,525	\$ 2,697,236	\$ 7,750,576
GRAND TOTAL	\$ 1,908,801	\$ 1,333,342	\$ 1,326,530	\$ 1,578,909	\$ 1,405,571	\$ 2,509,136	\$ 3,846,370	\$ 5,781,365	\$ 5,342,494	\$ 11,237,851

CITY OF GUYMON, OKLAHOMA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 June 30, 2011
TABLE 4

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 4,222,005	\$ 4,638,063	\$ 4,544,524	\$ 3,948,014	\$ 3,687,417	\$ 4,100,304	\$ 5,938,227	\$ 7,388,142	\$ 7,150,089	\$ 7,755,689
Intergovernmental	1,957,266	2,293,632	1,596,994	908,292	666,921	1,093,536	1,401,429	886,449	880,850	1,572,711
Charges for services	525,958	543,943	545,449	483,686	627,489	669,346	760,172	762,729	914,140	823,405
Fines and forfeitures	235,449	227,846	252,315	298,948	242,708	164,642	180,524	356,957	356,957	203,418
Licenses and permits	17,200	19,324	19,732	19,322	19,828	22,855	47,172	21,834	32,677	45,109
Investment income	45,281	20,843	21,128	28,272	32,888	38,487	33,691	40,742	70,095	62,048
Miscellaneous	125,407	215,890	157,507	234,425	192,046	156,862	218,130	331,603	229,449	356,273
Total Revenues	\$ 7,128,566	\$ 7,959,541	\$ 7,137,649	\$ 5,922,959	\$ 5,469,297	\$ 6,246,032	\$ 8,879,345	\$ 9,763,028	\$ 9,634,257	\$ 10,798,653
Expenditures:										
General government	\$ 412,027	\$ 412,079	\$ 505,514	\$ 353,940	\$ 347,761	\$ 546,877	\$ 627,745	\$ 623,511	\$ 513,827	\$ 494,389
Public safety and Judiciary	2,327,802	2,517,247	2,430,434	2,529,389	2,626,130	2,833,004	3,228,355	3,635,038	3,605,465	3,204,168
Transportation	629,633	700,406	745,588	783,660	837,774	953,415	1,156,482	1,216,378	1,244,309	1,386,854
Cultural, Parks and Recreation	1,040,508	1,059,738	1,086,848	1,105,090	1,113,712	1,205,581	1,345,555	1,520,638	1,422,850	1,453,963
Community/Economic Development	1,324,333	2,491,767	2,443,070	900,594	609,305	703,086	853,910	804,293	1,054,203	1,219,834
Debt service:										
Principal	105,525	130,938	148,494	92,098	72,867	95,970	66,234	309,223	271,701	379,795
Interest and other charges	25,574	28,510	19,256	9,847	5,406	12,197	13,556	30,729	5,915	14,757
Capital Outlay	2,273,392	1,830,069	417,321	514,694	392,870	428,136	1,964,507	1,350,559	2,094,634	2,277,221
Total Expenditures	\$ 8,138,794	\$ 9,170,754	\$ 7,796,525	\$ 6,289,312	\$ 6,005,825	\$ 6,778,266	\$ 9,256,344	\$ 9,490,369	\$ 10,212,904	\$ 11,130,981
Excess of revenues over/(under) expenditures	\$ (1,010,228)	\$ (1,211,213)	\$ (658,876)	\$ (366,353)	\$ (536,528)	\$ (532,234)	\$ (676,999)	\$ 272,659	\$ (578,647)	\$ (332,328)
Other financing sources/(uses)										
Transfers in	\$ 2,148,942	\$ 1,926,163	\$ 2,074,328	\$ 945,142	\$ 847,000	\$ 2,231,146	\$ 2,839,302	\$ 2,954,719	\$ 3,475,498	\$ (3,244,353)
Transfers out	(1,425,740)	(1,302,463)	(1,422,262)	(326,410)	(666,000)	(832,346)	(1,454,302)	(1,445,136)	(3,335,722)	(141,688)
Issuance of long-term debt	134,750	-	-	-	182,190	211,017	404,235	152,750	-	5,535,000
Proceeds from short-term debt	-	-	-	-	-	-	225,000	-	-	4,078,726
Total other financing sources/(uses)	\$ 857,952	\$ 623,700	\$ 652,066	\$ 618,732	\$ 363,190	\$ 1,609,817	\$ 2,014,235	\$ 1,662,333	\$ 139,776	\$ 6,227,685
Net change in fund balances	\$ (152,276)	\$ (587,513)	\$ (6,810)	\$ 252,379	\$ (173,338)	\$ 1,077,583	\$ 1,337,236	\$ 1,934,992	\$ (438,871)	\$ 5,895,357
Debt service as a percentage of noncapital expenditures	2.2%	2.2%	2.2%	1.8%	1.4%	1.7%	1.1%	4.1%	2.7%	4.4%

CITY OF GUYMON, OKLAHOMA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 Last Ten Fiscal Years
 June 30, 2011
TABLE 5

Fiscal Year	Airport Fuel Tax	Sales Tax	Franchise Tax	Hotel/Motel Tax	Use Tax	Emergency Telephone Tax	Tax Apportionment Taxes	Property Tax	Abatement Tax	Totals
	2002	\$ 5,145	\$ 3,437,725	\$ 313,272	\$ 88,060	\$ 296,147	\$ 74,868	\$ -	\$ 6,126	\$ 662
2003	6,358	3,250,004	324,610	78,482	182,287	74,354	730,152	1	-	4,646,248
2004	4,888	3,348,570	347,589	73,826	276,083	74,130	418,077	-	-	4,543,163
2005	5,485	2,763,606	367,492	73,239	240,795	70,273	447,109	-	-	3,967,999
2006	6,053	2,344,142	450,885	92,967	273,426	66,643	452,296	-	975	3,687,387
2007	5,465	2,518,035	445,158	156,614	446,204	64,377	464,451	-	-	4,100,304
2008	4,833	4,204,920	501,663	167,979	522,624	66,459	470,782	-	-	5,938,260
2009	5,182	5,683,442	496,341	137,361	536,083	59,045	468,376	-	-	7,385,830
2010	4,164	5,332,959	452,632	128,186	447,084	171,040	727,883	-	-	7,263,948
2011	3,376	5,613,374	538,097	138,096	438,137	129,895	876,763	-	-	7,737,738

CITY OF GUYMON, OKLAHOMA
GAS REVENUE BY CUSTOMER TYPE
Last Five Fiscal Years
TABLE 6

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Commercial	\$ 1,044,760	\$ 1,128,412	\$ 1,441,442	\$ 824,270	\$ 891,816
Governmental	80,578	77,524	124,036	114,972	108,911
Industrial	32,852	261,757	635,605	444,392	493,302
Municipal	47,558	54,112	99,304	68,859	65,887
Institutional	303,603	305,176	418,963	255,007	248,715
Residential	2,414,738	2,496,547	3,643,542	2,465,297	2,606,700
Totals	\$ 3,924,089	\$ 4,323,528	\$ 6,362,892	\$ 4,172,797	\$ 4,415,332

NOTE: Data is presented only for years including and subsequent to implementation of GASB 44.

CITY OF GUYMON, OKLAHOMA
TOP TEN GAS CUSTOMERS
Current and Five Fiscal Years Ago
TABLE 7

	Rank	2011	% of Total	Rank	2006	% of Total
Guymon Extract Plant	1	\$ 418,115	9.47%	1	\$ 318,997	6.76%
Guymon Schools	2	158,044	3.58%	3	94,068	1.99%
City of Guymon	3	59,864	1.36%	--	--	--
Memorial Hospital of Texas County	4	49,406	1.12%	4	44,082	0.93%
YMCA	5	40,091	0.91%	7	32,136	0.68%
Garland Square of Guymon	6	32,081	0.73%	6	32,508	0.69%
Cargill Animal Nutrition	7	23,074	0.52%	5	40,683	0.86%
Panhandle Natural Gas	8	22,605	0.51%	8	14,562	0.31%
Townsmen Motel	9	21,137	0.48%	--	--	--
Kamesco Motel	10	18,433	0.42%	--	--	--
Texas County Warehouse	--	--	--	10	8,092	0.17%
Texas County Feedyards	--	--	0.00%	2	158,743	3.36%
Quality Cleaners	--	--	0.00%	9	11,316	0.24%
Totals		<u>\$ 842,850</u>	19.1%		<u>\$ 755,187</u>	16.0%
Total Gas Revenue (See Table 6)		<u>\$ 4,415,332</u>			<u>\$ 4,720,888</u>	

NOTE: Data for nine years ago is not available.

**CITY OF GUYMON, OKLAHOMA
GAS RATES
Last Five Fiscal Years
TABLE 8**

<u>Effective Date</u>	<u>Fixed Oper Cost</u>	<u>0 - 29 per MCF</u>	<u>1 - 29 per MCF</u>	<u>All Over 29 per MCF</u>
8/1/2005	\$ -	10.03	n/a	\$ 9.54
11/1/2005	-	13.99	n/a	13.50
1/1/2006	-	12.49	n/a	12.04
3/1/2006	11.00	n/a	12.62	12.16
8/1/2006	11.50	n/a	7.14	7.14
1/1/2007	11.50	n/a	8.41	8.41
7/1/2007	12.70	n/a	8.41	8.41
7/1/2008	15.40	n/a	13.57	13.57
8/14/2009	15.40	n/a	6.53	6.53
10/8/2009	15.40	n/a	7.53	7.53
7/1/2011	17.28		9.38	9.38

NOTE: Data is presented only for years including and subsequent to implementation of GASB 44.

CITY OF GUYMON, OKLAHOMA
 TAXABLE SALES BY CATEGORY
 Last Ten Fiscal Years
 June 30, 2011
 TABLE 9

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Agriculture, forestry, and fishing	\$ 1,281	\$ 941	\$ 683	\$ 629	\$ 271	\$ 160	\$ 264	\$ 756	\$ 802	\$ 546
Mining	2	21	207	400	251	333	406	689	401	2,241
Construction	20,153	7,083	5,310	4,873	5,121	5,428	4,747	9,990	8,176	10,392
Manufacturing	28,728	32,352	32,759	39,868	27,622	50,322	17,368	48,551	19,334	37,698
Transportation	6,823	9,008	5,836	4,989	4,374	5,762	2,972	7,879	7,834	10,183
Communications and utilities:										
Communications	166,104	154,769	159,665	126,152	106,076	73,522	109,668	264,091	158,962	139,553
Electric, gas, and sanitary services	236,651	247,094	253,026	220,646	197,333	101,127	43,846	198,523	140,944	147,803
Wholesale trade	230,386	232,778	240,109	272,216	160,476	219,359	215,602	414,040	406,382	350,161
Retail trade:										
Building materials, hardware, garden supply and mobile home dealer	75,842	82,456	85,025	73,220	72,750	90,673	75,027	188,822	154,650	171,963
General merchandise stores	698,900	695,987	711,930	613,318	503,852	512,740	792,048	1,960,854	1,861,714	1,956,486
Food stores	682,192	651,889	649,423	542,766	400,302	431,127	230,879	580,269	543,998	541,382
Automotive dealers and gasoline service stations	104,908	111,116	118,282	103,356	101,387	99,457	91,927	209,434	208,255	243,471
Apparel and accessory stores	84,343	75,918	83,270	74,683	59,107	56,737	43,371	114,132	118,517	129,349
Furniture, home furnishings and equipment stores	208,095	135,178	145,351	125,501	97,390	129,101	111,067	238,804	191,779	247,467
Eating and drinking places	341,001	308,177	327,127	294,737	256,305	277,277	266,222	642,923	626,549	680,178
Miscellaneous retail	241,637	211,197	208,914	194,212	129,955	230,149	126,012	331,391	319,011	354,967
Finance, insurance, and real estate services:	1,095	333	139	68	171	739	132	1,297	734	1,575
Hotels and motels	92,414	81,264	86,944	73,507	61,544	100,694	92,112	186,718	120,295	162,066
Personal services	27,957	26,015	27,015	23,597	14,919	16,403	15,592	33,757	28,068	27,064
Business services	82,020	79,434	78,521	74,651	51,832	59,647	49,818	129,354	204,094	158,153
Automotive repair services and garages	41,525	77,205	65,858	57,467	30,278	35,093	33,293	68,494	64,135	64,505
Miscellaneous repair services	7,294	9,624	11,129	10,299	6,220	7,152	5,327	11,095	7,148	7,531
Motion pictures	43,025	39,433	44,055	22,172	30,947	29,512	23,853	63,772	69,380	60,671
Other services	7,899	6,362	5,611	4,487	3,747	5,100	10,275	15,060	17,847	20,258
Nonclassifiable establishments	42,606	34,623	18,003	15,702	32,652	16,852	6,724	44,873	102,603	109,048
	\$ 3,472,881	\$ 3,310,257	\$ 3,364,192	\$ 2,973,516	\$ 2,354,882	\$ 2,554,466	\$ 2,368,551	\$ 5,745,568	\$ 5,381,612	\$ 5,634,711

* - The sales tax rate decreased from 3 cents to 2 cents in March 2005

CITY OF GUYMON, OKLAHOMA
SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
June 30, 2011
TABLE 10

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
City	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	4.00%	4.00%
Texas County	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
State of Oklahoma	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Total	8.50%	8.50%	8.50%	8.50%	7.50%	7.50%	7.50%	7.50%	9.50%	9.50%

* City sales tax rate changed in March of 2005.

**City sales tax rate changed in March of 2008.

CITY OF GUYMON, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
 Last Ten Fiscal Years
 June 30, 2011
TABLE 11

Fiscal Year	Population	Net Assessed Value	Gross Bonded Debt (1)	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2002	10,670	48,297,991	-	-	-	0.00%	-
2003	10,670	48,278,919	-	-	-	0.00%	-
2004	10,670	50,105,358	-	-	-	0.00%	-
2005	10,670	51,007,082	-	-	-	0.00%	-
2006	10,569	51,848,127	-	-	-	0.00%	-
2007	10,574	54,332,886	-	-	-	0.00%	-
2008	10,574	49,595,484	-	-	-	0.00%	-
2009	10,702	51,511,458	-	-	-	0.00%	-
2010	11,117	52,403,701	-	-	-	0.00%	-
2011	11,442	54,472,194	-	-	-	0.00%	-

Note: The population amounts are estimates based on information from the US Census Bureau.

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Represents outstanding general obligation bonds financed through ad valorem and sales tax.

CITY OF GUYMON, OKLAHOMA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 June 30, 2011
TABLE 12

Jurisdiction	Net (1) Debt Outstanding	Percentage (2) Applicable to City of Guymon	Amount Applicable to City of Guymon
Direct - City of Guymon	\$ -	100.00%	\$ -
Overlapping: Guymon Public Schools	2,500,000	61.62%	1,540,530
Texas County	-	28.34%	-
Total	<u><u>\$2,500,000</u></u>		<u><u>\$1,540,530</u></u>

(1) Gross general bonded debt outstanding less debt service reserves.

(2) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the City of Guymon.

CITY OF GUYMON, OKLAHOMA
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
 June 30, 2011
TABLE 13

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 4,829,799	\$ 4,827,892	\$ 5,010,536	\$ 5,100,708	\$ 5,184,813	\$ 5,433,289	\$ 4,959,548	\$ 5,151,146	\$ 5,240,370	\$ 5,447,219
Total net debt applicable to limit	—	—	—	—	—	—	—	—	—	—
Legal debt margin	\$ 4,829,799	\$ 4,827,892	\$ 5,010,536	\$ 5,100,708	\$ 5,184,813	\$ 5,433,289	\$ 4,959,548	\$ 5,151,146	\$ 5,240,370	\$ 5,447,219
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2010

Net assessed valuation	\$ 54,472,194
Debt limit (10% of total assess value) Debt applicable to limit:	\$ 5,447,219
General obligation bonds	—
Less: Street bonds outstanding	—
Total net debt applicable to limit	—
Legal debt margin	<u>\$ 5,447,219</u>

Note: Article 10, Section 26 of the Constitution of the State of Oklahoma limits municipal debt to 10% of net assessed valuation.
 Article 10, Section 27 of the Constitution of the State of Oklahoma limits municipal debt to non-utility or non-street purposes.

CITY OF GUYMON, OKLAHOMA
MUNICIPAL AUTHORITY
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
June 30, 2011
TABLE 14A

		Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Maximum Annual Debt Service	Debt Service Coverage
2002	(1)	5,825,548	5,151,784	673,764	265,320	2.54
2003	(1)	5,960,388	4,675,099	1,285,289	265,320	4.84
2004	(1)	5,823,914	4,565,687	1,258,227	252,745	4.98
2005	(1)	5,902,546	4,886,326	1,016,220	252,745	4.02
2006	(1)	7,692,732	6,226,513	1,466,219	252,745	5.80
2007	(1)	7,287,805	5,783,058	1,504,747	252,745	5.95
2008	(1)	7,938,225	5,445,907	2,492,318	255,074	9.77
2009	(2)	11,404,192	7,325,212	4,078,980	2,032,883	2.01
2010	(2)	9,311,522	4,977,079	4,334,443	2,210,027	1.96
2011	(2)	9,965,072	5,638,859	4,326,213	2,036,086	2.12

(1) - coverage for 1993C and 1994 Notes only. Collateralized revenues include water, sewer, and gas.

(2) - coverage for 1993C, 1994, 2008A, 2008B, 2009A, and 2009B OWRB notes only. Collateralized revenues include water, sewer, gas, and one cent pledged sales taxes.

**CITY OF GUYMON, OKLAHOMA
MUNICIPAL AUTHORITY
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
June 30, 2011
TABLE 14B**

	<u>Gross Revenues</u>	<u>Direct Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Maximum Annual Debt Service</u>	<u>Debt Service Coverage</u>
2002	\$ 2,217,108	\$ 1,074,881	\$ 1,142,227	\$ 153,877	7.42
2003	2,184,400	1,213,609	970,791	153,877	6.31
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-

Note: coverage for 1986 and 1993B Notes only, from 1994 to present
Collateralized revenues include water and sewer. The 1994B Note was paid off and the 1986 Note was refinanced in fiscal year 2004.





Internal Control and Compliance



**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Users of the City of Guymon, Oklahoma,
Annual Financial Report

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 City of Guymon, Oklahoma (the "City") as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 28, 2011, which includes a disclaimer of opinion on the presented required supplementary information. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 City'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 City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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 a 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.

(Continued)

**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, CONTINUED**

Internal Control Over Financial Reporting, Continued

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the City Council and management of the City, the State of Oklahoma, 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.

Finley + Cook, PLLC

Shawnee, Oklahoma
December 28, 2011