The City of
Guymon, Oklahoma

Comprehensive
Annual Financial Report

For the Fiscal Year Ended December 31, 2012

CITY OF GUYMON, OKLAHOMA

TABLE OF CONTENTS

		Page
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	1-4
	REQUIRED SUPPLEMENTARY INFORMATION:	
	Management's Discussion and Analysis	5-11
	BASIC FINANCIAL STATEMENTS:	12
Statement		
	Government-Wide Financial Statements:	
1	Statement of Net Position	13
2	Statement of Activities	14
	Fund Financial Statements:	
3	Balance Sheet – Governmental Funds and Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15-16
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	17-18
5	Statement of Net Position—Proprietary Fund	19
6	Statement of Revenues, Expenses, and Changes in Fund Net Position—Proprietary Fund	20
7	Statement of Cash Flows—Proprietary Fund	21
	Notes to Basic Financial Statements	22-53

CITY OF GUYMON, OKLAHOMA

TABLE OF CONTENTS
(Continued)

		Page
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A:		54
Exhibit		
1	Schedule of Funding Progress - Defined Benefit Retirement Plan	55
2	Budgetary Comparison Schedule—General Fund	56
3	Notes to Required Supplementary Information	57-58
OTHER SUPPLEMENTARY INFORMATION:		59
Schedule		
1	Combining Balance Sheet—Nonmajor Governmental Funds	60
2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds	61
3	Combining Balance Sheet—General Fund Accounts	62
4	Combining Schedule of Revenues, Expenses, and Changes in Fund Balances—General Fund Accounts	63
5	Schedule of Departmental Operating Revenues and Expenses Enterprise Fund—Operating Account (Guymon Utilities Authority)	64
6	Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—Major Governmental Capital Project Funds	65
7	Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—Nonmajor Governmental Funds	66-68

CITY OF GUYMON, OKLAHOMA

TABLE OF CONTENTS
(Continued)

		Page
STATISTICAL SECTION:		69
Table		
1	Net Assets/Position by Component Unit – Last Ten Fiscal Years	70
2	Change in Net Assets/Position – Last Ten Fiscal Years	71-72
3	Fund Balances, Governmental Funds—Last Ten Fiscal Years	73
4	Changes in Fund Balances, Governmental Funds- Last Ten Fiscal Years	74
5	Governmental Activities Tax Revenues By Source—Last Ten Fiscal Years	75
6	Gas Revenue by Customer Type – Last Seven Fiscal Years	76
7	Top Ten Gas Customers – Current and Five Fiscal Years Ago	77
8	Gas Rates – Last Five Fiscal Years	78
9	Taxable Sales by Category – Last Ten Fiscal Years	79
10	Sales Tax Rates of Direct and Overlapping Governments – Last Ten Fiscal Years	80
11	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Fiscal Years	81
12	Computation of Direct and Overlapping Debt – December 31, 2012	82
13	Legal Debt Margin Information – Last Ten Fiscal Years	83
14	Municipal Authority Pledged Revenue Coverage – Last Ten Fiscal Years	84
15	Ratio for Outstanding Debt By Type – Last Ten Fiscal Years	85
16	Demographic and Economic Statistics - Last Ten Calendar Years	86
17	Principal Employers - Current Year and Ten Years Ago	87

CITY OF GUYMON, OKLAHOMA

TABLE OF CONTENTS
(Continued)

		Page
STATISTICAL SECTION (Cont.):		
Table		
18a	Capital Asset Statistics by Function/Program – Last Eight Fiscal Years	88
18b	Full-Time Equivalent City Government Employees by Function/Program - Last Eight Fiscal Years	89
18c	Operating Indicators by Function/Program – Last Eight Fiscal Years	90

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 91-92

Introductory Section

KIM PETERSON, Mayor
LARRY SWAGER, Vice Mayor

WILLIAM KING, Council Member
JOHN VAN METER, Council Member
KIM MEEK, Interim City Manager

June 27, 2013

To the Honorable Mayor Kim Peterson, 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 December 31, 2012. 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 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 one of the largest pork exporters 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 ten highest ranking gross agriculture producing counties in the United States and ranks first in the state. The estimated population of Guymon is 14,000 based on residential meters and the state's average household multiplier.

The City continues to recruit value-added agriculture companies to help bring in new jobs to the region. In 2012 SPF North America opened their new plant in the Guymon Industrial Park. The plant is expected to employ 40-60 new quality jobs within a 5 year period. The City applied for and was awarded two grants for this project based on the jobs created by SPF. The first is a CDBG EDIF grant for $1 million dollars from the Department of Commerce. The second grant is an Industrial Access grant from the Department of Transportation for $475,000. These grants paid for paving the Industrial Park which will be a great improvement to the park and help attract new business and industry.

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 $2.5 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 and the transmission line. Installation of this transmission line will open up the doors for 3500 MW of wind energy to built out across the region, creating over 700 permanent, high quality, technician jobs to service these turbines. The three counties in the Oklahoma Panhandle have approximately 10,000 MW of untapped clean energy potential.

High Plains Bio Energy is operating at full capacity, producing about 33,000,000 gallons of bio diesel per year. They continue to look at other value added products to be produced.

The City is working with several new businesses on a potential rail spur project in the Guymon Industrial Park. The rail spur would serve several new businesses, extend Seaboard's capacity and leave room for future growth and development along the rail spur.

Seaboard Foods has invested millions back into several expansions to their Guymon processing plant. This includes a new export production area, packaging and shipping area, as well as storage areas. This will help the plant increase hog production from 20,000/day to approximately 23,000/day.

Oklahoma communities have to rely on sales tax and utility revenues for operations. In 2011 Land Run Commercial Real Estate purchased and renovated the former Homeland Shopping Center and has invested over $1.5 million to renovate the facility. This brought in six new retailers, new jobs and new sales tax revenue for the citizens of Guymon. It also included a new, larger Dollar General.

We are working with five new retailers that want to locate in Guymon in a new development that we are working on north of Wal-Mart. Guymon continues to focus on quality of life projects that will attract sales tax revenue, keep people shopping at home and strengthen our economic base.

The use of a two-cent increase in sales tax passed by voters in October of 2007 and will continue to be dedicated for capital assets and improvements. One cent was dedicated to drilling six new water wells and building a state of the art waste water treatment facility. Those projects were completed in 2012 and are huge assets to the residents of Guymon 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.

In 2012, the City held a groundbreaking ceremony for three new community facilities funded by the one cent capital improvement sales tax, including a new fire station, library and animal shelter. 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 that was matched by a $129,000 grant from the local Nash Foundation. 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 2012. The project is expected to break ground in 2013.

Housing continues to be an issue that hinders our growth. We have met with over eight different housing developers in the past year, but due to the cost to bring in subcontractors and labor force to our remote area, developers have a difficult time making the project viable. Guymon has been in the running for several new companies, but lost out to other cities due to no access to workforce and housing. The outside workforce brought in by current companies has nowhere to live in Guymon. Guymon is about 550 units short. Nearly 100 people are on apartment waiting lists. This trend will only get worse as the Plains and Eastern Clean Line project comes to fruition in 2015.

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, 2011. 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,

Kimberly Meek,
City Manager/Acting CFO

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Guymon
Oklahoma

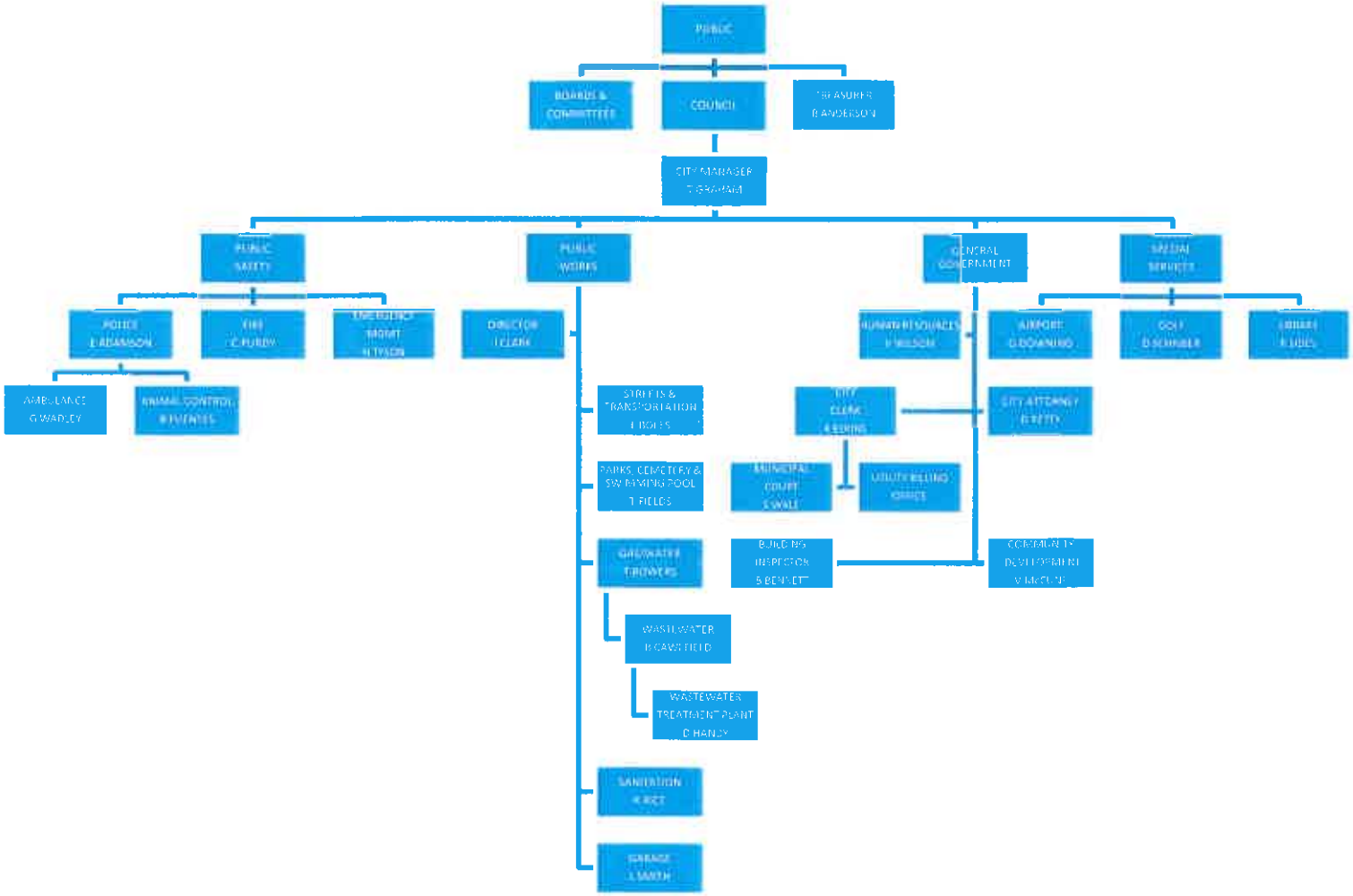
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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.

Christopher P Morrill
President

Executive Director

CITY OF GUYMON, OKLAHOMA
ORGANIZATIONAL CHART



CITY OF GUYMON

LIST OF PRINCIPAL OFFICIALS

City Council

Kim Peterson	Mayor
Larry Swager	Vice-Mayor
William King	Member
Larry Stump	Member
John Van Meter	Member

Interim City Manager

Kimberly Meeks

City Treasurer

Brian Anderson

City Clerk/Finance Director

Kimberly Meeks

THE CITY OF
GUYMON
OKLAHOMA

Financial Section

FINLEY & COOK
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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 December 31, 2012, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

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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 December 31, 2012, and the respective changes in financial position, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Emphasis of Matters

Change in Accounting Principle

As discussed in Note 3G to the financial statements, in 2012 the City adopted new accounting guidance, Statements No. 63 and No. 65 of the Governmental Accounting Standards Board (GASB), *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and *Items Previously Reported as Assets and Liabilities,* respectively. Beginning fund balance and net position were restated due to the implementation of GASB No. 65. Our opinion is not modified with respect to this matter.

Correction of an Error

As discussed in Note 3G to the financial statements, beginning fund balance and net position were restated due to the correction of an error involving the prior year receivables.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, the schedule of funding progress—defined benefit retirement plan and budgetary comparison information on pages 5 through 11, page 55, and page 56 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.

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED

Other Matters, Continued

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. This introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements of non-major governmental funds, combining statements—general fund accounts and the schedule of departmental operating revenues and expenses enterprise fund—operating account are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 basic financial statements taken as a whole.

The introductory and statistical sections and the schedule of revenues, expenditures and changes in fund balance—budget and actual—non-major governmental funds and major governmental capital project funds 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Finley & Cook, PLLC

Shawnee, Oklahoma
June 27, 2013

THE CITY OF
GUYMON
OKLAHOMA

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 year ended December 31, 2012. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- Net position of the City is $38.8 million.
- At the year ended December 31, 2012, the City's governmental funds reported a combined ending fund balance of $7.8 million.
- At the year ended December 31, 2012, unassigned fund balance for the General Fund was $2.3 million.

USING THIS REPORT

This report consists of a series of financial statements. The Statement of Net Position 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 Position 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 period's activities?" The Statement of Net Position 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, deferred outflows, liabilities and deferred outflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current period's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes to it. You can think of the City's net position—the difference between assets, deferred outflows, liabilities and deferred inflows—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is 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 Position 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 period-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 Position 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 Position 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 Position

As shown on Table 1, the City's *combined* net positions were $38.8 million.

Table 1
Net Position
December 31, 2012
(In Thousands)

	Governmental Activities	Business-type Activities	Total Primary Government
	2012	2012	2012
Current and other assets	$ 11,300	$ 5,827	$ 17,127
Capital assets	20,357	34,491	54,848
Total assets	31,657	40,318	71,975
Long-term debt outstanding	8,557	19,011	27,568
Other liabilities	3,117	2,474	5,591
Total liabilities	11,674	21,485	33,159
Net position:			
Net investment in capital assets	13,603	14,127	27,730
Restricted	2,496	111	2,607
Unrestricted	3,884	4,595	8,479
Total net position	$ 19,983	$ 18,833	$ 38,816

Note: Due to a change in the City's year end from June 30 to December 31 in 2011, a comparison is not included because amounts presented above are for a whole year while prior statements were for six months. However, in future years, management plans to include such comparison.

The largest portion of the City's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. This period the net investment in capital assets amounted to $27.7 million.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position, $2.6 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $8.5 million, may be used to meet the government's ongoing needs.

Table 2
Changes in Net Position
For the Year Ended December 31, 2012
(In Thousands)

	Governmental Activities	Business-Type Activities	Total Primary Government
	2012	2012	2012
Revenues:			
Program revenues:			
Charges for services	$ 1,103	$ 10,683	$ 11,786
Operating grants	676	-	676
Capital grants	960	-	960
General revenues:			
Sales and use taxes	6,916	-	6,916
Other taxes	1,395	-	1,395
Other general revenue	349	20	369
Total revenues	11,399	10,703	22,102
Program expenses:			
General government	951	-	951
Public safety and judiciary	4,671	-	4,671
Transportation	2,098	-	2,098
Cultural, parks and recreation	1,859	-	1,859
Community/economic development	851	-	851
Interest	241	-	241
Gas	-	3,068	3,068
Garage	-	77	77
Water	-	1,786	1,786
Sewer	-	2,884	2,884
Sanitation	-	1,304	1,304
Administration	-	-	-
Total expenses	10,671	9,119	19,790
Excess (deficiency) before transfers	728	1,584	2,312
Transfers	1,653	(1,653)	-
Increase (decrease) in net position	2,381	(69)	2,312
Beginning net position	17,602	18,902	36,504
Ending net position	19,983	18,833	38,816

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.

The City's governmental activities had an increase in net position of approximately $2.4 million.

Table 3
Governmental Activities
For the Year Ended December 31, 2012
(In Thousands)

	Total Cost of Services 2012	Net Revenue (Expense) of Services 2012
Police Dept.	$ 2,233	$ (1,589)
Economic Development	410	(380)
Fire Dept.	1,746	(1,452)
Street Dept.	1,143	(1,039)
Golf Dept.	762	(397)
General Government Dept.	521	(483)
Community Development	358	(27)
All others	3,498	(2,564)
Totals	$ 10,671	$ (7,931)

Business-type Activities

The business-type activities had a decrease in net position of approximately $63,000.

Table 4
Business-Type Activities
For the Year Ended December 31, 2012
(In Thousands)

	Total Cost of Services 2012	Net Revenue (Expense) of Services 2012
Gas	$ 3,068	$ 1,329
Garage	77	(77)
Water	1,786	1,491
Sewer	2,884	(1,577)
Sanitation	1,304	234
Farm		164
Administration	-	-
Totals	$ 9,119	$ 1,564

THE CITY'S FUNDS

As the City completed the year ended December 31, 2012, the governmental funds reported a combined fund balance of $7.8 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the year ended December 31, 2012, the General Fund reported actual budgetary basis revenues under final estimates by $0.1 million for a 2.4% negative variance. This variance is primarily due to the decrease in grants received over budget. General Fund actual expenditures were under final appropriations by $1.7 million for a 16.3% positive variance. This variance is primarily due to the police, and airport departments' expenditures coming in significantly under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2012, the City had $89 million invested in capital assets including police and fire equipment, buildings, park facilities, roads, and water, sewer, and gas lines (See Table 5). Further detailed information can be found in the notes to the financial statements (Notes 1.D. and 3.D.).

Table 5
Capital Assets
December 31, 2012
(In Thousands)

	Governmental Activities 2012	Business-Type Activities 2012	Totals 2012
Land	$ 290	$ 2,245	$ 2,535
Buildings	2,192	976	3,168
Improvements	10,523	509	11,032
Equipment	7,193	3,137	10,330
Infrastructure	5,054	-	5,054
Utility Property	-	46,231	46,231
Construction in Progress	9,884	1,243	11,127
Totals	$ 35,136	$ 54,341	$ 89,477

This period's major additions (excluding construction in progress) included:

Wastewater Project Phase II	$1,339,000
Frazer Ambulance Box	116,000
Guardrails at Thompson Park	99,700
20 Golf Carts	81,600
Rodeo Parking Lot	76,500
E911 Recorder	58,000

Debt

At the year ended December 31, 2012, the City had $29.4 million in outstanding notes and capital leases. Other long-term obligations of the City include accrued compensated absences and customer deposit liability. Further detailed information can be found in Note 3.E.

Table 6
Long-term Debt
December 31, 2012
(In Thousands)

	Governmental Activities	Business-Type Activities	Totals
	2012	2012	2012
Revenue notes (backed by fee and tax revenues)	$ 8,790	$ 20,328	$ 29,118
Capital lease obligations (backed by City and GUA)	278	43	321
Totals	$ 9,068	$ 20,371	$ 29,439

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The General Fund 2013 budget reflects a use of $1.2 million of fund balance. Estimated revenues decreased 9.1% from 2012 while estimated expenditures increased 2.2%. The difference is funded by use of fund balance. However, even with the use of fund balance, the ending fund balance amount is still 36.0% of estimated annual revenues.

The enterprise fund is budgeting for a decrease in revenues of 3.9% and a decrease in expenditures of 10.9%. The GUA ending budgetary unrestricted net position is estimated to be 53.6% 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 Position
December 31, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash, including time deposits	$ 5,020,355	$ 3,848,990	$ 8,869,345
Restricted cash, including time deposits	2,789,793	113,701	2,903,494
Investments	59,046	-	59,046
Accounts receivable, net	613,517	1,567,038	2,180,555
Due from other governments	2,802,129	-	2,802,129
Total current assets	11,284,840	5,529,729	16,814,569
Noncurrent Assets:			
Restricted cash, including time deposits	15,368	296,694	312,062
Capital Assets:			
Nondepreciable	10,174,560	3,487,840	13,662,400
Depreciable, net	10,182,594	31,003,561	41,186,155
Total noncurrent assets	20,372,522	34,788,095	55,160,617
Total Assets	31,657,362	40,317,824	71,975,186
LIABILITIES			
Current liabilities:			
Accounts payable	1,742,732	739,038	2,481,770
Retainage payable	541,679	-	541,679
Accrued interest payable	55,859	203,721	259,580
Due to other governmental agencies	946	-	946
Refundable court bonds	16,925	-	16,925
Current portion of long-term:			
Capital lease obligation	129,402	42,674	172,076
Notes payable	605,218	1,481,026	2,086,244
Accrued compensated absences	24,837	7,616	32,453
Total current liabilities	3,117,598	2,474,075	5,591,673
Noncurrent liabilities:			
Customer deposits payable	-	95,194	95,194
Capital lease obligation	148,250	-	148,250
Notes payable, net	8,184,991	18,847,270	27,032,261
Accrued compensated absences	223,537	68,551	292,088
Total noncurrent liabilities	8,556,778	19,011,015	27,567,793
Total Liabilities	11,674,376	21,485,090	33,159,466
NET POSITION			
Net investment in capital assets	13,602,985	14,120,431	27,723,416
Restricted for:			
Capital projects/debt service	1,327,587	-	1,327,587
Public safety	343,675	-	343,675
Convention/tourism	227,181	-	227,181
Other	528,147	111,480	639,627
Permanent fund purposes:			
Permanent fund - nonexpendable	4,300	-	4,300
Permanent fund - expendable	65,675	-	65,675
Unrestricted	3,883,436	4,600,823	8,484,259
Total net position	$ 19,982,986	$ 18,832,734	$ 38,815,720

See accompanying notes to the basic financial statements.

City of Guymon, Oklahoma
Statement of Activities
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government								
Governmental Activities								
General government:								
City clerk	$ 78,780	$ -	$ -	$ -	$ -	$ (78,780)	$ -	$ (78,780)
City treasurer	64,144	-	-	-	-	(64,144)	-	(64,144)
Human resources	116,232	-	-	-	-	(116,232)	-	(116,232)
Information technology	170,394	-	-	-	-	(170,394)	-	(170,394)
General government	521,099	-	37,694	-	-	(483,405)	-	(483,405)
Total General Government	950,649	-	37,694	-	-	(912,955)	-	(912,955)
Public Safety and Judiciary								
City attorney	72,936	-	-	-	-	(72,936)	-	(72,936)
Ambulance	444,865	-	275,991	-	-	(168,874)	-	(168,874)
Police	2,233,335	-	335,521	65,846	242,683	(1,589,283)	-	(1,589,283)
Municipal court	155,293	-	-	-	-	(155,293)	-	(155,293)
Fire	1,745,663	-	-	196,784	96,718	(1,452,161)	-	(1,452,161)
Civil emergency management	18,786	-	-	11,453	-	(7,333)	-	(7,333)
Total Public Safety and Judiciary	4,670,878	-	611,512	274,085	339,401	(3,445,880)	-	(3,445,880)
Transportation:								
Airport	348,024	-	700	-	321,002	(26,322)	-	(26,322)
Streets	1,142,562	-	-	103,094	-	(1,039,468)	-	(1,039,468)
Public transportation	606,985	-	42,855	215,977	-	(348,153)	-	(348,153)
Total Transportation	2,097,571	-	43,555	319,071	321,002	(1,413,943)	-	(1,413,943)
Cultural, Parks, and Recreation:								
Golf	762,466	-	365,272	-	-	(397,194)	-	(397,194)
Library	356,968	-	5,583	23,978	736	(326,671)	-	(326,671)
Cemetery	130,516	-	16,907	-	-	(113,609)	-	(113,609)
Swimming pool	68,288	-	13,453	-	-	(54,835)	-	(54,835)
Parks	392,240	-	4,408	-	-	(387,832)	-	(387,832)
Tourism	148,569	-	-	2,000	-	(146,569)	-	(146,569)
Total Cultural, Parks, and Recreation	1,859,047	-	405,623	25,978	736	(1,426,710)	-	(1,426,710)
Community/Economic Development:								
Community development	357,717	-	4,438	27,298	298,621	(27,360)	-	(27,360)
Business incubator	83,346	-	-	-	-	(83,346)	-	(83,346)
Economic development	409,756	-	-	30,000	-	(379,756)	-	(379,756)
Total Community/Economic Development	850,819	-	4,438	57,298	298,621	(490,462)	-	(490,462)
Interest on Long-term Debt	240,868	-	-	-	-	(240,868)	-	(240,868)
Total governmental activities	10,869,832	-	1,102,822	676,432	959,760	(7,930,818)	-	(7,930,818)
Business-type activities:								
Gas	2,779,896	288,135	4,396,764	-	-	-	1,328,733	1,328,733
Garage	76,596	-	-	-	-	-	(76,596)	(76,596)
Water	1,570,871	214,698	3,276,153	-	-	-	1,490,584	1,490,584
Sewer	2,797,924	85,712	1,307,904	-	-	-	(1,575,732)	(1,575,732)
Sanitation	1,203,259	100,765	1,537,617	-	-	-	233,593	233,593
Farm	348	-	163,980	-	-	-	163,632	163,632
Administration	889,310	(889,310)	-	-	-	-	-	-
Total business-type activities	9,118,204	-	10,682,418	-	-	-	1,564,214	1,564,214
Total primary government	19,788,036	-	11,785,240	676,432	959,760	(7,930,818)	1,564,214	(6,366,604)
			General revenues:					
			Taxes:					
			Sales and use taxes			6,915,657	-	6,915,657
			Franchise and public service taxes			555,531	-	555,531
			E-911 taxes, dedicated for emergency services			128,805	-	128,805
			Hotel/Motel taxes, dedicated for tourism			184,725	-	184,725
			Tax apportionment taxes, dedicated for economic development			519,942	-	519,942
			Airport fuel tax			4,889	-	4,889
			Intergovernmental, unrestricted			226,684	-	226,684
			Unrestricted investment earnings			33,407	20,263	53,670
			Miscellaneous			88,935	-	88,935
			Transfers			1,653,221	(1,653,221)	-
			Total general revenues and transfers			10,311,796	(1,632,958)	8,678,838
			Change in net position			2,380,978	(68,744)	2,312,234
			Net position - beginning, restated (see note 3.G.)			17,602,008	18,901,478	36,503,486
			Net position - ending			$ 19,982,986	$ 18,832,734	$ 38,815,720

See accompanying notes to the basic financial statements.

City of Guymon, Oklahoma
Balance Sheet
Governmental Funds
December 31, 2012

	General Fund	General Sales Tax CIF	GUA Sales Tax CIF	Library Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash, including time deposits	$ 3,033,038	$ 3,821,618	$ 293,600	$ 197	$ 676,863	$ 7,825,516
Investments	-	-	-	-	59,046	59,046
Receivable from other governments	868,802	208,130	206,130	1,056,652	464,415	2,802,129
Accounts receivable, net	549,348	-	-	-	64,169	613,517
Due from other funds	147,430	-	-	-	-	147,430
Total assets	4,598,618	4,027,948	499,730	1,056,849	1,264,493	11,447,638
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	269,550	622,090	-	751,734	99,358	1,742,732
Due to other funds	83,226	-	-	-	64,204	147,430
Retainage payable	-	208,450	-	324,905	8,324	541,679
Due to other governments	946	-	-	-	-	946
Refundable court bonds	16,925	-	-	-	-	16,925
Total liabilities	370,647	830,540	-	1,076,639	171,886	2,449,712
Deferred inflows of resources:						
Deferred revenue	554,269	-	-	304,852	352,230	1,211,351
Fund balances:						
Nonspendable	-	-	-	-	4,300	4,300
Restricted	-	3,197,408	499,730	-	1,041,022	4,738,160
Assigned	1,412,616	-	-	-	-	1,412,616
Unassigned	2,261,086	-	-	(324,842)	(304,945)	1,631,499
Total fund balance	3,673,702	3,197,408	499,730	(324,842)	740,377	7,786,575
Total liabilities, deferred inflows and fund balance	$ 4,598,618	$ 4,027,948	$ 499,730	$ 1,056,849	$ 1,264,493	$ 11,447,638

City of Guymon, Oklahoma
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2012

Total fund balance, governmental funds	$	7,786,575
Amounts reported for governmental activities in the Statement of Net Position 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 $13,721,865		20,357,154
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		1,211,351
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		(277,652)
Notes payable		(8,790,209)
Accrued interest payable		(55,859)
Accrued compensated absences		(248,374)
Net Position of Governmental Activities	$	19,982,986

City of Guymon, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2012

	General Fund	General Sales Tax CIF	GUA Sales Tax CIF	Library Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 4,359,071	$ 1,558,503	$ 1,558,503	$ -	$ 833,472	$ 8,309,549
Intergovernmental	857,672	-	-	-	62,373	920,045
Charges for services	671,851	-	-	-	10,089	681,940
Fines and forfeitures	311,927	-	-	-	-	311,927
Licenses and permits	42,007	-	-	-	-	42,007
Investment earnings	14,771	6,387	1,239	65	11,351	33,813
Miscellaneous	140,374	242,210	-	-	29,300	411,884
Total revenues	6,397,673	1,807,100	1,559,742	65	946,585	10,711,165
EXPENDITURES						
Current:						
General Government:						
City clerk	77,276	-	-	-	-	77,276
City treasurer	65,322	-	-	-	-	65,322
Human resources	112,001	-	-	-	-	112,001
Information technology	165,692	-	-	-	-	165,692
General government	481,477	-	-	-	-	481,477
Total General Government	901,768	-	-	-	-	901,768
Public Safety and Judiciary:						
City attorney	72,936	-	-	-	-	72,936
Ambulance	356,933	-	-	-	-	356,933
Police	1,878,031	7,800	-	-	110,299	1,996,130
Municipal court	154,201	-	-	-	-	154,201
Fire	1,463,450	66,088	-	-	3,751	1,533,289
Civil emergency management	17,182	-	-	-	-	17,182
Total Public Safety and Judiciary	3,942,733	73,888	-	-	114,050	4,130,671
Transportation:						
Airport	68,070	-	-	-	-	68,070
Street	771,894	-	-	-	-	771,894
Public Transportation	532,667	-	-	-	-	532,667
Total Transportation	1,372,631	-	-	-	-	1,372,631
Cultural, Parks, and Recreation:						
Golf	586,142	-	-	-	-	586,142
Library	279,551	-	-	39,710	29,561	348,822
Cemetery	113,336	-	-	-	-	113,336
Swimming pool	63,162	-	-	-	-	63,162
Parks	346,472	-	-	-	-	346,472
Tourism	-	-	-	-	131,670	131,670
Total Cultural, Parks and Recreation	1,388,663	-	-	39,710	161,231	1,589,604
Community/Economic Development:						
Community development	299,008	-	-	-	44,200	343,208
Business incubator	81,702	-	-	-	-	81,702
Economic development	-	-	-	-	409,756	409,756
Total Community/Economic Development	380,710	-	-	-	453,956	834,666
Debt Service:						
Principal	153,747	483,678	-	-	-	637,425
Interest and other charges	10,237	221,094	-	-	-	231,331
Capital Outlay	1,095,158	5,158,500	280,330	3,229,197	481,819	10,245,002
Total Expenditures	9,245,845	5,937,160	280,330	3,268,907	1,211,056	19,943,098
Excess (deficiency) of revenues over expenditures	(2,847,972)	(4,130,060)	1,279,412	(3,268,842)	(264,471)	(9,231,933)
OTHER FINANCING SOURCES (USES)						
Proceeds from long-term debt	218,845	755,000	-	2,944,200	-	3,918,045
Transfers in	4,273,935	333,228	-	-	80,244	4,687,407
Transfers out	(768,668)	(58,609)	(1,475,105)	-	(195,500)	(2,497,882)
Total other financing sources and uses	3,724,112	1,029,619	(1,475,105)	2,944,200	(115,256)	6,107,570
Net change in fund balance	876,140	(3,100,441)	(195,693)	(324,642)	(379,727)	(3,124,363)
Fund balances - beginning, restated (see note 3.G.)	2,797,562	6,297,849	695,423	-	1,120,104	10,910,938
Fund balances (deficit) - ending	$ 3,673,702	$ 3,197,408	$ 499,730	$ (324,642)	$ 740,377	$ 7,786,575

See accompanying notes to the basic financial statements.

City of Guymon, Oklahoma

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2012

Net change in fund balance - total governmental funds:	$	(3,124,363)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		10,254,354
Depreciation expense		(1,351,508)
Capital assets transferred to business-type activities		(536,304)
Book value of disposed capital assets		(92,432)
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.		
Proceeds from long-term and short-term debt		(4,222,897)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Accounts receivable, net of deferred revenue		898,576
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 Position:		
Long-term debt principal payments		627,889
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:		
Change in accrued compensated absences		(72,496)
Change in accrued interest payable		159
Change in net position of governmental activities	$	2,380,978

See accompanying notes to the basic financial statements.

City of Guymon, Oklahoma
Statement of Net Position
Proprietary Fund
December 31, 2012

	Guymon Utility Authority
ASSETS	
Current assets:	
Cash, including time deposits	$ 3,848,990
Restricted cash, including time deposits	113,701
Receivables	
Utility billing, net of allowance for uncollectible accounts	1,567,038
Total current assets	5,529,729
Non-current assets:	
Restricted assets:	
Cash, including time deposits	296,694
Capital Assets:	
Non-depreciable	3,487,840
Depreciable, net	31,003,561
Total non-current assets	34,788,095
Total assets	40,317,824
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	739,038
Accrued interest payable	203,721
Notes payable	1,481,026
Capital lease payable	42,674
Accrued compensated absences	7,616
Total current liabilities	2,474,075
Non-current liabilities:	
Customer deposits payable	95,194
Notes payable, net	18,847,270
Accrued compensated absences	68,551
Total non-current liabilities	19,011,015
Total liabilities	21,485,090
NET POSITION	
Net Investment in capital assets	14,120,431
Restricted for debt service	111,480
Unrestricted	4,600,823
Total net position	$ 18,832,734

See accompanying notes to the basic financial statements.

City of Guymon, Oklahoma
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2012

		Guymon Utility Authority
OPERATING REVENUES		
Charges for services:		
Gas charges (net of $43,559 bad debt)	$	4,351,159
Water charges (net of $14,197 bad debt)		3,268,919
Sewer charges (net of $7,334 bad debt)		1,307,667
Sanitation charges (net of $5,145 bad debt)		1,523,604
Penalties		42,985
Agriculture revenue		163,980
Total charges for services		10,658,314
Miscellaneous		24,104
Total operating revenues		10,682,418
OPERATING EXPENSES		
Cost of goods sold		2,218,024
Personal services		2,116,287
Materials and supplies		362,428
Other services and charges		2,073,722
Depreciation		1,654,973
Total Operating Expenses		8,425,434
Operating income		2,256,984
NON-OPERATING REVENUES (EXPENSES)		
Investment income		20,263
Interest expense		(692,770)
Total non-operating revenue (expenses)		(672,507)
Income before transfers and contributions		1,584,477
TRANSFERS AND CONTRIBUTIONS:		
Contributed capital		536,304
Interfund transfers in		2,243,873
Interfund transfers out		(4,433,398)
Net Transfers		(1,653,221)
Change in net position		(68,744)
Total net position - beginning, restated (see note 3.G.)		18,901,478
Total net position - ending	$	18,832,734

See accompanying notes to the basic financial statements.

City of Guymon, Oklahoma
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2012

	Guymon Utilities Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 10,797,445
Payments to suppliers	(4,471,684)
Payments to employees	(2,097,829)
Receipts of customer meter deposits	27,336
Refunds of customer meter deposits	(28,601)
Net cash provided by operating activities	4,226,669
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	2,243,873
Transfers to other funds	(4,433,398)
Net cash provided by (used in) noncapital financing activities	(2,189,525)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(85,500)
Proceeds from long-term debt	267,324
Principal paid on debt	(1,524,648)
Interest and fiscal agent fees paid on debt	(702,713)
Net cash provided by (used in) capital and related financing activities	(2,045,537)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	20,263
Net cash provided by investing activities	20,263
Net increase in cash and cash equivalents	11,870
Balances - beginning of year	4,247,515
Balances - end of year	$ 4,259,385
Reconciliation to Statement of Net Position:	
Cash and cash equivalents	3,848,990
Restricted cash and cash equivalents - current	113,701
Restricted cash and cash equivalents - noncurrent	296,694
Total cash and cash equivalents, end of year	$ 4,259,385
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 2,256,964
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	1,654,973
Due from other governments	22,107
Accounts receivable	115,027
Accounts payable	160,383
Deposits subject to refund	(1,263)
Accrued compensated absences	18,458
Net cash provided by operating activities	$ 4,226,669
Noncash items:	
Transfer of capital assets from governmental fund	$ 536,304
Capitalized interest	21,395
Total Noncash Items	$ 557,699

See accompanying notes to the basic financial statements

CITY OF GUYMON, OKLAHOMA

NOTES TO BASIC FINANCIAL STATEMENTS

INDEX

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity
B. Basis of Presentation
C. Measurement Focus and Basis of Accounting
D. Assets, Liabilities, Deferred Inflows and Equity
E. Revenues, Expenditures and Expenses
F. Internal and Interfund Balances and Activities
G. Use of Estimates

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Fund Accounting Requirements
B. Deposits and Investments Laws and Regulations
C. Revenue Restrictions
D. Debt Restrictions and Covenants
E. Fund Equity Restrictions

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. Cash and Investments
B. Restricted Assets
C. Accounts Receivable
D. Capital Assets
E. Long-Term Debt
F. Interfund Transactions and Balances
G. Fund Equity

NOTE 4. OTHER NOTES

A. Employee Pension and Other Benefit Plans
B. Risk Management
C. Commitments and Contingencies

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1.A. FINANCIAL REPORTING ENTITY

The City's financial reporting entity is comprised of the following:

Primary Government:	City of Guymon
Blended Component Units:	Guymon Utilities Authority Guymon Industrial Authority Guymon Airport Authority

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, as amended by GASB statement 61, "The Financial Reporting Entity" and includes all component units of which the City is financially accountable.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above. These component units' funds are blended into those of the City's by appropriate activity type to comprise the primary government presentation.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the City has no discretely presented component units.

Blended Component Units

Component units that are blended into the reporting activity types of the City's report are presented below:

Component Unit	Brief Description/Inclusion Criteria	Reporting
Guymon Utilities Authority (GUA)	Created February 1, 1961, to finance, develop and operate the water and sewer activities, amended in subsequent years to include the gas and sanitation activities. The current City Council serves as entire governing body (Trustees). Any issuances of debt would require a two-thirds approval of the City Council.	Major Enterprise Fund

Component Unit	Brief Description/Inclusion Criteria	Reporting
Guymon Industrial Authority (GIA)	Created December 1, 1965, to finance and promote the development of industry within and around the City. The current City Council serves as entire governing body (Trustees). Any issuances of debt would require a two-thirds approval of the City Council.	Nonmajor Special Revenue Fund
Guymon Airport Authority (GAA)	Created April 7, 1965, to finance and develop the municipal airport. The current City Council serves as entire governing body (Trustees). Any issuances of debt would require a two-thirds approval of the City Council. Currently, the GAA is inactive. The airport operations are accounted for by the City as a special revenue fund.	N/A

1.B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

a. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all financial resources not accounted for and reported in another fund.

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 and provides 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:

Fund	Brief Description
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.
Library CIF	A capital projects fund that accounts for the construction of the new library.
Proprietary Fund:	
Guymon Utilities Authority	Accounts for activities of the public trust and provides 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.
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 Position 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 position (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 position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-type 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 Position, "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 period-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 period-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.

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 Position. 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.

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 position and displayed in three components:

a. Net investment in capital assets – 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 position – Consists of net position 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 position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

It is the City's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position 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 spent 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 placed 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. The City's highest level of decision-making authority is made by ordinance while the GIA 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 December and January (which represent sales for the last half of November and December) and received by the City in January has been accrued. Half of February 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 December and January and received by the City in January and February 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 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.

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, plumbing/electric inspections, and miscellaneous licenses and permits.
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, and private donations are categorized as capital grants.
Fire	State on-behalf payments and private donations are classified as operating grants and a private donation capital grant.
Civil Emergency Management	Grants for disaster recovery, preparedness and mitigation.
Airport	Hangar lease charges.
Streets	Commercial vehicle and gasoline excise tax granted by the State.
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 and lot sales.
Swimming pool	Swimming fees.
Parks	Fishing licenses and federal capital grant.
Tourism	State operating grant.
Community development	Building rent, operating grants include federal and state grants and private donations, federal capital grant and Seaboard expansion loan payment.
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 $1,345,000 of Series 2007 Sales Tax Revenue Notes; $4,175,000 Series 2008A OWRB 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, $5,535,000 Series 2010 Sales Tax Revenue Note, and $755,000 of Series 2012 Sales Tax Revenue Note. Proceeds from the notes provided financing for utility capital assets, public safety and library buildings. The notes are payable from water, sewer, and gas net revenues and are payable through 2017, 2027, 2027, 2030, 2030, 2025, and 2018 respectively. The total principal and interest payable for the remainder of the life of these notes is $32,904,306. If the net utility revenues are sufficient to service the debt on the 2007 Series Notes, these pledged sales taxes are transferred back to the General Fund. Total pledged sales taxes received in the year were $3,080,720. Pledged sales taxes of $768,668 were transferred back to the General Fund for the current fiscal year. Debt service payments for the year of $2,467,306 were 80.1% of the pledged sales taxes.

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 $25,096,222. 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 for the year were $2,001,508 which was 57.1% of pledged net utility revenues of $3,506,921.

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 Position 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.

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 Position, 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:

Fund	Required By
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

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 December 31, 2012, 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:

Revenue Source	Legal Restrictions of Use
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
Hotel/Motel Tax	Convention and Tourism
Tax Increment Revenue	Economic Development
Airport Operations Revenue	Airport Operations and Maintenance
CDBG	Grant Program Expenditures

For the year ended December 31, 2012, 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 December 31, 2012, 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 December 31, 2012, 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 December 31, 2012.

Requirement	Level of Compliance
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 December 31, 2012, net operating revenues and pledged sales taxes are $6,587,641 and the maximum annual debt service is $1,990,028. Actual coverage is 3.31 times.
b. Reserve Account Requirement:	
1. 2004 OWRB Note: Account balance should be equal to $201,500.	Account balance at December 31, 2012, is $201,500.

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). At December 31, 2012, the City reported a fund balance deficits in the following funds:

Library Capital Improvement Fund	$324,642
Grant Fund	$147,595

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 December 31, 2012 are as follows:

Type	Credit Rating	Fair Value
Deposits:		
Demand deposits		7,521,775
Demand deposits - Trustee accounts		39,453
Time deposits - Trustee account		201,500
Time deposits		1,534,548
Total deposits		$ 9,297,276
Investments:		
Cavanal Hill US Treas Inst CL Fd #0052	AAAm	2,787,625
Mutual Funds - equity		59,046
Total deposits and investments		$ 12,143,947
Reconciliation to Statement of Net Position:		
Cash, including time deposits		$ 8,869,345
Restricted cash, including time deposits, current		2,903,494
Investment, current		59,046
Restricted cash, including time deposits, noncurrent		312,062
		$ 12,143,947

Custodial Credit Risk – Deposits - Deposits in financial institutions, reported as components of cash, cash equivalents, and investments, had a bank balance of $10,091,260 at December 31, 2012. All of that amount is fully insured by depository insurance or secured with collateral held by the City's agent in its name at December 31, 2012.

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.

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 December 31, 2012 are as follows:

Type of Restricted Assets	Cash including time deposits
Meter Deposits	95,194
Note Payable Trustee Accounts:	
2004 Debt Reserve Fund	201,500
2004 Debt Service Fund	39,453
2007 Debt Service Principal Fund	61,677
2007 Debt Service Interest Fund	12,571
2008 Series Principal Fund	76,416
2010 Sales Tax Construction Fund	1,825,012
2010 Sales Tax Principal Fund	75,005
2010 Sales Tax Interest Fund	53,015
2012 Sales Tax Construction Fund	716,000
2012 Sales Tax Principal Fund	36,675
2012 Sales Tax Interest Fund	7,670
USDA Debt Service Reserve	15,368
Total	$ 3,215,556
Reconciliation to Statement of Net Position:	
Current cash, including time deposits	2,903,494
Noncurrent cash, including time deposits	312,062
	$ 3,215,556

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 December 31, 2012:

	Governmental Activities	Business-Type Activities	Total
Accounts Receivable:			
Police Fines	221,400	$ -	$ 221,400
Ambulance	220,851	-	220,851
E-911 Tax	26,801	-	26,801
Franchise Tax	172,671	-	172,671
Hotel/Motel Tax	24,377	-	24,377
Utilities	-	2,376,301	2,376,301
Miscellaneous	22,506	1,604	24,110
Allowance for doubtful accounts	(75,089)	(810,867)	(885,956)
Net accounts receivable	$ 613,517	$ 1,567,038	$ 2,180,555

3.D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

	Balance at January 01, 2012	Additions	Disposals	Balance at December 31, 2012
Governmental activities:				
Non-depreciable:				
Land	$ 290,132	$ -	$ -	$ 290,132
Construction-in-progress	1,359,564	8,622,334	(97,470)	9,884,428
Total non-depreciable assets at historical cost	1,649,696	8,622,334	(97,470)	10,174,560
Depreciable:				
Buildings	2,192,443	-	-	2,192,443
Improvements	10,389,534	133,562	-	10,523,096
Machinery and equipment	6,619,057	959,924	(386,495)	7,192,486
Infrastructure	4,954,179	99,700	-	5,053,879
Total depreciable assets at historical cost	24,155,213	1,193,186	(386,495)	24,961,904
Less accumulated depreciation				
Buildings	(1,206,980)	(57,149)	-	(1,264,129)
Improvements	(4,928,263)	(478,393)	-	(5,406,656)
Machinery and equipment	(3,751,280)	(680,224)	294,063	(4,137,441)
Infrastructure	(3,835,342)	(135,742)	-	(3,971,084)
Total accumulated depreciation	(13,721,865)	(1,351,508)	294,063	(14,779,310)
Net depreciable assets	10,433,348	(158,322)	(92,432)	10,182,594
Governmental activities capital assets, net	12,083,044	8,464,012	(189,902)	20,357,154
Business-type activities				
Non-depreciable:				
Land	2,244,799	-	-	2,244,799
Construction-in-progress	2,059,896	522,010	(1,338,865)	1,243,041
Total non-depreciable assets at historical cost	4,304,695	522,010	(1,338,865)	3,487,840
Depreciable:				
Buildings	975,805	-	-	975,805
Improvements	459,693	49,341	-	509,034
Machinery and equipment	3,077,565	63,848	(4,459)	3,136,954
Utility property	44,884,161	1,346,865	-	46,231,026
Totals depreciable assets at historical cost	49,397,224	1,460,054	(4,459)	50,852,819
Less accumulated depreciation				
Buildings	(428,142)	(23,959)	-	(452,101)
Improvements	(71,530)	(14,484)	-	(86,014)
Machinery and equipment	(1,980,457)	(231,106)	4,459	(2,207,104)
Utility property	(15,718,615)	(1,385,424)	-	(17,104,039)
Total accumulated depreciation	(18,198,744)	(1,654,973)	4,459	(19,849,258)
Net depreciable assets	31,198,480	(194,919)	-	31,003,561
Business-type capital assets, net	$ 35,503,175	$ 327,091	$ (1,338,865)	$ 34,491,401

Depreciation expense was charged to governmental activities as follows:

General Government:	
City clerk	391
Treasurer	223
General Government	30,120
Human Resources	4,506
Total General Government	35,240
Public safety and judiciary:	
Ambulance	88,239
911	61,153
Police	132,971
Municipal court	917
Fire	119,427
Civil emergency management	1,604
Total Public safety and judiciary	404,311
Transportation:	
Airport	279,954
Public transportation	73,921
Streets	349,616
Total Transportation	703,491
Cultural, parks and recreation:	
Golf	105,695
Library	6,552
Cemetery	16,813
Swimming pool	5,114
Parks	45,232
Tourism	16,455
Total cultural, parks and recreation	195,861
Community/economic development:	
Business incubator	1,644
Community development	10,961
Total Community/economic development	12,605
Total depreciation expense	$ 1,351,508

Depreciation was charged to business-type activities as follows:

Water	$ 424,132
Wastewater	985,135
Sanitation	80,199
Farm	145
Gas	96,312
Garage	1,225
Administration	67,825
Total Depreciation Expense	$ 1,654,973

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 December 31, 2012, the governmental long-term debt of the financial reporting entity consisted of the following:

Capital Lease Obligations:

149,029 capital lease for turf equipment dated January 2012; Payable in monthly installments of 2,662, final payment due February 2017. Stated interest rate of 2.75%	$	123,266
19,836 capital lease for a Cushman dated January 2012; Payable in monthly installments of 685, final payment due August 2014. Stated interest rate of 2.75%		12,726
49,980 capital lease for a Cushman and golf carts dated January 2012; Payable in monthly installments of 1,726, final payment due August 2014. Stated interest rate of 2.75%		32,064
404,235 capital lease for a fire truck and ambulance dated April 2008; Payable in monthly installments of 6,260, final payment dueJune 2014. Stated interest rate of 3.39%		109,596
Total Capital Leases Payable	$	277,652
Current portion	$	129,402
Noncurrent portion		148,250
Total Capital Leases Payable	$	277,652

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.	$	4,975,000
Series 2012 Sales Tax Revenue Note original issue amount of 755,000, dated June 28, 2012 issued by Guymon Utilities Authority payable to the Bank of Oklahoma, secured by a 1 cent sales tax, interest rate of 1.6% with final maturity dated October 1, 2018; proceeds used to construct animal shelter, fire station and library.		710,000
USDA Promissory Note original issue amount of 3,701,240, dated June 21, 2012 issued by Guymon Utilities Authority payable to the U.S. Department of Agriculture, secured by sales tax, interest rate of 3.375% with final maturity dated December 21, 2027; proceeds used to construct a library.	$	3,105,209
Total Notes Payable	$	8,790,209
Current portion		605,218
Noncurrent portion		8,184,991
Total Capital Leases Payable	$	8,790,209

Accrued Compensated Absences:

Current portion	$	24,837
Noncurrent portion		223,537
Total Accrued Compensated Absences	$	248,374

Business-Type Activities:

As of December 31, 2012, 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.	$	2,967
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		245,000
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.		715,000
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.		3,481,856
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 December 31, 2011 is $558; proceeds used to construct wastewater improvements.		14,349,442
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.		748,469
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 December 31, 2012 is $3,690; proceeds used to construct wastewater system improvements.		785,562
Total Notes Payable	$	20,328,296

Current portion	$	1,481,026
Noncurrent portion		18,847,270
Total Notes Payable	$	20,328,296

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%	$	42,674
Total Capital Leases Payable	$	42,674
Current portion	$	42,674
Total Capital Leases Payable	$	42,674

Accrued Compensated Absences:

Current portion	$	7,616
Noncurrent portion		68,551
Total Accrued Compensated Absences	$	76,167

Non-Commitment Debt:

Original Debt	Project	Remaining Prinicipal
Guymon Industrial Authority:		
$4,500,000	(1) Seaboard Farms of Oklahoma, Inc Tax Apportionment Bonds dated December 1, 1993	$10,336,335
$300,000	(2) Oklahoma Department of Commerce Promissory Note dated July 2004	180,000
	Total GIA Non-Commitment Debt	$10,516,335
Guymon Utilities Authority:		
$3,300,000	(3) Seaboard Farms of Oklahoma, Inc. Adjustable Rate 7-day Demand Revenue Bonds dated February 21, 1995	$3,300,000

(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. Principal 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 December 31, 2012 the total accrued interest is $5,836,335. 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.

(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 December 31, 2012:

Type of Debt	Balance January 01, 2012	Additions	Deductions	Balance December 31, 2012	Amounts Due Within One Year
Governmental Activities:					
Notes Payable	$ 5,260,000	$ 4,004,052	$ (473,843)	$ 8,790,209	$ 605,218
Capital Lease Obligations	212,853	218,845	(154,046)	277,652	129,402
Accrued Compensated Absences	175,878	437,365	(364,869)	248,374	24,837
Total General Long-Term Debt	$ 5,648,731	$ 4,660,262	$ (992,758)	$ 9,316,235	$ 759,457
Business-Type Activities:					
Notes Payable	$ 21,536,140	$ 267,324	$ (1,475,168)	$ 20,328,296	$ 1,481,026
Capital Lease Obligations	92,154	-	(49,480)	42,674	42,674
Accrued Compensated Absences	57,709	76,168	(57,710)	76,167	7,616
Total Enterprise Fund Debt	$ 21,686,003	$ 343,492	$ (1,582,358)	$ 20,447,137	$ 1,531,316

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

Capital assets purchased with capital leases are as follows:

		Cost	Accumulated Depreciation	Net Book Value
Machinery & Equipment	Governmental Activities	$ 996,099	$ (386,762)	$ 609,337
Machinery & Equipment	Business-Type Activities	237,292	(98,137)	139,155
	Total	$ 1,233,391	$ (484,899)	$ 748,492

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2012 are as follows:

	Governmental Activities				Business-Type Activities			
Year Ended June 30,	Capital Lease Obligations Principal	Capital Lease Obligations Interest	Notes Payable Principal	Notes Payable Interest	Notes Payable Principal	Notes Payable Interest	Capital Lease Obligations Principal	Capital Lease Obligations Interest
2013	129,402	6,740	605,218	336,934	1,481,026	636,543	42,674	865
2014	83,633	2,869	621,739	315,665	1,240,665	597,618	-	-
2015	30,556	1,463	643,482	293,745	1,258,544	556,433	-	-
2016	31,404	616	665,457	270,916	1,276,351	514,910	-	-
2017	2,657	19	687,671	247,274	1,200,150	472,085	-	-
2018-2022	-	-	3,300,518	865,409	5,713,379	1,808,719	-	-
2023-2027	-	-	2,718,312	214,793	5,971,454	870,995	-	-
2028-2032	-	-	-	-	2,186,727	101,227	-	-
Total	$ 277,652	$ 11,707	$ 9,242,397	$ 2,544,736	$ 20,328,296	$ 5,558,530	$ 42,674	$ 865
Note proceeds remaining to be drawn			(452,188)					
Balance at December 31, 2012			$ 8,790,209					

3.F. INTERFUND TRANSFERS AND BALANCES

Interfund Transfers

Transfers between funds of the primary government for the year ended December 31, 2012, were as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
GUA	General Fund	2,876,263	Operating
GUA	General Fund	768,768	Required 2007 Series 1/2 cent sales tax
GUA	General Sales Tax CIF	137,728	Operating
General Fund	GUA	768,668	Return of unsued 2007 Series 1/2 cent sales tax
GUA	Golf Course	327,614	Operating
GUA	Library Fund	21,635	Capital projects
GUA	Pool	151,000	Operating
GUA	Airport	150,390	Operating
General Sales Tax CIF	Grant Fund	58,609	Grant projects
Grant Fund	General Sales Tax CIF	195,500	Grant projects
GUA Sales Tax CIF	GUA	1,475,105	OWRB note draws and capital outlay
Total		$ 6,931,280	

	Transfers In	Transfers Out	Net Transfers/ Internal Activity
Reconciliation to Fund Financial Statements:			
Governmental Funds	$ 4,687,407	$ (2,497,882)	$ 2,189,525
Enterprise Funds	2,243,873	(4,433,398)	(2,189,525)
Total Transfers	$ 6,931,280	$ (6,931,280)	$ -

Reconciliation to Statement of Activities:	Transfers to Other Funds	Transfers from Other Funds	Transfer of Capital Assets	Net Transfers
Net transfers for governmental activities:				
Governmental Funds	$ (2,497,882)	$ 4,687,407	$ (536,304)	$ 1,653,221
Total Net transfers for governmental activities	(2,497,882)	4,687,407	(536,304)	1,653,221
Net transfers for business-type activities:				
Enterprise Funds	$ (4,433,398)	$ 2,243,873	536,304	$ (1,653,221)
Total Net transfers for business-type activities	(4,433,398)	2,243,873	536,304	(1,653,221)

3.G. FUND EQUITY

Fund Balance and Fund Net Position:

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 Position:

	General Fund	Major Capital Project Funds: General Sales Tax CIF	Major Capital Project Funds: GUA Sales Tax CIF	Major Capital Project Funds: Library CIF	Other Governmental Funds	TOTAL
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	-	2,952,473	-	-	-	2,952,473
Water & Wastewater ODEQ required improvements	-	-	499,730	-	-	499,730
Cemetery capital	-	-	-	-	7,150	7,150
E-911	-	-	-	-	343,675	343,675
Fire Equipment	-	-	-	-	2,419	2,419
Police	-	-	-	-	23,275	23,275
Library Building	-	-	-	-	14,476	14,476
Ennis Cemetery	-	-	-	-	11,363	11,363
Police Bike Program	-	-	-	-	379	379
Fire/Life Safety Education	-	-	-	-	38	38
Cultural Symposium	-	-	-	-	4,350	4,350
Rodeo Grounds	-	-	-	-	7,643	7,643
Fireworks	-	-	-	-	350	350
Leadership Oklahoma	-	-	-	-	842	842
Animal Shelter	-	244,935	-	-	268	245,203
Sweet Cemetery Trust	-	-	-	-	1,186	1,186
Animal Shelter	-	-	-	-	15,379	15,379
Grant Programs	-	-	-	-	154,350	154,350
Tourism	-	-	-	-	227,181	227,181
Industrial development	-	-	-	-	161,023	161,023
Dale Trust - Cemetery	-	-	-	-	10,765	10,765
Dale Trust - Citizenship	-	-	-	-	10,411	10,411
Dale Trust - Library	-	-	-	-	32,113	32,113
Dale Trust - Dale Park	-	-	-	-	12,386	12,386
Sub-total Restricted	-	3,197,408	499,730	-	1,041,022	4,738,160
Assigned to:						
Calendar year 2012 budget	1,235,169	-	-	-	-	1,235,169
Swimming pool	103,946	-	-	-	-	103,946
Golf Course	73,501	-	-	-	-	73,501
Sub-total Assigned	1,412,616	-	-	-	-	1,412,616
Unassigned:	2,261,086	-	-	(324,642)	(304,945)	1,631,499
TOTAL FUND BALANCES	$ 3,673,702	$ 3,197,408	$ 499,730	$ (324,642)	$ 740,377	$ 7,786,575

Enterprise Fund:	
Restricted for Debt Service:	
Debt Service and Reserve for Promissory Notes:	
Cash and investments	$ 315,201
Less: accrued interest payable	(203,721)
Total Enterprise Fund Restriction for debt service	$ 111,480

Prior Period Adjustments

Beginning fund balances/net position were restated as of December 31, 2012 as follows:

	General Sales Tax CIF Fund	Other Governmental Funds: Grant Fund	Other Governmental Funds: Guymon Industrial Authority	Guymon Utilities Authority	Government-Wide: Governmental Activities	Government-Wide: Business-type Activities
Beginning fund balance/net position, as previously reported	$ 5,984,849	$ (27,548)	$ 332,059	$ 19,429,796	$ 17,351,893	$ 19,429,796
Overstatement of TIF receivable	-	-	(281,501)	-	(281,501)	-
Overstatement of deferred revenue	313,000	350,699	-	-	663,699	-
Write-off of note issuance cost due to GASB 65	-	-	-	-	(132,083)	-
Write-off of note issuance cost due to GASB 65	-	-	-	(528,318)	-	(528,318)
Beginning fund balance/net position, restated	$ 6,297,849	$ 323,151	$ 50,558	$ 18,901,478	$ 17,602,008	$ 18,901,478

NOTE 4. OTHER NOTES

4A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

The City participates in four employee pension systems as follows:

Names of Plan/System	Type of Plan
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

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.

	Oklahoma Police Pension and Retirement System	Oklahoma Firefighter's Pension and Retirement System
Obtaining separately issued Financial statements	Police Pension and Retirement 1001 N.W. 63rd 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 participating 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 actuarial 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 service, 2 1/2% of final average salary multiplied 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.
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	
Fiscal Year/ 6 mos Ended	*Required Contribution*	*Percent Contributed*	*Required Contribution*	*Percent Contributed*
2011	73,087	100%	91,947	100%
Dec. 31, 2011	42,418	100%	47,397	100%
2012	78,290	100%	96,002	100%

The state made on-behalf payments of $65,643 for the police pension system and $196,434 for the fire pension during the year ended December 31, 2012. 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 December 31, 2012 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, 2012.

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 3.37% 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 December 31, 2012, the following amounts related to the defined contribution plan:

City total payroll	$3,608,457
Payroll for covered employees	$2,267,753
Employer (City) contributions made	$76,340

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 3.54%. 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 December 31, 2012, for employees and employer were $46,761 and $27,638, respectively, on a covered payroll of $779,345.

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 December 31, 2012 were $12,550 on a covered payroll of $83,669.

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

Provision	As of 07/01/12 OMRF Plan
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	9.58% 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

C. Annual Pension Costs

1. Current Year Contribution Information

For the year ended December 31, 2012, the City's annual pension cost and required contributions of $293,555 were made.

2. Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2012
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

Fiscal Year/ Six Months Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
June 30, 2010	230,582	100%
June 30, 2011	265,879	100%
December 31, 2011	145,809	100%
December 31, 2012	293,555	100%

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -- EAN	Unfunded (Overfunded) AAL	Funded Ratio	Covered Payroll	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll
1/1/12	$5.0	$5.8	$.79	86.3%	$3.2	25.0%

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.

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:

Type of Loss	Method Managed	Risk Retained
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.

The Plan's insurance agreements are reinsured for excess losses based upon the contract year. The significant components of each reinsurance contract can be obtained from the Plan's annual financial report.

(2) Worker's Compensation

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

Specific aggregate stop loss coverage is provided by the State Insurance Fund and covers all claims above the loss reserve fund. The loss reserve fund amount for June 30, 2012 was $171,280.

Reserves for policy and contract claims provide for reported claims on a case basis and a provision for incurred but not reported claims limited to specific retention levels for each member as outlined in the Plan's reinsurance agreement.

The Plan worker's compensation coverage is reinsured for losses in excess of respective retention levels. The reinsurance agreement covers losses incurred within the effective period of the agreement. Each Plan member's liability for claims losses is limited to their individual retention levels as outlined in the Plan's reinsurance agreement.

4.C. COMMITMENTS AND CONTINGENCIES

Contingencies

Construction Commitments

As of December 31, 2012 the City had awarded construction contracts with remaining balances payable from various funds for the following projects:

Project	Total Contract	Remaining Contract
Asphalt Paving of Industrial Park Access	251,072	112,301
Fure Station/Animal Shelter	6,055,819	2,095,272
Guymon Public Library	4,184,819	1,356,289
	$ 10,491,710	$ 3,563,862

Grant Program Involvement

In the normal course of operations, the City participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Litigation

The City is party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City "Sinking Fund" for the payment of any court assessed judgment rendered against the City. This statutory taxing ability is not available to the City's public trusts (Authorities).

While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgment, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress – Defined Benefit Retirement Plan
- Budgetary Comparison Schedule – General Fund

Exhibit 1

CITY OF GUYMON, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED DECEMBER 31, 2012

Defined Benefit Retirement Plan – Schedule of Funding Progress

Actuarial Valuation Date	1/1/2012	1/1/2011	1/1/2010	1/1/2009	1/1/2008	1/1/2007	1/1/2006
Actuarial Value of Assets	$4,972,523	$4,621,268	$4,548,323	$4,342,833	$4,560,310	$4,287,082	$4,001,608
Actuarial Accrued Liability (AAL)	$5,760,546	$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	EAN
Unfunded (Overfunded) AAL (UAAL)	$788,024	$589,918	$527,315	$205,754	($242,086)	($299,487)	($221,399)
Funded Ratio	86.30%	88.70%	89.60%	95.50%	105.60%	107.50%	105.90%
Covered Payroll	$3,153,137	$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	25.00%	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 December 31, 2012

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 3,741,747	$ 3,741,747	$ 4,359,071	$ 617,324
Intergovernmental	824,000	1,396,004	595,595	(800,409)
Charges for services	733,375	733,375	671,851	(61,524)
Fines and forfeitures	225,000	225,000	311,927	86,927
Licenses and permits	35,000	35,000	42,007	7,007
Investment earnings	16,718	16,718	14,771	(1,947)
Miscellaneous	124,913	133,956	140,374	6,418
Total revenues	5,700,753	6,281,800	6,135,596	(146,204)
EXPENDITURES				
Departmental:				
City attorney	85,050	85,050	72,936	12,114
City clerk	79,322	80,272	77,276	2,996
City treasurer	70,577	71,424	65,322	6,102
Community development	294,791	295,891	268,413	27,478
Arts council CR grant	30,476	30,828	30,595	233
General government	453,226	475,378	481,477	(6,099)
Human resources	94,591	116,123	112,001	4,122
Business incubator	110,267	110,604	91,897	18,707
Information Technology	162,362	196,907	189,280	7,627
Library	308,897	315,487	279,551	35,936
Ambulance	510,552	673,726	604,997	68,729
Police	2,383,441	2,396,295	1,899,387	496,908
Municipal court	163,668	164,655	154,201	10,454
Fire	1,316,199	1,407,874	1,367,010	40,864
Civil emergency management	21,500	21,500	17,182	4,318
Cemetery	118,153	118,843	113,336	5,507
Parks	463,301	465,150	351,477	113,673
Golf	890,520	908,134	861,800	46,334
Pool	192,050	192,050	94,305	97,745
Street	891,846	894,874	788,902	105,972
Airport	458,926	1,094,318	529,556	564,762
Transportation - Administration	27,632	28,000	28,075	(75)
Transportation - Operations	585,938	588,928	504,592	84,336
Total Expenditures	9,713,285	10,732,311	8,983,568	1,748,743
Excess (deficiency) of revenues over expenditures	(4,012,532)	(4,450,511)	(2,847,972)	1,602,539
OTHER FINANCING SOURCES (USES)				
Transfers in	3,781,263	4,298,065	4,273,935	(24,130)
Capital lease proceeds	-	-	218,845	218,845
Transfers out	(357,000)	(792,800)	(768,668)	24,132
Total other financing sources and uses	3,424,263	3,505,265	3,724,112	218,847
Net change in fund balances	(588,269)	(945,246)	876,140	1,821,386
Fund balances - beginning	2,335,177	2,335,177	2,645,258	310,081
Fund balances - ending	$ 1,746,908	$ 1,389,931	$ 3,521,398	$ 2,131,467

Exhibit 3

CITY OF GUYMON, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON BUDGETARY ACCOUNTING AND CONTROL FOR THE YEAR ENDED DECEMBER 31, 2012

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

The City prepares its annual operating budget under the provisions of the Oklahoma Municipal Budget Act of 1979 (the "Budget Act"). In accordance with those provisions, the following process is used to adopt the annual budget:

a. Prior to December 1, the City Manager submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

b. Public hearings are conducted at regular Council meetings to obtain taxpayer comments. Public hearings are held no later than 15 days prior to the beginning of the budget year.

c. Subsequent to the public hearings but no later than seven days prior to January 1, the budget is legally enacted through the passage of a resolution by the City Council.

d. Subsequent to City Council enactment, the adopted budget is filed with the office of the State Auditor and Inspector.

All funds with revenues and/or expenditures/expenses as defined by State law are required to have annual budgets under this section of state law, except funds of public trusts or authorities. The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund.

All supplemental appropriations require the approval of the City Council. All transfers of appropriation between department and object categories require the approval of the City Manager. The City prepared and adopted a legal annual budget for all governmental funds.

In accordance with Title 60 of the Oklahoma State Statutes, the Guymon Utilities Authority, Guymon Industrial Authority, and Guymon Airport Authority (if active) are required to prepare an annual budget and submit a copy to the city as beneficiary. However, there are no further requirements such as form of budget, approval of the budget or definition of a legal spending limit.

Budgetary Accounting

The annual operating budgets of the General Fund are prepared and presented on a budgetary basis of accounting which differs from the modified accrual basis in the following areas:

Capital lease proceeds and the related capital outlay are not budgeted.
Operating grants that do not result in cash flow and the related operating expense are not budgeted.

The following is a reconciliation of those differences:

	Per Statement of Revenues, Expenditures, and Changes in Fund Balance	Non-Cash Grant Activity	Per Budgetary Comparison Schedule
General Fund:			
Total Revenues	$ 6,397,673	(262,077)	$ 6,135,596
Transfers In	4,273,935	-	4,273,935
Issuance of debt	218,845	-	218,845
Total Revenues and Other Financing Sources	10,890,453	(262,077)	10,628,376
Total Expenditures	9,245,645	(262,077)	8,983,568
Transfers Out	768,668	-	768,668
Total Expenditures and Other Financing Uses	10,014,313	(262,077)	9,752,236
Net Change in Fund Balance	$ 876,140	$ -	$ 876,140

The City utilizes encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation. The City considers all appropriations to lapse at year-end; any open purchase orders to be honored in the subsequent budget year are reappropriated in the new year's budget. As a result, encumbrances are not treated as the equivalent of expenditures in the budget and actual financial statements.

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 – Nonmajor governmental funds
- Combining Schedules – General fund accounts
- Enterprise Fund – Operating Account (Guymon Utilities Authority)
- Major Governmental Capital Project Funds – Budget and Actual
- Nonmajor Governmental Funds – Budget and Actual

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	SPECIAL REVENUE FUNDS				
	E-911 Fund	Guymon Development Fund	Library Fund	Grant Fund	Hotel/Motel Tax Fund
ASSETS					
Cash and cash equivalents	317,007	44,931	15,379	-	212,321
Investments	-	-	-	-	-
Accounts receivable, net	26,801	-	-	12,991	24,377
Receivable from other governments	-	2,000	-	352,230	-
Total assets	343,808	46,931	15,379	365,221	236,698
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	133	1,650	-	88,058	9,517
Due to other funds	-	-	-	64,204	-
Retainage payable	-	-	-	8,324	-
Total liabilities	133	1,650	-	160,586	9,517
Deferred inflows of resources:					
Deferred revenue	-	-	-	352,230	-
Fund Balances:					
Nonspendable	-	1,000	-	-	-
Restricted	343,675	47,281	15,379	154,350	227,181
Unassigned	-	(3,000)	-	(301,945)	-
Total fund balance (deficit)	343,675	45,281	15,379	(147,595)	227,181
Total liabilities, deferred inflows and fund balance	$ 343,808	$ 46,931	$ 15,379	$ 365,221	$ 236,698

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUND	PERMANENT FUND	
	Police Fund	Guymon Industrial Authority	Cemetery Care Fund	Dale Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	19,308	50,838	7,150	9,929	$ 676,863
Investments	-	-	-	59,046	59,046
Accounts receivable, net	-	-	-	-	64,169
Receivable from other governments	-	110,185	-	-	464,415
Total assets	19,308	161,023	7,150	68,975	1,264,493
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	-	-	-	99,358
Due to other funds	-	-	-	-	64,204
Retainage payable	-	-	-	-	8,324
Total liabilities	-	-	-	-	171,886
Deferred inflows of resources:					
Deferred revenue	-	-	-	-	352,230
Fund Balances:					
Nonspendable	-	-	-	3,300	4,300
Restricted	19,308	161,023	7,150	65,675	1,041,022
Unassigned	-	-	-	-	(304,945)
Total fund balance (deficit)	19,308	161,023	7,150	68,975	740,377
Total liabilities, deferred inflows and fund balance	$ 19,308	$ 161,023	$ 7,150	$ 68,975	$ 1,264,493

City of Guymon, Oklahoma
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	SPECIAL REVENUE FUNDS				
	E-911 Fund	Guymon Development Fund	Library Fund	Grant Fund	Hotel/Motel Tax Fund
REVENUES					
Taxes	$ 128,805	$ -	$ -	$ -	$ 184,725
Intergovernmental	30,736	4,000	27,164	-	-
Charges for services	-	-	-	4,438	-
Investment earnings	1,423	220	154	-	917
Miscellaneous	268	8,589	426	20,000	-
Total revenues	161,232	12,809	27,744	24,438	185,642
EXPENDITURES					
Current:					
Community development	-	9,331	-	34,299	-
Economic development	-	-	-	-	-
Library	-	-	29,561	-	-
Police	110,299	-	-	-	-
Fire	-	3,751	-	-	-
Tourism	-	2,000	-	-	129,670
Capital Outlay	93,505	-	25,197	323,994	28,728
Total Expenditures	203,804	15,082	54,758	358,293	158,398
Excess (deficiency) of revenues over expenditures	(42,572)	(2,273)	(27,014)	(333,855)	27,244
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	21,635	58,609	-
Transfers out	-	-	-	(195,500)	-
Total other financing sources and uses	-	-	21,635	(136,891)	-
Net change in fund balance	(42,572)	(2,273)	(5,379)	(470,746)	27,244
Fund balances - beginning, restated	386,247	47,554	20,758	323,151	199,937
Fund balances (deficit) - ending	$ 343,675	$ 45,281	$ 15,379	$ (147,595)	$ 227,181

City of Guymon, Oklahoma
Combining Statement of Revenues, Expenditures and Changes in Net Position
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUND	PERMANENT FUND	
	Police Fund	Guymon Industrial Authority	Cemetery Care Fund	Dale Funds	Total-Other Governmental Funds
REVENUES					
Taxes	$ -	$ 519,942	$ -	$ -	$ 833,472
Intergovernmental	473	-	-	-	62,373
Charges for services	-	-	5,651	-	10,089
Investment earnings	90	262	53	8,232	11,351
Miscellaneous	-	17	-	-	29,300
Total revenues	563	520,221	5,704	8,232	946,585
EXPENDITURES					
Current:					
Community development	-	-	-	570	44,200
Economic development	-	409,756	-	-	409,756
Library	-	-	-	-	29,561
Police	-	-	-	-	110,299
Fire	-	-	-	-	3,751
Tourism	-	-	-	-	131,670
Capital Outlay	-	-	10,395	-	481,819
Total Expenditures	-	409,756	10,395	570	1,211,056
Excess (deficiency) of revenues over expenditures	563	110,465	(4,691)	7,662	(264,471)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	80,244
Transfers out	-	-	-	-	(195,500)
Total other financing sources and uses	-	-	-	-	(115,256)
Net change in fund balance	563	110,465	(4,691)	7,662	(379,727)
Fund balances - beginning, restated	18,745	50,558	11,841	61,313	1,120,104
Fund balances (deficit) - ending	$ 19,308	$ 161,023	$ 7,150	$ 68,975	$ 740,377

City of Guymon, Oklahoma
Combining Balance Sheet
General Fund Accounts
December 31, 2012

	General Fund	Golf Course Account	Pool/Recreation Account	Airport Authority Account	TOTAL
ASSETS					
Cash, including time deposits	$ 2,840,181	$ 88,911	$ 103,946	$ -	$ 3,033,038
Receivable from other governments	628,262	-	-	240,540	868,802
Accounts receivable, net	548,956	-	-	392	549,348
Due from other funds	147,430	-	-	-	147,430
Total assets	4,164,829	88,911	103,946	240,932	4,598,618
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	170,751	9,389	-	89,410	269,550
Due to other funds	-	6,021	-	77,205	83,226
Due to other governments	-	-	-	946	946
Refundable court bonds	16,925	-	-	-	16,925
Total liabilities	187,676	15,410	-	167,561	370,647
Deferred inflows of resources:					
Deferred revenue	313,729	-	-	240,540	554,269
	313,729	-	-	240,540	554,269
Fund balance:					
Assigned	1,235,169	73,501	103,946	-	1,412,616
Unassigned	2,428,255	-	-	(167,169)	2,261,086
Total fund balance	3,663,424	73,501	103,946	(167,169)	3,673,702
Total liabilities, deferred inflows and fund balance	$ 4,164,829	$ 88,911	$ 103,946	$ 240,932	$ 4,598,618

City of Guymon, Oklahoma
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Accounts
For the Year Ended December 31, 2012

	General Fund	Golf Course Account	Pool/Recreation Account	Airport Authority Account	TOTAL
REVENUES					
Taxes	$ 4,354,182	$ -	$ -	$ 4,889	$ 4,359,071
Intergovernmental	777,210	-	-	80,462	857,672
Charges for services	296,925	360,813	13,413	700	671,851
Fines and forfeitures	311,927	-	-	-	311,927
Licenses and permits	42,007	-	-	-	42,007
Investment earnings	13,284	837	406	244	14,771
Miscellaneous	135,477	4,459	40	398	140,374
Total revenues	5,931,012	366,109	13,859	86,693	6,397,673
EXPENDITURES					
Current:					
General Government:					
City clerk	77,276	-	-	-	77,276
City treasurer	65,322	-	-	-	65,322
Human resources	112,001	-	-	-	112,001
Information technology	165,692	-	-	-	165,692
General government	481,477	-	-	-	481,477
Total General Government	901,768	-	-	-	901,768
Public Safety and Judiciary:					
City attorney	72,936	-	-	-	72,936
Ambulance	356,933	-	-	-	356,933
Police	1,878,031	-	-	-	1,878,031
Municipal court	154,201	-	-	-	154,201
Fire	1,463,450	-	-	-	1,463,450
Civil emergency management	17,182	-	-	-	17,182
Total Public Safety and Judiciary	3,942,733	-	-	-	3,942,733
Transportation:					
Airport	-	-	-	68,070	68,070
Street	771,894	-	-	-	771,894
Public Transportation	532,667	-	-	-	532,667
Total Transportation	1,304,561	-	-	68,070	1,372,631
Cultural, Parks, and Recreation:					
Golf	-	586,142	-	-	586,142
Library	279,551	-	-	-	279,551
Cemetery	113,336	-	-	-	113,336
Swimming pool	-	-	63,162	-	63,162
Parks	346,472	-	-	-	346,472
Total Cultural, Parks and Recreation	739,359	586,142	63,162	-	1,388,663
Community/Economic Development:					
Community development	299,008	-	-	-	299,008
Business Incubator	81,702	-	-	-	81,702
Total Community/Economic Development	380,710	-	-	-	380,710
Debt Service:					
Principal	102,958	50,789	-	-	153,747
Interest and other charges	5,213	5,024	-	-	10,237
Capital Outlay	382,682	219,845	31,143	461,486	1,095,156
Total Expenditures	7,759,984	861,800	94,305	529,556	9,245,645
Excess (deficiency) of revenues over expenditures	(1,828,972)	(495,691)	(80,446)	(442,863)	(2,847,972)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	218,845	-	-	218,845
Transfers in	3,644,931	327,614	151,000	150,390	4,273,935
Transfers out	(768,668)	-	-	-	(768,668)
Total other financing sources and uses	2,876,263	546,459	151,000	150,390	3,724,112
Net change in fund balance	1,047,291	50,768	70,554	(292,473)	876,140
Fund balances - beginning	2,616,133	22,733	33,392	125,304	2,797,562
Fund balances (deficit) - ending	$ 3,663,424	$ 73,501	$ 103,946	$ (167,169)	$ 3,673,702

City of Guymon, Oklahoma
Schedule of Departmental Operating Revenues and Expenses
Enterprise Fund - Operating Accounts
(Guymon Utilities Authority)
For the Year Ended June 30, 2012

Operating Revenues:	
Charges for services:	
Gas charges	$ 4,351,159
Water charges	3,268,919
Sewer charges	1,307,667
Sanitation charges	1,523,604
Penalties	42,985
Agricultural revenue	163,980
Total Charges for services	10,658,314
Miscellaneous:	
Gas	2,620
Water	434
Sewer	7,037
Sanitation	14,013
Total Miscellaneous	24,104
Total Operating Revenues	10,682,418
Operating Expenses:	
Gas Department:	
Cost of goods sold	2,218,024
Personal Services	372,504
Materials and Supplies	33,172
Other Services and Charges	59,884
Depreciation	96,312
Total Gas Operating Expenses	2,779,896
Garage Department:	
Personal Services	58,502
Materials and Supplies	4,252
Other Services and Charges	12,617
Depreciation	1,225
Total Garage Operating Expenses	76,596
Water Department:	
Personal Services	253,063
Materials and Supplies	50,214
Other Services and Charges	666,861
Depreciation	424,132
Total Water Operating Expenses	1,394,270
Sewer Department:	
Personal Services	529,573
Materials and Supplies	142,128
Other Services and Charges	627,567
Depreciation	985,135
Total Sewer Operating Expenses	2,284,403
Sanitation Department:	
Personal Services	571,163
Materials and Supplies	118,966
Other Services and Charges	430,283
Depreciation	80,199
Total Sanitation Operating Expenses	1,200,611
Farm Department:	
Materials and Supplies	203.00
Depreciation	145
Total Farm Operating Expenses	348
Administration Department:	
Personal Services	331,482
Materials and Supplies	13,493
Other Services and Charges	276,510
Depreciation	67,825
Total Administration Operating Expenses	689,310
Total Operating Expenses	8,425,434
Net Operating Income	$ 2,256,984

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 December 31, 2012

	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	$ 1,527,702	$ 1,558,503	$ 30,801	$ 1,527,702	$ 1,558,503	$ 30,801
Investment earnings	6,219	6,387	168	3,540	1,239	(2,301)
Miscellaneous	723,500	242,210	(481,290)	-	-	-
Total revenues	2,257,421	1,807,100	(450,321)	1,531,242	1,559,742	28,500
EXPENDITURES						
Departmental:						
Community development	104,783	104,782	1	-	-	-
Information Technology	50,000	39,985	10,015	-	-	-
Library	369,030	319,847	49,183	-	-	-
Ambulance	87,186	-	87,186	-	-	-
Police	1,738,781	1,375,684	363,097	-	-	-
Fire	4,814,932	3,724,093	1,090,839	-	-	-
Parks	136,000	99,700	36,300	-	-	-
Street	554,535	13,541	540,994	-	-	-
Water	372,000	220,528	151,472	674,641	280,330	394,311
Wastewater	-	-	-	1,368,377	-	1,368,377
Wastewater treatment plant	33,885	-	33,885	-	-	-
Gas	60,000	-	60,000	-	-	-
Administration	65,279	-	65,279	-	-	-
Total Expenditures	8,386,413	5,898,160	2,488,253	2,043,018	280,330	1,762,688
Excess (deficiency) of revenues over expenditures	(6,128,992)	(4,091,060)	2,037,932	(511,776)	1,279,412	1,791,188
OTHER FINANCING SOURCES (USES)						
Issuance of long-term debt	748,329	755,000	6,671	263,312	-	(263,312)
Note issuance costs	-	(39,000)	(39,000)	-	-	-
Transfers in	137,728	333,228	195,500	-	-	-
Transfers out	(58,610)	(58,609)	1	-	(1,475,105)	(1,475,105)
Total other financing sources and uses	827,447	990,619	163,172	263,312	(1,475,105)	(1,738,417)
Net change in fund balances	(5,301,545)	(3,100,441)	2,201,104	(248,464)	(195,693)	52,771
Fund balances - beginning, restated	753,796	6,297,849	5,544,053	2,351,358	695,423	(1,655,935)
Fund balances - ending	$ (4,547,749)	$ 3,197,408	$ 7,745,157	$ 2,102,894	$ 499,730	$ (1,603,164)

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 December 31, 2012

	Library Capital Improvement Fund		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment earnings	$ -	$ 65	$ 65
Total revenues	-	65	65
EXPENDITURES			
Departmental:			
Library	4,367,911	3,268,907	1,099,004
Total Expenditures	4,367,911	3,268,907	1,099,004
Excess (deficiency) of revenues over expenditures	(4,367,911)	(3,268,842)	1,099,069
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	3,707,911	2,944,200	(763,711)
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	3,707,911	2,944,200	(763,711)
Net change in fund balances	(660,000)	(324,642)	335,358
Fund balances - beginning, restated	-	-	-
Fund balances - ending	$ (660,000)	$ (324,642)	$ 335,358

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 December 31, 2012

	E-911 Fund			Guymon Development 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	$ 55,000	$ 49,886	$ (5,114)	$ -	$ -	$ -
Intergovernmental	29,000	30,736	1,736	2,000	4,000	2,000
Charges for services	60,000	78,919	18,919	-	-	-
Investment income	-	1,423	1,423	200	220	20
Miscellaneous	24,000	268	(23,732)	17,150	8,589	(8,561)
Total revenues	168,000	161,232	(6,768)	19,350	12,809	(6,541)
EXPENDITURES						
Departmental:						
Community development	-	-	-	14,000	9,331	4,669
Police	243,000	203,804	39,196	-	-	-
Fire	-	-	-	5,216	3,751	1,465
Tourism	-	-	-	5,000	2,000	3,000
Total Expenditures	243,000	203,804	39,196	24,216	15,082	9,134
Excess (deficiency) of revenues over expenditures	(75,000)	(42,572)	32,428	(4,866)	(2,273)	2,593
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Net change in fund balances	(75,000)	(42,572)	32,428	(4,866)	(2,273)	2,593
Fund balances - beginning, restated	262,692	386,247	123,555	46,441	47,554	1,113
Fund balances - ending	$ 187,692	$ 343,675	$ 155,983	$ 41,575	$ 45,281	$ 3,706

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 December 31, 2012

(Continued)

	Library Fund			Community Development Block Grant Fund		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Intergovernmental	$ 26,066	$ 27,164	$ 1,098	$ 2,078,951	$ -	$ (2,078,951)
Charges for services	-	-	-	32,000	4,438	(27,562)
Investment income	50	154	104	-	-	-
Miscellaneous	-	426	426	41,000	20,000	(21,000)
Total revenues	26,116	27,744	1,628	2,151,951	24,438	(2,127,513)
EXPENDITURES						
Departmental:						
Community development	-	-	-	2,174,025	358,293	1,815,732
Library	62,233	54,758	7,475	-	-	-
Total Expenditures	62,233	54,758	7,475	2,174,025	358,293	1,815,732
Excess (deficiency) of revenues over expenditures	(36,117)	(27,014)	9,103	(22,074)	(333,855)	(311,781)
OTHER FINANCING SOURCES (USES)						
Transfers in	23,335	21,635	1,700	-	58,609	58,609
Transfers out	-	-	-	-	(195,500)	(195,500)
Total other financing sources and uses	23,335	21,635	1,700	-	(136,891)	(136,891)
Net change in fund balances	(12,782)	(5,379)	7,403	(22,074)	(470,746)	(448,672)
Fund balances - beginning, restated	26,568	20,758	(5,810)	-	323,151	323,151
Fund balances - ending	$ 13,786	$ 15,379	$ 1,593	$ (22,074)	$ (147,595)	$ (125,521)

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 December 31, 2012

(Continued)

	Hotel/Motel Tax Fund			Police 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	$ 144,300	$ 184,725	$ 40,425	$ -	$ -	$ -
Intergovernmental	-	-	-	78,000	473	(77,527)
Investment income	3,200	917	(2,283)	-	90	90
Total revenues	147,500	185,642	38,142	78,000	563	(77,437)
EXPENDITURES						
Departmental:						
Police	-	-	-	84,371	-	84,371
Tourism	247,500	158,398	89,102	-	-	-
Total Expenditures	247,500	158,398	89,102	84,371	-	84,371
Excess (deficiency) of revenues over expenditures	(100,000)	27,244	127,244	(6,371)	563	6,934
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Net change in fund balances	(100,000)	27,244	127,244	(6,371)	563	6,934
Fund balances - beginning, restated	383,485	199,937	(183,548)	6,374	18,745	12,371
Fund balances - ending	$ 283,485	$ 227,181	$ (56,304)	$ 3	$ 19,308	$ 19,305

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 December 31, 2012

(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	$ 700,000	$ 519,942	$ (180,058)	$ -	$ -	$ -
Charges for services	-	-	-	5,652	5,651	(1)
Investment income	200	262	62	100	53	(47)
Miscellaneous	-	17	17	-	-	-
Total revenues	700,200	520,221	(179,979)	5,752	5,704	(48)
EXPENDITURES						
Departmental:						
Economic development	700,800	409,756	291,044	-	-	-
Cemetery	-	-	-	10,396	10,395	1
Total Expenditures	700,800	409,756	291,044	10,396	10,395	1
Excess (deficiency) of revenues over expenditures	(600)	110,465	111,065	(4,644)	(4,691)	(47)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Net change in fund balances	(600)	110,465	111,065	(4,644)	(4,691)	(47)
Fund balances - beginning, restated	2,610	50,558	47,948	12,731	11,841	(890)
Fund balances - ending	$ 2,010	$ 161,023	$ 159,013	$ 8,087	$ 7,150	$ (937)

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 December 31, 2012

(Continued)

	Dale Funds		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment income	$ 400	$ 8,232	$ 7,832
Total revenues	400	8,232	7,832
EXPENDITURES			
Departmental:			
Community development	570	570	-
Library	6,685	-	6,685
Total Expenditures	7,255	570	6,685
Excess (deficiency) of revenues over expenditures	(6,855)	7,662	14,517
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	-	-	-
Net change in fund balances	(6,855)	7,662	14,517
Fund balances - beginning, restated	9,334	61,313	51,979
Fund balances - ending	$ 2,479	$ 68,975	$ 66,496

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/POSITION BY COMPONENT
Last Ten Fiscal Years
December 31, 2012
TABLE 1

	2004	2005	2006	2007	2008	2009	2010	2011	December 2011
Governmental activities									
Invested in capital assets, net of related debt	$ 9,558,478	$ 9,269,913	$ 8,640,868	$ 8,621,065	$ 8,966,029	$ 9,162,018	$ 10,318,848	$ 11,429,614	$ 11,866,330
Restricted	539,846	418,459	520,762	730,026	903,470	3,698,645	2,770,010	2,513,832	2,796,118
Unrestricted	862,763	1,311,074	1,049,550	1,892,074	2,931,393	2,246,199	2,723,068	3,597,085	2,689,445
Total governmental activities net assets	$ 10,961,087	$ 10,999,446	$ 10,211,180	$ 11,243,165	$ 12,800,892	$ 15,106,862	$ 15,811,926	$ 17,540,531	$ 17,351,893
Business-type activities									
Invested in capital assets, net of related debt	$ 11,022,562	$ 10,587,214	$ 10,908,056	$ 10,014,350	$ 10,684,925	$ 11,498,662	$ 13,408,159	$ 13,583,566	$ 14,419,222
Restricted	245,643	363,735	423,278	466,272	491,281	388,271	305,603	258,734	155,468
Unrestricted	1,953,107	1,733,509	1,827,964	2,161,375	2,231,176	2,095,644	3,434,744	3,877,249	4,855,106
Total business-type activities net assets	$ 13,221,312	$ 12,684,458	$ 13,159,298	$ 12,641,997	$ 13,407,382	$ 13,982,577	$ 17,148,506	$ 17,719,549	$ 19,429,796
Primary government									
Invested in capital assets, net of related debt	$ 20,581,040	$ 19,857,127	$ 19,548,924	$ 18,635,415	$ 19,650,954	$ 20,660,680	$ 23,727,007	$ 25,013,180	$ 26,285,552
Restricted	785,489	782,194	944,040	1,196,298	1,394,751	4,086,916	3,075,613	2,772,566	2,951,586
Unrestricted	2,815,870	3,044,583	2,877,514	4,053,449	5,162,569	4,341,843	6,157,812	7,474,334	7,544,551
Total primary government net assets	$ 24,182,399	$ 23,683,904	$ 23,370,478	$ 23,885,162	$ 26,208,274	$ 29,089,439	$ 32,960,432	$ 35,260,080	$ 36,781,689

	2012
Governmental activities	
Net investment in capital assets	$ 13,602,985
Restricted	2,496,565
Unrestricted	3,883,436
Total governmental activities net position	$ 19,982,986
Business-type activities	
Net investment in capital assets	$ 14,126,593
Restricted	111,480
Unrestricted	4,594,661
Total business-type activities net position	$ 18,832,734
Primary government	
Net investment in capital assets	$ 27,729,578
Restricted	2,608,045
Unrestricted	8,478,097
Total primary government net position	$ 38,815,720

NOTE: The City changed their year end from June 30th to December 31st in 2011.

CITY OF GUYMON, OKLAHOMA
CHANGES IN NET ASSETS/POSITION
Last Ten Fiscal Years
December 31, 2012
TABLE 2

	2004	2005	2006	2007	2008	2009	2010	2011	December 2011	2012
Expenses										
Government activities:										
Government government	$ 533,126	$ 374,727	$ 401,164	$ 565,327	$ 717,083	$ 643,553	$ 533,855	$ 585,283	$ 314,839	$ 950,649
Public Safety and judiciary	2,633,217	2,780,129	2,888,446	3,090,973	3,495,581	3,864,574	3,749,612	4,247,097	2,294,433	4,670,878
Transportation	1,199,284	1,316,595	1,352,916	1,469,875	1,658,416	1,764,056	1,736,197	1,906,821	997,726	2,097,571
Cultural, parks and recreation	1,240,005	1,202,851	1,219,565	1,301,120	1,435,348	1,635,588	1,522,697	1,596,450	862,393	1,859,047
Community/economic development	2,444,133	901,941	609,996	707,533	854,617	811,289	1,058,400	1,238,241	248,604	850,619
Interest on long-term debt	19,256	9,848	5,406	12,197	13,556	32,866	25,407	137,763	119,388	240,866
Total governmental activities expenses	8,069,021	6,586,091	6,477,493	7,147,025	8,174,601	8,751,926	8,626,168	9,711,655	4,837,383	10,669,632
Business-type activities:										
Gas	3,521,884	3,748,097	4,985,011	4,505,783	4,085,783	5,895,883	3,316,002	3,454,958	1,568,544	3,068,031
Garage	45,590	48,645	51,695	60,645	55,898	55,107	58,517	66,103	35,330	76,596
Water	1,247,677	1,126,723	1,195,418	1,227,412	1,348,690	1,333,705	1,301,576	1,842,426	975,671	1,785,589
Sewer	819,368	751,882	818,907	885,394	882,983	968,852	1,239,383	2,635,956	1,367,417	2,883,636
Sanitation	934,913	1,010,715	1,127,135	1,245,773	1,263,676	1,310,876	1,205,294	1,274,943	651,930	1,304,024
Farm	22,137	33,090	19,358	23,625	16,027	30,436	10,372	145	72	348
Total business-type activities expenses	6,391,569	6,719,152	8,197,524	7,948,632	7,653,057	9,594,861	7,132,144	9,274,531	4,598,964	9,118,204
Total primary government expenses	$ 14,460,590	$ 13,305,243	$ 14,675,017	$ 15,095,657	$ 15,827,658	$ 18,346,787	$ 15,758,312	$ 18,986,186	$ 9,436,347	$ 19,788,036
Program Revenues										
Government activities:										
Charges for services:										
General government	$ 15,329	$ 16,970	$ 17,416	$ 20,797	$ 43,543	$ 18,521	$ 32,474	$ 38,073	$ 15,098	$ 37,694
Public Safety and judiciary	493,966	599,635	608,372	508,796	593,836	647,377	654,426	598,833	349,443	611,512
Transportation	28,738	27,541	34,236	39,484	48,061	54,557	61,885	54,967	23,867	43,555
Cultural, parks and recreation	296,906	260,721	310,202	305,070	397,118	420,867	389,030	395,181	160,409	405,623
Community/economic development	-	-	-	-	-	9,082	35,410	33,551	15,079	4,436
Operating grants and contributions	1,129,683	575,608	472,379	801,544	608,414	599,845	417,306	693,102	316,527	676,432
Capital grants and contributions	354,094	239,337	82,093	707,335	829,327	167,926	342,442	720,250	128,996	959,760
Total governmental activities program revenues	2,316,738	1,719,812	1,524,698	2,383,028	2,520,299	1,918,175	1,932,973	2,533,957	1,009,419	2,739,014

NOTE: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.

(Continued)

TABLE 2
(Continued)

	June 2004	2005	2006	2007	2008	2009	2010	2011	December 2011	2012
Business-type activities:										
Charges for services:										
Gas	$ 3,513,330	$ 3,692,192	$ 4,835,967	$ 4,214,364	$ 4,219,989	$ 6,114,725	$ 4,175,688	$ 4,270,139	$ 2,048,839	$ 4,396,764
Water	1,531,817	1,432,874	2,013,524	2,146,935	2,617,876	2,630,331	2,623,130	3,054,706	1,714,337	3,276,153
Sewer	782,093	800,039	815,237	975,814	1,071,762	1,218,920	1,189,168	1,383,503	767,508	1,307,904
Sanitation	706,446	737,556	966,339	1,182,018	1,193,833	1,317,995	1,320,341	1,372,532	760,982	1,537,617
Farm	143,635	112,209	128,180	147,562	167,879	209,121	60,628	102,474	72,109	163,980
Operating grants and contributions	24,486	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	47,059	-	650,038	143,241	-	-
Total business-type activities program revenues	6,701,807	6,774,870	8,759,247	8,666,693	9,318,398	11,491,092	10,018,993	10,326,595	5,363,775	10,682,418
Total primary government program revenues	$ 9,018,545	$ 8,494,682	$ 10,283,945	$ 11,049,721	$ 11,838,697	$ 13,409,267	$ 11,951,966	$ 12,860,552	$ 6,373,194	$ 13,421,432
Net (Expense)/Revenue										
Government activities:	$ (5,752,283)	$ (4,866,279)	$ (4,952,795)	$ (4,763,997)	$ (5,654,302)	$ (6,833,751)	$ (6,693,195)	$ (7,177,698)	$ (3,827,964)	$ (7,930,818)
Business-type activities:	310,238	55,718	561,723	718,061	1,665,341	1,898,231	2,886,849	1,052,064	764,811	1,564,214
Total primary government net expense	$ (5,442,045)	$ (4,810,561)	$ (4,391,072)	$ (4,045,936)	$ (3,988,961)	$ (4,937,520)	$ (3,806,346)	$ (6,125,634)	$ (3,063,153)	$ (6,366,604)
General Revenues and Other Changes in Net Assets/Position										
Government activities:										
Taxes:										
Sales and use taxes	$ 3,624,653	$ 3,004,400	$ 2,617,568	$ 2,964,238	$ 4,727,544	$ 6,219,525	$ 5,780,043	$ 6,051,511	$ 3,434,361	$ 6,915,657
Franchise and public service taxes	347,589	367,492	450,885	446,475	501,663	496,341	452,632	538,097	263,454	555,531
E-911 taxes, dedicated fire emergency services	74,130	70,273	66,643	64,377	66,459	59,045	171,040	129,895	71,207	128,805
Hotel/Motel taxes, dedicated for tourism	73,826	73,239	92,967	156,614	167,979	137,361	128,186	136,096	91,141	184,725
Tax apportionment taxes,dedicated for enomic develop	418,077	447,109	452,296	464,451	470,782	468,376	727,883	876,763	386,095	519,942
Airport fuel tax	4,888	5,485	6,053	5,465	4,833	5,182	4,164	3,376	2,523	4,889
Intergovernmental	83,361	122,222	138,385	145,141	175,326	192,261	196,462	209,269	123,124	226,684
Investment income	21,128	28,271	32,888	38,488	33,410	39,934	69,342	61,295	13,061	33,407
Miscellaneous	113,057	167,415	116,715	85,952	82,931	186,681	108,891	210,049	126,606	88,935
Transfers-Internal activity	676,552	618,732	190,129	1,398,800	981,102	1,335,015	(238,384)	563,464	(872,245)	1,653,221
Total governmental activities	5,437,261	4,904,638	4,164,529	5,770,001	7,212,029	9,139,721	7,398,259	8,781,815	3,639,327	10,311,796
Business-type activities:										
Investment earnings	23,614	26,160	54,156	102,587	61,146	33,979	40,696	34,123	15,534	20,263
Miscellaneous	21,273	-	-	-	-	-	-	48,320	57,657	-
Special Items	-	-	-	60,851	-	-	-	-	-	-
Transfers	(676,552)	(618,732)	(190,129)	(1,398,800)	(981,102)	(1,335,015)	238,384	(563,464)	872,245	(1,653,221)
Total business-type activities	(631,665)	(592,572)	(135,973)	(1,235,362)	(919,956)	(1,301,036)	279,080	(481,021)	945,436	(1,632,958)
Total primary government	$ 4,805,596	$ 4,312,066	$ 4,028,556	$ 4,534,639	$ 6,292,073	$ 7,838,685	$ 7,677,339	$ 8,300,794	$ 4,584,763	$ 8,678,838
Change in Net Assets/Position										
Government activities	$ (315,022)	$ 38,359	$ (788,266)	$ 1,006,004	$ 1,557,727	$ 2,305,970	$ 705,064	$ 1,604,117	$ (188,637)	$ 2,380,978
Business-type activities	(321,427)	(536,854)	425,750	(517,301)	745,385	595,195	3,165,929	571,043	1,710,247	(68,744)
Total primary government	$ (636,449)	$ (498,495)	$ (362,516)	$ 488,703	$ 2,303,112	$ 2,901,165	$ 3,870,993	$ 2,175,160	$ 1,521,610	$ 2,312,234

NOTE: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.

CITY OF GUYMON, OKLAHOMA
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
December 31, 2012
TABLE 3

	2004	2005	2006	2007	2008	2009	2010	2011	December 2011	2012
General Fund										
Reserved	$ -	$ 140,591	$ 156,275	$ 168,754	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	766,050	1,011,201	678,672	1,569,087	2,073,758	2,097,840	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	55,596	138,095	125,304	-
Assigned	-	-	-	-	-	-	81,175	1,422,679	256,345	1,412,616
Unassigned	-	-	-	-	-	-	2,508,487	1,926,501	2,415,914	2,261,086
Total general fund	$ 766,050	$ 1,151,792	$ 834,947	$ 1,737,841	$ 2,073,758	$ 2,097,840	$ 2,645,258	$ 3,487,275	$ 2,797,563	$ 3,673,702
All Other Governmental Funds										
Reserved	$ 56,935	$ 59,655	$ 64,562	$ 117,574	$ 105,296	$ 93,921	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	503,545	367,462	506,062	653,721	1,667,316	3,589,604	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	4,300	4,300	4,300	4,300
Restricted	-	-	-	-	-	-	2,710,114	7,745,940	7,787,980	4,738,160
Assigned	-	-	-	-	-	-	4,307	336	200	-
Unassigned	-	-	-	-	-	-	(21,485)	-	(61,302)	(629,587)
Total all other governmental funds	$ 560,480	$ 427,117	$ 570,624	$ 771,295	$ 1,772,612	$ 3,683,525	$ 2,697,236	$ 7,750,576	$ 7,731,178	$ 4,112,873
GRAND TOTAL	$ 1,326,530	$ 1,578,909	$ 1,405,571	$ 2,509,136	$ 3,846,370	$ 5,781,365	$ 5,342,494	$ 11,237,851	$ 10,528,741	$ 7,786,575

NOTE: GASB 54 was implemented in fiscal year 2010. Years prior to implementation of GASB 54 have not been restated.

The City changed their year end from June 30 to December 31 in 2011.

CITY OF GUYMON, OKLAHOMA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
December 31, 2012
TABLE 4

	2004	2005	2006	2007	2008	2009	2010	2011	December 2011	2012
Revenues										
Taxes	$ 4,544,524	$ 3,948,014	$ 3,687,417	$ 4,100,304	$ 5,938,227	$ 7,388,142	$ 7,150,089	$ 7,735,689	$ 4,287,544	$ 8,309,549
Intergovernmental	1,596,994	908,292	666,921	1,093,536	1,401,429	886,449	880,850	1,572,711	434,641	920,045
Charges for services	545,449	485,686	627,489	669,346	760,172	762,729	914,140	823,405	371,706	681,940
Fines and forfeitures	252,315	298,948	242,708	164,642	180,524	331,529	356,957	203,418	170,179	311,927
Licences and permits	19,732	19,322	19,828	22,855	47,172	21,834	32,677	45,109	15,158	42,007
Investment Income	21,128	28,272	32,888	38,487	33,691	40,742	70,095	62,048	13,230	33,813
Miscellaneous	157,507	234,425	192,046	156,862	218,130	331,603	229,449	356,273	230,560	411,884
Total Revenues	$ 7,137,649	$ 5,922,959	$ 5,469,297	$ 6,246,032	$ 8,579,345	$ 9,763,028	$ 9,634,257	$ 10,798,653	$ 5,523,018	$ 10,711,165
Expenditures:										
General government	$ 505,514	$ 353,940	$ 347,761	$ 546,877	$ 627,745	$ 623,511	$ 513,827	$ 494,389	$ 299,864	$ 901,768
Public safety and Judiciary	2,430,434	2,529,389	2,626,130	2,833,004	3,228,355	3,635,038	3,605,465	3,904,168	2,123,912	4,130,671
Transportation	745,588	783,660	837,774	953,415	1,156,482	1,216,378	1,244,309	1,386,854	725,875	1,372,631
Cultural, Parks and Recreation	1,086,848	1,105,090	1,113,712	1,205,581	1,345,555	1,520,638	1,422,850	1,453,963	791,509	1,589,604
Community/Ecoonomic Development	2,443,070	900,594	609,305	703,086	853,910	804,293	1,054,203	1,219,834	244,781	834,666
Debt service:										
Principal	148,494	92,098	72,867	95,970	66,234	309,223	271,701	379,795	222,442	637,425
Interest and other charges	19,256	9,847	5,406	12,197	13,556	30,729	5,915	14,757	120,879	231,331
Capital Outlay	417,321	514,694	392,870	428,136	1,964,507	1,350,559	2,094,634	2,277,221	1,003,236	10,245,002
Total Expenditures	$ 7,796,525	$ 6,289,312	$ 6,005,825	$ 6,778,266	$ 9,256,344	$ 9,490,369	$ 10,212,904	$ 11,130,981	$ 5,532,498	$ 19,943,098
Excess of revenues over(under) expenditures	$ (658,876)	$ (366,353)	$ (536,528)	$ (532,234)	$ (676,999)	$ 272,659	$ (578,647)	$ (332,328)	$ (9,480)	$ (9,231,933)
Other financing sources(uses)										
Transfers in	$ 2,074,328	$ 945,142	$ 847,000	$ 2,231,146	$ 2,839,302	$ 2,954,719	$ 3,475,498	$ (3,244,353)	$ 559,644	$ 4,687,407
Transfers out	(1,422,262)	(326,410)	(666,000)	(832,346)	(1,454,302)	(1,445,136)	(3,335,722)	(141,688)	(1,259,274)	(2,497,882)
Issuance of long-term debt	-	-	182,190	211,017	404,235	152,750	-	5,535,000	-	3,918,045
Note issuances costs	-	-	-	-	-	-	-	-	-	-
Proceeds from short-term debt	-	-	-	-	225,000	-	-	4,078,726	-	-
Total other financing sources(uses)	$ 652,066	$ 618,732	$ 363,190	$ 1,609,817	$ 2,014,235	$ 1,662,333	$ 139,776	$ 6,227,685	$ (699,630)	$ 6,107,570
Net change in fund balances	$ (6,810)	$ 252,379	$ (173,338)	$ 1,077,583	$ 1,337,236	$ 1,934,992	$ (438,871)	$ 5,895,357	$ (709,110)	$ (3,124,363)
Debt service as a percentage of noncapital expenditures	2.3%	1.8%	1.4%	1.7%	1.1%	4.2%	3.4%	4.5%	7.6%	9.0%

NOTE: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.

CITY OF GUYMON, OKLAHOMA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
December 31, 2012
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
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	-	-	5,939,260
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	3,378	5,613,374	538,097	138,096	438,137	129,895	876,763	-	-	7,737,738
December 2011	2,523	2,993,992	302,217	91,141	440,369	71,207	386,095	-	-	4,287,544
2012	4,889	6,231,012	555,531	184,725	684,645	128,805	519,942	-	-	8,309,549

NOTE: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.

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

	2007	2008	2009	2010	2011	December 2011	2012
Commercial	$ 1,044,760	$ 1,128,412	$ 1,441,442	$ 824,270	$ 891,816	$ 288,724	$ 770,698
Governmental	80,578	77,524	124,036	114,972	108,911	68,833	250,521
Industrial	32,852	261,757	635,605	444,392	493,302	248,938	599,382
Municipal	47,558	54,112	99,304	68,859	65,887	20,014	65,332
Institutional	303,603	305,176	418,963	255,007	248,715	34,895	84,992
Residential	2,414,738	2,496,547	3,643,542	2,465,297	2,606,700	918,568	1,846,650
Totals	$ 3,924,089	$ 4,323,528	$ 6,362,892	$ 4,172,797	$ 4,415,331	$ 1,579,972	$ 3,617,575

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

NOTE: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.

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

	Rank	2012	% of Total	Rank	2007	% of Total
Guymon Extract Plant	1	$ 504,833	13.96%	2	$ 210,275	0.35%
Guymon Schools	2	70,307	1.94%	3	116,959	0.20%
Memorial Hospital of Texas County	3	52,505	1.45%	5	62,787	0.11%
SPF-USA	4	47,488	1.31%	--	--	--
YMCA	5	45,106	1.25%	6	46,201	0.08%
Cargill Animal Nutrition	6	43,712	1.21%	4	69,622	0.12%
Garland Square of Guymon	7	41,438	1.15%	7	42,655	0.07%
Wal-Mart	8	38,397	1.06%	--	--	--
Dunway Manor	9	37,816	1.05%	--	--	--
City of Guymon	10	34,946	0.97%	--	--	--
Texas County Feedyards		--	--	1	213,295	0.36%
Panhandle Natural Gas		--	--	8	19,805	0.03%
Quality Cleaners		--	--	9	15,035	0.03%
Texas County Warehouse		--	--	10	12,645	0.02%
Totals		$ 916,549	25.3%		$ 548,499	0.9%
Total Gas Revenue (See Table 6)		$ 3,617,575			$ 59,621,160	

NOTE: Data for nine years ago is not available.

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

Effective Date	Fixed Oper Cost	0 - 29 per MCF	1 - 29 per MCF	All Over 29 per MCF
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
December 31, 2012
TABLE 9

	2004	2005	2006	2007	2008	2009	2010	2011	December 2011	2012
Agriculture, forestry, and fishing	$ 683	$ 629	$ 271	$ 160	$ 284	$ 756	$ 802	$ 546	179	1,557
Mining	207	400	251	333	406	689	401	2,241	-	366
Construction	5,310	4,873	5,121	5,428	4,747	9,990	8,176	10,392	8,585	8,662
Manufacturing	32,759	39,868	27,622	50,322	17,368	48,551	19,334	37,698	69,359	91,129
Transportation	5,836	4,989	4,374	5,762	2,972	7,879	7,834	10,183	3,029	6,823
Communications and utilities:										
Communications	159,665	126,152	106,076	73,522	109,668	264,091	158,962	139,553	71,978	173,097
Electric, gas, and sanitary services	253,026	220,646	197,333	101,127	43,646	198,523	140,944	147,803	38,121	163,238
Wholesale trade	240,109	272,216	160,476	219,359	215,802	414,040	406,382	350,161	213,085	410,981
Retail trade:										
Building materials, hardware, garden supply and mobile home dealer	85,025	73,220	72,750	90,673	75,027	168,822	154,650	171,963	84,718	177,262
General merchandise stores	711,930	613,318	503,852	512,740	792,048	1,960,854	1,861,714	1,956,486	1,047,517	2,178,905
Food stores	649,423	542,766	400,302	431,127	230,879	580,269	543,998	541,382	281,588	549,593
Automotive dealers and gasoline service stations	118,282	103,356	101,387	99,457	91,927	209,434	208,255	243,471	138,741	270,610
Apparel and accessory stores	83,270	74,683	59,107	56,737	43,371	114,132	118,517	129,349	61,972	120,162
Furniture, home furnishings and equipment stores	145,351	125,501	97,390	129,101	111,067	238,804	191,779	247,467	125,699	235,272
Eating and drinking places	327,127	294,737	256,305	277,277	266,222	642,923	626,549	680,178	362,618	733,207
Miscellaneous retail	208,914	194,212	129,955	230,149	126,012	331,391	319,011	354,967	188,091	405,591
Finance, insurance, and real estate	139	68	171	739	132	1,297	734	1,575	10,903	411
Services:										
Hotels and motels	86,944	73,507	61,544	100,694	92,112	186,718	120,295	162,086	122,991	298,603
Personal services	27,015	23,597	14,919	16,403	15,592	33,757	28,068	27,064	17,890	31,014
Business services	78,521	74,651	51,832	59,647	49,818	129,354	204,094	158,153	76,930	304,158
Automotive repair services and garages	65,858	57,467	30,278	35,093	33,293	68,494	64,135	64,505	35,377	74,752
Miscellaneous repair services	11,129	10,299	6,220	7,152	5,327	11,095	7,148	7,531	5,157	3,847
Motion pictures	44,055	22,172	30,947	29,512	23,853	63,772	69,380	60,671	32,572	62,808
Other services	5,611	4,487	3,747	5,100	10,275	15,060	17,847	20,258	2,863	6,357
Nonclassifiable establishments	18,003	15,702	32,652	16,852	6,724	44,873	102,603	109,048	7,239	35,679
	$ 3,364,192	$ 2,973,516	$ 2,354,882	$ 2,564,466	$ 2,368,551	$ 5,745,568	$ 5,381,612	5,634,711	3,007,199	6,342,082

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

NOTE: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.

CITY OF GUYMON, OKLAHOMA
SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
December 31, 2012
TABLE 10

	2004	2005	2006	2007	2008	2009	2010	2011	December 2011	2012
City	3.00%	3.00%	2.00%	2.00%	2.00%	4.00%	4.00%	4.00%	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%	7.50%	7.50%	7.50%	9.50%	9.50%	9.50%	9.50%	9.50%

* City sales tax rate changed in March of 2005.
**City sales tax rate changed in March of 2008.

NOTE: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.

CITY OF GUYMON, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years
December 31, 2012
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
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	52,403,701	-	-	-	0.00%	-
December 2011	11,823	52,403,701	-	-	-	0.00%	-
2012	11,823	57,019,951	-	-	-	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.

Note: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.

CITY OF GUYMON, OKLAHOMA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2012
TABLE 12

Jurisdiction	Net (1) Debt Outstanding	Percentage (2) Applicable to City of Guymon	Amount Applicable to City of Guymon
Direct - City of Guymon	$ 9,067,861	100.00%	9,067,861
Overlapping: Guymon Public Schools	1,500,000	64.50%	967,550
Texas County	-	29.66%	-
Total	$10,567,861		$10,035,411

(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
December 31, 2012
TABLE 13

	2004	2005	2006	2007	2008	2009	2010	2011	December 2011	2012
Debt limit	$ 5,010,536	$ 5,100,708	$ 5,184,813	$ 5,433,289	$ 4,959,548	$ 5,151,146	$ 5,240,370	$ 5,447,219	$ 5,447,219	$ 5,701,995
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 5,010,536	$ 5,100,708	$ 5,184,813	$ 5,433,289	$ 4,959,548	$ 5,151,146	$ 5,240,370	$ 5,447,219	$ 5,447,219	$ 5,701,995
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 2012

Net assessed valuation	$ 57,019,951
Debt limit (10% of total assess value)	$ 5,701,995
Debt applicable to limit:	
General obligation bonds	$ -
Less: Street bonds outstanding	-
Total net debt applicable to limit	-
Legal debt margin	$ 5,701,995

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

Note: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.

CITY OF GUYMON, OKLAHOMA
MUNICIPAL AUTHORITY
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
December 31, 2012
TABLE 14

			Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Maximum Annual Debt Service	Debt Service Coverage
	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
December	2011	(2)	5,272,978	2,789,172	2,483,806	995,014	2.50
	2012	(2)	12,073,555	5,485,914	6,587,641	1,990,028	3.31

(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.

Note: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.

CITY OF GUYMON, OKLAHOMA
RATIO FOR OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
TABLE 15

	Governmental Activities				Business-Type Activities					
Fiscal Year	General Obligation Bonds	Notes Payable	Capital Leases Payable	Refundable Grant Obligation	Notes Payable	Captial Leases Payable	Total Primary Government	% of Total Debt to Personal Income	Per Capita
2004	$ -	$ -	$ 185,863	$ 86,042	$ 2,068,406	$ 140,231	$ 2,480,542	0.45%	232
2005	-	-	93,766	68,542	1,987,472	146,731	2,296,511	0.42%	215
2006	-	-	203,089	51,042	2,791,538	102,282	3,147,951	0.57%	261
2007	-	-	318,136	33,542	3,916,777	57,734	4,326,189	0.75%	409
2008	-	-	656,137	16,042	3,224,670	28,111	3,924,960	0.63%	371
2009	-	77,644	647,020	-	18,186,826	208,135	19,119,625	3.07%	1,787
2010	-	-	474,593	-	22,767,196	163,166	23,404,955	3.76%	2,105
2011	-	5,400,000	295,294	-	22,315,946	116,500	28,127,740	4.51%	2,458
December 2011	-	5,260,000	212,853	-	21,536,140	92,154	27,101,147	3.72%	2,292
2012	-	8,790,209	277,652	-	20,328,296	42,674	29,438,831	4.04%	2,490

NOTE: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.

CITY OF GUYMON, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
December 31, 2012
TABLE 16

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income	Median Age of Population (3)	School Enrollment (4)	Unemployment Rate (5)
2004	10,670	510,312 (7)	47,827	30.4	2,370	2.5%
2005	10,670	512,592 (7)	48,040	30.4	2,303	1.8%
2006	10,569	553,263 (7)	52,348	30.4	2,336	3.8%
2007	10,574	553,263 (8)	52,323	30.0	2,462	3.6%
2008	10,574	553,263	52,323	30.0	2,500	3.4%
2009	10,702	577,854	44,775	32.1	2,503	3.8%
2010	11,117	623,090	30,287	30.3	2,702	5.5%
2011	11,442	623,090 (8)	30,287	30.4	2,777	5.5%
December 2011	11,823	729,167	34,214	36.4	2,829	4.5%
2012	11,823	729,167 (8)	34,214	36.4	2,829	4.5%

Note: Information was unavailable for the cells with N/A .
NOTE: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.
Sources:

(1) From U.S. Census Data and ODOC

(2) Oklahoma Department of Commerce

(3) From U.S. Census Data

(4) Guymon School District

(5) Oklahoma Employment Security Commission, for the Guymon area.

(6) OESC is now reporting only for the Texas County area and also changed its methodology to benchmark data.

(7) Bureau of Economic Analysis. In previous years these amounts were estimated.

(8) Updated information not yet available

CITY OF GUYMON, OKLAHOMA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
December 31, 2012
TABLE 17

		2012			2003	
Employer	Product/Business	Rank	Percentage of Total City Employment	Employees	Employees	Rank
Seaboard Farms of Oklahoma	Pork Processing	1	41.15%	3,040	2,400	1
Guymon Public Schools	Education	2	4.83%	357	300	2
Hitch Enterprises Inc.	Cattle and Hogs	3	4.20%	310		
Wal-Mart Associates Inc	Retail	4	3.11%	230	135	7
Texas County Courthouse	Government	5	2.44%	180	250	3
Memorial Hospital of Texas County	Health care	6	2.41%	178	200	4
Panhandle Telephone	Communication Services	7	2.21%	163	117	8
Oklahoma Panhandle State University	Education	8	1.94%	143		
City of Guymon	Government	9	1.84%	136	150	5
Dunway Manor	Elderly Care	10	1.38%	102	91	10
Hitch Enterprises Inc.	Cattle and Hogs				150	6
Stellar Management Group Iv Inc	Refuse systems				108	9
Totals			65%	4,839	3,901	

Source: Oklahoma Department of Commerce

Note: Percentage of total employment information not available for 2000.

CITY OF GUYMON, OKLAHOMA
Capital Asset Statistics by Function/Program
Last Eight Fiscal Years
December 31, 2012
TABLE 18A

Function/Program	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year December 2011	Fiscal Year 2012
General Government								
Buildings	2	2	3	3	3	3	3	3
Police								
Stations	1	1	1	1	1	1	1	1
Patrol units	20	20	20	21	21	23	23	23
Fire								
Stations	2	2	2	2	2	2	2	2
Trucks	4	4	6	7	8	5	5	5
Ambulance								
Vehicles	4	4	4	4	4	4	4	5
Refuse Collection								
Collection trucks	4	4	4	4	3	3	3	3
Transfer station	1	1	1	1	1	1	1	1
Transfer trucks	3	3	3	3	2	2	2	2
Streets								
Street miles	90	90	90	90	82.9	82.9	82.9	82.9
Highway miles	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
Traffic signals	12	12	12	12	12	13	13	13
Airport								
Runways	1	1	1	1	1	1	1	1
Terminals	1	1	1	1	1	1	1	1
Parks and recreation								
Playgrounds	12	12	13	13	13	13	13	13
Pool	1	1	1	1	1	1	1	1
Golf course	1	1	1	1	1	1	1	1
Public Transportation								
Buses	4	4	8	9	12	9	9	9
Library								
Building	1	1	1	1	1	1	1	1
Cemetary								
Plots	11,316	11,316	17,148	18,308	18,308	23,268	23,268	23,268
Vehicles	2	2	6	6	6	6	6	6
Gas								
Gas mains (miles)	75	75	75	75	75	77	77	77
Gates	3	3	3	3	3	3	3	3
Regulators	34	34	34	34	34	34	34	34
Water								
Water mains (miles)	80	80	80	84	84	84	84	84
Fire hydrants	309	309	314	362	362	410	410	410
Storage capacity (thousands of gallons)	4,375	4,375	4,375	5,375	5,375	5,375	5,375	5,375
Wastewater								
Sanitary sewers (miles)	69.7	69.7	80	80	80	80	80	80
Storm sewers (miles)	17	17	17	17	17	17	17	17
Treatment capacity (thousands of gallons)	6,400	6,400	6,400	6,400	6,400	6,400	3,000,000	3,000,000

NOTE: Data is presented only for years including and subsequent to issuance of GASB 44
NOTE: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.
SOURCE: Internal City Records

CITY OF GUYMON, OKLAHOMA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Eight Fiscal Years
December 31, 2012
TABLE 18B

Function/Program	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year December 2011	Fiscal Year 2012
General Government:								
City clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City treasurer	1.25	1.25	1.25	1.25	1.25	1.75	1.75	1.75
General government	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.50
Total General Government	**4.25**	**4.25**	**4.25**	**4.25**	**4.25**	**4.75**	**4.75**	**6.25**
Public Safety and Judiciary:								
City attorney	-	-	-	-	-	-		-
Ambulance	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Police	29.00	22.00	24.00	30.00	28.00	27.00	26.00	24.00
Municipal court	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Fire	13.50	13.50	14.50	14.50	15.50	15.50	15.50	15.50
Emergency management	1.00	1.00	1.00	-	-			
Civil defense	1.00	-	-	-	-			
Total Public Safety and Judiciary	**48.00**	**40.00**	**43.00**	**48.00**	**47.00**	**46.00**	**45.00**	**43.00**
Transportation:								
Airport	-	-	-	-	-	-		-
Streets	8.50	8.50	8.50	8.00	8.00	8.25	7.25	8.25
Public transportation	9.50	8.50	10.50	12.00	12.00	10.75	9.75	7.75
Total Transportation	**18.00**	**17.00**	**19.00**	**20.00**	**20.00**	**19.00**	**17.00**	**16.00**
Cultural, Parks and Recreation:								
Golf	-	5.00	6.00	6.00	6.00	6.00	6.00	6.00
Library	5.50	5.00	5.00	5.00	5.00	3.00	4.00	4.00
Cemetery	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Swimming pool	-	-	-	-	-	-		-
Parks	5.50	4.00	6.00	6.00	5.00	5.00	4.00	3.00
Tourism	-	-	-	-	-	-		-
Total Cultural, Parks and Recreation	**13.50**	**16.00**	**19.00**	**19.00**	**18.00**	**16.00**	**16.00**	**15.00**
Community/Economic Development:								
Community development	3.00	2.50	1.00	1.50	1.50	2.33	2.33	2.33
Economic development	-	-	-	-	-	-		-
Arts Council CR Grant	0.50	0.50	1.00	0.50	-	-		-
PREDCI	-	-	-	-	-	0.67	1.67	1.67
Business Incubator	-	-	-	-	-	0.67	0.67	0.67
Business Enterprise Center	-	-	-	-	-	0.33	0.33	0.33
Total Community/Economic Development	**3.50**	**3.00**	**2.00**	**2.00**	**1.50**	**4.00**	**5.00**	**5.00**
Administration	10.00	9.00	7.00	8.00	8.00	9.00	13.00	8.50
Gas	8.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00
Garbage	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water	4.00	4.00	4.00	4.00	5.00	5.00	5.00	4.00
Sewer	4.00	4.00	4.00	4.00	6.00	4.00	4.00	4.00
Wastewater Treatment Plant	-	-	-	-	-	3.00	3.00	5.00
Sanitation	11.00	12.00	12.00	12.00	11.00	11.00	11.00	11.00
Farm Administration	-	-	-	-	-			
Total	**125.25**	**117.25**	**122.25**	**129.25**	**127.75**	**129.75**	**131.75**	**125.75**

NOTE: Data is presented only for years including and subsequent to issuance of GASB 44
NOTE: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.
SOURCE: Internal City Records

CITY OF GUYMON, OKLAHOMA
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Eight Fiscal Years
December 31, 2012
TABLE 18C

	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year December 2011	Fiscal Year 2012
Police								
Physical arrests	3,384	2,559	443	356	100	250	236	492
Parking violations	149	30	16	13	63	16	49	166
Traffic violations	8,001	5,708	1,757	1,948	2,195	1,158	1,400	1,450
Fire								
Emergency responses	872	949	1,035	1,042	1,154	1,185	594	1,295
Fires extinguished	142	118	172	114	74	146	35	54
Sanitation								
Refuse collected (tons per day)	42	43	38	36	36	38	19	38
Library								
Volumes in collection	34,271	34,457	32,700	34,127	36,969	32,494	32,861	36,517
Total volumes borrowed	47,155	45,115	44,452	53,047	53,733	45,346	21,398	39,293
Street								
Street resurfacing (in miles)	-	-	1.5	0.37	6.75	6.25	7	0.2
Potholes repaired	100	200	200	200	400	600	800	1,157
Transportation								
Total route miles	109,938	114,908	134,029	133,799	134,690	127,083	55,163	115,192
Passengers	62,935	64,465	74,830	76,550	74,618	75,069	31,584	65,968
Water								
Average daily consumption (thousands of gallons)	5,600	4,540	5,281	4,717	4,717	4,963	5,007	5,462
Water main breaks	10	17	7	8	8	12	3	7
Wastewater								
Average daily treatment	4,000	4,000	4,000	4,000	4,000	3,400	1,200,000	1,200,000
Gas								
Service taps	4,160	4,929	4,176	4,188	4,201	3,748	3,731	3,736
Residential average daily consumption (thousand cubic feet)	620	779	652	582	699	603	340	540
Commercial average dailiy consumption (thousand cubic feet)	441	333	430	380	435	367	209	341
Industrial average dailiy consumption (thousand cubic feet)	22	11	85	128	140	157	143	175
Total annual consumption (thousand cubic feet)	395,178	409,637	425,411	397,668	464,901	412,062	127,348	385,669

NOTE: Data is presented only for years including and subsequent to issuance of GASB 44
SOURCE: Internal City Records

NOTE: The City changed their year end from June 30th to December 31st in 2011, therefore, the December 2011 column represents 6 months.

Internal Control and Compliance

FINLEY&COOK
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' 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, in accordance with the 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, 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 December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 27, 2013. Our report includes an explanatory paragraph disclaiming an opinion on required supplementary information and an explanatory paragraph to emphasize the adoption of GASB Statements No. 63 and No. 65 by the City, as well as an explanatory paragraph to note the correction of an error.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

(Continued)

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INDEPENDENT AUDITORS' 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the schedule of findings and questioned costs in a separate report dated June 27, 2013, as Items 12–1 and 12–2.

City's Response to Findings

The City's response to the findings identified in our audit are described in the schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Finley + Cook, PLLC

Shawnee, Oklahoma
June 27, 2013