

**The City of
Guymon, Oklahoma**



**Comprehensive
Annual Financial Report**

For the Fiscal Year Ended December 31, 2013

CITY OF GUYMON, OKLAHOMA

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Introductory Section

KIM PETERSON, Mayor
LARRY SWAGER, Vice Mayor
SERGIO ALVIDREZ, Council Member



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

June 30, 2014

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, 2013. 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.

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.

Seaboard Foods has invested over \$107 Million back into their operations, including additional finishing barns, feed mill improvements and a new feed mill, pork processing plant expansions, High Plains Bioenergy plant modifications and investments in compressed natural gas. These investments will help increase production and make the process more efficient.

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.

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.” These projects were completed in late 2013.

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. Though the project was expected to break ground in 2013 it has been pushed into the summer of 2014.

Housing continues to be an issue that hinders our growth. We have met with several different housing developers in the past year, due to the cost to bring in subcontractors and labor force to our remote area, developers have a difficult time making the project viable. In response the City Council established a Housing Authority through which housing incentives can be offered. MRE Capital was awarded tax credits and is moving forward with a project to renovate the historical Dale hotel and erect an additional building creating 48 units of living space in downtown Guymon. In addition, property in the Wing Addition was rezoned for multi-family dwellings to allow a 120 unit apartment complex to be built.

The City has contracted with Gray Planning Services for the development of a Comprehensive Plan to provide for guidance in future land use, for planning both infrastructure rehabilitation and growth, for implementation of beautification and for providing Quality of Life Amenities most desired by residents. The plan should be completed by fall 2014 and the 2015 Budget will reflect the beginning phases of its implementation.

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 year ended December 31, 2012. 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,

A handwritten signature in blue ink, appearing to read "Kimberly Meek". The signature is fluid and cursive, with the first name being more prominent.

Kimberly Meek
City Manager/Acting CFO



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

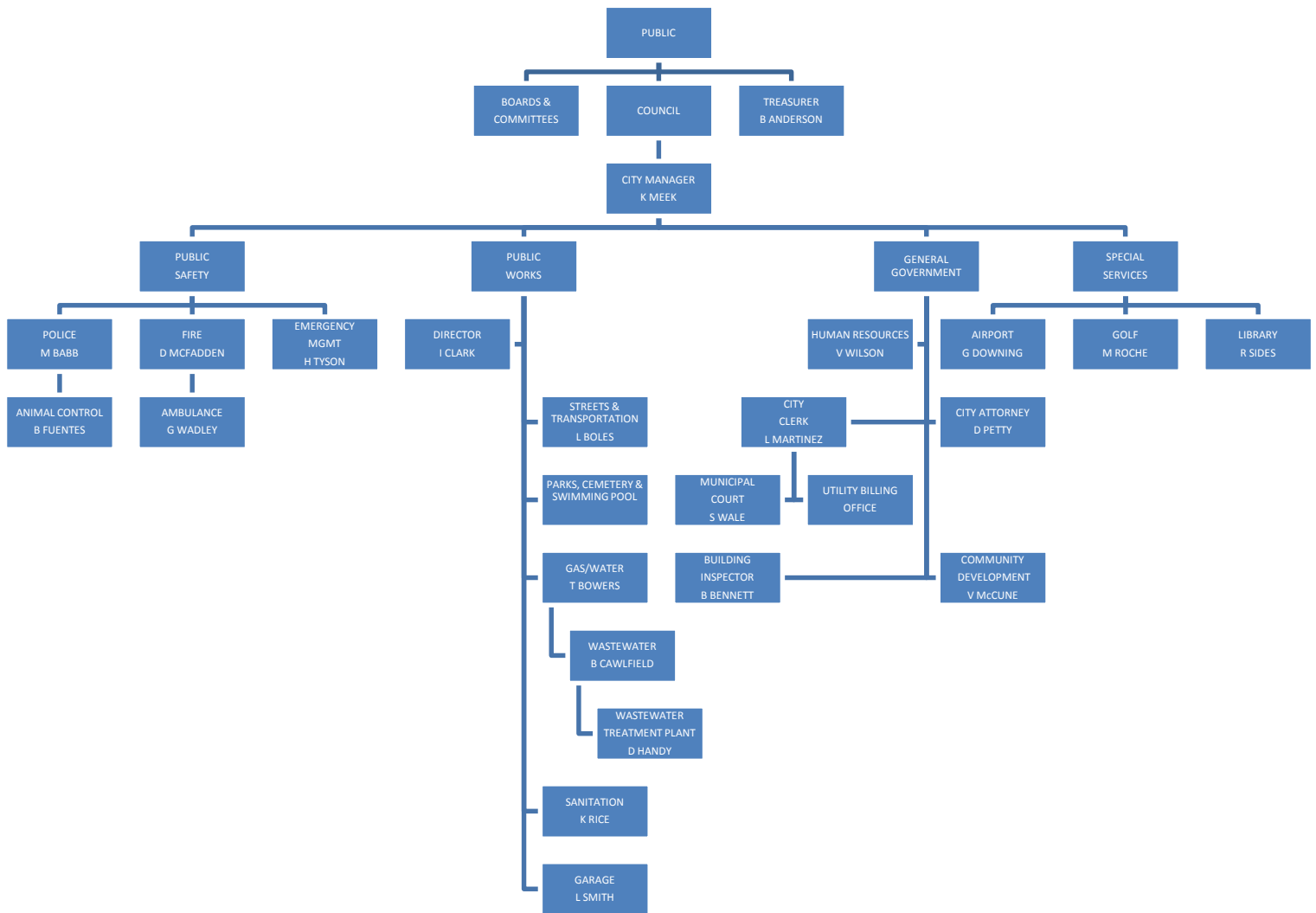
Presented to

**City of Guymon
Oklahoma**

For its Comprehensive Annual
Financial Report
for the Eighteen Months Ended

December 31, 2012

Executive Director/CEO



CITY OF GUYMON
LIST OF PRINCIPAL OFFICIALS

City Council

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

City Manager/Finance Director

Kimberly Meek

City Treasurer

Sally Hawkins

City Clerk

Lavoana Martinez



Financial Section



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, 2013, and the related notes to the 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 auditors' 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 auditors consider 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)

INDEPENDENT AUDITORS' REPORT, CONTINUED

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

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 5–11, page 55, and pages 56–58, respectively, 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.

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. The 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 schedules—general fund accounts, schedule of departmental operating revenues and expenses enterprise fund—operating accounts, and the schedule of revenues, expenditures and changes in fund balance—budget and actual—non-major governmental funds and major governmental capital project funds are the responsibility of management and were 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 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.

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014, 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.

A handwritten signature in black ink that reads "Finley + Cook, PLLC". The signature is written in a cursive, flowing style.

Shawnee, Oklahoma
June 30, 2014



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, 2013. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- ◆ Net position of the City is \$41.6 million.
- ◆ At the year ended December 31, 2013, the City's governmental funds reported a combined ending fund balance of \$5.1 million.
- ◆ At the year ended December 31, 2013, unassigned fund balance for the General Fund was \$3 million.
- ◆ Revenue note was refinanced that lowered debt service payments by \$0.5 million over the next 14 years.
- ◆ Three major building projects were completed and placed in service this year:
 - ◆ Library \$4.9 million
 - ◆ Fire Station \$5.3 million
 - ◆ Animal Shelter \$2.0 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 and business-type 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 \$41.6 million. Explanations of increases and decreases in excess of 20% and \$200,000 are as follows:

Table 1
Net Position
December 31, 2013
(In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2013	2012		2013	2012		2013	2012	
Current and other assets	\$ 6,716	\$ 11,300	-41%	\$ 6,413	\$ 5,827	10%	\$ 13,129	\$ 17,127	-23%
Capital assets	25,944	20,357	27%	33,793	34,491	-2%	59,737	54,848	9%
Total assets	<u>32,660</u>	<u>31,657</u>	3%	<u>40,206</u>	<u>40,318</u>	0%	<u>72,866</u>	<u>71,975</u>	1%
Long-term debt outstanding	9,371	8,557	10%	17,805	19,011	-6%	27,176	27,568	-1%
Other liabilities	1,318	3,117	-58%	2,770	2,474	12%	4,088	5,591	-27%
Total liabilities	<u>10,689</u>	<u>11,674</u>	-8%	<u>20,575</u>	<u>21,485</u>	-4%	<u>31,264</u>	<u>33,159</u>	-6%
Net position:									
Net investment in									
capital assets	15,989	13,603	18%	14,495	14,120	3%	30,484	27,723	10%
Restricted	2,812	2,497	13%	-	112	-100%	2,812	2,609	8%
Unrestricted	3,170	3,883	-18%	5,136	4,601	12%	8,306	8,484	-2%
Total net position	<u>\$ 21,971</u>	<u>\$ 19,983</u>	10%	<u>\$ 19,631</u>	<u>\$ 18,833</u>	4%	<u>\$ 41,602</u>	<u>\$ 38,816</u>	7%

Governmental Activities:

Current and other assets – 41% decrease of approximately \$4.6 million resulted mainly from: (1) the payment of construction costs of approximately \$2.5 million from the 2010 and 2012 sales tax note proceeds, (2) decrease in General CIF cash for capital outlay of approximately \$0.8 million, and (3) decrease in receivables from other governments of \$1 million related to USDA loan proceeds due on library building project.

Capital assets – 27% increase of approximately \$5.5 million related primarily to completion of 3 building projects with use of note proceeds, restricted sales taxes, grants and donations.

Other liabilities – 58% decrease of \$1.8 million related to payment of accounts payable of \$1.4 million and retainage payable of \$0.5 million on building projects.

Changes in Net Position:

Overall, the City's "Net Position" increased by \$2.8 million. Explanations for this increase are given for individual items in excess of 20% change and in excess of \$200,000 change as follows:

Table 2
Changes in Net Position
For the Year Ended December 31, 2013
(In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government	
	2013	2012		2013	2012		2013	2012
Revenues:								
Program revenues:								
Charges for services	\$ 1,119	\$ 1,103	1%	\$ 10,916	\$ 10,683	2%	\$ 12,035	\$ 11,786
Operating grants	741	676	10%	-	-	-	741	676
Capital grants	2,472	960	158%	48	-	100%	2,520	960
General revenues:								
Sales and use taxes	7,256	6,916	5%	-	-	-	7,256	6,916
Other taxes	1,491	1,395	7%	-	-	-	1,491	1,395
Other general revenue	317	349	-9%	13	20	-35%	330	369
Total revenues	<u>13,396</u>	<u>11,399</u>	18%	<u>10,977</u>	<u>10,703</u>	3%	<u>24,373</u>	<u>22,102</u>
Program expenses:								
General government	1,066	951	12%	-	-	-	1,066	951
Public safety and judiciary	5,124	4,671	10%	-	-	-	5,124	4,671
Transportation	2,090	2,098	0%	-	-	-	2,090	2,098
Cultural, parks and recreation	2,149	1,859	16%	-	-	-	2,149	1,859
Community/economic development	1,183	851	39%	-	-	-	1,183	851
Interest	321	241	33%	-	-	-	321	241
Gas	-	-	-	3,453	3,068	13%	3,453	3,068
Garage	-	-	-	68	77	-12%	68	77
Water	-	-	-	1,791	1,786	0%	1,791	1,786
Sewer	-	-	-	2,981	2,884	3%	2,981	2,884
Sanitation	-	-	-	1,361	1,304	4%	1,361	1,304
Total expenses	<u>11,933</u>	<u>10,671</u>	12%	<u>9,654</u>	<u>9,119</u>	6%	<u>21,587</u>	<u>19,790</u>
Excess (deficiency) before transfers	1,463	728	101%	1,323	1,584	-16%	2,786	2,312
Transfers	<u>525</u>	<u>1,653</u>	-68%	<u>(525)</u>	<u>(1,653)</u>	-68%	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>1,988</u>	<u>2,381</u>	-17%	<u>798</u>	<u>(69)</u>	-1257%	<u>2,786</u>	<u>2,312</u>
Beginning net position	<u>19,983</u>	<u>17,602</u>	14%	<u>18,833</u>	<u>18,902</u>	0%	<u>38,816</u>	<u>36,504</u>
Ending net position	<u><u>21,971</u></u>	<u><u>19,983</u></u>	10%	<u><u>19,631</u></u>	<u><u>18,833</u></u>	4%	<u><u>41,602</u></u>	<u><u>38,816</u></u>

Governmental Activities

Capital grants – 158% increase of approximately \$1.5 million related to receipt of \$1 million CDBG grant used for industrial road construction and \$0.65 million USDA grant for the library building.

Community/Economic Development – 39% increase of approximately \$0.33 million due mainly to additional payments on TIF loan funded with TIF taxes.

Transfers – 68% decrease of approximately \$1.1 million mainly due to the net effect of decreased operating transfers from GUA to General Fund of \$1.4 million and increased transfers of capital assets from governmental activities to business-type activities of \$0.5 million.

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 million.

Table 3
Governmental Activities
For the Year Ended December 31, 2013
(In Thousands)

	Total Cost of Services		%	Net Revenue (Expense) of Services		%
	2013	2012		2013	2012	
Police Dept.	\$ 2,348	\$ 2,233	5%	\$ (1,796)	\$ (1,589)	13%
Economic Development	732	410	79%	(692)	(380)	82%
Fire Dept.	2,086	1,746	19%	(1,636)	(1,452)	13%
Street Dept.	1,147	1,143	0%	57	(746)	-108%
Golf Dept.	645	762	-15%	(243)	(397)	-39%
General Government Dept.	572	521	10%	(536)	(483)	11%
Community Development	388	358	8%	(366)	(321)	14%
All others	4,015	3,497	15%	(2,389)	(2,563)	-7%
Totals	<u>\$ 11,933</u>	<u>\$ 10,670</u>	12%	<u>\$ (7,601)</u>	<u>\$ (7,931)</u>	-4%

Explanations for significant changes in Table 3 are noted after Table 2.

Business-type Activities

Overall, total cost of services for the city's business-type activities increased just slightly from last year by 6% which approximated \$535,000. And there were no significant changes for Total Cost of Services or Net Revenue (Expense) of Services that exceeded 20% and \$200,000 as Table 4 shows.

Table 4
Business-Type Activities
For the Year Ended December 31, 2013
(In Thousands)

	Total Cost of Services		%	Net Revenue (Expense) of Services		%
	2013	2012		2013	2012	
Gas	\$ 3,453	\$ 3,068	13%	\$ 1,408	\$ 1,329	6%
Garage	68	77	-12%	(68)	(77)	-12%
Water	1,791	1,786	0%	1,373	1,491	-8%
Sewer	2,981	2,884	3%	(1,653)	(1,577)	5%
Sanitation	1,361	1,304	4%	173	234	-26%
Farm	-	-	-	76	164	-54%
Totals	<u>\$ 9,654</u>	<u>\$ 9,119</u>	6%	<u>\$ 1,309</u>	<u>\$ 1,564</u>	-16%

THE CITY'S FUNDS

The City's total governmental fund balance decreased by \$2.7 million. Individual funds with major changes include the General Fund which decreased by about \$0.5 million mainly due to a decrease in operating transfers from the GUA of \$1.4 million. Also, the General Sales Tax CIF Fund decreased its fund balance by \$2.5 million mainly as a result of spending capital outlay to complete the library, fire station, and animal control building projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the year ended December 31, 2013, the General Fund reported actual budgetary basis revenues over final estimates by \$0.2 million for a 2.7% positive variance. This variance is primarily due to a 9% positive variance in taxes related to use taxes received in excess of the budget by \$0.3 million. To offset that positive variance, there was a negative variance of 16% in intergovernmental revenues related to an OAC grant that was not received but budgeted of about \$0.2 million. General Fund total expenditures were under final estimates by \$0.9 million for a 9% positive variance. Departments reporting the greatest positive variances were: Police - \$0.3 million (personal services-health insurance, equipment maintenance, and capital outlay); Parks - \$0.1 million (personal services-wages and health insurance); Golf - \$0.1 million (personal services-wages and retirement); and Transportation Operations - \$0.1 million (personal services-wages and health insurance, fuel/oil).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2013, the City had \$97.5 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, 2013
(In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 290	\$ 290	\$ 2,245	\$ 2,245	\$ 2,535	\$ 2,535
Buildings	15,382	2,192	980	976	16,362	3,168
Improvements	12,001	10,523	1,961	509	13,962	11,032
Equipment	8,021	7,193	3,680	3,137	11,701	10,330
Infrastructure	5,054	5,054	-	-	5,054	5,054
Utility Property	-	-	46,254	46,231	46,254	46,231
Construction in Progress	1,673	9,884	32	1,243	1,705	11,127
Totals	<u>\$ 42,421</u>	<u>\$ 35,136</u>	<u>\$ 55,152</u>	<u>\$ 54,341</u>	<u>\$ 97,573</u>	<u>\$ 89,477</u>

This period's major additions included:

Fire Station	\$5,332,000
Animal Shelter	1,969,000
Library	4,938,000
Airport Taxiline Project	1,004,000

Debt

At the year ended December 31, 2013, the City had \$29.3 million in outstanding notes and capital leases. Other long-term obligations of the City include accrued compensated absences and customer deposit liability. The City refunded \$3.4 million of revenues notes at 3.65% interest rate with new \$3.4 million of revenue notes at 1.49% interest rate. This resulted in a decrease in debt service payments over the next 14 years of \$0.5 million. The City also issued an additional \$1 million of debt to purchase an administration building. Further detailed information can be found in Note 3.E.

Table 6
Long-term Debt
December 31, 2013
(In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenue notes (backed by fee and tax revenues)	\$ 9,480	\$ 8,790	\$ 19,064	\$ 20,328	\$ 28,544	\$ 29,118
Capital lease obligations (backed by City and GUA)	475	278	235	43	710	321
Totals	<u>\$ 9,955</u>	<u>\$ 9,068</u>	<u>\$ 19,299</u>	<u>\$ 20,371</u>	<u>\$ 29,254</u>	<u>\$ 29,439</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The General Fund 2014 budget reflects a use of \$59 thousand of fund balance. Estimated revenues decreased 4% from 2013 while estimated expenditures increased 7%. The difference is funded by use of fund balance. However, even with the use of fund balance, the ending fund balance amount is still 60% of estimated annual revenues.

The enterprise fund is budgeting for a decrease in revenues of 1% and an increase in expenditures of 7%. The GUA ending budgetary unrestricted net position is estimated to be 50% 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, 2013

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash, including time deposits	\$ 3,241,850	\$ 4,590,818	\$ 7,832,668
Restricted cash, including time deposits	890,582	72,534	963,116
Investments	76,837	-	76,837
Accounts receivable, net	515,601	1,652,056	2,167,657
Due from other governments	1,945,121	-	1,945,121
Total current assets	<u>6,669,991</u>	<u>6,315,408</u>	<u>12,985,399</u>
Noncurrent Assets:			
Restricted cash, including time deposits	46,104	96,463	142,567
Capital Assets:			
Nondepreciable	1,963,332	2,277,138	4,240,470
Depreciable, net	23,980,904	31,516,348	55,497,252
Total noncurrent assets	<u>25,990,340</u>	<u>33,889,949</u>	<u>59,880,289</u>
Total Assets	<u><u>32,660,331</u></u>	<u><u>40,205,357</u></u>	<u><u>72,865,688</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	313,456	985,235	1,298,691
Retainage payable	63,950	-	63,950
Accrued interest payable	52,199	117,802	170,001
Due to other governmental agencies	946	-	946
Refundable court bonds	20,928	-	20,928
Current portion of long-term:			
Capital lease obligation	128,421	38,272	166,693
Notes payable	710,412	1,621,072	2,331,484
Accrued compensated absences	28,232	7,677	35,909
Total current liabilities	<u>1,318,544</u>	<u>2,770,058</u>	<u>4,088,602</u>
Noncurrent liabilities:			
Customer deposits payable	-	96,463	96,463
Capital lease obligation	346,404	196,453	542,857
Notes payable, net	8,770,070	17,442,539	26,212,609
Accrued compensated absences	254,087	69,098	323,185
Total noncurrent liabilities	<u>9,370,561</u>	<u>17,804,553</u>	<u>27,175,114</u>
Total Liabilities	<u><u>10,689,105</u></u>	<u><u>20,574,611</u></u>	<u><u>31,263,716</u></u>
NET POSITION			
Net investment in capital assets	15,988,928	14,495,150	30,484,078
Restricted for:			
Capital projects/debt service	1,300,103	-	1,300,103
Public safety	356,969	-	356,969
Convention/tourism	285,997	-	285,997
Other	786,401	-	786,401
Permanent fund purposes:			
Permanent fund - nonexpendable	4,300	-	4,300
Permanent fund - expendable	78,310	-	78,310
Unrestricted	3,170,218	5,135,596	8,305,814
Total net position	<u><u>\$ 21,971,226</u></u>	<u><u>\$ 19,630,746</u></u>	<u><u>\$ 41,601,972</u></u>

See accompanying notes to the basic financial statements.

City of Guyton, Oklahoma
Statement of Activities
For the Year Ended December 31, 2013

Functions/Programs	Program Revenue					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Expense Allocation	Primary Government			Governmental Activities	Business-type Activities	Total
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Primary government								
Governmental Activities								
General government:								
City clerk	\$ 78,166	\$ -	\$ -	\$ -	\$ -	\$ (78,166)	\$ -	\$ (78,166)
City treasurer	66,034	-	-	-	-	(66,034)	-	(66,034)
Human resources	133,639	-	-	-	-	(133,639)	-	(133,639)
Information technology	215,916	-	-	-	-	(215,916)	-	(215,916)
General government	572,259	-	31,176	5,000	-	(536,083)	-	(536,083)
Total General Government	1,066,014	-	31,176	5,000	-	(1,029,838)	-	(1,029,838)
Public Safety and Judiciary:								
City attorney	66,420	-	-	-	-	(66,420)	-	(66,420)
Ambulance	455,417	-	161,898	6,000	-	(287,519)	-	(287,519)
Police	2,348,193	-	445,969	87,614	18,132	(1,796,478)	-	(1,796,478)
Municipal court	147,840	-	-	-	-	(147,840)	-	(147,840)
Fire	2,085,830	-	(3,055)	232,176	220,524	(1,636,185)	-	(1,636,185)
Civil emergency management	19,867	-	-	-	-	(19,867)	-	(19,867)
Total Public Safety and Judiciary	5,123,567	-	604,812	325,790	238,656	(3,954,309)	-	(3,954,309)
Transportation:								
Airport	350,677	-	6,700	-	484,779	140,802	-	140,802
Streets	1,146,741	-	-	109,021	1,095,195	57,475	-	57,475
Public Transportation	592,707	-	35,617	214,138	-	(342,952)	-	(342,952)
Total Transportation	2,090,125	-	42,317	323,159	1,579,974	(144,675)	-	(144,675)
Cultural, Parks, and Recreation:								
Golf	644,877	-	401,581	-	-	(243,296)	-	(243,296)
Library	707,137	-	6,038	20,511	653,924	(26,664)	-	(26,664)
Cemetery	144,887	-	17,294	-	-	(127,593)	-	(127,593)
Swimming pool	62,936	-	10,832	-	-	(52,104)	-	(52,104)
Parks	436,886	-	3,153	5,385	-	(428,348)	-	(428,348)
Tourism	152,605	-	-	-	-	(152,605)	-	(152,605)
Total Cultural, Parks, and Recreation	2,149,328	-	438,898	25,896	653,924	(1,030,610)	-	(1,030,610)
Community/Economic Development:								
Community development	388,454	-	1,462	21,063	-	(365,929)	-	(365,929)
Business incubator	62,410	-	-	-	-	(62,410)	-	(62,410)
Economic development	731,793	-	-	40,000	-	(691,793)	-	(691,793)
Total Community/Economic Development	1,182,657	-	1,462	61,063	-	(1,120,132)	-	(1,120,132)
Interest on Long-term Debt	321,362	-	-	-	-	(321,362)	-	(321,362)
Total governmental activities	11,933,053	-	1,118,665	740,908	2,472,554	(7,600,926)	-	(7,600,926)
Business-type activities:								
Gas	3,116,047	337,098	4,861,156	-	-	-	1,408,011	1,408,011
Garage	68,341	-	-	-	-	-	(68,341)	(68,341)
Water	1,574,843	216,124	3,116,643	-	47,809	-	1,373,485	1,373,485
Sewer	2,888,903	92,153	1,328,896	-	-	-	(1,652,160)	(1,652,160)
Sanitation	1,254,362	106,321	1,533,224	-	-	-	172,541	172,541
Farm	145	-	75,714	-	-	-	75,569	75,569
Administration	751,696	(751,696)	-	-	-	-	-	-
Total business-type activities	9,654,337	-	10,915,633	-	47,809	-	1,309,105	1,309,105
Total primary government	21,587,390	-	12,034,298	740,908	2,520,363	(7,600,926)	1,309,105	(6,291,821)
General revenues:								
Taxes:								
Sales and use taxes						7,255,970	-	7,255,970
Franchise and public service taxes						534,014	-	534,014
E-911 taxes, dedicated for emergency services						129,317	-	129,317
Hotel/Motel taxes, dedicated for tourism						197,882	-	197,882
Tax apportionment taxes, dedicated for economic development						623,954	-	623,954
Airport fuel tax						6,339	-	6,339
Intergovernmental, unrestricted						217,062	-	217,062
Unrestricted investment earnings						43,052	13,467	56,519
Miscellaneous						57,015	-	57,015
Transfers						524,560	(524,560)	-
Total general revenues and transfers						9,589,165	(511,093)	9,078,072
Change in net position						1,988,239	798,012	2,786,251
Net position - beginning						19,982,987	18,832,734	38,815,721
Net position - ending						\$ 21,971,226	\$ 19,630,746	\$ 41,601,972

See accompanying notes to the basic financial statements.

**City of Guymon, Oklahoma
Balance Sheet
Governmental Funds
December 31, 2013**

	<u>General Fund</u>	<u>General Sales Tax CIF</u>	<u>GUA Sales Tax CIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash, including time deposits	\$ 2,482,423	\$ 468,737	\$ 448,663	\$ 778,713	\$ 4,178,536
Investments	-	-	-	76,837	76,837
Receivable from other governments	1,083,208	207,244	207,244	447,425	1,945,121
Accounts receivable, net	465,250	-	-	50,351	515,601
Due from other funds	586,006	-	-	-	586,006
Total assets	<u>4,616,887</u>	<u>675,981</u>	<u>655,907</u>	<u>1,353,326</u>	<u>7,302,101</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	286,828	10,397	-	16,231	313,456
Due to other funds	286,764	-	-	299,242	586,006
Retainage payable	63,950	-	-	-	63,950
Due to other governments	946	-	-	-	946
Refundable court bonds	20,928	-	-	-	20,928
Total liabilities	<u>659,416</u>	<u>10,397</u>	<u>-</u>	<u>315,473</u>	<u>985,286</u>
Deferred inflows of resources:					
Deferred revenue	742,444	-	-	452,427	1,194,871
Fund balances:					
Nonspendable	-	-	-	4,300	4,300
Restricted	-	665,584	655,907	1,041,399	2,362,890
Assigned	233,346	-	-	-	233,346
Unassigned	2,981,681	-	-	(460,273)	2,521,408
Total fund balance	<u>3,215,027</u>	<u>665,584</u>	<u>655,907</u>	<u>585,426</u>	<u>5,121,944</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 4,616,887</u>	<u>\$ 675,981</u>	<u>\$ 655,907</u>	<u>\$ 1,353,326</u>	<u>\$ 7,302,101</u>

City of Guymon, Oklahoma
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net
Position
December 31, 2013

Total fund balance, governmental funds	\$	5,121,944
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 \$16,476,279		25,944,236
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		1,194,871
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		(474,825)
Notes payable		(9,480,482)
Accrued interest payable		(52,199)
Accrued compensated absences		(282,319)
Net Position of Governmental Activities	<u>\$</u>	<u>21,971,226</u>

See accompanying notes to the basic financial statements.

City of Guymon, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2013

	<u>General Fund</u>	<u>General Sales Tax CIF</u>	<u>GUA Sales Tax CIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 4,598,539	\$ 1,598,892	\$ 1,598,892	\$ 946,151	\$ 8,742,474
Intergovernmental	1,298,990	-	-	1,711,682	3,010,672
Charges for services	664,793	-	-	5,071	669,864
Fines and forfeitures	384,665	-	-	-	384,665
Licenses and permits	34,299	-	-	-	34,299
Investment earnings	19,105	2,764	664	20,757	43,290
Miscellaneous	137,898	16,096	-	22,423	176,417
Total revenues	<u>7,138,289</u>	<u>1,617,752</u>	<u>1,599,556</u>	<u>2,706,084</u>	<u>13,061,681</u>
EXPENDITURES					
Current:					
General Government:					
City clerk	75,868	-	-	-	75,868
City treasurer	65,124	-	-	-	65,124
Human resources	126,431	-	-	-	126,431
Information technology	201,006	-	-	-	201,006
General government	529,175	-	-	-	529,175
Total General Government	<u>997,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>997,604</u>
Public Safety and Judiciary:					
City attorney	66,420	-	-	-	66,420
Ambulance	377,882	-	-	-	377,882
Police	1,943,704	162,544	-	152,897	2,259,145
Municipal court	144,352	-	-	-	144,352
Fire	1,681,192	60,970	-	-	1,742,162
Civil emergency management	18,201	-	-	-	18,201
Total Public Safety and Judiciary	<u>4,231,751</u>	<u>223,514</u>	<u>-</u>	<u>152,897</u>	<u>4,608,162</u>
Transportation:					
Airport	62,550	-	-	-	62,550
Street	799,696	-	-	-	799,696
Public Transportation	512,786	-	-	-	512,786
Total Transportation	<u>1,375,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,375,032</u>
Cultural, Parks, and Recreation:					
Golf	541,163	-	-	-	541,163
Library	333,698	-	-	127,058	460,756
Cemetery	129,885	-	-	-	129,885
Swimming pool	55,792	-	-	-	55,792
Parks	374,864	2,092	-	-	376,956
Tourism	-	-	-	131,513	131,513
Total Cultural, Parks and Recreation	<u>1,435,402</u>	<u>2,092</u>	<u>-</u>	<u>258,571</u>	<u>1,696,065</u>
Community/Economic Development:					
Community development	315,464	-	-	35,188	350,652
Business incubator	60,077	-	-	-	60,077
Economic development	-	-	-	731,793	731,793
Total Community/Economic Development	<u>375,541</u>	<u>-</u>	<u>-</u>	<u>766,981</u>	<u>1,142,522</u>
Debt Service:					
Principal	159,487	848,645	-	-	1,008,132
Interest and other charges	-	208,740	-	-	208,740
Capital Outlay	1,341,857	3,816,585	-	2,145,720	7,304,162
Total Expenditures	<u>9,916,674</u>	<u>5,099,576</u>	<u>-</u>	<u>3,324,169</u>	<u>18,340,419</u>
Excess (deficiency) of revenues over expenditures	<u>(2,778,385)</u>	<u>(3,481,824)</u>	<u>1,599,556</u>	<u>(618,085)</u>	<u>(5,278,738)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt	386,710	950,000	-	757,040	2,093,750
Transfers in	2,731,889	-	100,000	30,736	2,862,625
Transfers out	(798,889)	-	(1,543,379)	-	(2,342,268)
Total other financing sources and uses	<u>2,319,710</u>	<u>950,000</u>	<u>(1,443,379)</u>	<u>787,776</u>	<u>2,614,107</u>
Net change in fund balance	(458,675)	(2,531,824)	156,177	169,691	(2,664,631)
Fund balances - beginning	3,673,702	3,197,408	499,730	415,735	7,786,575
Fund balances - ending	<u>\$ 3,215,027</u>	<u>\$ 665,584</u>	<u>\$ 655,907</u>	<u>\$ 585,426</u>	<u>\$ 5,121,944</u>

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, 2013

Net change in fund balance - total governmental funds: \$ (2,664,631)

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	7,372,179
Depreciation expense	(1,715,754)
Book value of disposed capital assets	(69,343)

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	(1,788,898)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in deferred revenue	(16,480)
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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	901,452
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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	(33,945)
Change in accrued interest payable	3,659

Change in net position of governmental activities	\$ 1,988,239
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See accompanying notes to the basic financial statements.

City of Guymon, Oklahoma
Statement of Net Position
Proprietary Fund
December 31, 2013

	Enterprise Fund
	Guymon Utility Authority
ASSETS	
Current assets:	
Cash, including time deposits	\$ 4,590,818
Restricted cash, including time deposits	72,534
Receivables	
Utility billing, net of allowance	1,650,431
Other receivables	1,625
Total current assets	6,315,408
Non-current assets:	
Restricted assets:	
Cash, including time deposits	96,463
Capital Assets:	
Non-depreciable	2,277,138
Depreciable, net	31,516,348
Total non-current assets	33,889,949
Total assets	\$ 40,205,357
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	985,235
Accrued interest payable	117,802
Notes payable	1,621,072
Capital lease payable	38,272
Accrued compensated absences	7,677
Total current liabilities	2,770,058
Non-current liabilities:	
Customer deposits payable	96,463
Notes payable, net	17,442,539
Capital lease payable	196,453
Accrued compensated absences	69,098
Total non-current liabilities	17,804,553
Total liabilities	20,574,611
NET POSITION	
Net investment in capital assets	14,495,150
Unrestricted	5,135,596
Total net position	\$ 19,630,746

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, 2013

	Enterprise Fund
	Guymon Utility
	Authority
OPERATING REVENUES	
Charges for services:	
Gas charges (net of \$25,395 bad debt)	\$ 4,794,024
Water charges (net of \$10,337 bad debt)	3,113,392
Sewer charges (net of \$7,052 bad debt)	1,328,896
Sanitation charges (net of \$5,552 bad debt)	1,526,827
Penalties	41,108
Agriculture revenue	75,714
Total charges for services	10,879,961
Miscellaneous	15,572
Total operating revenues	10,895,533
OPERATING EXPENSES	
Cost of goods sold	2,540,568
Personal services	2,059,482
Materials and supplies	379,249
Other services and charges	2,306,064
Depreciation	1,708,346
Total Operating Expenses	8,993,709
Operating income	1,901,824
NON-OPERATING REVENUES (EXPENSES)	
Investment income	13,467
Interest expense	(557,003)
Bond issuance costs	(103,625)
Gain on sale of capital assets	20,100
Total non-operating revenue (expenses)	(627,061)
Income before transfers and contributions	1,274,763
TRANSFERS AND CONTRIBUTIONS:	
Contributed capital	47,809
Interfund transfers in	2,342,268
Interfund transfers out	(2,866,828)
Net Transfers and Contributions	(476,751)
Change in net position	798,012
Total net position - beginning	18,832,734
Total net position - ending	\$ 19,630,746

See accompanying notes to the basic financial statements.

City of Guymon, Oklahoma
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2013

	Enterprise Fund
	Guymon Utilities
	Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 10,810,515
Payments to suppliers	(4,979,659)
Payments to employees	(2,058,874)
Receipts of customer meter deposits	33,032
Refunds of customer meter deposits	(31,787)
Net cash provided by operating activities	3,773,227
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	2,342,268
Transfers to other funds	(2,866,828)
Net cash provided by (used in) noncapital financing activities	(524,560)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(1,010,431)
Proceeds from long-term debt	3,689,077
Proceeds from sale of capital assets	20,100
Debt issue costs paid	(103,625)
Principal paid on debt	(4,761,712)
Contributed capital revenue	47,809
Interest and fiscal agent fees paid on debt	(642,922)
Net cash provided by (used in) capital and related financing activities	(2,761,704)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	13,467
Net cash provided by investing activities	13,467
Net increase in cash and cash equivalents	500,430
Balances - beginning of year	4,259,385
Balances - end of year	\$ 4,759,815
Reconciliation to Statement of Net Position:	
Cash and cash equivalents	4,590,818
Restricted cash and cash equivalents - current	72,534
Restricted cash and cash equivalents - noncurrent	96,463
Total cash and cash equivalents, end of year	\$ 4,759,815
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,901,824
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	1,708,346
Accounts receivable	(83,393)
Accounts payable	246,222
Deposits subject to refund	1,245
Accrued compensated absences	608
Net cash provided by operating activities	\$ 3,773,227

See accompanying notes to the basic financial statements

CITY OF GUYMON, OKLAHOMA

NOTES TO BASIC FINANCIAL STATEMENTS

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**CITY OF GUYMON, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2013**

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:

<u>Component Unit</u>	<u>Brief Description/Inclusion Criteria</u>	<u>Reporting</u>
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

**CITY OF GUYMON, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2013**

<u>Component Unit</u>	<u>Brief Description/Inclusion Criteria</u>	<u>Reporting</u>
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 sub-account of the General 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 two major categories: governmental and proprietary. 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 and deferred outflows, liabilities and deferred inflows, 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.

**CITY OF GUYMON, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2013**

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:

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

**CITY OF GUYMON, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2013**

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.
Library CIF	A capital projects fund that accounts for the construction of the new library.
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, liabilities, deferred outflows and inflows 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.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, liabilities, deferred outflows and inflows (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, DEFERRED INFLOWS 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 and Deferred Inflows

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

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

- 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’s highest level of decision-making authority is made by resolution. The City and GIA currently have 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. The City Council has retained the authority for assigning fund balance. 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".

**CITY OF GUYMON, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2013**

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 judgments. 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.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, \$755,000 of Series 2012 Sales Tax Revenue Note, and \$3,445,000 of Series 2013 Sales Tax and Utility System 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, 2018, and 2018 respectively. The total principal and interest payable for the remainder of the life of these notes is \$29,614,754. If the net utility revenues are sufficient to service the debt on the 2007 and 2013 Series Notes, these pledged sales taxes are transferred back to the General Fund. Total pledged sales taxes received in the year were \$3,195,556. Pledged sales taxes of \$798,889 were transferred back to the General Fund for the current fiscal year. Debt service payments (excluding refunding of \$3,440,939) for the year of \$2,287,949 were 71.6% of the pledged sales taxes.

Utility Net Revenues Pledge - The City has also pledged future water, sewer, and gas net revenues to repay \$28,743,680 of 1993A, 2004, 2008A, 2008B, 2009A and 2009B Series Oklahoma Water Resources Board Notes Payable and the 2013 Utility System and Sales Tax Revenue Note. Proceeds from the bonds and notes provided financing for utility system capital assets. The bonds are payable through 2013, 2027, 2030, and 2018 respectively. The total principal and interest payable for the remainder of the life of these notes is \$22,366,597. 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, and 2013 Series Notes. The debt service payments (excluding refunding of \$3,440,939) on the notes for the year were \$1,731,399 which was 52.6% of pledged net utility revenues of \$3,294,404.

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:

**CITY OF GUYMON, OKLAHOMA
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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:

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

**CITY OF GUYMON, OKLAHOMA
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Sales Tax CIF
 GUA Sales Tax CIF

State Law
 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 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 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, 2013, the City and its public trusts complied, in all material respects, with these investment restrictions.

2.C. REVENUE RESTRICTIONS

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

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

**CITY OF GUYMON, OKLAHOMA
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Hotel/Motel Tax
 Tax Increment Revenue
 Airport Operations Revenue
 CDBG

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

For the year ended December 31, 2013, 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, 2013, 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, 2013, 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, 2013.

<u>Requirement</u>	<u>Level of Compliance</u>
a. Note Payable Coverage:	
1. Net water, sewer and gas operating revenues (excluding depreciation and amortization) plus pledged sales taxes of the Authority must equal 1.25 times the maximum annual debt service on all OWRB notes.	For the year ended December 31, 2013, net operating revenues and pledged sales taxes are \$6,489,960 and the maximum annual debt service is \$1,320,847. Actual coverage is 4.91 times.

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, 2013, the City reported a fund balance deficits in the following funds:

Grant Fund	\$296,856
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**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013 are as follows:

Type	Credit Rating	Fair Value
Deposits:		
Demand deposits		7,164,076
Time deposits		1,534,548
Total deposits		\$ 8,698,624
Investments:		
Invesco Tst Prem-Inst Fd #1947	AAAm	239,727
Mutual Funds - equity		76,837
Total deposits and investments		\$ 9,015,188
 Reconciliation to Statement of Net Position:		
Cash, including time deposits		\$ 7,832,668
Restricted cash, including time deposits, current		963,116
Investment, current		76,837
Restricted cash, including time deposits, noncurrent		142,567
		\$ 9,015,188

Custodial Credit Risk – Deposits - Deposits in financial institutions, reported as components of cash, cash equivalents, and investments, had a bank balance of \$8,290,370 at December 31, 2013. The entire balance is fully insured by depository insurance or secured with collateral held by the City’s agent in its name at December 31, 2013.

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.

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

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013

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, 2013 are as follows:

<u>Type of Restricted Assets</u>	<u>Cash including time deposits</u>
Meter Deposits	96,463
Note Payable Trustee Accounts:	
2007 Debt Service Principal Fund	62,502
2007 Debt Service Interest Fund	10,032
2008 Series Principal Fund	402,609
2009A Series Principal Fund	18,792
2009B Series Principal Fund	19,101
2010 Sales Tax Principal Fund	51,677
2010 Sales Tax Interest Fund	33,200
2012 Sales Tax Construction Fund	5
2012 Sales Tax Principal Fund	62,503
2012 Sales Tax Interest Fund	19,808
2013 Series Principal Fund	282,887
USDA Debt Service Reserve	46,104
Total	<u>\$ 1,105,683</u>
Reconciliation to Statement of Net Position:	
Current cash, including time deposits	963,116
Noncurrent cash, including time deposits	142,567
	<u>\$ 1,105,683</u>

3.C. ACCOUNTS RECEIVABLE

Accounts receivable of the business-type activities consist of utilities receivable. Accounts receivable of the governmental activities consist of the following at December 31, 2013:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts Receivable:			
Police Fines	240,557	\$ -	\$ 240,557
Ambulance	135,545	-	135,545
E-911 Tax	27,426	-	27,426
Franchise Tax	164,174	-	164,174
Hotel/Motel Tax	20,389	-	20,389
Utilities	-	2,513,331	2,513,331
Miscellaneous	6,126	1,010	7,136
Allowance for doubtful accounts	<u>(78,616)</u>	<u>(862,285)</u>	<u>(940,901)</u>
Net accounts receivable	<u>\$ 515,601</u>	<u>\$ 1,652,056</u>	<u>\$ 2,167,657</u>

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013

3.D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Balance at January 01, 2013	Additions	Disposals	Balance at December 31, 2013
Governmental activities:				
Non-depreciable:				
Land	\$ 290,132	\$ -	\$ -	\$ 290,132
Construction-in-progress	9,884,428	5,465,164	(13,676,392)	1,673,200
Total non-depreciable assets at historical cost	<u>10,174,560</u>	<u>5,465,164</u>	<u>(13,676,392)</u>	<u>1,963,332</u>
Depreciable:				
Buildings	2,192,443	13,189,315	-	15,381,758
Improvements	10,523,096	1,477,544	-	12,000,640
Machinery and equipment	7,192,486	916,548	(88,128)	8,020,906
Infrastructure	5,053,879	-	-	5,053,879
Total depreciable assets at historical cost	<u>24,961,904</u>	<u>15,583,407</u>	<u>(88,128)</u>	<u>40,457,183</u>
Less accumulated depreciation				
Buildings	(1,264,129)	(208,464)	-	(1,472,593)
Improvements	(5,406,656)	(499,691)	-	(5,906,347)
Machinery and equipment	(4,137,441)	(873,019)	18,785	(4,991,675)
Infrastructure	(3,971,084)	(134,580)	-	(4,105,664)
Total accumulated depreciation	<u>(14,779,310)</u>	<u>(1,715,754)</u>	<u>18,785</u>	<u>(16,476,279)</u>
Net depreciable assets	<u>10,182,594</u>	<u>13,867,653</u>	<u>(69,343)</u>	<u>23,980,904</u>
Governmental activities capital assets, net	<u>20,357,154</u>	<u>19,332,817</u>	<u>(13,745,735)</u>	<u>25,944,236</u>
Business-type activities				
Non-depreciable:				
Land	2,244,799	-	-	2,244,799
Construction-in-progress	1,243,041	240,997	(1,451,699)	32,339
Total non-depreciable assets at historical cost	<u>3,487,840</u>	<u>240,997</u>	<u>(1,451,699)</u>	<u>2,277,138</u>
Depreciable:				
Buildings	975,805	4,330	-	980,135
Improvements	509,034	1,451,699	-	1,960,733
Machinery and equipment	3,136,954	742,156	(199,100)	3,680,010
Utility property	46,231,026	22,948	-	46,253,974
Totals depreciable assets at historical cost	<u>50,852,819</u>	<u>2,221,133</u>	<u>(199,100)</u>	<u>52,874,852</u>
Less accumulated depreciation				
Buildings	(452,101)	(25,475)	-	(477,576)
Improvements	(86,014)	(15,226)	-	(101,240)
Machinery and equipment	(2,207,104)	(277,897)	199,100	(2,285,901)
Utility property	(17,104,039)	(1,389,748)	-	(18,493,787)
Total accumulated depreciation	<u>(19,849,258)</u>	<u>(1,708,346)</u>	<u>199,100</u>	<u>(21,358,504)</u>
Net depreciable assets	<u>31,003,561</u>	<u>512,787</u>	<u>-</u>	<u>31,516,348</u>
Business-type capital assets, net	<u>\$ 34,491,401</u>	<u>\$ 753,784</u>	<u>\$ (1,451,699)</u>	<u>\$ 33,793,486</u>

CITY OF GUYMON, OKLAHOMA
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Depreciation expense was charged to governmental activities as follows:

General Government:	
City clerk	225
Treasurer	297
General Government	39,985
Human Resources	4,506
Information Technology	14,056
Total General Government	<u>59,069</u>
Public safety and judiciary:	
Ambulance	101,611
911	51,525
Police	177,483
Municipal court	1,441
Fire	341,722
Civil emergency management	1,666
Total Public safety and judiciary	<u>675,448</u>
Transportation:	
Airport	288,127
Public transportation	80,426
Streets	345,560
Total Transportation	<u>714,113</u>
Cultural, parks and recreation:	
Golf	87,718
Library	60,248
Cemetery	14,948
Swimming pool	7,382
Parks	60,637
Tourism	21,092
Total cultural, parks and recreation	<u>252,025</u>
Community/economic development:	
Business incubator	2,333
Community development	12,766
Total Community/economic development	<u>15,099</u>
Total depreciation expense	<u><u>\$ 1,715,754</u></u>

Depreciation was charged to business-type activities as follows:

Water	\$ 427,011
Wastewater	1,001,246
Sanitation	113,589
Farm	145
Gas	96,875
Garage	1,225
Administration	68,255
Total Depreciation Expense	<u><u>\$ 1,708,346</u></u>

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013, 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%	\$	94,344
79,002 capital lease for fire bunker gear dated January 2013; Payable in monthly installments of 1,164, final payment due January 2019. Stated interest rate of 1.97%		66,472
158,008 capital lease for an ambulance dated January 2013; Payable in monthly installments of 2,329, final payment due January 2019. Stated interest rate of 1.97%		132,951
149,700 capital lease for golf carts dated October 2013; Payable in monthly installments of 2,270, final payment due October 2019. Stated interest rate of 2.95%		143,881
404,235 capital lease for a fire truck and ambulance dated April 2008; Payable in monthly installments of 6,260, final payment due June 2014. Stated interest rate of 3.39%		37,177
Total Capital Leases Payable	\$	<u>474,825</u>
	Current portion	\$ 128,421
	Noncurrent portion	346,404
Total Capital Leases Payable	\$	<u>474,825</u>

Notes Payable:

Series 2010 Sales Tax Revenue Note original issue amount of 5,535,000, dated December 21, 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.	\$	4,675,000
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.		595,000
Promissory Note original issue amount of 950,000, dated December 27, 2012 issued by Guymon Utilities Authority payable to City National Bank & Trust, interest rate of 1.927% with final maturity dated December 1, 2022; proceeds used to purchase a building.		854,365
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.	\$	3,356,117
Total Notes Payable	\$	<u>9,480,482</u>
	Current portion	710,412
	Noncurrent portion	8,770,070
Total Capital Leases Payable	\$	<u>9,480,482</u>

CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
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Accrued Compensated Absences:

	Current portion	\$	28,232
	Noncurrent portion		254,087
Total Accrued Compensated Absences		\$	<u>282,319</u>

Business-Type Activities:

As of December 31, 2013, the long-term debt payable from proprietary fund resources consisted of the following:

Notes Payable:

Series 2013 Utility System and Sales Tax Revenue Note Payable original issue amount of 3,445,000, dated July 24, 2013, issued by Guymon Utilities Authority payable to City National Bank, secured by gross revenues and 1% sales tax, interest rate of 1.49% with final maturity dated August 1, 2018; proceeds used to refund prior notes whose purposes were for wastewater improvements.

\$ 3,445,000

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.

565,000

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; proceeds used to construct wastewater improvements.

13,587,211

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.

716,063

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; proceeds used to construct wastewater system improvements.

750,337

Total Notes Payable \$ 19,063,611

	Current portion	\$	1,621,072
	Noncurrent portion		17,442,539
Total Notes Payable		\$	<u>19,063,611</u>

Capital Lease Obligations:

\$90,000 capital lease for a backhoe, dated September 2013; Payable in monthly installments of \$1,336, final payment due October 2019. Stated interest rate of 2.22%

\$ 86,509

\$154,077 capital lease for a backhoe, dated September 2013; Payable in monthly installments of \$2,329, final payment due October 2019. Stated interest rate of 2.81%

148,216

Total Capital Leases Payable \$ 234,725

	Current portion	\$	38,272
	Noncurrent portion		196,453
Total Capital Leases Payable		\$	<u>234,725</u>

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Accrued Compensated Absences:

	Current portion	\$	7,677
	Noncurrent portion		69,098
	Total Accrued Compensated Absences	\$	<u>76,775</u>

Non-Commitment Debt:

<u>Original Debt</u>	<u>Project</u>	<u>Remaining Principal</u>
Guymon Industrial Authority:		
\$4,500,000	(1) Seaboard Farms of Oklahoma, Inc Tax Apportionment Bonds dated December 1, 1993	\$10,407,400
\$300,000	(2) Oklahoma Department of Commerce Promissory Note dated July 2004	<u>165,000</u>
	Total GIA Non-Commitment Debt	<u>\$10,572,400</u>
Guymon Utilities Authority:		
\$3,300,000	(3) Seaboard Farms of Oklahoma, Inc. Adjustable Rate 7-day Demand Revenue Bonds dated February 21, 1995	<u>\$0</u>

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

The Tax Apportionment Bonds were issued to partially fund the construction of a pork processing plant. The bonds were purchased by a subsidiary of Seaboard Corporation and are secured by incremental ad valorem taxes on the processing plant property. The only commitment the Guymon Industrial Authority has is remittance to a trustee bank of these incremental taxes received from the county. 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 \$5,907,400. 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 becomes 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. These bonds were paid off in May 2013.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2013:

Type of Debt	Balance			Balance		
	January 01, 2013	Additions	Deductions	December 31, 2013	Amounts Due Within One Year	
Governmental Activities:						
Notes Payable	\$ 8,790,209	\$ 1,402,188	\$ (711,915)	\$ 9,480,482	\$	710,412
Capital Lease Obligations	277,653	386,710	(189,538)	474,825		128,421
Accrued Compensated Absences	248,374	282,319	(248,374)	282,319		28,232
Total General Long-Term Debt	<u>\$ 9,316,236</u>	<u>\$ 2,071,217</u>	<u>\$ (1,149,827)</u>	<u>\$ 10,237,626</u>	<u>\$</u>	<u>867,065</u>
Business-Type Activities:						
Notes Payable	\$ 20,328,296	\$ 3,445,000	\$ (4,709,685)	\$ 19,063,611	\$	1,621,072
Capital Lease Obligations	42,674	244,077	(52,026)	234,725		38,272
Accrued Compensated Absences	76,168	76,776	(76,169)	76,775		7,677
Total Enterprise Fund Debt	<u>\$ 20,447,138</u>	<u>\$ 3,765,853</u>	<u>\$ (4,837,880)</u>	<u>\$ 19,375,111</u>	<u>\$</u>	<u>1,667,021</u>

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	\$ 915,350
Machinery & Equipment	Business-Type Activities	244,077	(21,204)	222,873
Total		<u>\$ 1,159,427</u>	<u>\$ (426,927)</u>	<u>\$ 732,500</u>

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2013 are as follows:

Year Ended June 30,	Governmental Activities				Business-Type Activities			
	Capital Lease Obligations		Notes Payable		Notes Payable		Capital Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	128,421	10,306	710,412	331,515	1,631,072	536,527	38,272	5,710
2015	93,527	7,641	733,879	307,871	1,728,109	492,673	39,275	4,707
2016	95,853	5,317	757,611	283,285	1,774,840	449,003	40,293	3,689
2017	68,647	3,176	781,617	257,851	1,739,737	401,672	41,361	2,621
2018	67,558	1,591	810,904	231,603	1,694,418	359,549	42,445	1,537
2019-2023	20,819	309	3,697,585	753,792	5,325,279	1,278,956	33,079	431
2024-2028	-	-	1,988,474	119,574	5,004,749	392,265	-	-
2029-2033	-	-	-	-	165,407	5,031	-	-
Total	<u>\$ 474,825</u>	<u>\$ 28,340</u>	<u>\$ 9,480,482</u>	<u>\$ 2,285,491</u>	<u>\$ 19,063,611</u>	<u>\$ 3,915,676</u>	<u>\$ 234,725</u>	<u>\$ 18,695</u>

Current Refunding:

On July 1, 2013, the City issued \$3,445,000 Utility System and Sales Tax Revenue Note, Series 2013, to current refund \$3,393,459 of the Series 2008A Oklahoma Water Resources Board (OWRB) DWSRF Note. As a result, the Series 2008A OWRB Note is considered to be paid in full and the liability for those notes has been removed from the Statement of Net Position.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

The current refunding resulted in no difference between the reacquisition price and the net carrying amount of the old debt. The total debt service payments over the next fourteen years decreased by \$534,945 which translated to an economic gain of \$435,380.

3.F. INTERFUND TRANSFERS AND BALANCES

Interfund Transfers

Transfers between funds of the primary government for the year ended December 31, 2013, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
GUA	General Fund	1,500,000	Operating
GUA	General Fund	798,889	Return of unsued 2007 Series 1/2 cent sales tax
General Fund	GUA	798,889	Required 2007 Series 1/2 cent sales tax
GUA	Golf Course	300,000	Operating
GUA	Library Construction Fund	30,736	Debt service payments
GUA	General Fund - Airport	133,000	Operating
GUA	GUA Sales Tax CIF	100,000	Operating
GUA Sales Tax CIF	GUA	1,543,379	Debt service payments
GUA	Governmental Activities	4,203	One-sided transfer of capital assets
Total		<u>\$ 5,209,096</u>	

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers/ Internal Activity</u>
Reconciliation to Fund Financial Statements:			
Governmental Funds	\$ 2,862,625	\$ (2,342,268)	\$ 520,357
Enterprise Funds	2,342,268	(2,866,828)	(524,560)
Total Transfers	<u>\$ 5,204,893</u>	<u>\$ (5,209,096)</u>	<u>\$ (4,203)</u>

	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>	<u>Transfer of Capital Assets</u>	<u>Net Transfers</u>
Reconciliation to Statement of Activities:				
Net transfers for governmental activities:				
Governmental Funds	\$ (2,342,268)	\$ 2,862,625	\$ 4,203	\$ 524,560
Total Net transfers for governmental activities	<u>(2,342,268)</u>	<u>2,862,625</u>	<u>4,203</u>	<u>524,560</u>
Net transfers for business-type activities:				
Enterprise Funds	\$ (2,866,828)	\$ 2,342,268	-	\$ (524,560)
Total Net transfers for business-type activities	<u>(2,866,828)</u>	<u>2,342,268</u>	<u>-</u>	<u>(524,560)</u>

Interfund Balances

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>	<u>Purpose of Interfund Balance</u>
General Fund	Grant Fund	299,242	To clear negative cash
General Fund	General Fund - Airport	286,764	To clear negative cash
Total		<u>\$ 586,006</u>	
	<u>Due From</u>	<u>Due To</u>	<u>Net Transfers/ Internal Activity</u>
Reconciliation to Fund Financial Statements:			
Governmental Funds	\$ 586,006	\$ (586,006)	\$ -
Total Transfers	<u>\$ 586,006</u>	<u>\$ (586,006)</u>	<u>\$ -</u>

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

3.G. FUND EQUITY

Fund Balance:

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet in accordance with GASB Statement 54:

	Major Capital Project Funds			Other Governmental Funds	TOTAL
	General Fund	General Sales Tax CIF	GUA Sales Tax CIF		
Fund Balances:					
Nonspendable:					
Dale Fund Principal	\$ -	\$ -	\$ -	\$ 3,300	\$ 3,300
Sweet Cemetery Trust	-	-	-	1,000	1,000
Sub-total Nonspendable	-	-	-	4,300	4,300
Restricted for:					
Capital outlay	-	665,584	-	-	665,584
Water & Wastewater ODEQ required improvements	-	-	655,907	-	655,907
Cemetery capital	-	-	-	10,784	10,784
E-911	-	-	-	356,969	356,969
Fire Equipment	-	-	-	2,425	2,425
Police	-	-	-	24,081	24,081
Library Building	-	-	-	15,275	15,275
Ennis Cemetery	-	-	-	11,389	11,389
Police Bike Program	-	-	-	380	380
Fire/Life Safety Education	-	-	-	38	38
Cultural Symposium	-	-	-	4,360	4,360
Rodeo Grounds	-	-	-	7,661	7,661
Fireworks	-	-	-	-	-
Leadership Oklahoma	-	-	-	844	844
Animal Shelter	-	-	-	439	439
Sweet Cemetery Trust	-	-	-	1,191	1,191
Animal Shelter	-	-	-	17,325	17,325
Grant Programs	-	-	-	144,812	144,812
Tourism	-	-	-	280,975	280,975
Industrial development	-	-	-	53,330	53,330
Dale Trust - Cemetery	-	-	-	13,161	13,161
Dale Trust - Citizenship	-	-	-	14,260	14,260
Dale Trust - Library	-	-	-	34,324	34,324
Dale Trust - Dale Park	-	-	-	16,565	16,565
Library Debt Service	-	-	-	30,811	30,811
Sub-total Restricted	-	665,584	655,907	1,041,399	2,362,890
Assigned to:					
Calendar year 2014 budget	59,016	-	-	-	59,016
Swimming pool	47,109	-	-	-	47,109
Golf Course	127,221	-	-	-	127,221
Sub-total Assigned	233,346	-	-	-	233,346
Unassigned (deficit):	2,981,681	-	-	(460,273)	2,521,408
TOTAL FUND BALANCES	\$ 3,215,027	\$ 665,584	\$ 655,907	\$ 585,426	\$ 5,121,944

NOTE 4. OTHER NOTES

4A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

The City participates in four employee pension systems as follows:

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

**CITY OF GUYMON, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2013**

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.

	<u>Oklahoma Police Pension and Retirement System</u>	<u>Oklahoma Firefighter's Pension and Retirement System</u>
Obtaining separately issued Financial statements	Police Pension and Retirement 1001 N.W. 63 rd St. Oklahoma City, OK 73116-7335	Firefighter's Pension and Retirement 4545 N. Lincoln Blvd., Oklahoma City, OK 73105-3414
Eligibility to participate	All full-time officers, by a participating municipality, not less than 21 years of age or more than 45 years of age when hired.	All full-time or voluntary firefighters of a 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%	9%
City's contribution rate (percent of covered payroll)	13%	14%
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.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
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	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:

	<u>Oklahoma Police Pension & Retirement System</u>		<u>Oklahoma Firefighter's Pension & Retirement System</u>	
<i>Fiscal Year</i>	<i>Required Contribution</i>	<i>Percent Contributed</i>	<i>Required Contribution</i>	<i>Percent Contributed</i>
2011	42,418	100%	47,397	100%
2012	78,290	100%	96,002	100%
2013	96,138	100%	101,624	100%

The state made on-behalf payments of \$87,264 for the police pension system and \$231,576 for the fire pension during the year ended December 31, 2013. 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.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013.

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 3.51% 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, 2013, the following amounts related to the defined contribution plan:

City total payroll	\$4,770,243
Payroll for covered employees	\$3,180,289
Employer (City) contributions made	\$111,678

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 3.50%. 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, 2013, for employees and employer were \$43,212 and \$25,178, respectively, on a covered payroll of \$720,200.

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%.

**CITY OF GUYMON, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2013**

Contributions to the plan for the year ended December 31, 2013 were \$11,632 on a covered payroll of \$77,526.

Defined Benefit Plan - Oklahoma Municipal Retirement Fund

A. Plan Description

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

B. Eligibility Factors, Contribution Methods and Benefit Provisions

<u>Provision</u>	<u>As of 07/01/13 OMRF Plan</u>
a. Eligible to participate	Full-time employees upon hire if less than age 60 and not participating in another retirement plan set up by state statutes.
b. Contribution Requirements:	
-Authorization	By City ordinance
-Actuarially Determined	Yes
-Employer Rate	9.28% 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

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013, the City's annual pension cost and required contributions of \$301,759 were made.

2. Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2013
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 whereby market value gains and losses are recognized over a 5-year period. However, the actuarial value cannot be less than 70% of market nor more than 130% of market.

D. *Trend Information*

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
December 31, 2011	145,809	100%
December 31, 2012	293,555	100%
December 31, 2013	301,759	100%

**CITY OF GUYMON, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2013**

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) -- EAN</u>	<u>Unfunded (Overfunded) AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded (Overfunded) AAL as a Percentage of Covered Payroll</u>
1/1/13	\$5.4	\$6.2	\$.79	87.3%	\$2.9	27.0%

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:

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

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

Risk Entity Pools

The City participates in the Oklahoma Municipal Assurance Group Liability Protection Plan and Worker’s Compensation Plan (risk entity pools).

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

(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, 2013 was \$175,387.

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, 2013 the City had no outstanding construction contracts.

**CITY OF GUYMON, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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.

4.D. SUBSEQUENT EVENTS

The City entered into a contract for the sale of real estate on September 26, 2013 for \$315,000. The purchaser made a down payment of \$31,500 which is reported as an escrow deposit at December 31, 2013. The final close on the contract was in January 2013 and the purchaser paid the remaining \$283,500 at that time.

On April 24, 2014, the Guymon Utilities Authority entered into a contract for outsourcing the management of its wastewater treatment plant. The base fee for these services is \$1,107,254 and will be paid in monthly installments of \$92,271. The term of the contract is from June 2014 through December 2020 and is automatically renewable for additional one year terms unless cancelled.

On March 27, 2014, the Guymon Housing Authority, a Title 60 public trust, was formed. The city council serves as the trustees. This public trust will likely be classified as a blended component unit in the 2014 financial report 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

**CITY OF GUYMON, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Defined Benefit Retirement Plan – Schedule of Funding Progress

Actuarial Valuation Date	<u>1/1/2013</u>	<u>1/1/2012</u>	<u>1/1/2011</u>	<u>1/1/2010</u>	<u>1/1/2009</u>	<u>1/1/2008</u>	<u>1/1/2007</u>	<u>1/1/2006</u>
Actuarial Value of Assets	\$5,422,382	\$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)	\$6,207,923	\$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	EAN
Unfunded (Overfunded) AAL (UAAL)	\$785,541	\$788,024	\$589,918	\$527,315	\$205,754	(\$242,086)	(\$299,487)	(\$221,399)
Funded Ratio	87.30%	86.30%	88.70%	89.60%	95.50%	105.60%	107.50%	105.90%
Covered Payroll	\$2,910,800	\$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	27.00%	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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Taxes	\$ 4,212,482	\$ 4,212,482	\$ 4,598,539	\$ 386,057
Intergovernmental	998,869	1,219,018	1,020,150	(198,868)
Charges for services	791,765	791,765	667,553	(124,212)
Fines and forfeitures	295,000	295,000	384,665	89,665
Licenses and permits	43,700	43,700	34,299	(9,401)
Investment earnings	16,795	16,795	19,105	2,310
Miscellaneous	64,600	64,600	95,138	30,538
Total revenues	<u>6,423,211</u>	<u>6,643,360</u>	<u>6,819,449</u>	<u>176,089</u>
EXPENDITURES				
Departmental:				
City attorney	80,050	80,050	66,420	13,630
City clerk	74,216	75,868	75,868	-
City treasurer	69,717	69,717	65,124	4,593
Community development	286,424	338,730	289,859	48,871
Arts council CR grant	40,000	40,000	36,219	3,781
General government	451,132	529,230	529,175	55
Human resources	174,129	174,129	126,431	47,698
Business incubator	94,091	94,091	60,077	34,014
Information Technology	401,392	401,392	344,281	57,111
Library	381,568	381,568	333,698	47,870
Ambulance	510,126	516,126	494,533	21,593
Police	2,298,528	2,212,548	1,932,258	280,290
Municipal court	153,626	153,626	144,352	9,274
Fire	1,379,152	1,646,088	1,594,169	51,919
Civil emergency management	21,500	21,500	18,201	3,299
Cemetery	170,280	170,280	146,054	24,226
Parks	465,315	465,315	383,342	81,973
Golf	716,314	869,514	797,861	71,653
Pool	81,850	81,850	67,907	13,943
Street	957,041	958,584	919,590	38,994
Airport	636,279	636,279	659,629	(23,350)
Transportation - Administration	33,800	33,800	28,483	5,317
Transportation - Operations	575,258	575,258	484,303	90,955
Total Expenditures	<u>10,051,788</u>	<u>10,525,543</u>	<u>9,597,834</u>	<u>927,709</u>
Excess (deficiency) of revenues over expenditures	<u>(3,628,577)</u>	<u>(3,882,183)</u>	<u>(2,778,385)</u>	<u>1,103,798</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,713,000	2,716,500	2,731,889	15,389
Capital lease proceeds	254,604	254,604	386,710	132,106
Transfers out	(780,000)	(798,900)	(798,889)	11
Total other financing sources and uses	<u>2,187,604</u>	<u>2,172,204</u>	<u>2,319,710</u>	<u>147,506</u>
Net change in fund balances	(1,440,973)	(1,709,979)	(458,675)	1,251,304
Fund balances - beginning	4,572,844	4,572,844	3,673,702	(899,142)
Fund balances - ending	<u>\$ 3,131,871</u>	<u>\$ 2,862,865</u>	<u>\$ 3,215,027</u>	<u>\$ 352,162</u>

**CITY OF GUYMON, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED DECEMBER 31, 2013**

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. The over-budget amount of \$23,350 in the airport department is in the Guymon Airport Authority Fund which is included with the General Fund for reporting purposes. This does not represent a noncompliance with budgetary laws since it is within a public trust fund.

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:

Operating grants that do not result in cash flow and the related operating expense are not budgeted.

Exhibit 3, (Continued)

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	\$ 7,138,289	(318,840)	\$ 6,819,449
Transfers In	2,731,889	-	2,731,889
Issuance of debt	386,710	-	386,710
Total Revenues and Other Financing Sources	<u>10,256,888</u>	<u>(318,840)</u>	<u>9,938,048</u>
Total Expenditures	9,916,674	(318,840)	9,597,834
Transfers Out	798,889	-	798,889
Total Expenditures and Other Financing Uses	<u>10,715,563</u>	<u>(318,840)</u>	<u>10,396,723</u>
Net Change in Fund Balance	<u>\$ (458,675)</u>	<u>\$ -</u>	<u>\$ (458,675)</u>

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, 2013**

	SPECIAL REVENUE FUNDS				
	<u>Guymon</u>				<u>Hotel/Motel Tax</u>
	<u>E-911 Fund</u>	<u>Development Fund</u>	<u>Library Fund</u>	<u>Grant Fund</u>	<u>Fund</u>
ASSETS					
Cash and cash equivalents	329,771	30,574	17,611	-	281,305
Investments	-	-	-	-	-
Accounts receivable, net	27,426	150	-	2,386	20,389
Receivable from other governments	-	-	-	447,425	-
Total assets	<u>357,197</u>	<u>30,724</u>	<u>17,611</u>	<u>449,811</u>	<u>301,694</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities:					
Accounts payable	228	-	286	-	15,717
Due to other funds	-	-	-	299,242	-
Total liabilities	<u>228</u>	<u>-</u>	<u>286</u>	<u>299,242</u>	<u>15,717</u>
Deferred inflows of resources:					
Deferred revenue	-	-	-	447,425	5,002
Fund Balances:					
Nonspendable	-	1,000	-	-	-
Restricted	356,969	48,329	17,325	144,812	280,975
Unassigned (deficit)	-	(18,605)	-	(441,668)	-
Total fund balance (deficit)	<u>356,969</u>	<u>30,724</u>	<u>17,325</u>	<u>(296,856)</u>	<u>280,975</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 357,197</u>	<u>\$ 30,724</u>	<u>\$ 17,611</u>	<u>\$ 449,811</u>	<u>\$ 301,694</u>

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013**

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUND		PERMANENT FUND	Total Governmental Funds
	<u>Guymon</u>		<u>Library Capital</u>		<u>Dale Funds</u>	
	<u>Police Fund</u>	<u>Industrial Authority</u>	<u>Cemetery Care Fund</u>	<u>Improvement Fund</u>		
ASSETS						
Cash and cash equivalents	19,754	53,330	10,784	30,811	4,773	\$ 778,713
Investments	-	-	-	-	76,837	76,837
Accounts receivable, net	-	-	-	-	-	50,351
Receivable from other governments	-	-	-	-	-	447,425
Total assets	<u>19,754</u>	<u>53,330</u>	<u>10,784</u>	<u>30,811</u>	<u>81,610</u>	<u>1,353,326</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	-	-	-	-	-	16,231
Due to other funds	-	-	-	-	-	299,242
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,473</u>
Deferred inflows of resources:						
Deferred revenue	-	-	-	-	-	452,427
Fund Balances:						
Nonspendable	-	-	-	-	3,300	4,300
Restricted	19,754	53,330	10,784	30,811	78,310	1,041,399
Unassigned	-	-	-	-	-	(460,273)
Total fund balance (deficit)	<u>19,754</u>	<u>53,330</u>	<u>10,784</u>	<u>30,811</u>	<u>81,610</u>	<u>585,426</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 19,754</u>	<u>\$ 53,330</u>	<u>\$ 10,784</u>	<u>\$ 30,811</u>	<u>\$ 81,610</u>	<u>\$ 1,353,326</u>

City of Guymon, Oklahoma
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	SPECIAL REVENUE FUNDS				
	<u>E-911 Fund</u>	<u>Guymon Development Fund</u>	<u>Library Fund</u>	<u>Grant Fund</u>	<u>Hotel/Motel Tax Fund</u>
REVENUES					
Taxes	\$ 129,317	\$ -	\$ -	\$ -	\$ 192,880
Intergovernmental	34,603	2,000	21,529	1,000,000	-
Charges for services	-	-	-	1,462	-
Investment earnings	795	114	80	-	627
Miscellaneous	-	7,423	-	15,000	-
Total revenues	<u>164,715</u>	<u>9,537</u>	<u>21,609</u>	<u>1,016,462</u>	<u>193,507</u>
EXPENDITURES					
Current:					
Community development	-	8,618	-	26,000	-
Economic development	-	-	-	-	-
Library	-	-	19,663	-	-
Police	151,421	1,476	-	-	-
Tourism	-	-	-	-	131,513
Capital Outlay	-	14,000	-	1,139,723	8,200
Total Expenditures	<u>151,421</u>	<u>24,094</u>	<u>19,663</u>	<u>1,165,723</u>	<u>139,713</u>
Excess (deficiency) of revenues over expenditures	13,294	(14,557)	1,946	(149,261)	53,794
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt, net	-	-	-	-	-
Transfers in	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	13,294	(14,557)	1,946	(149,261)	53,794
Fund balances (deficit) - beginning	343,675	45,281	15,379	(147,595)	227,181
Fund balances (deficit) - ending	<u>\$ 356,969</u>	<u>\$ 30,724</u>	<u>\$ 17,325</u>	<u>\$ (296,856)</u>	<u>\$ 280,975</u>

City of Guymon, Oklahoma
Combining Statement of Revenues, Expenditures and Changes in Net Position
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUND		PERMANENT FUND	Total-Other Governmental Funds
	Police Fund	Guymon Industrial Authority	Cemetery Care Fund	Library Capital Improvement	Dale Funds	
				Fund		
REVENUES						
Taxes	\$ -	\$ 623,954	\$ -	\$ -	\$ -	\$ 946,151
Intergovernmental	390	-	-	653,160	-	1,711,682
Charges for services	-	-	3,609	-	-	5,071
Investment earnings	56	146	25	10	18,904	20,757
Miscellaneous	-	-	-	-	-	22,423
Total revenues	<u>446</u>	<u>624,100</u>	<u>3,634</u>	<u>653,170</u>	<u>18,904</u>	<u>2,706,084</u>
EXPENDITURES						
Current:						
Community development	-	-	-	-	570	35,188
Economic development	-	731,793	-	-	-	731,793
Library	-	-	-	101,696	5,699	127,058
Police	-	-	-	-	-	152,897
Tourism	-	-	-	-	-	131,513
Capital Outlay	-	-	-	983,797	-	2,145,720
Total Expenditures	<u>-</u>	<u>731,793</u>	<u>-</u>	<u>1,085,493</u>	<u>6,269</u>	<u>3,324,169</u>
Excess (deficiency) of revenues over expenditures	446	(107,693)	3,634	(432,323)	12,635	(618,085)
OTHER FINANCING SOURCES (USES)						
Proceeds from long-term debt, net	-	-	-	757,040	-	757,040
Transfers in	-	-	-	30,736	-	30,736
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>787,776</u>	<u>-</u>	<u>787,776</u>
Net change in fund balance	446	(107,693)	3,634	355,453	12,635	169,691
Fund balances - beginning	19,308	161,023	7,150	(324,642)	68,975	415,735
Fund balances (deficit) - ending	<u>\$ 19,754</u>	<u>\$ 53,330</u>	<u>\$ 10,784</u>	<u>\$ 30,811</u>	<u>\$ 81,610</u>	<u>\$ 585,426</u>

**City of Guymon, Oklahoma
Combining Balance Sheet
General Fund Accounts
December 31, 2013**

	<u>General Fund</u>	<u>Golf Course Account</u>	<u>Pool/Recreation Account</u>	<u>Airport Authority Account</u>	<u>TOTAL</u>
ASSETS					
Cash, including time deposits	\$ 2,268,520	\$ 136,617	\$ 47,116	\$ 30,170	\$ 2,482,423
Receivable from other governments	610,532	-	-	472,676	1,083,208
Accounts receivable, net	464,858	-	-	392	465,250
Due from other funds	586,006	-	-	-	586,006
Total assets	<u>3,929,916</u>	<u>136,617</u>	<u>47,116</u>	<u>503,238</u>	<u>4,616,887</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities:					
Accounts payable	170,489	9,396	7	106,936	286,828
Due to other funds	-	-	-	286,764	286,764
Retainage payable	-	-	-	63,950	63,950
Due to other governments	-	-	-	946	946
Refundable court bonds	20,928	-	-	-	20,928
Total liabilities	<u>191,417</u>	<u>9,396</u>	<u>7</u>	<u>458,596</u>	<u>659,416</u>
Deferred inflows of resources:					
Deferred revenue	269,768	-	-	472,676	742,444
	<u>269,768</u>	<u>-</u>	<u>-</u>	<u>472,676</u>	<u>742,444</u>
Fund balance:					
Assigned	59,016	127,221	47,109	-	233,346
Unassigned (deficit)	3,409,715	-	-	(428,034)	2,981,681
Total fund balance (deficit)	<u>3,468,731</u>	<u>127,221</u>	<u>47,109</u>	<u>(428,034)</u>	<u>3,215,027</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 3,929,916</u>	<u>\$ 136,617</u>	<u>\$ 47,116</u>	<u>\$ 503,238</u>	<u>\$ 4,616,887</u>

City of Guymon, Oklahoma
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Accounts
For the Year Ended December 31, 2013

	<u>General Fund</u>	<u>Golf Course Account</u>	<u>Pool/Recreation Account</u>	<u>Airport Authority Account</u>	<u>TOTAL</u>
REVENUES					
Taxes	\$ 4,592,200	\$ -	\$ -	\$ 6,339	\$ 4,598,539
Intergovernmental	1,046,347	-	-	252,643	1,298,990
Charges for services	286,563	360,711	10,819	6,700	664,793
Fines and forfeitures	384,665	-	-	-	384,665
Licenses and permits	34,299	-	-	-	34,299
Investment earnings	18,485	300	238	82	19,105
Miscellaneous	97,015	40,870	13	-	137,898
Total revenues	<u>6,459,574</u>	<u>401,881</u>	<u>11,070</u>	<u>265,764</u>	<u>7,138,289</u>
EXPENDITURES					
Current:					
General Government:					
City clerk	75,868	-	-	-	75,868
City treasurer	65,124	-	-	-	65,124
Human resources	126,431	-	-	-	126,431
Information technology	201,006	-	-	-	201,006
General government	529,175	-	-	-	529,175
Total General Government	<u>997,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>997,604</u>
Public Safety and Judiciary:					
City attorney	66,420	-	-	-	66,420
Ambulance	377,882	-	-	-	377,882
Police	1,943,704	-	-	-	1,943,704
Municipal court	144,352	-	-	-	144,352
Fire	1,681,192	-	-	-	1,681,192
Civil emergency management	18,201	-	-	-	18,201
Total Public Safety and Judiciary	<u>4,231,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,231,751</u>
Transportation:					
Airport	-	-	-	62,550	62,550
Street	799,696	-	-	-	799,696
Public Transportation	512,786	-	-	-	512,786
Total Transportation	<u>1,312,482</u>	<u>-</u>	<u>-</u>	<u>62,550</u>	<u>1,375,032</u>
Cultural, Parks, and Recreation:					
Golf	-	541,163	-	-	541,163
Library	333,698	-	-	-	333,698
Cemetery	129,885	-	-	-	129,885
Swimming pool	-	-	55,792	-	55,792
Parks	374,864	-	-	-	374,864
Total Cultural, Parks and Recreation	<u>838,447</u>	<u>541,163</u>	<u>55,792</u>	<u>-</u>	<u>1,435,402</u>
Community/Economic Development:					
Community development	315,464	-	-	-	315,464
Business incubator	60,077	-	-	-	60,077
Total Community/Economic Development	<u>375,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,541</u>
Debt Service:					
Principal	75,122	84,365	-	-	159,487
Interest and other charges	-	-	-	-	-
Capital Outlay	560,330	172,333	12,115	597,079	1,341,857
Total Expenditures	<u>8,391,277</u>	<u>797,861</u>	<u>67,907</u>	<u>659,629</u>	<u>9,916,674</u>
Excess (deficiency) of revenues over expenditures	<u>(1,931,703)</u>	<u>(395,980)</u>	<u>(56,837)</u>	<u>(393,865)</u>	<u>(2,778,385)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	237,010	149,700	-	-	386,710
Transfers in	2,298,889	300,000	-	133,000	2,731,889
Transfers out	(798,889)	-	-	-	(798,889)
Total other financing sources and uses	<u>1,737,010</u>	<u>449,700</u>	<u>-</u>	<u>133,000</u>	<u>2,319,710</u>
Net change in fund balance	(194,693)	53,720	(56,837)	(260,865)	(458,675)
Fund balances (deficit) - beginning	3,663,424	73,501	103,946	(167,169)	3,673,702
Fund balances (deficit) - ending	<u>\$ 3,468,731</u>	<u>\$ 127,221</u>	<u>\$ 47,109</u>	<u>\$ (428,034)</u>	<u>\$ 3,215,027</u>

City of Guymon, Oklahoma
Schedule of Departmental Operating Revenues and Expenses
Enterprise Fund (Guymon Utilities Authority)
For the Year Ended December 31, 2013

Operating Revenues:	
Charges for services:	
Gas charges	\$ 4,794,024
Water charges	3,113,392
Sewer charges	1,328,896
Sanitation charges	1,526,827
Penalties	41,108
Agricultural revenue	75,714
Total Charges for services	<u>10,879,961</u>
Miscellaneous:	
Gas	5,924
Water	371
Sewer	2,880
Sanitation	6,397
Total Miscellaneous	<u>15,572</u>
Total Operating Revenues	<u>10,895,533</u>
Operating Expenses:	
Gas Department:	
Cost of goods sold	2,540,568
Personal Services	361,385
Materials and Supplies	35,030
Other Services and Charges	82,189
Depreciation	96,875
Total Gas Operating Expenses	<u>3,116,047</u>
Garage Department:	
Personal Services	58,426
Materials and Supplies	4,407
Other Services and Charges	4,283
Depreciation	1,225
Total Garage Operating Expenses	<u>68,341</u>
Water Department:	
Personal Services	249,332
Materials and Supplies	49,990
Other Services and Charges	613,957
Depreciation	427,011
Total Water Operating Expenses	<u>1,340,290</u>
Sewer Department:	
Personal Services	520,495
Materials and Supplies	159,618
Other Services and Charges	783,828
Depreciation	1,001,246
Total Sewer Operating Expenses	<u>2,465,187</u>
Sanitation Department:	
Personal Services	574,562
Materials and Supplies	119,618
Other Services and Charges	444,234
Depreciation	113,589
Total Sanitation Operating Expenses	<u>1,252,003</u>
Farm Department:	
Depreciation	145
Total Farm Operating Expenses	<u>145</u>
Administration Department:	
Personal Services	295,282
Materials and Supplies	10,586
Other Services and Charges	377,573
Depreciation	68,255
Total Administration Operating Expenses	<u>751,696</u>
Total Operating Expenses	<u>8,993,709</u>
Net Operating Income	<u>\$ 1,901,824</u>

City of Guymon, Oklahoma
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
 Budget and Actual - Major Governmental Capital Project Funds
 For the Year ended December 31, 2013

	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	\$ 1,560,000	\$ 1,598,892	\$ 38,892	\$ 1,560,000	\$ 1,598,892	\$ 38,892
Investment earnings	16,500	2,764	(13,736)	1,075	664	(411)
Miscellaneous	-	16,096	16,096	-	-	-
Total revenues	<u>1,576,500</u>	<u>1,617,752</u>	<u>41,252</u>	<u>1,561,075</u>	<u>1,599,556</u>	<u>38,481</u>
EXPENDITURES						
Departmental:						
Community development	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-
Library	647,741	632,706	15,035	-	-	-
Ambulance	45,900	-	45,900	-	-	-
Police	964,803	888,283	76,520	-	-	-
Fire	3,281,760	2,064,117	1,217,643	-	-	-
Cemetery	4,000	3,200	800	-	-	-
Parks	114,000	96,602	17,398	-	-	-
Street	428,500	351,435	77,065	-	-	-
Water	-	-	-	503,169	280,036	223,133
Wastewater	-	-	-	1,686,861	1,263,343	423,518
Wastewater treatment plant	-	-	-	-	-	-
Gas	-	-	-	-	-	-
Administration	113,300	113,233	67	-	-	-
Total Expenditures	<u>5,600,004</u>	<u>4,149,576</u>	<u>1,450,428</u>	<u>2,190,030</u>	<u>1,543,379</u>	<u>646,651</u>
Excess (deficiency) of revenues over expenditures	<u>(4,023,504)</u>	<u>(2,531,824)</u>	<u>1,491,680</u>	<u>(628,955)</u>	<u>56,177</u>	<u>685,132</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	100,000	100,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	(4,023,504)	(2,531,824)	1,491,680	(528,955)	156,177	685,132
Fund balances - beginning	4,374,646	3,197,408	(1,177,238)	613,216	499,730	(113,486)
Fund balances - ending	<u>\$ 351,142</u>	<u>\$ 665,584</u>	<u>\$ 314,442</u>	<u>\$ 84,261</u>	<u>\$ 655,907</u>	<u>\$ 571,646</u>

City of Guymon, Oklahoma
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
 Budget and Actual - Nonmajor Governmental Funds
 For the Year ended December 31, 2013

	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	\$ 46,784	\$ (8,216)	\$ -	\$ -	\$ -
Intergovernmental	29,000	34,603	5,603	-	2,000	2,000
Charges for services	72,000	82,533	10,533	-	-	-
Investment income	1,500	795	(705)	250	114	(136)
Miscellaneous	24,000	-	(24,000)	18,000	7,423	(10,577)
Total revenues	181,500	164,715	(16,785)	18,250	9,537	(8,713)
EXPENDITURES						
Departmental:						
Community development	-	-	-	12,000	8,618	3,382
Police	298,500	151,421	147,079	1,476	1,476	-
Fire	-	-	-	14,000	14,000	-
Tourism	-	-	-	719	-	719
Total Expenditures	298,500	151,421	147,079	28,195	24,094	4,101
Excess (deficiency) of revenues over expenditures	(117,000)	13,294	130,294	(9,945)	(14,557)	(4,612)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Net change in fund balances	(117,000)	13,294	130,294	(9,945)	(14,557)	(4,612)
Fund balances - beginning	369,979	343,675	(26,304)	41,538	45,281	3,743
Fund balances - ending	\$ 252,979	\$ 356,969	\$ 103,990	\$ 31,593	\$ 30,724	\$ (869)

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, 2013

	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	\$ 20,529	\$ 21,529	\$ 1,000	\$ 1,501,700	\$ 1,000,000	\$ (501,700)
Charges for services	-	-	-	65,000	1,462	(63,538)
Investment income	210	80	(130)	-	-	-
Miscellaneous	300	-	(300)	29,750	15,000	(14,750)
Total revenues	21,039	21,609	570	1,596,450	1,016,462	(579,988)
EXPENDITURES						
Departmental:						
Community development	-	-	-	1,595,536	1,165,723	429,813
Library	20,529	19,663	866	-	-	-
Total Expenditures	20,529	19,663	866	1,595,536	1,165,723	429,813
Excess (deficiency) of revenues over expenditures	510	1,946	1,436	914	(149,261)	(150,175)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Net change in fund balances	510	1,946	1,436	914	(149,261)	(150,175)
Fund balances - beginning	21,452	15,379	(6,073)	21,445	(147,595)	(169,040)
Fund balances - ending	\$ 21,962	\$ 17,325	\$ (4,637)	\$ 22,359	\$ (296,856)	\$ (319,215)

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, 2013

	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)
(Continued)						
REVENUES						
Taxes	\$ 160,000	\$ 192,880	\$ 32,880	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	11,000	390	(10,610)
Investment income	1,000	627	(373)	100	56	(44)
Total revenues	<u>161,000</u>	<u>193,507</u>	<u>32,507</u>	<u>11,100</u>	<u>446</u>	<u>(10,654)</u>
EXPENDITURES						
Departmental:						
Police	-	-	-	30,417	-	30,417
Tourism	251,092	139,713	111,379	-	-	-
Total Expenditures	<u>251,092</u>	<u>139,713</u>	<u>111,379</u>	<u>30,417</u>	<u>-</u>	<u>30,417</u>
Excess (deficiency) of revenues over expenditures	<u>(90,092)</u>	<u>53,794</u>	<u>143,886</u>	<u>(19,317)</u>	<u>446</u>	<u>19,763</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(90,092)	53,794	143,886	(19,317)	446	19,763
Fund balances - beginning	246,904	227,181	(19,723)	19,317	19,308	(9)
Fund balances - ending	<u>\$ 156,812</u>	<u>\$ 280,975</u>	<u>\$ 124,163</u>	<u>\$ -</u>	<u>\$ 19,754</u>	<u>\$ 19,754</u>

City of Guymon, Oklahoma
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
 Budget and Actual - Nonmajor Governmental Funds
 For the Year ended December 31, 2013

	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)
(Continued)						
REVENUES						
Taxes	\$ 731,793	\$ 623,954	\$ (107,839)	\$ -	\$ -	\$ -
Charges for services	-	-	-	6,500	3,609	(2,891)
Investment income	200	146	(54)	75	25	(50)
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>731,993</u>	<u>624,100</u>	<u>(107,893)</u>	<u>6,575</u>	<u>3,634</u>	<u>(2,941)</u>
EXPENDITURES						
Departmental:						
Economic development	732,593	731,793	800	-	-	-
Cemetery	-	-	-	-	-	-
Total Expenditures	<u>732,593</u>	<u>731,793</u>	<u>800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(600)</u>	<u>(107,693)</u>	<u>(107,093)</u>	<u>6,575</u>	<u>3,634</u>	<u>(2,941)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(600)	(107,693)	(107,093)	6,575	3,634	(2,941)
Fund balances - beginning	332,310	161,023	(171,287)	8,639	7,150	(1,489)
Fund balances - ending	<u>\$ 331,710</u>	<u>\$ 53,330</u>	<u>\$ (278,380)</u>	<u>\$ 15,214</u>	<u>\$ 10,784</u>	<u>\$ (4,430)</u>

City of Guymon, Oklahoma
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended December 31, 2013

	Dale Funds		(Continued)
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment income	\$ 550	\$ 18,904	\$ 18,354
Total revenues	550	18,904	18,354
EXPENDITURES			
Departmental:			
Community development	570	570	-
Library	6,130	5,699	431
Total Expenditures	6,700	6,269	431
Excess (deficiency) of revenues over expenditures	(6,150)	12,635	18,785
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	-	-	-
Net change in fund balances	(6,150)	12,635	18,785
Fund balances - beginning	9,890	68,975	59,085
Fund balances - ending	\$ 3,740	\$ 81,610	\$ 77,870

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, 2013

	Library Capital Improvement Fund		(Continued)
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 660,000	\$ 653,160	\$ (6,840)
Investment earnings	-	10	10
Total revenues	660,000	653,170	(6,830)
EXPENDITURES			
Departmental:			
Library	2,041,385	1,085,493	955,892
Total Expenditures	2,041,385	1,085,493	955,892
Excess (deficiency) of revenues over expenditures	(1,381,385)	(432,323)	949,062
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	1,381,385	757,040	(624,345)
Transfers in	-	30,736	30,736
Transfers out	-	-	-
Total other financing sources and uses	1,381,385	787,776	(593,609)
Net change in fund balances	-	355,453	355,453
Fund balances - beginning	-	(324,642)	(324,642)
Fund balances - ending	\$ -	\$ 30,811	\$ 30,811

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, 2013
TABLE 1

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>December 2011</u>
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
Restricted	539,846	418,459	520,762	730,026	903,470	3,698,645	2,770,010	2,513,832
Unrestricted	862,763	1,311,074	1,049,550	1,892,074	2,931,393	2,246,199	2,723,068	3,597,085
Total governmental activities net assets	<u>\$ 10,961,087</u>	<u>\$ 10,999,446</u>	<u>\$ 10,211,180</u>	<u>\$ 11,243,165</u>	<u>\$ 12,800,892</u>	<u>\$ 15,106,862</u>	<u>\$ 15,811,926</u>	<u>\$ 17,540,531</u>
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
Restricted	245,643	363,735	423,278	466,272	491,281	388,271	305,603	258,734
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
Total business-type activities net assets	<u>\$ 13,221,312</u>	<u>\$ 12,684,458</u>	<u>\$ 13,159,298</u>	<u>\$ 12,641,997</u>	<u>\$ 13,407,382</u>	<u>\$ 13,982,577</u>	<u>\$ 17,148,506</u>	<u>\$ 17,719,549</u>
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
Restricted	785,489	782,194	944,040	1,196,298	1,394,751	4,086,916	3,075,613	2,772,566
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
Total primary government net assets	<u>\$ 24,182,399</u>	<u>\$ 23,683,904</u>	<u>\$ 23,370,478</u>	<u>\$ 23,885,162</u>	<u>\$ 26,208,274</u>	<u>\$ 29,089,439</u>	<u>\$ 32,960,432</u>	<u>\$ 35,260,080</u>
	<u>2012</u>	<u>2013</u>						
Governmental activities								
Net investment in capital assets	\$ 11,866,330	\$ 15,988,928						
Restricted	2,796,118	2,812,080						
Unrestricted	2,689,445	3,170,218						
Total governmental activities net position	<u>\$ 17,351,893</u>	<u>\$ 21,971,226</u>						
Business-type activities								
Net investment in capital assets	\$ 14,419,222	\$ 14,495,150						
Restricted	155,468	-						
Unrestricted	4,855,106	5,135,596						
Total business-type activities net position	<u>\$ 19,429,796</u>	<u>\$ 19,630,746</u>						
Primary government								
Net investment in capital assets	\$ 26,285,552	\$ 30,484,078						
Restricted	2,951,586	2,812,080						
Unrestricted	7,544,551	8,305,814						
Total primary government net position	<u>\$ 36,781,689</u>	<u>\$ 41,601,972</u>						

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, 2013
TABLE 2

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>	<u>December 2012</u>	<u>2013</u>
Expenses										
Government activities:										
Government government	\$ 533,126	\$ 374,727	\$ 401,164	\$ 565,327	\$ 717,083	\$ 643,553	\$ 533,855	\$ 585,283	\$ 314,839	\$ 1,066,014
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	5,123,567
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	2,090,125
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	2,149,328
Community/economic development	2,444,133	901,941	609,996	707,533	854,617	811,289	1,058,400	1,238,241	248,604	1,182,657
Interest on long-term debt	19,256	9,848	5,406	12,197	13,556	32,866	25,407	137,763	119,388	321,362
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	11,933,053
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	3,453,145
Garage	45,590	48,645	51,695	60,645	55,898	55,107	59,517	66,103	35,330	68,341
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	1,790,967
Sewer	619,368	751,882	818,907	885,394	882,983	968,852	1,239,383	2,635,956	1,367,417	2,981,056
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	1,360,683
Farm	22,137	33,090	19,358	23,625	16,027	30,438	10,372	145	72	145
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	9,654,337
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	\$ 21,587,390
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	\$ 31,176
Public Safety and judiciary	493,988	599,635	608,372	508,798	593,836	647,377	654,426	598,833	349,443	604,812
Transportation	26,738	27,541	34,236	39,484	48,061	54,557	61,885	54,967	23,867	42,317
Cultural, parks and recreation	296,906	260,721	310,202	305,070	397,118	420,867	389,030	395,181	160,409	438,898
Community/economic development	-	-	-	-	-	9,082	35,410	33,551	15,079	1,462
Operating grants and contributions	1,129,683	575,608	472,379	801,544	608,414	599,845	417,306	693,102	316,527	740,908
Capital grants and contributions	354,094	239,337	82,093	707,335	829,327	167,926	342,442	720,250	128,996	2,472,554
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	4,332,127

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						December			
	2005	2006	2007	2008	2009	2010	2011	2011	2012	2013
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	\$ 4,861,156
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	3,116,643
Sewer	782,093	800,039	815,237	975,814	1,071,762	1,218,920	1,189,168	1,383,503	767,508	1,328,896
Sanitation	706,446	737,556	966,339	1,182,018	1,193,833	1,317,995	1,320,341	1,372,532	760,982	1,533,224
Farm	143,635	112,209	128,180	147,562	167,879	209,121	60,628	102,474	72,109	75,714
Operating grants and contributions	24,486	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	47,059	-	650,038	143,241	-	47,809
Total business-type activities program revenues	<u>6,701,807</u>	<u>6,774,870</u>	<u>8,759,247</u>	<u>8,666,693</u>	<u>9,318,398</u>	<u>11,491,092</u>	<u>10,018,993</u>	<u>10,326,595</u>	<u>5,363,775</u>	<u>10,963,442</u>
Total primary government program revenues	<u>\$ 9,018,545</u>	<u>\$ 8,494,682</u>	<u>\$ 10,283,945</u>	<u>\$ 11,049,721</u>	<u>\$ 11,838,697</u>	<u>\$ 13,409,267</u>	<u>\$ 11,951,966</u>	<u>\$ 12,860,552</u>	<u>\$ 6,373,194</u>	<u>\$ 15,295,569</u>
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)	\$ (7,600,926)
Business-type activities:	310,238	55,718	561,723	718,061	1,665,341	1,896,231	2,886,849	1,052,064	764,811	1,309,105
Total primary government net expense	<u>\$ (5,442,045)</u>	<u>\$ (4,810,561)</u>	<u>\$ (4,391,072)</u>	<u>\$ (4,045,936)</u>	<u>\$ (3,988,961)</u>	<u>\$ (4,937,520)</u>	<u>\$ (3,806,346)</u>	<u>\$ (6,125,634)</u>	<u>\$ (3,063,153)</u>	<u>\$ (6,291,821)</u>
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	\$ 7,255,970
Franchise and public service taxes	347,589	367,492	450,885	446,475	501,663	496,341	452,632	538,097	263,454	534,014
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	129,317
Hotel/Motel taxes, dedicated for tourism	73,826	73,239	92,967	156,614	167,979	137,361	128,186	138,096	91,141	197,882
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	623,954
Airport fuel tax	4,888	5,485	6,053	5,465	4,833	5,182	4,164	3,376	2,523	6,339
Intergovernmental	83,361	122,222	138,385	145,141	175,326	192,261	196,462	209,269	123,124	217,062
Investment income	21,128	28,271	32,888	38,488	33,410	39,934	69,342	61,295	13,061	43,052
Miscellaneous	113,057	167,415	116,715	85,952	82,931	186,681	106,891	210,049	126,606	57,015
Transfers-Internal activity	676,552	618,732	190,129	1,398,800	981,102	1,335,015	(238,384)	563,464	(872,245)	524,560
Total governmental activities	<u>5,437,261</u>	<u>4,904,638</u>	<u>4,164,529</u>	<u>5,770,001</u>	<u>7,212,029</u>	<u>9,139,721</u>	<u>7,398,259</u>	<u>8,781,815</u>	<u>3,639,327</u>	<u>9,589,165</u>
Business-type activities:										
Investment earnings	23,614	26,160	54,156	102,587	61,146	33,979	40,696	34,123	15,534	13,467
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	(524,560)
Total business-type activities	<u>(631,665)</u>	<u>(592,572)</u>	<u>(135,973)</u>	<u>(1,235,362)</u>	<u>(919,956)</u>	<u>(1,301,036)</u>	<u>279,080</u>	<u>(481,021)</u>	<u>945,436</u>	<u>(511,093)</u>
Total primary government	<u>\$ 4,805,596</u>	<u>\$ 4,312,066</u>	<u>\$ 4,028,556</u>	<u>\$ 4,534,639</u>	<u>\$ 6,292,073</u>	<u>\$ 7,838,685</u>	<u>\$ 7,677,339</u>	<u>\$ 8,300,794</u>	<u>\$ 4,584,763</u>	<u>\$ 9,078,072</u>
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)	\$ 1,988,239
Business-type activities	(321,427)	(536,854)	425,750	(517,301)	745,385	595,195	3,165,929	571,043	1,710,247	798,012
Total primary government	<u>\$ (636,449)</u>	<u>\$ (498,495)</u>	<u>\$ (362,516)</u>	<u>\$ 488,703</u>	<u>\$ 2,303,112</u>	<u>\$ 2,901,165</u>	<u>\$ 3,870,993</u>	<u>\$ 2,175,160</u>	<u>\$ 1,521,610</u>	<u>\$ 2,786,251</u>

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, 2013
TABLE 3

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>	<u>December</u>	<u>2012</u>	<u>2013</u>
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	233,346	-
Unassigned	-	-	-	-	-	-	2,508,487	1,926,501	2,415,914	2,981,681	-
Total general fund	<u>\$ 766,050</u>	<u>\$ 1,151,792</u>	<u>\$ 834,947</u>	<u>\$ 1,737,841</u>	<u>\$ 2,073,758</u>	<u>\$ 2,097,840</u>	<u>\$ 2,645,258</u>	<u>\$ 3,487,275</u>	<u>\$ 2,797,563</u>	<u>\$ 3,215,027</u>	
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	4,300
Restricted	-	-	-	-	-	-	2,710,114	7,745,940	7,787,980	2,362,890	-
Assigned	-	-	-	-	-	-	4,307	336	200	-	-
Unassigned	-	-	-	-	-	-	(21,485)	-	(61,302)	(460,273)	-
Total all other governmental funds	<u>\$ 560,480</u>	<u>\$ 427,117</u>	<u>\$ 570,624</u>	<u>\$ 771,295</u>	<u>\$ 1,772,612</u>	<u>\$ 3,683,525</u>	<u>\$ 2,697,236</u>	<u>\$ 7,750,576</u>	<u>\$ 7,731,178</u>	<u>\$ 1,906,917</u>	
GRAND TOTAL	<u>\$ 1,326,530</u>	<u>\$ 1,578,909</u>	<u>\$ 1,405,571</u>	<u>\$ 2,509,136</u>	<u>\$ 3,846,370</u>	<u>\$ 5,781,365</u>	<u>\$ 5,342,494</u>	<u>\$ 11,237,851</u>	<u>\$ 10,528,741</u>	<u>\$ 5,121,944</u>	

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, 2013
TABLE 4

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>	<u>December 2012</u>	<u>2013</u>
Revenues										
Taxes	\$ 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	\$ 8,742,474
Intergovernmental	908,292	666,921	1,093,536	1,401,429	886,449	880,850	1,572,711	434,641	920,045	3,010,672
Charges for services	485,686	627,489	669,346	760,172	762,729	914,140	823,405	371,706	681,940	669,864
Fines and forfeitures	298,948	242,708	164,642	180,524	331,529	356,957	203,418	170,179	311,927	384,665
Licences and permits	19,322	19,828	22,855	47,172	21,834	32,677	45,109	15,158	42,007	34,299
Investment Income	28,272	32,888	38,487	33,691	40,742	70,095	62,048	13,230	33,813	43,290
Miscellaneous	234,425	192,046	156,862	218,130	331,603	229,449	356,273	230,560	411,884	176,417
Total Revenues	\$ 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	\$ 13,061,681
Expenditures:										
General government	\$ 353,940	\$ 347,761	\$ 546,877	\$ 627,745	\$ 623,511	\$ 513,827	\$ 494,389	\$ 299,864	\$ 901,768	\$ 997,604
Public safety and Judiciary	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	4,608,162
Transportation	783,660	837,774	953,415	1,156,482	1,216,378	1,244,309	1,386,854	725,875	1,372,631	1,375,032
Cultural, Parks and Recreation	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	1,696,065
Community/Economic Development	900,594	609,305	703,086	853,910	804,293	1,054,203	1,219,834	244,781	834,666	1,142,522
Debt service:										
Principal	92,098	72,867	95,970	66,234	309,223	271,701	379,795	222,442	637,425	1,008,132
Interest and other charges	9,847	5,406	12,197	13,556	30,729	5,915	14,757	120,879	231,331	208,740
Capital Outlay	514,694	392,870	428,136	1,964,507	1,350,559	2,094,634	2,277,221	1,003,236	10,245,002	7,304,162
Total Expenditures	\$ 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	\$ 18,340,419
Excess of revenues over (under) expenditures	\$ (366,353)	\$ (536,528)	\$ (532,234)	\$ (676,999)	\$ 272,659	\$ (578,647)	\$ (332,328)	\$ (9,480)	\$ (9,231,933)	\$ (5,278,738)
Other financing sources(uses)										
Transfers in	\$ 945,142	\$ 847,000	\$ 2,231,146	\$ 2,839,302	\$ 2,954,719	\$ 3,475,498	\$ (3,244,353)	\$ 559,644	\$ 4,687,407	\$ 2,862,625
Transfers out	(326,410)	(666,000)	(832,346)	(1,454,302)	(1,445,136)	(3,335,722)	(141,688)	(1,259,274)	(2,497,882)	(2,342,268)
Issuance of long-term debt	-	182,190	211,017	404,235	152,750	-	5,535,000	-	3,918,045	2,093,750
Note issuances costs	-	-	-	-	-	-	-	-	-	-
Proceeds from short-term debt	-	-	-	225,000	-	-	4,078,726	-	-	-
Total other financing sources(uses)	\$ 618,732	\$ 363,190	\$ 1,609,817	\$ 2,014,235	\$ 1,662,333	\$ 139,776	\$ 6,227,685	\$ (699,630)	\$ 6,107,570	\$ 2,614,107
Net change in fund balances	\$ 252,379	\$ (173,338)	\$ 1,077,583	\$ 1,337,236	\$ 1,934,992	\$ (438,871)	\$ 5,895,357	\$ (709,110)	\$ (3,124,363)	\$ (2,664,631)
Debt service as a percentage of noncapital expenditures	1.8%	1.4%	1.7%	1.1%	4.2%	3.4%	4.5%	7.6%	9.0%	11.0%

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, 2013
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
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	3,376	5,613,374	538,097	138,096	438,137	129,895	876,763	-	-	7,737,738
2011	2,523	2,993,992	302,217	91,141	440,369	71,207	386,095	-	-	4,287,544
December 2012	4,889	6,231,012	555,531	184,725	684,645	128,805	519,942	-	-	8,309,549
2013	6,339	6,395,568	534,014	197,882	860,402	129,317	623,954	-	-	8,747,476

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**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>December 2011</u>	<u>2012</u>	<u>2013</u>
Commercial	\$ 1,044,760	\$ 1,128,412	\$ 1,441,442	\$ 824,270	\$ 891,816	\$ 288,724	\$ 770,698	\$ 963,270
Governmental	80,578	77,524	124,036	114,972	108,911	68,833	250,521	295,245
Industrial	32,852	261,757	635,605	444,392	493,302	248,938	599,382	546,038
Municipal	47,558	54,112	99,304	68,859	65,887	20,014	65,332	100,263
Institutional	303,603	305,176	418,963	255,007	248,715	34,895	84,992	102,636
Residential	2,414,738	2,496,547	3,643,542	2,465,297	2,606,700	918,568	1,846,650	2,073,036
Totals	\$ 3,924,089	\$ 4,323,528	\$ 6,362,892	\$ 4,172,797	\$ 4,415,331	\$ 1,579,972	\$ 3,617,575	\$ 4,080,488

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 Six Fiscal Years Ago
TABLE 7**

	Rank	2013	% of Total	Rank	2007	% of Total
Guymon Extract Plant	1	\$ 475,618	11.66%	2	\$ 210,275	0.35%
Guymon Schools	2	77,788	1.91%	3	116,959	0.20%
Love's CountryStore #19 CNG	3	54,822	1.34%			
Memorial Hospital of Texas County	4	54,124	1.33%	5	62,787	0.11%
Wal-Mart	5	48,789	1.20%	--	--	--
YMCA	6	48,573	1.19%	6	46,201	0.08%
SPF-USA	7	46,152	1.13%	--	--	--
Dunway Manor	8	37,971	0.93%	--	--	--
Cargill Animal Nutrition	9	31,265	0.77%	4	69,622	0.12%
Landes Management Inc	10	30,493	0.75%			
Garland Square of Guymon		-	0.00%	7	42,655	0.07%
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		<u>\$ 905,595</u>	22.2%		<u>\$ 548,499</u>	0.9%
Total Gas Revenue (See Table 6)		<u>\$ 4,080,488</u>			<u>\$ 59,621,160</u>	

NOTE: Data for nine years ago is not available.

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

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

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

CITY OF GUYMON, OKLAHOMA
TAXABLE SALES BY CATEGORY
Last Ten Fiscal Years
December 31, 2013
TABLE 9

	2005	2006	2007	2008	2009	2010	2011	December 2011	2012
Agriculture, forestry, and fishing	\$ 629	\$ 271	\$ 160	\$ 264	\$ 756	\$ 802	\$ 546	179	1,557
Mining	400	251	333	406	689	401	2,241	-	366
Construction	4,873	5,121	5,428	4,747	9,990	8,176	10,392	8,585	8,662
Manufacturing	39,868	27,622	50,322	17,368	48,551	19,334	37,698	69,359	91,129
Transportation	4,989	4,374	5,762	2,972	7,879	7,834	10,183	3,029	6,823
Communications and utilities:									
Communications	126,152	106,076	73,522	109,668	264,091	158,962	139,553	71,978	173,097
Electric, gas, and sanitary services	220,646	197,333	101,127	43,846	198,523	140,944	147,803	38,121	163,236
Wholesale trade	272,216	160,476	219,359	215,602	414,040	406,382	350,161	213,085	410,981
Retail trade:									
Building materials, hardware, garden supply and mobile home dealer	73,220	72,750	90,673	75,027	168,822	154,650	171,963	84,718	177,262
General merchandise stores	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	542,766	400,302	431,127	230,879	580,269	543,998	541,382	541,382	549,593
Automotive dealers and gasoline service stations	103,356	101,387	99,457	91,927	209,434	208,255	243,471	138,741	270,610
Apparel and accessory stores	74,683	59,107	56,737	43,371	114,132	118,517	129,349	61,972	120,162
Furniture, home furnishings and equipment stores	125,501	97,390	129,101	111,067	238,804	191,779	247,467	125,699	235,272
Eating and drinking places	294,737	256,305	277,277	266,222	642,923	626,549	680,178	362,618	733,207
Miscellaneous retail	194,212	129,955	230,149	126,012	331,391	319,011	354,967	188,091	405,591
Finance, insurance, and real estate	68	171	739	132	1,297	734	1,575	10,903	411
Services:									
Hotels and motels	73,507	61,544	100,694	92,112	186,718	120,295	162,066	122,991	296,603
Personal services	23,597	14,919	16,403	15,592	33,757	28,068	27,064	17,890	31,014
Business services	74,651	51,832	59,647	49,818	129,354	204,094	158,153	76,930	304,158
Automotive repair services and garages	57,467	30,278	35,093	33,293	68,494	64,135	64,505	35,377	74,752
Miscellaneous repair services	10,299	6,220	7,152	5,327	11,095	7,148	7,531	5,157	3,847
Motion pictures	22,172	30,947	29,512	23,853	63,772	69,380	60,671	32,572	62,808
Other services	4,487	3,747	5,100	10,275	15,060	17,847	20,258	2,863	6,357
Nonclassifiable establishments	15,702	32,652	16,852	6,724	44,873	102,603	109,048	7,239	35,679
	<u>\$ 2,973,516</u>	<u>\$ 2,354,882</u>	<u>\$ 2,554,466</u>	<u>\$ 2,368,551</u>	<u>\$ 5,745,568</u>	<u>\$ 5,381,612</u>	<u>5,634,711</u>	<u>3,007,199</u>	<u>6,342,082</u>

** 2013

Agriculture, forestry, Fishing, and Hunting	8,185
Mining, Quarrying, and Oil and Gas Extraction	574
Construction	37,908
Manufacturing	209,132
Transportation and Warehousing	7,093
Information and utilities:	
Information	208,583
Electric, gas, and sanitary services	189,094
Wholesale trade	547,882
Retail trade:	
Automotive Dealers, Parts, Accessories, and Tire Stores	293,595
Furniture, home furnishings and equipment stores	450,250
Food stores	507,488
Pharmacies, Drug Stores, Health and Personal Care Stores	38,837
Gasoline Stations with Convenience Stores	175,511
Apparel and accessory stores	164,178
General merchandise stores	258,574
Department Stores	2,551,029
Miscellaneous retail	334,971
Finance, insurance, and real estate	131,978
Services:	
Professional, Scientific, and Technical Services	54,621
Administrative and Support and Waste Management and remediation Services	2,880
Educational Services	1
Health Care and Social Assistance	152
Arts, Entertainment, and Recreation	76,012
Accommodation and Food Services	1,227,596
Public Administration	75
Other services	112,570
Nonclassifiable establishments	46,148
	<u>7,634,919</u>

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

** The OTC switch their classification system from SIC to NAICS in 2013

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, 2013
TABLE 10

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>December</u> <u>2011</u>	<u>2012</u>	<u>2013</u>
City	3.00%	2.00%	2.00%	2.00%	4.00%	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%	7.50%	7.50%	7.50%	9.50%	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, 2013
TABLE 11

<u>Fiscal Year</u>	<u>Population</u>	<u>Net Assessed Value</u>	<u>Gross Bonded Debt (1)</u>	<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
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%	-
2011	11,823	52,403,701	-	-	-	0.00%	-
December 2012	11,823	57,019,951	-	-	-	0.00%	-
2013	11,930	57,633,900	-	-	-	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, 2013
TABLE 12

<u>Jurisdiction</u>	<u>Net (1) Debt Outstanding</u>	<u>Percentage (2) Applicable to City of Guymon</u>	<u>Amount Applicable to City of Guymon</u>
Direct - City of Guymon	\$ 9,955,308	100.00%	9,955,308
Overlapping: Guymon Public Schools	750,000	50.57%	379,244
Texas County	-	29.98%	-
Total	<u>\$10,705,308</u>		<u>\$10,334,552</u>

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

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

CITY OF GUYMON, OKLAHOMA
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
 December 31, 2013
TABLE 13

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	December <u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 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	\$ 5,763,390
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 5,100,708</u>	<u>\$ 5,184,813</u>	<u>\$ 5,433,289</u>	<u>\$ 4,959,548</u>	<u>\$ 5,151,146</u>	<u>\$ 5,240,370</u>	<u>\$ 5,447,219</u>	<u>\$ 5,447,219</u>	<u>\$ 5,701,995</u>	<u>\$ 5,763,390</u>
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 2013

Net assessed valuation	\$ 57,633,900
Debt limit (10% of total assess value)	\$ 5,763,390
Debt applicable to limit:	
General obligation bonds	\$ -
Less: Street bonds outstanding	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 5,763,390</u>

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

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, 2013
TABLE 14

		<u>Gross Revenues</u>	<u>Direct Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Maximum Annual Debt Service</u>	<u>Debt Service Coverage</u>
	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	(1) 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
	2013	(2) 12,488,548	5,998,588	6,489,960	1,320,847	4.91

(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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	% of Total Debt to Personal Income	Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases Payable	Refundable Grant Obligation	Notes Payable	Capital Leases Payable			
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
2011	-	5,260,000	212,853	-	21,536,140	92,154	27,101,147	3.72%	2,292
December 2012		8,790,209 #	277,652		20,329,296	42,674	29,438,831	4.04%	2,490
2013	-	9,480,482	474,825	-	19,063,611	234,725	29,253,643	4.01%	2,474

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, 2013
TABLE 16

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income</u>	<u>Median Age of Population (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
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%
2011	11,823	729,167	34,214	36.4	2,829	4.5%
December 2012	11,823	729,167 (8)	34,214	36.4	2,829	4.5%
2013	11,930	784,760	36,504	31.1	2,831	5.0%

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, 2013
 TABLE 17

<u>Employer</u>	<u>Product/Business</u>	<u>2013</u>			<u>2004</u>	
		<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Employees</u>	<u>Rank</u>
Seaboard Farms of Oklahoma	Pork Processing	1	40.61%	3,000	2,300	1
Guymon Public Schools	Education	2	5.41%	400	215	4
Saulsbury Industries Inc	Electric	3	2.71%	200		
Wal-Mart Associates Inc	Retail	4	2.71%	200	98	8
Quality Integrated Services Inc	Inspection Services	5	2.03%	150		
Panhandle Telephone	Communication Services	6	1.35%	100	114	6
Memorial Hospital of Texas County	Health care	7	1.35%	100	106	7
Hitch Enterprises Inc/Hitch Pork	Cattle and Hogs	8	1.35%	100		
Global Geophysical Services Inc	Geophysical Services	9	1.35%	100		
Texas County	Government	10	1.35%	100		
City of Guymon	Government				117	5
Hitch Enterprises Inc.	Cattle and Hogs				260	3
Seaboard Farms of Oklahoma	Pork Processing				1,000	2
Phillips Petroleum	Mining				96	9
Behne Construction	Construction				55	10
Totals			60%	4,450	4,210	

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, 2013
TABLE 18A

Function/Program	<u>Fiscal Year</u> <u>2006</u>	<u>Fiscal Year</u> <u>2007</u>	<u>Fiscal Year</u> <u>2008</u>	<u>Fiscal Year</u> <u>2009</u>	<u>Fiscal Year</u> <u>2010</u>	<u>Fiscal Year</u> <u>2011</u>	<u>Fiscal Year</u> December <u>2011</u>	<u>Fiscal Year</u> <u>2012</u>	<u>Fiscal Year</u> <u>2013</u>
General Government									
Buildings	2	2	3	3	3	3	3	3	3
Police									
Stations	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	21	21	23	23	23	24
Fire									
Stations	2	2	2	2	2	2	2	2	3
Trucks	4	4	6	7	8	5	5	5	5
Ambulance									
Vehicles	4	4	4	4	4	4	4	5	5
Refuse Collection									
Collection trucks	4	4	4	4	3	3	3	3	3
Transfer station	1	1	1	1	1	1	1	1	1
Transfer trucks	3	3	3	3	2	2	2	2	2
Streets									
Street miles	90	90	90	90	82.9	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	7.8
Traffic signals	12	12	12	12	12	13	13	13	13
Airport									
Runways	1	1	1	1	1	1	1	1	1
Terminals	1	1	1	1	1	1	1	1	1
Parks and recreation									
Playgrounds	12	12	13	13	13	13	13	13	13
Pool	1	1	1	1	1	1	1	1	1
Golf course	1	1	1	1	1	1	1	1	1
Public Transportation									
Buses	4	4	8	9	12	9	9	9	9
Library									
Building	1	1	1	1	1	1	1	1	1
Cemetery									
Plots	11,316	11,316	17,148	18,308	18,308	23,268	23,268	23,268	23,268
Vehicles	2	2	6	6	6	6	6	6	6
Gas									
Gas mains (miles)	75	75	75	75	75	77	77	77	77
Gates	3	3	3	3	3	3	3	3	3
Regulators	34	34	34	34	34	34	34	34	34
Water									
Water mains (miles)	80	80	80	84	84	84	84	84	84
Fire hydrants	309	309	314	362	362	410	410	410	410
Storage capacity (thousands of gallons)	4,375	4,375	4,375	5,375	5,375	5,375	5,375	5,375	5,375
Wastewater									
Sanitary sewers (miles)	69.7	69.7	80	80	80	80	80	80	80
Storm sewers (miles)	17	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	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, 2013
TABLE 18B

<u>Function/Program</u>	<u>Fiscal Year</u> <u>2006</u>	<u>Fiscal Year</u> <u>2007</u>	<u>Fiscal Year</u> <u>2008</u>	<u>Fiscal Year</u> <u>2009</u>	<u>Fiscal Year</u> <u>2010</u>	<u>Fiscal Year</u> <u>2011</u>	<u>Fiscal Year</u> December <u>2011</u>	<u>Fiscal Year</u> <u>2012</u>	<u>Fiscal Year</u> <u>2013</u>
General Government:									
City clerk	1.00	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	1.75
General government	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.50	3.50
Human Resources									1.00
Information Technology									1.00
Total General Government	4.25	4.25	4.25	4.25	4.25	4.75	4.75	6.25	8.25
Public Safety and Judiciary:									
City attorney	-	-	-	-	-	-	-	-	-
Ambulance	1.50	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	27.00
Municipal court	2.00	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	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	46.00
Transportation:									
Airport	-	-	-	-	-	-	-	-	-
Streets	8.50	8.50	8.50	8.00	8.00	8.25	7.25	8.25	8.25
Public transportation	9.50	8.50	10.50	12.00	12.00	10.75	9.75	7.75	8.50
Total Transportation	18.00	17.00	19.00	20.00	20.00	19.00	17.00	16.00	16.75
Cultural, Parks and Recreation:									
Golf	-	5.00	6.00	6.00	6.00	6.00	6.00	6.00	4.50
Library	5.50	5.00	5.00	5.00	5.00	3.00	4.00	4.00	4.00
Cemetery	2.50	2.00	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	3.00
Tourism	-	-	-	-	-	-	-	-	-
Total Cultural, Parks and Recreation	13.50	16.00	19.00	19.00	18.00	16.00	16.00	15.00	13.50
Community/Economic Development:									
Community development	3.00	2.50	1.00	1.50	1.50	2.33	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	1.67
Business Incubator	-	-	-	-	-	0.67	0.67	0.67	0.67
Business Enterprise Center	-	-	-	-	-	0.33	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	5.00
Administration	10.00	9.00	7.00	8.00	8.00	9.00	13.00	8.50	5.75
Gas	8.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00	7.00
Garbage	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.75
Water	4.00	4.00	4.00	4.00	5.00	5.00	5.00	4.00	4.00
Sewer	4.00	4.00	4.00	4.00	6.00	4.00	4.00	4.00	4.00
Wastewater Treatment Plant	-	-	-	-	-	3.00	3.00	5.00	5.00
Sanitation	11.00	12.00	12.00	12.00	11.00	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	127.00

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, 2013
TABLE 18C

	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	December <u>2011</u>	<u>2012</u>	<u>2013</u>
Police									
Physical arrests	3,384	2,559	443	356	100	250	236	492	496
Parking violations	149	30	16	13	63	16	49	166	155
Traffic violations	8,001	5,708	1,757	1,948	2,195	1,158	1,400	1,450	2,278
Fire									
Emergency responses	872	949	1,035	1,042	1,154	1,185	594	1,296	1,283
Fires extinguished	142	118	172	114	74	146	35	54	93
Sanitation									
Refuse collected (tons per day)	42	43	38	36	36	38	19	38	36
Library									
Volumes in collection	34,271	34,457	32,700	34,127	36,969	32,494	32,861	36,517	50,304
Total volumes borrowed	47,155	45,115	44,452	53,047	53,733	45,346	21,398	39,293	36,791
Street									
Street resurfacing (in miles)	-	-	1.5	0.37	6.75	6.25	7	0.2	13
Potholes repaired	100	200	200	200	400	600	800	1,157	685
Transportation									
Total route miles	109,938	114,908	134,029	133,799	134,690	127,083	55,163	115,192	97,127
Passengers	62,935	64,465	74,830	76,550	74,618	75,069	31,584	65,968	56,957
Water									
Average daily consumption (thousands of gallons)	5,600	4,540	5,281	4,717	4,717	4,963	5,007	5,462	5,220
Water main breaks	10	17	7	8	8	12	3	7	5
Wastewater									
Average daily treatment	4,000	4,000	4,000	4,000	4,000	3,400	1,200,000	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	3,734
Residential average daily consumption (thousand cubic feet)	620	779	652	582	699	603	340	540	610
Commercial average daily consumption (thousand cubic feet)	441	333	430	380	435	367	209	341	417
Industrial average daily consumption (thousand cubic feet)	22	11	85	128	140	157	143	175	159
Total annual consumption (thousand cubic feet)	395,178	409,637	425,411	397,668	464,901	412,062	127,348	385,669	432,883

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



**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, 2013, 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 30, 2014. Our report includes an explanatory paragraph disclaiming an opinion on required supplementary information.

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)

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 30, 2014, as Items 13-1 and 13-2.

City's Response to Findings

The City's response to the findings identified in our audit is described in the schedule of findings and questioned costs. The City's response was 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.

A handwritten signature in black ink that reads "Finley & Cook, PLLC". The signature is written in a cursive, flowing style.

Shawnee, Oklahoma
June 30, 2014

City of Guymon
Guymon, Oklahoma

Single Audit Report

For the Year Ended December 31, 2013

**CITY OF GUYMON
GUYMON, OKLAHOMA**

**SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013**

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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***

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, 2013, 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 30, 2014. Our report includes an explanatory paragraph disclaiming an opinion on required supplementary information.

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.

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.

(Continued)

**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**

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 accompanying schedule of findings and questioned costs as Items 13-1 and 13-2.

City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was 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 30, 2014



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Guymon, Oklahoma's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

(Continued)

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133, CONTINUED**

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Finding 13-3. Our opinion on each major program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

(Continued)

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133, CONTINUED**

Report on Internal Control Over Compliance, Continued

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 30, 2014, which contained unmodified opinions on those financial statements. Our report includes an explanatory paragraph disclaiming an opinion on required supplementary information. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Finley + Cook, PLLC

Shawnee, Oklahoma
June 30, 2014

**CITY OF GUYMON
GUYMON, OKLAHOMA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2013

<u>Federal Agency/Pass-Through Agency</u>	<u>CFDA#</u>	<u>Pass-Through Entity Identifying #</u>	<u>Federal Expenditures</u>
Department of Transportation:			
Federal Aviation Administration:			
Airport Improvement Project	20.106	3-40-0037-013-2012	\$ 208,645
Airport Improvement Project	20.106	3-40-0037-013-2010	<u>1,913</u>
Total Federal Aviation Administration			<u>210,558</u>
Passed through the Oklahoma Department of Transportation:			
Rural Transit Operation	20.509	FY13-14	54,308
Rural Transit Operation	20.509	FY12-13	92,479
Road to Work	20.509	FY13-14	12,040
Road to Work	20.509	FY12-13	36,119
Industrial Access Project	20.205	SAP-170E(163)	<u>404,225</u>
Total Passed through the Oklahoma Department of Transportation			<u>599,171</u>
Total Department of Transportation			<u>809,729</u>
Department of Homeland Security:			
Passed through the Oklahoma Department of Civil Emergency Management:			
Regional Response Intermediate CBRNE Trailer	97.073	260.023	188,530
Regional Response Intermediate CBRNE Unit	97.073	146.035	<u>31,993</u>
Total Department of Homeland Security			<u>220,523</u>

(Continued)

See Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF GUYMON
GUYMON, OKLAHOMA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED

Year Ended December 31, 2013

<u>Federal Agency/Pass-Through Agency</u>	<u>CFDA#</u>	<u>Pass-Through Entity Identifying #</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development:			
Passed through the Oklahoma Department of Commerce:			
CDBG	14.228	14592 ED 87	<u>749,579</u>
Total Department of Housing and Urban Development			<u>749,579</u>
Department of Agriculture:			
Rural Housing Service Community Facilities Direct Loan (ARRA)	10.780 (ARRA)	OK-97-04	452,188
Rural Housing Service Community Facilities Program Account (ARRA)	10.780 (ARRA)	OK-00-05	<u>653,160</u>
Total Department of Agriculture			<u>1,105,348</u>
Total Federal Expenditures			<u>\$ 2,885,179</u>

See Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF GUYMON
GUYMON, OKLAHOMA**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2013

Note (1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Guymon and is presented in accordance with the basis for determining federal awards expended as defined by Section 205 of Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the Schedule presents only a selected portion of the operations of the City of Guymon, it is not intended to and does not present the financial position, operations or cash flows of the City of Guymon.

Note (2) Subrecipients

Of the federal expenditures presented in the schedule, the City of Guymon had no subrecipients that were provided federal awards.

See Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.

**CITY OF GUYMON
GUYMON, OKLAHOMA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SECTION I—SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes None Noted

Significant deficiency(ies) identified that are not considered to be material weakness(es)?

Yes None Reported

Noncompliance material to financial statements noted?

Yes None Noted

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

Yes None Noted

Significant deficiency(ies) identified that are not considered to be material weakness(es)?

Yes None Reported

Type of auditors’ report issued on compliance for the major programs:

Unmodified

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

Yes No

**CITY OF GUYMON
GUYMON, OKLAHOMA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

Year Ended December 31, 2013

SECTION I—SUMMARY OF AUDITORS’ RESULTS, CONTINUED

Federal Awards, Continued

Identification of major programs:

Federal CFDA#	Name of Federal Program
10.780	U.S. Department of Agriculture Rural Housing Service Community Facilities Direct Loan (ARRA)
10.780	U.S. Department of Agriculture Rural Housing Service Community Facilities Program Account (ARRA)
14.228	U.S. Department of Housing and Urban Development Oklahoma Department of Commerce CDBG
20.205	U.S. Department of Transportation Oklahoma Department of Transportation Industrial Access Project

Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000**

Auditee qualified as low-risk auditee?

Yes No

**CITY OF GUYMON
GUYMON, OKLAHOMA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

Year Ended December 31, 2013

SECTION II—FINDINGS—FINANCIAL STATEMENTS AUDIT

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO
BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

13-1. Budgetary Compliance

Auditors' Findings: For the year ended December 31, 2013, the City was not in compliance with the Municipal Budget Act of 1979 due to the fact that expenditures exceeded appropriations at the legal level of control for the General Fund as follows:

<u>Fund</u>	<u>Department</u>	<u>Expenditures Exceeding Appropriations</u>
General Fund	Airport	\$ 23,350

Auditors' Recommendation: Procedures should be in place to monitor and avoid such items.

Management's Response: Management will continue to monitor expenditures and, when necessary, implement budget modifications to prevent the above.

13-2. Deficit Unrestricted Fund Balance

Auditors' Findings: At December 31, 2013, the fund balance for the Grant Fund of the City had a deficit balance of \$296,856. This appears to be a violation of the fund balance requirements prescribed by Title 11, Section 17-211 of the Oklahoma Statutes.

Auditors' Recommendation: Management may want to consider approving a transfer of monies to alleviate this situation.

Management's Response: The fund balance deficits were caused by building and grant project expenses reimbursable from other agencies and collected by the City in subsequent fiscal years.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

Year Ended December 31, 2013

SECTION III—FINDINGS AND QUESTIONED COSTS—
MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding 13-3 DAVIS-BACON ACT

Department of Housing and Urban Development
Program: Oklahoma Department of Commerce CDBG Pass-thru
CFDA #14.228

Compliance Requirement: Davis-Bacon Act

Criteria: The City is required to comply with the requirements of the Davis-Bacon Act that are applicable to the construction work financed with a federal grant. The Davis-Bacon Act requires that the City obtain and review certified payroll from construction contractors, for applicable projects, to ensure that the prevailing wage rates are being paid to subcontractors. If the prevailing rate is not being paid, the City must report to the Oklahoma Department of Commerce.

Context and Condition: During testing, it was noted that the City did not properly monitor the certified payroll from the contractor for the entire year; as such, there were instances in which the contractor did not pay the prevailing wage rates.

Questioned Cost: None.

Effect of Condition: The City was not in compliance with the Davis-Bacon Act.

Cause of Condition: Misunderstanding of the monitoring process and the requirements of the Davis-Bacon Act.

Recommendation: Adapt an internal control monitoring process to review the certified payroll reports against the prevailing wage rates to ensure the City is in compliance with the Davis-Bacon Act.

City's Response: *During 2013, the Davis-Bacon Act noncompliance was addressed by an Oklahoma Department of Commerce compliance audit. As such, the contractor made the necessary adjustments in October 2013 to the employees' compensation to be in compliance with the Davis-Bacon Act requirements.*

**CITY OF GUYMON
GUYMON, OKLAHOMA**

FOLLOW-UP ON PRIOR FINDINGS

December 31, 2013

FINDINGS NOTED IN THE DECEMBER 31, 2012, AUDIT

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO
BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

12-1. Budgetary Compliance

Auditors' Findings: For the year ended December 31, 2012, the City was not in compliance with the Municipal Budget Act of 1979 due to the fact that expenditures exceeded appropriations at the legal level of control for the General Fund as follows:

<u>Fund</u>	<u>Department</u>	<u>Expenditures Exceeding Appropriations</u>
General Fund	General government	\$ 6,099
General Fund	Transportation-administration	75

Auditors' Recommendation: Procedures should be in place to monitor and avoid such items.

Management's Response: Management will continue to monitor expenditures and, when necessary, implement budget modifications to prevent the above.

2013 Follow-Up: Finding repeated in 2013

12-2. Deficit Unrestricted Fund Balance

Auditors' Findings: At December 31, 2012, the fund balances for the Library Capital Improvement Fund and the Grant Fund of the City had a deficit balance of \$324,642 and \$147,595, respectively. This appears to be a violation of the fund balance requirements prescribed by Title 11, Section 17-211 of the Oklahoma Statutes.

Auditors' Recommendation: Management may want to consider approving a transfer of monies to alleviate this situation.

Management's Response: The fund balance deficits were caused by building and grant project expenses reimbursable from other agencies and collected by the City in subsequent fiscal years.

2013 Follow-Up: Finding repeated for the Grant Fund in 2013.