PUBLIC NOTICE OF A REGULAR MEETING
OF THE AIRPORT AUTHORITY
TUESDAY, JANUARY 17, 2012 AT 5:30 PM
CLINTON CITY HALL

AGENDA

Meeting status: Completed

1. Call to Order
2. Opening Prayer Roland Youngberg, First United Methodist Church
3. Consent Agenda
    A. Consider Approval of Minutes of Previous Meeting Recreational Authority Solid Waste Authority Airport Authority Hospital Authority
4. Action Items:
    A. Presentation and Consideration of 2010-2011 Audit
5. City Managers Report
6. Audience Participation
7. Adjournment

Filed this 12th Day of January, 2012. Posted on the bulletin board in the lobby of the Clinton City Hall on January 12, 2012, at 1:30p.m.

_____

Not recorded

AA010312

MINUTES OF AIRPORT AUTHORITY MEETING ON JANUARY 3, 2012

Minutes of the regular meeting of the Chairman and Trustees of the Clinton Airport Trust Authority of Clinton, Oklahoma, Custer County, held in the City Council Room, City Hall on Tuesday, January 3, 2012 at 5:30 p.m. A notice of this meeting with agenda was posted on the bulletin board in the lobby of Clinton City Hall on December 29, 2011.

Chairman Allen Bryson called the meeting to order with the following present;

CHAIRMAN: Allen Bryson
TRUSTEES: Don Rodolph, Bob Marcy, Jason Hulin, Phyllis Smith
CITY MANAGER: Steve Hewitt
CITY CLERK: Lisa Anders
CITY TREASURER: Debra Blanchard
DEPUTY CLERK: Rhonda Williams
CITY ATTORNEY: Ryan Meacham
NEWS MEDIA: Gerald Green
OTHERS: David Crabtree, Jeremy Bush, Arnold Adams, Steve & Yolanda Jones, Chad Eaton, Dennis Baxter, Mary Helen Jones and others.

Chairman Allen Bryson opened the meeting with prayer and Trustee Bob Marcy led the Pledge of Allegiance.

AGENDA ITEM NO. 3: CONSENT AGENDA

A. Minutes of the Regular Meeting of December 6, 2011
B. Consider Claims

Moved by Trustee Smith and seconded by Trustee Marcy, that Consent Agenda Item No. 3 (a-b) be approved.

Chairman put the motion to a roll call vote:

Aye: Smith, Marcy, Rodolph, Hulin, Bryson
Nay: None

Chairman declared the motion carried.

AGENDA ITEM NO. 4 ACTION ITEMS

None

AGENDA ITEM NO .5: CITY MANAGER'S REPORT

None

AGENDA ITEM NO. 6: AUDIENCE PARTICIPATION

None

AGENDA ITEM NO. 7: ADJOURNMENT

Moved by Trustee Marcy and seconded by Trustee Smith that the meeting adjourn.

Chairman put the motion to a roll call vote.

Aye: Marcy, Smith, Hulin, Rodolph, Bryson
Nay: None

Chairman declared the meeting adjourned at 5:37 pm.

PUBLIC NOTICE OF A REGULAR MEETING
OF THE RECREATIONAL AUTHORITY
TUESDAY, JANUARY 17, 2012 AT 5:30 PM
CLINTON CITY HALL

AGENDA

Meeting status: Completed

1. Call to Order
2. Opening Prayer Roland Youngberg, First United Methodist Church
3. Consent Agenda
    A. Consider Approval of Minutes of Previous Meeting Recreational Authority Solid Waste Authority Airport Authority Hospital Authority
4. Action Items:
    A. Presentation and Consideration of 2010-2011 Audit
5. City Managers Report
6. Audience Participation
7. Adjournment

Filed this 12th Day of January, 2012. Posted on the bulletin board in the lobby of the Clinton City Hall on January 12, 2012, at 1:30p.m.

Not recorded

RA010312

MINUTES OF RECREATIONAL AUTHORITY MEETING, JANUARY 3, 2012

Minutes of a regular meeting of the Chairman and Trustees of the Clinton Recreational Trust Authority of Clinton, Oklahoma, Custer County, held in the City Council Room, City Hall on Tuesday, January 3, 2012 at 5:30 p.m. A notice of this meeting with agenda was posted on the bulletin board in the lobby of Clinton City Hall on December 29, 2011.

Chairman Bryson called the meeting to order with the following present;

CHAIRMAN: Allen Bryson
TRUSTEES: Don Rodolph, Bob Marcy, Jason Hulin, Phyllis Smith
CITY MANAGER: Steve Hewitt
CITY CLERK: Lisa Anders
CITY TREASURER: Debra Blanchard
DEPUTY CLERK: Rhonda Williams
CITY ATTORNEY: Ryan Meacham
NEWS MEDIA: Gerald Green
OTHERS: Arnold Adams, David Crabtree, Steve & Yolanda Jones, Jeremy Bush, Chad Eaton, Dennis Baxter, Mary Helen Jones and others.

Chairman Allen Bryson opened the meeting with prayer and Trustee Bob Marcy led the Pledge of Allegiance.

AGENDA ITEM NO. 3: CONSENT AGENDA

A. Minutes of the Regular Meeting of December 6, 2011
B. Consider Claims

Moved by Trustee Smith and seconded by Trustee Marcy, that Consent Agenda Item No. 3 (a-b) be approved.

Chairman put the motion to a roll call vote:

Aye: Smith, Marcy, Hulin, Rodolph, Bryson
Nay: None

Chairman declared the motion carried.

AGENDA ITEM NO. 4 ACTION ITEMS

None

AGENDA ITEM NO .5: CITY MANAGER'S REPORT

City Manager Steve reported that membership have increased at Acme Brick Park with the new year.

AGENDA ITEM NO. 6: AUDIENCE PARTICIPATION

Steve Jones said the park and rodeo grounds are currently underutilized and he would like to recommend new restroom facilities at that location. He said a motorcycle group he is affiliated with would like to plan and schedule an event at that location but the restroom facilities would need an upgrade. He said he has been in contact with the Clinton Roundup Club and they are supportive of the improvements. He suggested volunteers building shower/restroom facilities from cinderblock and a metal roof which is similar to some existing building. Jones said he would bring plans/drawings of the proposed building to the next Council meeting for Council consideration.

AGENDA ITEM NO. 7: ADJOURNMENT

Moved by Trustee Marcy and seconded by Trustee Smith that the meeting adjourn.

Chairman put the motion to a roll call vote

Aye: Marcy, Smith, Rodolph, Hulin, Bryson
Nay: None

Chairman declared the meeting adjourned at 5:35 pm.

PUBLIC NOTICE OF A REGULAR MEETING
OF THE SOLID WASTE AUTHORITY
TUESDAY, JANUARY 17, 2012 AT 5:30 PM
CLINTON CITY HALL

AGENDA

Meeting status: Completed

1. Call to Order
2. Opening Prayer Roland Youngberg, First United Methodist Church
3. Consent Agenda
    A. Consider Approval of Minutes of Previous Meeting Recreational Authority Solid Waste Authority Airport Authority Hospital Authority
4. Action Items:
    A. Presentation and Consideration of 2010-2011 Audit
5. City Managers Report
6. Audience Participation
7. Adjournment

Filed this 12th Day of January, 2012. Posted on the bulletin board in the lobby of the Clinton City Hall on January 12, 2012, at 1:30p.m.

Not recorded

SW010312

MINUTES OF THE SOLID WASTE AUTHORITY, JANUARY 3, 2012

Minutes of the regular meeting of the Chairman and Trustees of the Clinton Solid Waste Authority of Clinton, Oklahoma, Custer County, held in the City Council Room, City Hall on Tuesday, January 3, 2012 at 5:30 p.m. A notice of this meeting with agenda was posted on the bulletin board in the lobby of Clinton City Hall on December 29, 2011.

Chairman Bryson called the meeting to order with the following present;

CHAIRMAN: Allen Bryson
TRUSTEES: Don Rodolph, Bob Marcy, Jason Hulin, Phyllis Smith
CITY MANAGER: Steve Hewitt
CITY CLERK: Lisa Anders
CITY TREASURER: Debra Blanchard
DEPUTY CLERK: Rhonda Williams
CITY ATTORNEY: Ryan Meacham
NEWS MEDIA: Gerald Green
THERS: Arnold Adams, David Crabtree, Steve & Yolanda Jones, Jeremy Brush, Chad Eaton, Dennis Baxter, Mary Helen Jones and others.

Chairman Allen Bryson opened the meeting with prayer and Trustee Bob Marcy led the Pledge of Allegiance.

AGENDA ITEM NO. 3: CONSENT AGENDA

A. Minutes of the Regular Meeting of December 6, 2011
B. Consider Claims

Moved by Trustee Smith and seconded by Trustee Marcy, that Consent Agenda Item No. 3 (a-b) be approved.

Chairman put the motion to a roll call vote:

Aye: Smith, Marcy, Rodolph, Hulin, Bryson
Nay: None

Chairman declared the motion carried.

AGENDA ITEM NO. 4 ACTION ITEMS

None

AGENDA ITEM NO .5: CITY MANAGER'S REPORT

City Manager Steve Hewitt said city services for solid waste and public works were covered during the holiday.

AGENDA ITEM NO. 6: AUDIENCE PARTICIPATION

None

AGENDA ITEM NO. 7: ADJOURNMENT

Moved by Trustee Marcy and seconded by Trustee Smith that the meeting adjourn.

Chairman put the motion to a roll call vote

Aye: Marcy, Smith, Rodolph, Hulin, Bryson
Nay: None

Chairman declared the meeting adjourned at 5:40 pm.

PUBLIC NOTICE OF A REGULAR MEETING
OF THE HOSPITAL AUTHORITY
TUESDAY, JANUARY 17, 2012 AT 5:30 PM
CLINTON CITY HALL

AGENDA

Meeting status: Completed

1. Call to Order
2. Opening Prayer Roland Youngberg, First United Methodist Church
3. Consent Agenda
    A. Consider Approval of Minutes of Previous Meeting Recreational Authority Solid Waste Authority Airport Authority Hospital Authority
4. Action Items:
    A. Presentation and Consideration of 2010-2011 Audit
5. City Managers Report
6. Audience Participation
7. Adjournment

Filed this 12th Day of January, 2012. Posted on the bulletin board in the lobby of the Clinton City Hall on January 12, 2012, at 1:30p.m.

_____

Not recorded

HA010312

MINUTES OF HOSPITAL AUTHORITY MEETING, JANUARY 3, 2012

Minutes of a regular meeting of the Chairman and Trustee of the Clinton Hospital Authority of Clinton, Oklahoma, Custer County, held in the City Council Room, City Hall on Tuesday, January 3, 2012 at 5:30 p.m. A notice of this meeting with agenda was posted on the bulletin board in the lobby of Clinton City Hall on December 29, 2011.

Chairman Bryson called the meeting to order with the following present;

CHAIRMAN: Allen Bryson
TRUSTEES: Don Rodolph, Bob Marcy, Jason Hulin, Phyllis Smith
CITY MANAGER: Steve Hewitt
CITY CLERK: Lisa Anders
CITY TREASURER: Debra Blanchard
DEPUTY CLERK: Rhonda Williams
CITY ATTORNEY: Ryan Meacham
NEWS MEDIA: Gerald Green
OTHERS: Arnold Adams, David Crabtree, Jeremy Bush, Mary Helen Jones, Julie Menge, Steve & Yolanda Jones, Dennis Baxter, Chad Eaton and others.

Chairman Allen Bryson opened the meeting with prayer and Trustee Bob Marcy led the Pledge of Allegiance.

AGENDA ITEM NO. 3: CONSENT AGENDA

A. Minutes of the Regular Meeting of December 6, 2011
B. Consider Claims

Moved by Trustee Smith and seconded by Trustee Marcy, that Consent Agenda Item No. 3 (a-b) be approved.

Chairman put the motion to a roll call vote:

Aye: Smith, Marcy, Rodolph, Hulin, Bryson
Nay: None

Chairman declared the motion carried.

AGENDA ITEM NO. 4 ACTION ITEMS

None

AGENDA ITEM NO .5: CITY MANAGER'S REPORT

None

AGENDA ITEM NO. 6: AUDIENCE PARTICIPATION

None

AGENDA ITEM NO. 7: ADJOURNMENT

Moved by Trustee Marcy and seconded by Trustee Smith that the meeting adjourn.

Chairman put the motion to a roll call vote:

Aye: Marcy, Smith, Hulin, Rodolph, Bryson
Nay: None

Chairman declared the meeting adjourned at 5:32 pm.

PUBLIC NOTICE OF A REGULAR MEETING
OF THE PUBLIC WORKS AUTHORITY
TUESDAY, JANUARY 17, 2012 AT 5:30 PM
CLINTON CITY HALL

AGENDA

Meeting status: Completed

1. Call to Order
2. Opening Prayer Roland Youngberg, First United Methodist Church
3. Consent Agenda
    A. Consider Approval of Minutes on January 3, 2012
4. Action Items:
    A. Affirm Expenditure by Clinton Public Schools Board of Education to Joe D. Hall, General Contractor for School Construction
    B. Presentation and Consideration of 2010-2011 Audit
    C. Discussion with Legal Counsel regarding Pending Litigation including an Executive Session as authorized by 25 O.S. ss 307B.4
5. City Manager's Report
    A. Water Plan Review from Garver Engineering
6. Audience Participation
7. Adjournment
    A. Continue to Industrial Authority Agenda

Filed this 12th Day of January , 2012. Posted on the bulletin board in the lobby of the Clinton City Hall on January 12, 2012 at 1:30 p.m.

_____

Not recorded

PW010312

MINUTES OF THE PUBLIC WORKS AUTHORITY MEETING, JANUARY 3, 2012

Minutes of the regular meeting of the Chairman and Trustees of the Clinton Public Works Authority of Clinton, Oklahoma, Custer County, held in the City Council Room, City Hall on Tuesday, January 3, 2012 at 5:30 P.M. A notice of this meeting with agenda was posted on the bulletin board in the lobby of Clinton City Hall on December 29, 2011.

Chairman Bryson called the meeting to order with the following present:

CHAIRMAN: Allen Bryson
TRUSTEES: Don Rodolph, Bob Marcy, Phyllis Smith, Jason Hulin
CITY MANAGER: Steve Hewitt
CITY CLERK: Lisa Anders
CITY TREASURER: Debra Blanchard
DEPUTY CLERK: Rhonda Williams
CITY ATTORNEY: Ryan Meacham
NEWS MEDIA: Rod Serfoss
OTHERS: David Crabtree, Arnold Adams, Steve & Yolanda Jones, Jeremy Brush, Chad Eaton, Dennis Baxter, Julie Menge, Mary Helen Jones and others.

Chairman Allen Bryson opened the meeting with prayer and Trustee Bob Marcy led the Pledge of Allegiance.

AGENDA ITEM NO. 3: CONSENT AGENDA

A. Minutes of the Regular Meeting of December 6, 2011 and Special Meeting of December 19, 2011
B. Consider Claims

Moved by Trustee Smith and seconded by Trustee Marcy, that Consent Agenda Item No. 3 (a-b) be approved.

Chairman put the motion to a roll call vote:

Aye: Smith, Marcy, Hulin, Rodolph, Bryson
Nay: None

Chairman declared the motion carried.

AGENDA ITEM NO. 4. ACTION ITEMS

4A. AFFIRM EXPENDITURE BY CLINTON PUBLIC SCHOOLS BOARD OF EDUCATION TO JOE D. HALL, GENERAL CONTRACTOR FOR SCHOOL CONSTRUCTION

Motion was made by Trustee Rodolph and seconded by Trustee Marcy to affirm the expenditure by Clinton Public Schools Board of Education to Joe D. Hall for school construction projects.

Chairman put the motion to a roll call vote:

Aye: Rodolph, Marcy, Smith, Hulin, Bryson
Nay: None

Chairman declared the motion carried.

AGENDA ITEM NO .5: CITY MANAGER'S REPORT

City Manager Steve Hewitt reported that the bull dozer was delivered last week and training session was held. He said they have begun moving dirt and seeing the benefits. He said a video will be on the city's website showing the progress of the work being done at Lake Clinton.

AGENDA ITEM NO. 6: AUDIENCE PARTICIPATION

None

AGENDA ITEM NO. 7: ADJOURNMENT

Moved by Trustee Smith and seconded by Trustee Marcy that the meeting adjourn.

Chairman put the motion to a roll call vote:

Aye: Smith, Marcy, Rodolph, Hulin, Bryson
Nay: None

Chairman declared the meeting adjourned at 5:50 pm.

EXHIBIT "D"

REQUISITION FOR PAYMENT
(Submit in Quadruplicate)

TO: BancFirst
Oklahoma City, Oklahoma

Please make the following payment from the Improvement Fund of Clinton Public Works Authority in your custody under Clinton Public Works Authority Series 2010 Bond Indenture, dated July 1, 2010:

Payee: Baptists' Athletic Supply

Address: 211 E. Main Shawnee, OK 74801

Federal Tax ID # 73-0769697

Amount: $ 14,134.60

Purpose of Payment: Volleyball equipment for new practicegym

Inv. # J050003-00 - $ 13,308.10

Inv #J050014-00 - $ 826.50

It hereby is certified that the foregoing payment is for a purpose specified in Section 2 of Article II of said Indenture.

Please indicate on the accompanying copies of this Requisition the date of payment, etc., as provided below and return two copies to the Authority and one to the District.

INDEPENDENT SCHOOL DISTRICT NO. 99,
CUSTER COUNTY, OKLAHOMA

By: Ken Ihrig

Requisition Paid: Date: 1-11-12

Balance in Payment Fund after payment: $ 579,315.45



211 E. Main
Shawnee, OK 74801
405-273-7100
800-273-7105
Fax 405-273-7150

invoice

DATE	INVOICE NO.
2/06/11	J050003-00

PAGE: 1

BILL TO: CLIN02

CLINTON PUBLIC SCHOOL
PO BOX 729

CLINTON OK 73601-0729

SHIP TO:

CLINTON HIGH SCHOOL
ATTN: BOB HUNTER
2130 GARY BLVD.
CLINTON OK 73601

P.O. NUMBER	TERMS	REP	SHIP DATE	SHIP VIA	F.O.B.	PROJECT
11	NET 30	JE				

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
3	NS 199900	VOLLEYBALL END STAND	2520.00	7560.00
NOTES:	GILL01			
3	NS 839010	VB PROTECTIVE PAD	337.20	1011.60
COLOR: MAROON				
NOTES:	GILL01			
42	NS UPL06	6" LETTERING ON PAD	15.30	642.60
NOTES:	GILL01			
3	NS 2295640	VB NET W/ CABLE	196.80	590.40
NOTES:	GILL01			
3	NS 546000	NET ANTENNA W/ MARKERS	71.10	213.30
NOTES:	GILL01			
3	NS 999000	JUDGES STAND	432.00	1296.00
NOTES:	GILL01			
2	NS 956100	VB TRANSPORT SYSTEM	638.40	1276.80
NOTES:	GILL01			
2	NS 870100	INDOOR FLOOR SLEEVE	113.70	227.40
NOTES:	GILL01			
			SUBTOTAL	12818.10

FREIGHT	MISC.	DISCOUNT	TAX	DEPOSIT	TOTAL	
490.00	.00	.00	.00	.00		13308.10

Bacon/Form, Inc. 937-298-3405 800-338-8012

Baptist's Athletic Supply

211 E. Main
Shawnee, OK 74801
405-273-7100
800-273-7105
Fax 405-273-7150

invoice

DATE	INVOICE NO.
01/05/12	J050014-00

PAGE: 1

BILL TO: CLIN02

CLINTON PUBLIC SCHOOL
PO BOX 729

CLINTON OK 73601-0729

SHIP TO:

CLINTON HIGH SCHOOL
ATTN: BOB HUNTER
2130 GARY BLVD.
CLINTON OK 73601

P.O. NUMBER	TERMS	REP	SHIP DATE	SHIP VIA	F.O.B.	PROJECT
11	NET 30	JE				

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
6	NS 870100	SLEEVE 3.5 POST 5" COVER	128.00	768.00

NOTES: GILL01

SUBTOTAL 768.00

FREIGHT	MISC.	DISCOUNT	TAX	DEPOSIT	TOTAL
58.50	.00	.00	.00	.00	826.50

Eaton/form, Inc. 937-298-3406 800-338-2012

PUBLIC NOTICE OF A REGULAR MEETING
OF THE INDUSTRIAL AUTHORITY
TUESDAY, JANUARY 17, 2012 AT 5:30 PM
CLINTON CITY HALL

AGENDA

Meeting status: Completed

1. Call to Order
2. Opening Prayer Roland Youngberg, First United Methodist Church
3. Consent Agenda
    A. Consider Approval of Minutes of January 3, 2012
4. Action Items:
    A. Presentation and Consideration of 2010-2011 Audit
    B. Consider Agreement(s) with Route 66 Museum regarding Renovation Project
5. City Manager's Report
6. Audience Participation
7. Adjournment

Filed this 12th Day of January, 2012. Posted on the bulletin board in the lobby of the Clinton City Hall on January 12, 2012 at 1:30 p.m.

_____

Not recorded

IA010312

MINUTES OF THE CLINTON INDUSTRIAL AUTHORITY, JANUARY 3, 2012

Minutes of a regular meeting of the Chairman and Trustees of the Clinton Industrial Authority of Clinton, Oklahoma, Custer County, held in the City Council Room, City Hall on Tuesday, January 3, 2012 at 5:30 p.m. A notice of this meeting with agenda was posted on the bulletin board in the lobby of Clinton City Hall on December 29, 2011.

Chairman Bryson called the meeting to order with the following present;

CHAIRMAN: Allen Bryson
TRUSTEES: Don Rodolph, Bob Marcy, Phyllis Smith, Jason Hulin
CITY MANAGER: Steve Hewitt
CITY CLERK: Lisa Anders
CITY TREASURER: Debra Blanchard
DEPUTY CLERK: Rhonda Williams
CITY ATTORNEY: Ryan Meacham
NEWS MEDIA: Gerald Green
OTHERS: David Crabtree, Arnold Adams, Steve & Yolanda Jones, Jeremy Brush, Chad Eaton, Dennis Baxter, Mary Helen Jones and others.

Chairman Allen Bryson opened the meeting with prayer and Trustee Bob Marcy led the Pledge of Allegiance.

AGENDA ITEM NO. 3: CONSENT AGENDA

A. Minutes of December 6, 2011 meeting
B. Consider Claims

Moved by Trustee Smith and seconded by Trustee Marcy that Consent Agenda Item No. 3 (a-b) be approved.

Chairman put the motion to a roll call vote:

Aye: Smith, Marcy, Rodolph, Hulin, Bryson
Nay: None

Chairman declared the motion carried.

AGENDA ITEM NO. 4 ACTION ITEMS

None

AGENDA ITEM NO .5: CITY MANAGER'S REPORT

None

AGENDA ITEM NO. 6: AUDIENCE PARTICIPATION

None

AGENDA ITEM NO. 7: ADJOURNMENT

Moved by Trustee Marcy and seconded by Trustee Smith that the meeting adjourn.

Chairman put the motion to a roll call vote

Aye: Marcy, Smith, Rodolph, Hulin, Bryson
Nay: None

Chairman declared the meeting adjourned at 5:45 pm.

LEASE AGREEMENT

This Lease Agreement (the "Agreement") is made and entered on the _____ day of _____, 2012, by and between Clinton Industrial Authority (a municipal Trust) ("Lessor") and Route 66 Museum ("Lessee") (collectively referred to as the "Parties").

The Parties agree as follows:

1. EQUIPMENT: Lessor hereby leases to Lessee the following equipment: All rights associated with Graphics for the remodel of the Museum; software for upgrades of interactive exhibits; hardware for interactive exhibits; and various mannequins for the displays (the "Equipment").

2. LEASE TERM: The lease will start on _____ (begin date) and will end on _____ (end date)(Lease Term).

3. LEASE PAYMENTS: Lessee agrees to pay to Lessor as rent for the Equipment the amount of $_____ ("Rent") each month in advance on the first day of each month at: _____(address for rent payment) or at any other address designated by Lessor. If the Lease Term does not start on the first day of the month or end on the last day of a month, the rent will be prorated accordingly.

4. LATE CHARGES: If any amount under this Agreement is more than 30 days late, Lessee agrees to pay a late fee of $5.00. All late fees shall be cumulative and paid at the conclusion of the lease term or upon exercise of Lessee's option to purchase. Late fees shall not accrue interest.

5. WARRANTIES: Lessor makes no warranties (express, implied or statutory) with respect to the Equipment and the accompanying written materials including, but not limited to, any implied warranties of merchantability or fitness for a particular purpose. In no event will Lessor be liable to Lessee for any direct or indirect damages including loss of profits, lost savings, loss of data, or other special incidental or consequential damages arising out of Lessee's use of or inability to use the Software. In no event, will Lessor's liability exceed the amount of the lease payments charged.

6. DEFAULTS: If Lessee fails to perform or fulfill any obligation under this Agreement, Lessee shall be in default of this Agreement. Subject to any statute, ordinance or law to the contrary, Lessee shall have thirty-one (31) days from the date of notice of default by Lessor to cure the default. In the event Lessee does not cure a default, Lessor may at Lessor's option (a) cure such default and the cost of such action amy be added to Lessee's financial obligations under this Agreement; or (b) declare Lessee in default of the Agreement. If Lessee shall become insolvent, cease to do business as a going concern of if a petition has been

filed by or against Lessee under the Bankruptcy Act or similar federal or state statute, Lessor may immediately declare Lessee in default of this Agreement. In the event of default, Lessor may, as permitted by law, re-take possession of the Equipment. Lessor may, at it option, hold Lessee liable for any difference between the Rent that would have been payable under this Agreement during the balance of the unexpired term and any rent paid by any successive lessee if the Equipment is re-let minus the cost and expenses of such reletting. In the event lessor is unable to re-let the Equipment during any remaining term of this Agreement, after default by Lessee, Lessor may at its option hold Lessee liable for the balance of the unpaid rent under this Agreement if this Agreement had continued in force.

7. POSSESSION AND SURRENDER OF EQUIPMENT: Lessee shall be entitled to possession of the Equipment on the first day of the Lease Term. At the expiration of the lease Term, lessee shall surrender the Equipment to Lessor by delivering the Equipment to lessor or Lessor's agent in good condition and working order, ordinary wear and tear excepted, as it was at the commencement of the Agreement.

8. OPTION TO PURCHASE: The Lessee has the option to purchase the Equipment at any time, at its fair market value, if Lessee has performed all of its responsibilities under the Lease. Lessee shall give written notice to the Lessor of its intent to exercise this option. Lessee shall exercise this option no later than the last day of the Term of the lease. The "fair market value" of the Equipment shall be calculated by subtracting the lease payments, made by Lessee, from Lessor's original purchase price. That amount plus $1.00 shall be the fair market value of the equipment.

9. USE OF EQUIPMENT: Lessee shall only use the Equipment in a careful and proper manner and will comply with all laws, rules, ordinances, statutes and orders regarding the use, maintenance of storage of the Equipment.

10. CONDITION OF EQUIPMENT AND REPAIR: Lessee or Lessee's agent has inspected the Equipment and acknowledges that the Equipment is in good and acceptable condition.

11. MAINTENANCE, DAMAGE AND LOSS: Lessee will, at Lessee's sole expense, keep and maintain the Equipment clean and in good working order and repair during the Lease Term. In the event the Equipment is lost or damaged beyond repair, Lessee shall pay to Lessor the replacement cost of the Equipment less any pro rata lease payments made.

12. INSURANCE: Lessee shall be responsible to maintain insurance on the Equipment with losses payable to Lessor against fire, theft, collision, and other such risks as are appropriate and specified by Lessor. Upon request by Lessor, Lessee shall provide proof of such insurance.

13. ENCUMBRANCES, TAXES AND OTHER LAWS: Lessee shall keep the Equipment free and clear of any liens or other encumbrances, and shall not permit any act where Lessor's title or rights may be negatively affected. Lessee shall be responsible for complying with and confirming to all laws and regulations relating to the possession, use or maintenance of the Equipment. Furthermore, Lessee shall promptly pay all taxes, fees, licenses and governmental charges, together with any penalties or interest thereon, relating to the possession, use or maintenance of the Equipment.

14. LESSORS REPRESENTATION: Lessor represents and warrants that he/she has the right to lease the Equipment as provided in this Agreement and that Lessee shall be entitled to quietly hold and possess the Equipment, and Lessor will not interfere with that right as long as Less pays the Rent in a timely manner and performs all other obligations under this Agreement.

15. OWNERSHIP: During the term of the lease, the Equipment is and shall remain the exclusive property of Lessor.

16. SEVERABILITY: If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

17. ASSIGNMENT: Neither this Agreement nor Lessee's rights hereunder are assignable except with Lessor's prior, written consent.

18. BINDING EFFECT: The covenants and conditions contained in the Agreement shall apply to and bind the Parties and the heirs, legal representatives, successors, and permitted assigns of the Parties.

19. GOVERNING LAW: This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma.

20. NOTICE: Any notice required or otherwise given pursuant to this Agreement shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service to:

Lessor:	Lessee:
_____	_____
_____	_____
_____	_____

Either party may change such addresses from time to time by providing notice as set forth above.

21. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may be modified in writing and must be signed by both Lessor and Lessee.

22. CUMULATIVE RIGHTS: Lessor's and Lessee's rights under this Agreement are cumulative, and shall not be construed as exclusive of each other unless otherwise required by law.

23. WAIVER: The failure of either Party to enforce any provisions of this Agreement shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement. The acceptance of rent by lessor does not waive Lessor's right to enforce any provisions of this Agreement.

24. INDEMNIFICATION: Except for damages, claims or losses due to Lessor's acts or negligence, Lessee, to the extent permitted by law, will indemnify and hold Lessor and Lessor's property, free and harmless from any liability for losses, claims, injury to or death of any person, including Lessee, or for damage to property arising from Lessee using and possessing the Equipment or from the acts or omissions of any person or persons, including Lessee, using or possessing the Equipment with Lessee's express or implied consent.

25. FINANCE LEASE: Lessor and Lessee agree that this Lease is a finance lease as that term is defined in Article 2a of the Uniform Commercial Code and Lessee hereby waives any and all rights and remedies granted to it by Sections 2a-506 through 2a-522 of the Uniform Commercial Code. Lessee further acknowledges that this is a business and commercial lease and not intended for household or personal use.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

[SIGNATURE PAGES TO FOLLOW]

LESSOR:

CLINTON INDUSTRIAL AUTHORITY

By: _____
Its _____

LESSEE:

ROUTE 66 MUSEUM

By: _____
Its _____

PUBLIC NOTICE OF A REGULAR MEETING
OF THE CITY COUNCIL
TUESDAY, JANUARY 17, 2012 AT 5:30 PM
CLINTON CITY HALL

AGENDA

Meeting status: Completed

1. Call to Order
2. Opening Prayer Roland Youngberg, First United Methodist Church
3. Consent Agenda
    A. Consider Approval of Minutes of January 3, 2012
4. Action Items:
    A. Presentation and Consideration of 2010-2011 Audit
    B. Consider appointment to Midwestern Oklahoma Industrial Foundation
    C. Request authorization to purchase two Pre-Owned Police Department Units
5. City Manager's Report
6. Audience Participation
7. Adjournment

Filed this 12th Day of January 12, 2012. Posted on the bulletin board in the lobby of the Clinton City Hall on January 12, 2012 at 1:30 p.m.

_____

Not recorded

MINUTES OF THE CLINTON CITY COUNCIL
JANUARY 3, 2012

Minutes of the regular meeting of the Mayor and City Council of the City of Clinton, Oklahoma, Custer County, held in the City Council Room, City Hall on Tuesday, January 3, 2012 at 5:30 p.m. A notice of this meeting with agenda was posted on the bulletin board in the lobby of Clinton City Hall on December 29, 2011.

City Clerk Lisa Anders administered the Oath of Office to Bob Marcy, Ward Three Councilman; Phyllis Smith, Ward Four Councilwoman; and Jason Hulin, Ward One Councilman.

Mayor Allen Bryson called the meeting to order with the following present;

MAYOR: Allen Bryson
COUNCIL: Don Rodolph, Bob Marcy, Phyllis Smith, Jason Hulin
CITY MANAGER: Steve Hewitt
CITY CLERK: Lisa Anders
CITY TREASURER: Debra Blanchard
DEPUTY CITY CLERK: Rhonda Williams
CITY ATTORNEY: Ryan Meacham
NEWS MEDIA: Gerald Green
OTHERS: Arnold Adams, Steve & Yolanda Jones, Jeremy Brush, David Crabtree, Julie Menge, Chad Eaton, Dennis Baxter, Mary Helen Jones and others.

Mayor Allen Bryson opened the meeting with prayer and Councilman Bob Marcy led the Pledge of Allegiance.

AGENDA ITEM NO, 4: CONSENT AGENDA:

A. Minutes of Regular Meeting of December 6, 2011 and Special Meeting December 19, 2011
B. Consider Claims

Moved by Councilman Hulin and seconded by Councilwoman Smith, that Consent Agenda Item No. 3 (a-b) be approved.

Mayor put the motion to a roll call vote:

Aye: Hulin, Smith, Marcy, Rodolph, Bryson
Nay: None

Mayor declared the motion carried.

AGENDA ITEM NO. 4 ACTION ITEMS

5A. CONSIDER BIDS ON SALE OF PROPERTY ON SOUTH 18TH STREET

Staff had advertised for the sale of property in the 300 Block of South 18th Street. Two bids were received:

Dennis Baxter	Four Seasons Heating & Air
Acelyn, LLC	Chad Eaton
$1,000.00	$500.00

The bid went to an auction since both bidders were present and wanted to increase their bids. At the completion of the auction, Dennis Baxter gave the highest bid of $3,100.00.

Motion was made by Councilman Rodolph and seconded by Councilman Marcy to accept the high bid of $3,100.00 from Dennis Baxter/ Acelyn, LLC for the purchase of property in the 300 Block of South 18th Street.

Mayor put the motion to a roll call vote:

Aye: Rodolph, Marcy, Hulin, Smith, Bryson
Nay: None

Mayor declared the motion carried.

5 B. CONSIDER APPOINTMENT TO MIDWESTERN OKLAHOMA INDUSTRIAL FOUNDATION

City Manager Steve Hewitt reported that Kevin Brittain would be completing his term on the Midwestern Oklahoma Industrial Foundation in February 2012 and he has asked to be replaced at the end of his term. No names have been submitted for consideration for this opening.

Motion was made by Councilman Rodolph and seconded by Councilwoman Smith to appoint City Manager Steve Hewitt to the Midwestern Oklahoma Industrial Foundation.

Mayor put the motion to a roll call vote:

Aye: Rodolph, Smith, Hulin, Marcy, Bryson
Nay: None

Mayor declared the motion carried.

Motion was made by Councilman Rodolph and seconded by Councilman Hulin to reappoint Bob Marcy to the Midwestern Oklahoma Industrial Foundation.

Mayor put the motion to a roll call vote:

Aye: Rodolph, Hulin, Smith, Marcy, Bryson
Nay: None

Mayor declared the motion carried.

6. CITY MANAGER'S REPORT

City Manager Steve Hewitt reported that City crews are completing the removal of Christmas decorations.

City Manager Steve Hewitt said Assistant City Attorney Ryan Meacham would be completing a draft agreement with the Route 66 Museum in an effort to partner on the renovation program and it would be presented at the next meeting.

City Manager Hewitt said he would be out of the office three days next week to attend the City Managers Conference in Stillwater.

AGENDA ITEM. 7 AUDIENCE PARTICIPATION

None

AGENDA ITEM NO. 8: ADJOURNMENT

Moved by Councilwoman Smith and seconded by Councilman Marcy to adjourn the meeting.

Mayor put the motion to a roll call vote:

Aye: Smith, Marcy, Hulin, Rodolph, Bryson
Nay: None

Mayor declared the meeting adjourned at 6:00 P.M.

CITY OF CLINTON, OKLAHOMA
CLINTON, OKLAHOMA

FINANCIAL STATEMENTS AND
AUDITOR'S REPORTS

FOR THE YEAR ENDED
JUNE 30, 2011

THE CITY OF CLINTON, OKLAHOMA
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YEAR ENDED JUNE 30, 2011

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CITY OF CLINTON, OKLAHOMA
YEAR ENDED JUNE 30, 2011
LIST OF PRINCIPAL OFFICIALS

MAYOR
Allen Bryson

COUNCIL MEMBERS
Steve Jones
Bob Marcy
Don Rodolph
Phyllis Smith

CITY MANAGER
Steve Hewitt

CITY CLERK
Lisa Anders

CITY TREASURER
Debra Blanchard

BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507
WEATHERFORD, OK 73096
580-772-3596
FAX 580-772-3085

BRANCH OFFICE:
106 N. COLLEGE - P.O. BOX 266
CORDELL, OK 73632
580-832-5313
FAX 580-832-5314

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Clinton, Oklahoma

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 of Clinton, Oklahoma, as of June 30, 2011, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2011, on our consideration of City of Clinton, Oklahoma'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 and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents 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 of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Clinton, Oklahoma's basic financial statements as a whole. The introductory section as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements referred to above and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL & MILLER
November 15, 2011

Our discussion and analysis of the City of Clinton's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2011. The City's performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. This discussion focuses on the City's primary government, and unless otherwise noted, component units reported separately from the primary government are not included. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities by $47,382,881 (net assets) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by $45,101,325.
- Total liabilities of the City increased by $13,532,962 to $25,863,210.
- Total net assets are comprised of the following:
  (1) Invested in capital assets, net of related debt, of $24,436,352 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net assets of $9,598,306 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws or regulations.
  (3) Unrestricted net assets of $13,348,223 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of $7,592,202 this year. This compares to the prior year ending fund balance of $6,103,339 showing an increase of $1,488,863.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was $2,988,956, or 39.2% of total General Fund expenditures including transfers and 35.7% of General Fund revenues including transfers.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The City's report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Assets.* This is the City-wide statement of financial position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets.* Over time, increases or decreases may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the City infrastructure in addition to the financial information provided in this report.

The second government-wide financial statement is the *Statement of Activities* which reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs though user fees and charges. Governmental activities include general government; public safety and judiciary; transportation; cultural, parks and recreation; and public services. Business-type activities include water and wastewater utilities, solid waste management, airports, recreational

activities, health care, and economic development. Fiduciary activities such as employee pension plans are not included in the government-wide statements since these assets are not available to fund City programs.

The City's financial reporting entity includes the funds of the City (primary government). Most of the legally separate organizations operate like city departments and serve as financing vehicles for the City services (revenue bond issuers), or are governed by a board of trustees wholly compromised of the City's Mayor and Council. These organizations are blended into the primary government for financial reporting purposes. The blended organizations reported as City funds include Clinton Public Works Authority, Clinton Solid Waste Authority, Clinton Airport Authority, Recreation Trust Authority, Clinton Hospital Authority, and Industrial Authority activities.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with the finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregate presentation. Individual fund data for non-major fund is provided in the form of combining statements in a later section of this report.

The City has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinct view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for near-term.

Since the government-wide focus includes long-term view, comparisons between these two perspectives may provide insight into the long-term impact of the short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in the fund balances provide reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

A budgetary comparison statement is included. This statement demonstrates compliance with the City's adopted and final revised budget.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. There are two kinds of proprietary funds. These are enterprise funds and internal service funds. Enterprise funds essentially encompass the same function reported as business-type activities in the government-wide statements. Services are provided to a customer external to the City organization such as the water utilities and the City golf course. Internal service funds provide services and charge fees to customers within the City organization such as equipment services (repair and maintenance of City vehicles). Because the City's internal service fund primarily serves governmental functions, they are included within the governmental activities of the governmental-wide financial statements.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government wide financial statements but with more detail for major enterprise funds.

Fiduciary funds such as the meter deposit fund are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund City programs. Fiduciary fund financial statements report similarly to proprietary funds.

Notes to the financial statements
The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information
Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the City as a Whole

As year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole.

The City's net assets at fiscal year end are $47,382,881. This is a net increase of $2,281,556 over last year's net assets of $45,101,325. The following table provides a summary of the City's net assets at June 30:

Summary of Net Assets

	Governmental Activities		Business-type Activites		Totals		$ Change	% Change
	2011	2010	2011	2010	2011	2010		
Current and other assets	$ 9,510,558	$ 6,447,568	$ 21,779,561	$ 15,544,311	$ 31,290,119	$ 21,991,879	$ 9,298,240	29.7%
Other noncurrent assets	-	-	511,051	227,473	511,051	227,473	$ 283,578	55.5%
Capital assets	5,655,567	4,725,342	35,789,354	30,486,879	41,444,921	35,212,221	$ 6,232,700	15.0%
Total Assets	15,166,125	11,172,910	58,079,966	46,258,663	73,246,091	57,431,573	$ 15,814,518	21.6%
Long-term liabilities	389,069	123,814	20,697,731	9,234,000	21,086,800	9,357,814	$ 11,728,986	55.6%
Other liabilities	2,115,251	482,816	2,661,159	2,489,618	4,776,410	2,972,434	$ 1,803,976	37.8%
Total Liabilities	2,504,320	606,630	23,358,890	11,723,618	25,863,210	12,330,248	$ 13,532,962	52.3%
Net assets:								
Invested in capital assets, net of related debt	5,061,924	4,573,048	19,374,428	19,964,500	24,436,352	24,537,548	$ (101,196)	-0.4%
Restricted	100,477	92,598	9,497,829	8,886,296	9,598,306	8,978,894	$ 619,412	6.5%
Unrestriced	7,499,404	5,900,634	5,848,819	5,684,249	13,348,223	11,584,883	$ 1,763,340	13.2%
Total Net Assets	$ 12,661,805	$ 10,566,280	$ 34,721,076	$ 34,535,045	$ 47,382,881	$ 45,101,325	$ 2,281,556	4.8%

The City reported positive balances in net assets for governmental activities, noting an increase of $2,028,509. Business-type activities net assets increased $186,031.

On February 8, 2005, City voters approved a special purpose sales tax of one cent for the purposes of the Eastside Academy, Clinton Public Schools, Acme Brick Park construction, Acme Brick Park operation (5%- permanent), and economic development. The tax became effective April 1, 2005, and continued through March 31, 2011.

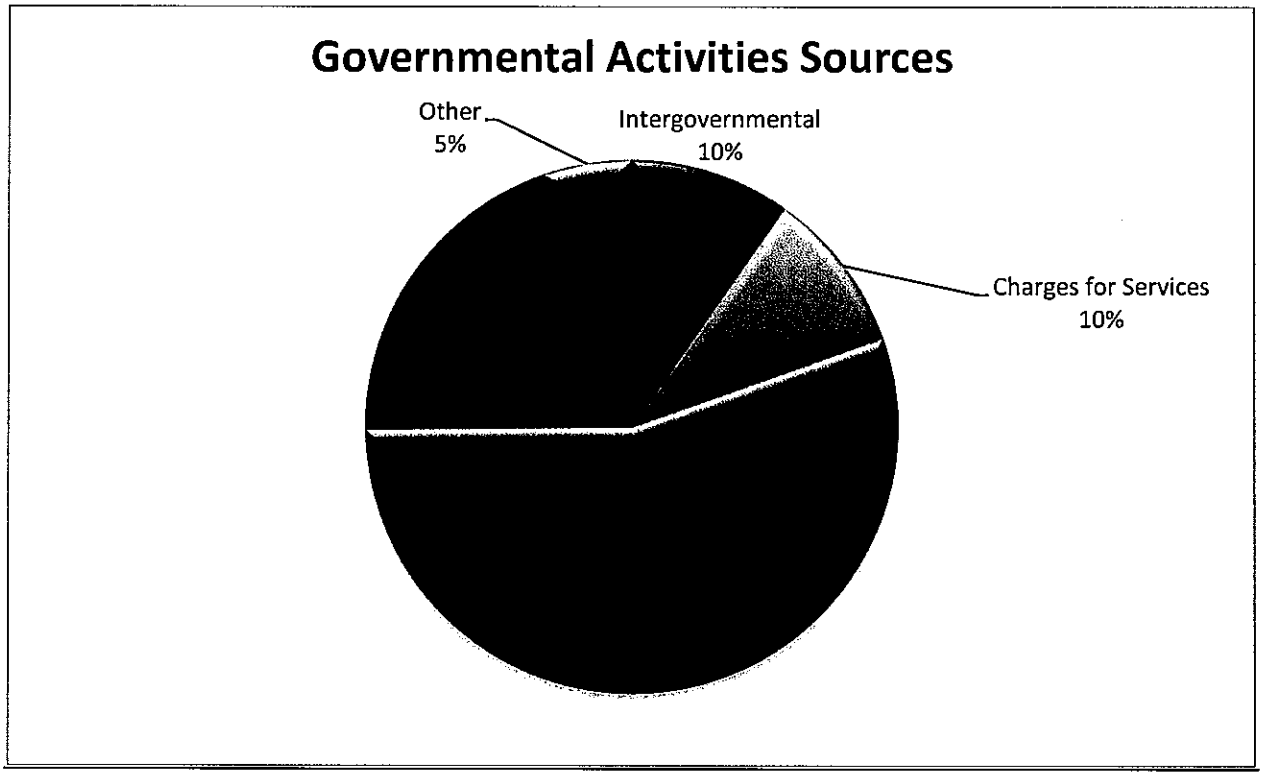
Comparative data is accumulated and presented to assist analysis. The following table provides a summary of the City's changes in net assets for the year ended June 30:

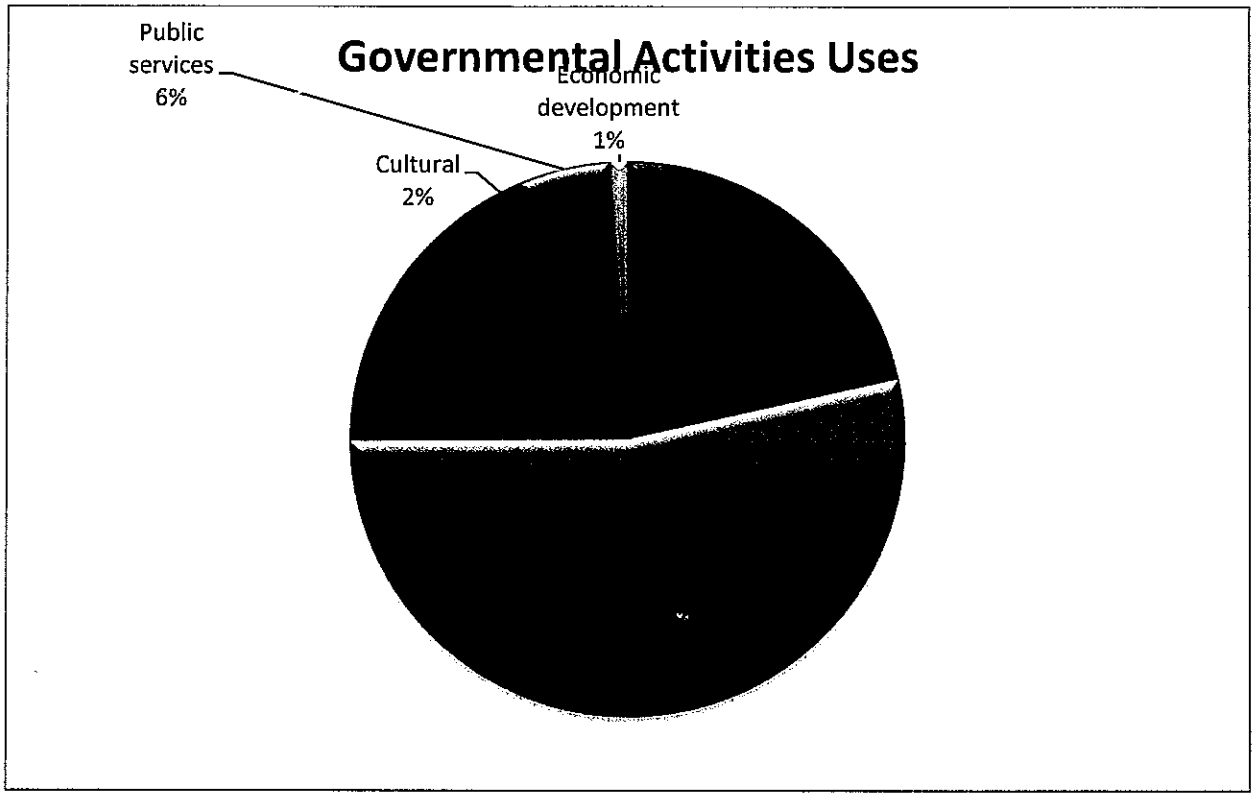
	Governmental Activities		Business-type Activites		Totals		$ Change	% Change
	2011	2010	2011	2010	2011	2010		
Revenues								
Program Revenues								
Charges for services	$ 882,206	$ 643,965	$ 5,666,053	$ 5,385,521	$ 6,548,259	$ 6,029,486	$ 518,773	9%
Operating grants and contributions	121,108	130,427	141,303	100,000	262,411	230,427	31,984	14%
Capital grants and contributions	752,286	68,049	403,237	263,508	1,155,523	331,557	823,966	249%
General Revenues							-	
Sales taxes	4,954,731	4,648,794	-	-	4,954,731	4,648,794	305,937	7%
Use taxes	834,602	421,456	-	-	834,602	421,456	413,146	98%
Hotel/motel taxes	343,084	242,471	-	-	343,084	242,471	100,613	41%
E-911 taxes	93,271	93,021	-	-	93,271	93,021	250	0%
Franchise taxes (fees)	384,051	366,886	-	-	384,051	366,886	17,165	5%
Cigarette taxes	73,239	65,386	-	-	73,239	65,386	7,853	12%
Other taxes	49,035	47,364	-	-	49,035	47,364	1,671	4%
Oil & gas royalities	333,788	23,165	39,918	34,780	373,706	57,945	315,761	545%
Investment income	119,747	143,089	272,610	478,421	392,357	621,510	(229,153)	-37%
Other	25,626	14,644	2,318	22,159	27,944	36,803	(8,859)	-24%
Penalties	-	-	53,110	48,184	53,110	48,184	4,926	10%
Loss of disposal of assets	-	-	138	(1,271,733)	138	(1,271,733)	1,271,871	
Transfers - internal activity	(2,317,063)	(2,421,829)	2,317,063	2,421,829	-	-	-	
Total Revenues	$ 6,649,711	$ 4,486,888	$ 8,895,750	$ 7,482,669	$ 15,545,461	$ 11,969,557	$ 3,575,904	23%
Expenses								
General government	$ 992,966	$ 1,014,810	$ -	$ -	$ 992,966	$ 1,014,810	$ (21,844)	-2%
Public safety/judiciary	2,468,514	2,354,484	-	-	2,468,514	2,354,484	114,030	5%
Transportation	753,845	600,943	-	-	753,845	600,943	152,902	25%
Cultural	107,534	112,969	-	-	107,534	112,969	(5,435)	-5%
Public services	250,583	267,223	-	-	250,583	267,223	(16,640)	-6%
Water	-	-	2,670,487	2,337,631	2,670,487	2,337,631	332,856	14%
Sewer	-	-	1,231,351	1,122,178	1,231,351	1,122,178	109,173	10%
Sanitation	-	-	1,304,434	1,270,050	1,304,434	1,270,050	34,384	3%
Airport	-	-	230,821	221,498	230,821	221,498	9,323	4%
Golf	-	-	539,747	553,665	539,747	553,665	(13,918)	-3%
Parks & recreation	-	-	1,332,967	1,341,041	1,332,967	1,341,041	(8,074)	-1%
Swimming	-	-	132,634	184,521	132,634	184,521	(51,887)	-28%
Healthcare	-	-	114,513	119,119	114,513	119,119	(4,606)	-4%
Education	-	-	565,361	-	565,361	-	565,361	
Economic development	47,760	-	587,404	571,093	635,164	571,093	64,071	11%
Total Expenses	$ 4,621,202	$ 4,350,429	$ 8,709,719	$ 7,720,796	$ 13,330,921	$ 12,071,225	$ 1,259,696	10%
	$ 2,028,509	$ 136,459	$ 186,031	$ (238,127)	$ 2,214,540	$ (101,668)	2,316,208	-2278%

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with the 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 of the City's taxpayers. It also identifies how much each function draws from the general revenues or if it self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note all taxes are classified as general revenue even if restricted for a specific purpose.

For the year ended June 30, 2011, the City's governmental activities were funded as follows:





Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resource focus. This is useful in assessing resources available at the end of the year in comparison with up coming financing requirements. Governmental funds reported ending fund balances of $7,592,202. Of this year end total $2,988,956 is unreserved indicating availability for continuing City service requirements. Restricted fund balances include: $100,477 committed to cemetery capital improvements and $1,370,476 for capital projects.

The total ending fund balances of governmental funds showed an increase of $1,488,863 over the prior year. This increase is primarily attributable to the 4th cent sales tax fund offset by the capital improvement fund.

Major Governmental Funds

The General Fund is the City's primary operating fund. The fund balance of the primary operating fund of the City increased by $744,800 from $2,244,156 to $2,988,956. Key factors contributing to this increase included an increase in investment balances.

The Capital Improvement Fund has an ending fund balance of $1,370,476. The fiscal year end included a net increase of $278,011 in the Capital Improvement Fund. The change in Capital Improvement Fund is largely due to the change in investment balances.

The 4th Cent Sales Tax Fund is the fund that accounts for the City's fourth cent sales tax that is to be used by the City for Eastside Academy (4%), Clinton Public Schools (12%), Acme Brick Park construction (29%), Acme Brick Park operation (5%), and economic development (50%).

Proprietary funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Major Proprietary Funds

The Public Works Authority (PWA) accounts for activities in providing water and wastewater services to the public. The increase in net assets for the PWA Fund was $222,082. This increase is attributable to a net loss before transfers of $844,355 offset by net transfers of $1,066,437.

The Solid Waste Authority accounts for activities in providing solid waste services to the public. The increase in net assets for the Solid Waste Authority was $122,412.

The Clinton Airport Authority accounts for providing airport facilities to the public. The increase in net assets for the Airport Authority was $271,910. Net operating loss of $166,408 for the fiscal year is offset by grant income from the FAA and oil and gas royalties received.

The Recreation Trust Authority accounts for the financing, development, and operation of recreational, athletic, sports, amusement, entertainment, and cultural and educational service and facilities. The decrease in net assets of the Recreation Trust Authority was $235,456.

The Clinton Hospital Authority accounts for the operation and development of the hospital and other medical activities of the City. The decrease in net assets of the Clinton Hospital Authority was $188,992. The hospital is currently leased to Integris Health Systems, so the fund activity mainly consists of the $150,000 annual lease payment from the hospital, interest income on investments, and the depreciation on the assets leased to Integris.

The Industrial Authority accounts for the activities in promoting industrial development within the City of Clinton. The decrease in net assets for the Industrial Authority was $2,251. The decrease is a function of the net operating loss incurred offset by transfers in from the General fund of the City.

General Fund Budgetary Highlights

The General Fund Budget for fiscal year 2011 was $4,286,069. The General Fund budget complied with the financial policies approved by the City Council and maintained core City services.

Capital Assets and Debt Administration

Capital assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2011, was $5,655,567 and $35,789,354, respectively.

Capital Assets, Net of Accumulated Depreciation

	Governmental Activities		Business-type Activites		Totals		$ Change	% Change
	2011	2010	2011	2010	2011	2010		
Non-Depreciable Assets:								
Land	$ 383,460	$ 381,960	$ 2,278,311	$ 2,259,895	$ 2,661,771	$ 2,641,855	$ 19,916	1%
Construction in Progress	414,778	11,512	6,063,694	3,193,000	6,478,472	3,204,512	$ 3,273,960	51%
Depreciable Assets:								
Buildings	2,912,757	2,250,733	10,666,760	7,986,924	13,579,517	10,237,657	$ 3,341,860	25%
Improvements other than buildings	969,610	989,610	7,243,224	6,676,161	8,212,834	7,665,771	$ 547,063	7%
equipment	3,812,331	3,686,276	14,380,070	14,584,719	18,192,401	18,270,995	$ (78,594)	0%
Infrastructure	4,429,925	4,380,208	31,773,185	31,323,460	36,203,110	35,703,668	$ 499,442	1%
Less accumulated depreciation	7,267,294	6,954,957	36,615,890	35,537,280	43,883,184	42,492,237	$ 1,390,947	3%
Total	$ 5,655,567	$ 4,745,342	$ 35,789,354	$ 30,486,879	$ 41,444,921	$ 35,232,221	$ 6,212,700	15%

Long-term debt

At year-end, the City had $23,510,929 in debt outstanding. The City's changes in long-term debt by type of debt are as follows:

Primary Government Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenue bonds	$ -	$ -	$ 22,145,000	$ 10,420,000	$ 22,145,000	$ 10,420,000
Notes payable/capital lease	593,643	268,792	772,286	783,460	1,365,929	1,052,252
subtotal	593,643	268,792	22,917,286	11,203,460	23,510,929	11,472,252
less current portion	(221,905)	(152,294)	(1,524,126)	(1,339,011)	(1,746,031)	(1,491,305)
Totals	$ 371,738	$ 116,498	$ 21,393,160	$ 9,864,449	$ 21,764,898	$ 9,980,947

The Clinton Public Works Authority issued $12,875,000 of revenue bonds during the fiscal year to finance school improvements approved by voters on March 2, 2010 including classroom additions to Nance, Southwest and Washington schools, cafeteria addition at Southwest, CHS band room facility, CHS physical education/practice facility, roofing, parking lots, CMS auditorium remodel and other miscellaneous improvements. The Authority entered into a ground lease with the Clinton Public School District to lease the land upon which the improvements were to be constructed. Lease purchase acquisition payments and rental payments derived from the sublease agreement with the District will be assigned to make the debt service payments on the bonds. Upon payment in full of the amounts due under the sublease agreement, possession and ownership of the improvements will then belong to the District. The Authority has no obligation for the debt beyond the funds derived under the lease agreement.

THE CITY'S FUNDS

The following schedule presents a summary of general fund revenues and expenditures for the fiscal year end June 30, 2011, and the amount and percentage of increases and decreases in relation to the prior year.

	FYE 2011 Actual Budget Basis	FYE 2010 Actual Budget Basis	Increase/ (Decrease) from FYE 2010	Percent Increase/ (Decrease)
Revenues				
Sales taxes	$ 2,600,332	$ 2,339,682	$ 260,650	10%
Use taxes	798,055	447,447	350,608	44%
Hotel/motel taxes	330,936	247,308	83,628	25%
E911 taxes	93,271	93,021	250	0%
Franchise taxes	383,645	364,391	19,254	5%
Cigarette taxes	73,175	64,513	8,662	12%
Licenses and permits	57,526	26,976	30,550	53%
Oil and gas royalties	333,788	23,165	310,623	93%
Fines and forfeitures	124,712	126,183	(1,471)	-1%
Investment income	26,193	44,005	(17,812)	-68%
Charges for services	107,790	90,176	17,614	16%
Rental income	18,511	16,409	2,102	11%
Intergovernmental	149,431	157,515	(8,084)	-5%
Intracity fees	566,664	360,000	206,664	36%
Miscellaneous	43,698	23,752	19,946	46%
Total Revenues	$ 5,707,727	$ 4,424,543	$ 1,283,184	22%
Expenditures				
Governing board & admin	$ 604,191	$ 775,625	$ 171,434	28%
Finance	345,115	315,885	(29,230)	-8%
Legal & courts	114,803	111,675	(3,128)	-3%
Police	1,305,253	1,250,760	(54,493)	-4%
Fire	777,751	750,303	(27,448)	-4%
Inspection/code enforement	75,324	78,899	3,575	5%
Street	392,641	367,417	(25,224)	-6%
Cemetery	102,505	105,579	3,074	3%
Facilities maintenance	158,394	158,622	228	0%
Total Expenditures	$ 3,875,977	$ 3,914,765	$ 38,788	1%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The national economic recession resulted in economic concerns for the City. A conservative approach to projecting revenues is necessary because of past revenue growth patterns and the uncertainty of our state's and nation's economic status.

The following are highlights from the 2011-2012 budget for each fund:

The General fund budget includes a 3% increase in revenues and transfers over FY11. Overall expenses and transfers are budgeted to increase by 8% due to shifting the operation of all Parks and Recreation (except Golf) to the general fund. This will leave an approximate 20% of current year appropriations as unappropriated fund balance.

The Capital Improvement Fund has budgeted revenues reflecting a 8% decrease over FY11 due to the amount of sales tax that was required to be transferred to the Public Works Authority for the 2006 bond payments. Expenditures are budgeted at a 1% decrease from FY11 with a contingency of $150,000 built in.

The Public Works Authority budget reflects a 9% increase in revenues which includes a DOT reimbursement for Highway 183 water/sewer line relocation. Expenditures are projected at just a 2% increase due to the lower management fee required to be transferred to the General Fund. This will leave a reserve of 45% of the current budget.

The Solid Waste Authority has included in the budget a 1% increase in revenues and 2% increase in expenses due to a request of $75,000 for a roll off truck. This will leave an unappropriated reserve balance of 22% of the current budget.

The Airport Authority is expected to have a deficit in the FY11-12 which will be offset with grant funds.

The Recreation Authority budget is lower due to shifting operations of Parks and Recreation to the General Fund. The golf revenues and transfers are projected at a 2% reduction in revenues and transfers and a 2% increase in operating expenditures.

The Industrial Authority is funded through lodging tax, operation of the conference center, and a $1,000,000 transfer from the Economic Development Fund for potential projects. Capital expenses include additions to the security system and audio visual equipment.

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 Treasurer's Office at City Hall, Clinton, Oklahoma.

Debra Blanchard
City Treasurer

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

ASSETS	Governmental Activities	Business-type Activities	Total
Current Assets:			
Cash, including time deposits	$ 1,750,868	$ 981,259	$ 2,732,127
Investments	5,330,500	12,053,386	17,383,886
Interest receivable	14,737	5,037	19,774
Accounts receivable (net)	240,376	497,983	738,359
Due from other funds	1,622,035	548,269	2,170,304
Receivable from other governments	527,665	-	527,665
Prepaid expenses	24,377	47,269	71,646
Total current assets	9,510,558	14,133,203	23,643,761
Restricted assets:			
Cash	-	647,979	647,979
Investments	-	6,998,379	6,998,379
Total restricted assets	-	7,646,358	7,646,358
Noncurrent Assets:			
Unamortized bond issue costs	-	511,051	511,051
Land and construction in progress	798,238	8,342,005	9,140,243
Other capital assets (net of accumulated depreciation)	4,857,329	27,447,349	32,304,678
Total noncurrent assets	5,655,567	36,300,405	41,955,972
Total assets	15,166,125	58,079,966	73,246,091
LIABILITIES			
Current liabilities:			
Accounts payable	29,111	130,092	159,203
Wages and benefits payable	162,584	105,034	267,618
Compensated absences, current	141,651	78,525	220,176
Due to other funds	1,560,000	610,304	2,170,304
Notes payable, current	221,905	299,126	521,031
Total current liabilities	2,115,251	1,223,081	3,338,332
Liabilities payable from restricted assets:			
Accrued interest payable	-	213,078	213,078
Bonds payable, current	-	1,225,000	1,225,000
Total liabilities payable from restricted assets	-	1,438,078	1,438,078
Noncurrent liabilities:			
Other accrued liabilities	17,331	-	17,331
Notes payable, non-current	371,738	430,834	802,572
Bonds payable, non-current	-	20,920,000	20,920,000
Unamortized bond discount/premium	-	(167,638)	(167,638)
Deferred amount on refunding	-	(485,465)	(485,465)
Bonds payable, net of unamortized discount/premium and deferred amount on refunding	-	20,266,897	20,266,897
Total noncurrent liabilities	389,069	20,697,731	21,086,800
Total liabilities	2,504,320	23,358,890	25,863,210
NET ASSETS			
Invested in capital assets, net of related debt	5,061,924	19,374,428	24,436,352
Restriced for:			
Cemetery care	100,477	-	100,477
Hospital investment	-	7,650,000	7,650,000
Debt obligations	-	1,847,829	1,847,829
Unrestricted	7,499,404	5,848,819	13,348,223
Total net assets	$ 12,661,805	$ 34,721,076	$ 47,382,881

See accompanying notes to financial statements.

City of Clinton, Oklahoma
Statement of Activities
June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense)/ Revenue
Governmental activities:					
General government:					
Governing board and administration	$ 643,182	$ 426,130	$ 6,900	$ 64,000	$ (146,152)
Finance	349,784	226,666	-	-	(123,118)
Total general government	992,966	652,796	6,900	64,000	(269,270)
Public safety and judiciary:					
Legal & courts	117,636	-	-	-	(117,636)
Police	1,380,412	131,155	330	61,500	(1,187,427)
Fire	894,599	9,025	34,261	50,000	(801,313)
Inspection/code enforcement	75,867	1,910	-	-	(73,957)
Total public safety and judiciary	2,468,514	142,090	34,591	111,500	(2,180,333)
Transportation:					
Streets	753,845	-	79,617	49,910	(624,318)
Total transportation	753,845	-	79,617	49,910	(624,318)
Cultural, parks and recreation:					
Cemetery	107,534	87,320	-	-	(20,214)
Total cultural, parks and recreation	107,534	87,320	-	-	(20,214)
Public services:					
Facilities maintenance	250,583	-	-	526,876	276,293
Total public services	250,583	-	-	526,876	276,293
Economic development:	47,760				(47,760)
Total governmental activities	4,621,202	882,206	121,108	752,286	(2,865,602)
Business-type activities:					
Water	2,670,487	2,281,205	14,335	-	(374,947)
Sewer	1,231,351	1,269,754	-	-	38,403
Sanitation	1,304,434	1,420,602	-	-	116,168
Airport	230,821	64,413	-	386,560	220,152
Golf	539,747	238,900	-	-	(300,847)
Parks and recreation	1,332,967	100,203	-	16,677	(1,216,087)
Swimming	132,634	41,968	-	-	(90,666)
Healthcare	114,513	150,000	-	-	35,487
Education	565,361		126,968		(438,393)
Economic development	587,404	99,008	-	-	(488,396)
Total business-type activities	8,709,719	5,666,053	141,303	403,237	(2,499,126)
Total	$ 13,330,921	$ 6,548,259	$ 262,411	$ 1,155,523	$ (5,364,728)

(Continued)

See accompanying notes to financial statements.

City of Clinton, Oklahoma
Statement of Activities
June 30, 2011

Changes in Net Assets: (Continued)

	Governmental Activities	Business-type Activities	Total
Net (expense)/revenue	$ (2,865,602)	$ (2,499,126)	$ (5,364,728)
General revenues:			
Taxes:			
Sales tax	4,954,731	-	4,954,731
Use tax	834,602	-	834,602
Hotel/Motel tax	343,084	-	343,084
E-911 tax	93,271	-	93,271
Franchise taxes	384,051	-	384,051
Cigarette tax	73,239	-	73,239
Alcoholic beverage tax	49,035	-	49,035
Oil and gas royalties	333,788	39,918	373,706
Investment income	119,747	272,610	392,357
Penalties	-	53,110	53,110
Gain (loss) on disposal of assets	-	138	138
Miscellaneous	25,626	2,318	27,944
Transfers-Internal activity	(2,317,063)	2,317,063	-
Total general revenues and transfers	4,894,111	2,685,157	7,579,268
Change in net assets	2,028,509	186,031	2,214,540
Net assets-beginning, restated	10,633,296	34,535,045	45,168,341
Net assets-ending	$ 12,661,805	$ 34,721,076	$ 47,382,881

See accompanying notes to financial statements.

City of Clinton, Oklahoma
Balance Sheet
June 30, 2011

	General Fund	Capital Improvement Fund	4th Cent Sales Tax Fund	Cemetery Fund	Industrial Authority TIF Fund	Total Governmental Funds
ASSETS						
Cash, including time deposits	$ 188,582	$ 196,279	$ 83,029	$ 6,367	$ 1,272,364	$ 1,746,621
Investments	2,719,000	1,045,000	1,472,500	94,000	-	5,330,500
Interest receivable	2,837	1,415	10,375	110	-	14,737
Accounts receivable	500	-	-	-	239,876	240,376
Due from other funds	-	-	1,560,000	-	57,035	1,617,035
Receivable from other governments	393,494	127,782	6,389	-	-	527,665
Prepaid expenses	24,377	-	-	-	-	24,377
Total assets	$ 3,328,790	$ 1,370,476	$ 3,132,293	$ 100,477	$ 1,569,275	$ 9,501,311
LIABILITIES						
Accounts payable	$ 29,081	$ -	$ -	$ -	$ -	$ 29,081
Wages and benefits payable	161,046	-	-	-	-	161,046
Compensated absences, current	141,651	-	-	-	-	141,651
Due to other funds	-	-	-	-	1,560,000	1,560,000
Other accrued liabilites	8,056	-	-	-	9,275	17,331
Total liabilities	339,834	-	-	-	1,569,275	1,909,109
FUND BALANCES						
Restricted for:						
Cemetery care	-	-	-	100,477	-	100,477
Capital projects	-	1,370,476	-	-	-	1,370,476
Special revenue funds	-	-	3,132,293	-	-	3,132,293
Unassigned	2,988,956	-	-	-	-	2,988,956
Total fund balances	2,988,956	1,370,476	3,132,293	100,477	-	7,592,202
Total liabilities and fund balances	$ 3,328,790	$ 1,370,476	$ 3,132,293	$ 100,477	$ 1,569,275	$ 9,501,311

Total fund balance - total governmental funds		7,592,202
Amounts reported for *governmental activities* in the statement of net assets are different because:		
Land and capital assets, net of accumulated depreciation are not financial resources and, therefore, are not reported in the funds.		
Land and construction in process	798,238	
Capital assets	12,077,312	
Less: Accumulated depreciation	(7,225,727)	5,649,823
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		(593,643)
Internal service funds are used by management to charge the costs of certain activities such as the central garage to the individual funds. Assets and liabilities of the internal service funds are reclassified to the governmental activities in the statement of net assets. Internal activity is reclassified to governmental and business-type activities based on the function of the activities charged.		13,423
Net assets of governmental activities		$ 12,661,805

See accompanying notes to financial statements.

City of Clinton, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances
June 30, 2011

	General Fund	Capital Improvement Fund	4th Cent Sales Tax Fund	Cemetery Fund	Industrial Authority TIF Fund	Total Governmental Funds
REVENUES						
Sales tax	$ 2,630,045	$ 1,304,620	$ 1,020,066	$ -	$ -	$ 4,954,731
Use tax	834,602	-	-	-	-	834,602
Hotel/motel tax	343,084	-	-	-	-	343,084
E911 tax	93,271	-	-	-	-	93,271
Franchise taxes	384,051	-	-	-	-	384,051
Cigarette tax	73,239	-	-	-	-	73,239
Licenses and permits	57,526	-	-	-	-	57,526
Oil and gas royalties	333,788	-	-	-	-	333,788
Fines and forfeitures	124,712	-	-	-	-	124,712
Investment income	25,398	12,525	80,948	876	-	119,747
Charges for services	107,790	-	-	7,003	-	114,793
Rental income	18,511	-	-	-	-	18,511
Intergovernmental	150,039	466,404	-	-	-	616,443
Intracity fees	566,664	-	-	-	-	566,664
Miscellaneous	43,698	287,914	-	-	-	331,612
Proceeds from capital lease	-	485,109	-	-	-	485,109
Total revenues	5,786,418	2,556,572	1,101,014	7,879	-	9,451,883
EXPENDITURES						
Current:						
General government:						
Governing board and administration	600,511	19,320	-	-	-	619,831
Finance	346,085	653	-	-	-	346,738
Total general government	946,596	19,973	-	-	-	966,569
Pubic safety and judiciary:						
Legal and courts	115,522	1,538	-	-	-	117,060
Police	1,314,698	9,348	-	-	-	1,324,046
Fire	793,157	20,655	-	-	-	813,812
Inspection/code enforcement	72,900	-	-	-	-	72,900
Total public safety and judiciary	2,296,277	31,541	-	-	-	2,327,818
Transportation:						
Street	387,701	215,623	-	-	-	603,324
Total transportation	387,701	215,623	-	-	-	603,324
Cultural, parks and recreation:						
Cemetery	100,352	-	-	-	-	100,352
Total cultural, parks and recreation	100,352	-	-	-	-	100,352
Public Services:						
Facilities maintenance	150,150	10,915	-	-	-	161,065
Total public services	150,150	10,915	-	-	-	161,065
Economic development:	-	-	-	-	47,760	47,760
Capital outlay	-	1,259,758	-	-	-	1,259,758
Debt service:						
Principle	-	154,789	-	-	-	154,789
Interest	-	15,247	-	-	9,275	24,522
Total debt service	-	170,036	-	-	9,275	179,311
Total expenditures	3,881,076	1,707,846	-	-	57,035	5,645,957
Excess (deficiency) of revenues over expenditures	1,905,342	848,726	1,101,014	7,879	(57,035)	3,805,926
OTHER FINANCING SOURCES (USES)						
Transfers in	2,577,368	998,765	583,016	-	57,035	4,216,184
Transfers out	(3,737,910)	(1,569,480)	(1,225,857)	-	-	(6,533,247)
Total other financing sources and uses	(1,160,542)	(570,715)	(642,841)	-	57,035	(2,317,063)
Net change in fund balances	744,800	278,011	458,173	7,879	-	1,488,863
Fund balances - beginning	2,244,156	1,092,465	2,674,120	92,598	-	6,103,339
Fund balances - ending	$ 2,988,956	$ 1,370,476	$ 3,132,293	$ 100,477	$ -	$ 7,592,202

(Continued)

See accompanying notes to financial statements.

City of Clinton, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances
June 30, 2011

(Continued)

Reconciliation of the change in fund balances - total governmental funds to the change in net assets of governmental activities:		
Net change in fund balances - total governmental funds		$ 1,488,863
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital asset purchases capitalized	1,261,493	
Depreciation expense	(414,314)	847,179
The proceeds of debt issuances provide current finanical resources to govenmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principle is an expendiure in the governmental funds, but the repayment reduces long-term liabilites in the statement of net assets. See Note 3(E) for additional detail.		
Debt activity reported in the fund statements		
Long-term capital lease obligation	(485,109)	
Debt and capital lease principle	154,789	
Interest on debt	24,522	(305,798)
Internal service funds are used by management to charge the costs of internal activities		
Internal service fund changes in net assets	(5,000)	
Business-type activies net activities due to governmental type activities	3,265	(1,735)
Change in Net Assets of Governmental Activities		$ 2,028,509

See accompanying notes to financial statements.

City of Clinton, Oklahoma
General Fund
June 30, 2011
Budget and Actual (Non-GAAP Budgetary Basis)

	Original Budget	Revisions	Revised Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES					
Sales taxes	$ 2,323,000	$ -	$ 2,323,000	$ 2,600,332	$ 277,332
Use taxes	400,000	-	400,000	798,055	398,055
Hotel/motel taxes	226,500	-	226,500	330,936	104,436
E911 taxes	92,000	-	92,000	93,271	1,271
Franchise taxes	342,000	-	342,000	383,645	41,645
Cigarette taxes	63,000	-	63,000	73,175	10,175
Licenses and permits	31,500	-	31,500	57,526	26,026
Oil & gas royalties	22,000	-	22,000	333,788	311,788
Fines and forfeitures	120,000	-	120,000	124,712	4,712
Investment income	42,000	-	42,000	26,193	(15,807)
Charges for services	133,700	-	133,700	107,790	(25,910)
Rental income	14,000	-	14,000	18,511	4,511
Intergovernmental	152,000	-	152,000	149,431	(2,569)
Intracity fees	850,000	-	850,000	566,664	(283,336)
Miscellaneous	10,200	-	10,200	43,698	33,498
Total revenues before carryover	4,821,900	-	4,821,900	5,707,727	885,827
Budgeted carryover (1)	2,006,046	-	2,006,046	2,228,818	222,772
Total revenues and budgeted carryover	6,827,946	-	6,827,946	7,936,545	1,108,599
EXPENDITURES					
Current:					
General government:					
Governing board and administration					
Personal services	376,665	-	376,665	396,942	(20,277)
Materials & supplies	7,650	-	7,650	5,714	1,936
Other services & charges	428,745	-	428,745	201,535	227,210
Finance					
Personal services	258,853	-	258,853	272,255	(13,402)
Materials & supplies	3,100	-	3,100	2,772	328
Other services & charges	68,550	-	68,550	70,088	(1,538)
Total general government	1,143,563	-	1,143,563	949,306	194,257
Pubic safety and judiciary:					
Legal and courts					
Personal services	109,107	-	109,107	112,820	(3,713)
Materials & supplies	300	-	300	115	185
Other services & charges	1,500	-	1,500	1,868	(368)
Police					
Personal services	1,257,697	-	1,257,697	1,194,526	63,171
Materials & supplies	69,450	-	69,450	60,981	8,469
Other services & charges	37,450	-	37,450	49,746	(12,296)
Fire					
Personal services	708,056	-	708,056	723,731	(15,675)
Materials & supplies	62,069	-	62,069	31,735	30,334
Other services & charges	22,152	-	22,152	22,285	(133)
Inspection/code enforcement					
Personal services	101,956	-	101,956	71,071	30,885
Materials & supplies	6,400	-	6,400	1,804	4,596
Other services & charges	16,400	-	16,400	2,449	13,951
Total public safety and judiciary	2,392,537	-	2,392,537	2,273,131	119,406
Transportation:					
Street					
Personal services	204,518	-	204,518	212,830	(8,312)
Materials & supplies	93,450	-	93,450	74,516	18,934
Other services & charges	127,200	-	127,200	105,295	21,905
Total transportation	425,168	-	425,168	392,641	32,527
Cultural, parks and recreation:					
Cemetery					
Personal services	82,211	-	82,211	84,200	(1,989)
Materials & supplies	31,675	-	31,675	16,068	15,607
Other services & charges	2,500	-	2,500	2,237	263
Total cultural, parks and recreation	116,386	-	116,386	102,505	13,881
Public Services:					
Facilities maintenance					
Personal services	65,555	-	65,555	35,182	30,373
Materials & supplies	16,050	-	16,050	11,124	4,926
Other services & charges	126,810	-	126,810	112,088	14,722
Total public services	208,415	-	208,415	158,394	50,021
Total expenditures	4,286,069	-	4,286,069	3,875,977	410,092
Revenue over (under) expenditures	2,541,877	-	2,541,877	4,060,568	1,518,691

See accompanying notes to financial statements.

City of Clinton, Oklahoma
General Fund
June 30, 2011
Budget and Actual (Non-GAAP Budgetary Basis)

	Original Budget	Revisions	Revised Budget	Actual	Variance - Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	2,300,000	-	2,300,000	2,577,368	277,368
Operating transfers out	(3,407,500)	-	(3,407,500)	(3,737,910)	(330,410)
Net other financing sources (uses)	(1,107,500)	-	(1,107,500)	(1,160,542)	(53,042)
Revenues and other financing sources over (under) expenditures and other uses	1,434,377	-	1,434,377	2,900,026	1,465,649
Fund balance at beginning of year (Non-GAAP budgetary basis)	180,372	-	180,372	2,384,851	2,204,479
Less budgeted carryover (1)	(2,006,046)	-	(2,006,046)	(2,228,818)	(222,772)
Fund balance at end of year (Non-GAAP budgetary basis)	$ (391,297)	$ -	$ (391,297)	$ 3,056,059	$ 3,447,356
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES					
Revenue and transfer accruals				(78,452)	
Expenditure and transfer accruals				11,349	
Fund balance at end of year (GAAP basis)				$ 2,988,956	

(1) Budgets include fund balances carried over from prior years. It is not revenue of the current period, but is presented as revenue only for budgetary reporting purposes.

See accompanying notes to financial statements.

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

	Public Works Authority	Solid Waste Authority	Clinton Airport Authority	Recreation Trust Authority	Clinton Hospital Authority	Industrial Authority	Total Enterprise Funds	Internal Service Fund
ASSETS								
Current assets:								
Cash, including time deposits	$ 204,962	$ 62,781	$ 24,510	$ 43,921	$ 541,302	$ 103,783	$ 981,259	$ 4,247
Investment	1,857,500	376,000	65,000	-	9,234,886	520,000	12,053,386	-
Interest receivable	1,619	290	84	-	2,643	401	5,037	-
Accounts receivable (net)	368,835	123,046	4,602	-	-	1,500	497,983	-
Due from other funds	511,081	-	-	-	-	37,188	548,269	-
Prepaid expenses	11,151	5,419	6,851	15,899	-	7,949	47,269	-
Total current assets	2,955,148	567,536	101,047	59,820	9,778,831	670,821	14,133,203	4,247
Restricted assets:								
Cash, including time deposits	647,979	-	-	-	-	-	647,979	-
Investments	6,998,379	-	-	-	-	-	6,998,379	-
Total restricted assets	7,646,358	-	-	-	-	-	7,646,358	-
Noncurrent assets:								
Unamortized bond issue costs	511,051		-	-	-	-	511,051	-
Capital assets (net)	18,033,945	438,604	1,889,840	10,871,946	807,940	3,747,079	35,789,354	5,744
Total noncurrent assets	18,544,996	438,604	1,889,840	10,871,946	807,940	3,747,079	36,300,405	5,744
Total assets	29,146,502	1,006,140	1,990,887	10,931,766	10,586,771	4,417,900	58,079,966	9,991
LIABILITIES								
Current liabilities:								
Accounts payable	48,602	56,155	5,076	7,813	106	12,340	130,092	30
Wages and benefits payable	21,417	18,185	-	58,298	-	7,134	105,034	1,538
Due to other funds	37,188	-	-	511,081	-	57,035	605,304	-
Compensated absences, current	18,569	23,790	-	33,120	-	3,046	78,525	-
Notes payable, current	32,410	68,455	23,889	169,997	-	4,375	299,126	-
Total current liabilities	158,186	166,585	28,965	780,309	106	83,930	1,218,081	1,568
Liabilities payable from restricted assets:								
Accrued interest payable	213,078	-	-	-	-	-	213,078	-
Bonds payable, current	1,225,000	-	-	-	-	-	1,225,000	-
Total liabilities payable from restricted assets	1,438,078	-	-	-	-	-	1,438,078	-
Noncurrent liabilities:								
Other accrued liabilities	-	-	-	-	-	-	-	-
Notes payable, non-current	329,272	-	-	68,749	-	32,813	430,834	-
Bonds payable, noncurrent	20,920,000	-	-	-	-	-	20,920,000	-
Unamortized bond discount/premium	(167,638)	-	-	-	-	-	(167,638)	-
Deferred amount on refunding	(485,465)	-	-	-	-	-	(485,465)	-
Bonds payable, net of unamortized discount/premium and deferred amount on refunding	20,266,897	-	-	-	-	-	20,266,897	-
Total noncurrent liabilities	20,596,169	-	-	68,749	-	32,813	20,697,731	-
Total liabilities	22,192,433	166,585	28,965	849,058	106	116,743	23,353,890	1,568
NET ASSETS								
Invested in capital assets, net of related debt	1,687,474	370,149	1,889,840	10,871,946	807,940	3,747,079	19,374,428	5,744
Restricted for hospital investment	-	-	-	-	7,650,000	-	7,650,000	-
Restricted for debt obligations	1,847,829	-	-	-	-	-	1,847,829	-
Unrestricted	3,418,766	469,406	72,082	(789,238)	2,128,725	554,078	5,853,819	2,679
Total net assets	$ 6,954,069	$ 839,555	$ 1,961,922	$ 10,082,708	$ 10,586,665	$ 4,301,157	34,726,076	$ 8,423
Adjustment to reflect the consolidation of applicable internal service fund activities to enterprise funds							(5,000)	
Net assets of business-type activities							$ 34,721,076	

See accompanying notes to financial statements.

City of Clinton, Oklahoma
Statement of Revenues, Expenses and Changes in Fund Net Assets
June 30, 2011

	Public Works Authority	Solid Waste Authority	Clinton Airport Authority	Recreation Trust Authority	Clinton Hospital Authority	Industrial Authority	Total Enterprise Funds	Internal Service Fund
Operating revenues:								
Charges for services:								
Water charges	$ 2,248,745	$ -	$ -	$ -	$ -	$ -	$ 2,248,745	$ -
Sewer charges	1,269,754	-	-	-	-	-	1,269,754	-
Sanitation charges	-	1,420,579	-	-	-	-	1,420,579	-
Penalties	53,110	-	-	-	-	-	53,110	-
Golf fees	-	-	-	238,900	-	-	238,900	-
Parks and recreation	-	-	-	95,907	-	-	95,907	-
Swimming fees	-	-	-	37,283	-	-	37,283	-
Concessions/merchandise sales	-	-	776	2,567	-	4,139	7,482	-
Internal service charges	-	-	-	-	-	-	-	22,763
Total charges for services	3,571,609	1,420,579	776	374,657	-	4,139	5,371,760	22,763
Lease and rental income	32,460	-	63,637	4,685	150,000	94,869	345,651	-
Miscellaneous	143,621	23	-	18,406	-	-	162,050	34,237
Total operating revenues	3,747,690	1,420,602	64,413	397,748	150,000	99,008	5,879,461	57,000
Operating expenses:								
Cost of goods sold	799,812	-	-	-	-	-	799,812	-
Personal services	356,692	351,020	-	778,324	-	118,519	1,604,555	29,059
Materials and supplies	183,783	105,195	3,298	330,256	-	34,590	657,122	26,747
Other services and charges	1,657,586	768,831	120,489	190,275	12,277	207,147	2,956,605	4,580
Bad debt expense	9,150	1,486	-	-	-	-	10,636	-
Depreciation	622,205	69,813	107,034	580,473	102,236	98,884	1,580,645	1,388
Total operating expenses	3,629,228	1,296,345	230,821	1,879,328	114,513	459,140	7,609,375	61,774
Net operating income	118,462	124,257	(166,408)	(1,481,580)	35,487	(360,132)	(1,729,914)	(4,774)
Nonoperating revenue (expense):								
Grants income	-	-	386,560	-	-	-	386,560	-
Investment income	76,027	-	794	60	191,365	4,364	272,610	-
Gain (loss) on disposal of fixed assets	(7,785)	4,398	-	3,525	-	-	138	(225)
Interest expense	(863,834)	(5,825)	-	(59,786)	-	-	(929,445)	-
Fiscal charges	(4,338)	-	-	-	-	-	(4,338)	-
Amortization	(162,887)	-	-	-	-	-	(162,887)	-
Oil and gas royalties	-	-	39,918	-	-	-	39,918	-
Total nonoperating revenue (expense)	(962,817)	(1,427)	427,272	(56,201)	191,365	4,364	(397,444)	(225)
Net income before contributions and transfers	(844,355)	122,830	260,864	(1,537,781)	226,852	(355,768)	(2,127,358)	(4,999)
Transfers from other funds	5,272,996	-	11,046	1,302,325	-	410,552	6,996,919	-
Transfers to other funds	(4,206,559)	(418)	-	-	(415,844)	(57,035)	(4,679,856)	-
Change in net assets	222,082	122,412	271,910	(235,456)	(188,992)	(2,251)	189,705	(4,999)
Net assets-beginning of year	6,740,513	723,010	1,690,012	10,302,771	10,775,657	4,303,408		13,422
Residual equity transfer	(8,526)	(5,867)	-	15,393	-	-		-
Net assets-end of year	$ 6,954,069	$ 839,555	$ 1,961,922	$ 10,082,708	$ 10,586,665	$ 4,301,157		$ 8,423
Adjustment to reflect the consolidation of applicable internal service fund activities to enterprise funds							(3,674)	
Change in net assets of business-type activities							$ 186,031	

See accompanying notes to financial statements.

City of Clinton, Oklahoma
Statement of Cash Flows
June 30, 2011

	Public Works Authority	Solid Waste Authority	Clinton Airport Authority	Recreation Trust Authority	Clinton Hospital Authority	Industrial Authority	Total Enterprise Funds	Internal Service Fund
Cash flows from operating activities:								
Receipts from customers	$ 3,562,497	$ 1,396,429	$ 59,945	$ 379,342	$ 150,000	$ 97,508	$ 5,645,721	$ 22,763
Payments to suppliers	(2,643,396)	(870,523)	(124,238)	(547,219)	(12,277)	(232,304)	(4,429,957)	(31,307)
Payments to employees	(398,642)	(348,227)	-	(773,754)	-	(119,106)	(1,639,729)	(28,920)
Other operating revenues	143,621	23	-	18,406	-	-	162,050	34,237
Net cash provided (used) by operating activities	664,080	177,702	(64,293)	(923,225)	137,723	(253,902)	(261,915)	(3,227)
Cash flows from non-capital financing activities:								
Receipts under interfund loan agreements	238,333	-	-	6,715	-	4,375	249,423	-
Payments under interfund loan agreements	(11,089)	-	-	(238,333)	-	-	(249,422)	-
Transfers from other funds	5,272,996	-	11,046	1,302,325	-	410,552	6,996,919	-
Transfers to other funds	(4,206,559)	(418)	-	-	(415,844)	-	(4,622,821)	-
Receipts from oil & gas royalties	-	-	39,918	-	-	-	39,918	-
Net cash provided (used) by non-capital financing activities	1,293,681	(418)	50,964	1,070,707	(415,844)	414,927	2,414,017	-
Cash flows from capital and related financing activities:								
Proceeds (loss) from sale of capital assets	(7,785)	4,398	-	3,525	-	-	138	-
Purchases of capital assets	(6,233,833)	-	(401,905)	(238,566)	-	(7,817)	(6,882,121)	-
Principal paid on capital debt	(1,181,237)	(33,924)	(9,427)	(80,287)	-	(4,375)	(1,309,250)	-
Proceeds from debt issuance	12,778,437	-	-	105,750	-	-	12,884,187	-
Interest and fiscal charges paid on capital debt	(678,818)	(5,825)	-	(59,786)	-	-	(744,429)	-
Bond issue costs paid	(345,906)	-	-	-	-	-	(345,906)	-
Capital grants/donations received	-	-	386,560	-	-	-	386,560	-
Net cash provided (used) by capital and related financing activities	4,330,858	(35,351)	(24,772)	(269,364)	-	(12,192)	3,989,179	-
Cash flows from investing activities:								
Sale (purchase) of investments	(6,074,879)	(120,000)	20,000	70,000	81,498	(135,000)	(6,158,381)	-
Investment income	77,167	52	5,518	220	189,310	4,798	277,065	-
Net cash provided (used) by investing activities	(5,997,712)	(119,948)	25,518	70,220	270,808	(130,202)	(5,881,316)	-
Net increase (decrease) in cash and cash equivalents	290,907	21,985	(12,583)	(51,662)	(7,313)	18,631	259,965	(3,227)
Cash and cash equivalents, July 1, 2010	562,034	40,796	37,093	95,583	548,615	85,152	1,369,273	7,474
Cash & cash equivalents, June 30, 2011	$ 852,941	$ 62,781	$ 24,510	$ 43,921	$ 541,302	$ 103,783	$ 1,629,238	$ 4,247
Cash, including time deposits	$ 204,962	$ 62,781	$ 24,510	$ 43,921	$ 541,302	$ 103,783	$ 981,259	$ 4,247
Restricted cash, including time deposits	647,979	-	-	-	-	-	647,979	-
Total cash and cash equivalents, end of year	$ 852,941	$ 62,781	$ 24,510	$ 43,921	$ 541,302	$ 103,783	$ 1,629,238	$ 4,247
Reconciliation of operating income (loss) to net cash provided (used) by operating activities								
Operating income (loss)	$ 118,462	$ 124,257	$ (166,408)	$ (1,481,580)	$ 35,487	$ (360,132)	$ (1,729,914)	$ (4,774)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation	622,205	69,813	107,034	580,473	102,236	98,884	1,580,645	1,388
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(41,572)	(24,150)	(4,468)	-	-	(1,500)	(71,690)	-
(Increase) decrease in prepaids	1,748	1,193	(3,783)	1,216	-	535	909	75
Increase (decrease) in accounts payable	5,187	3,796	3,332	(4,541)	-	8,898	16,672	(55)
Increase (decrease) in wages & benefits payable	(24,849)	1,797	-	3,479	-	553	(19,020)	139
Increase (decrease) in compensated absences	(17,101)	996	-	1,091	-	(1,140)	(16,154)	-
Increase (decrease) in other accrued liabilities	-	-	-	(23,363)	-	-	(23,363)	-
Total adjustments	545,618	53,445	102,115	558,355	102,236	106,230	1,467,999	1,547
Net cash provided (used) by operating activities	$ 664,080	$ 177,702	$ (64,293)	$ (923,225)	$ 137,723	$ (253,902)	$ (261,915)	$ (3,227)
Non-cash investing, capital, and financing activities:								
Net increase (decrease) in fair value of investments	$ -	$ -	$ -	$ -	$ 95,273	$ -	$ 95,273	$ -
Total non-cash investing, capital, and financing activities	$ -	$ -	$ -	$ -	$ 95,273	$ -	$ 95,273	$ -

See accompanying notes to financial statements.

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

	Agency Fund
ASSETS	
Cash, including time deposits	$ 5,074
Investments	231,000
Total assets	$ 236,074
LIABILITIES	
Due to depositors	236,074
Total liabilities	$ 236,074

See accompanying notes to financial statements.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(A) Introduction:

The accounting and reporting framework and the more significant accounting principles and practices of the City of Clinton (City) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended June 30, 2011.

(B) Financial Reporting Entity:

The City of Clinton is a Council-Manager charter city in which citizens elect the mayor at large and four council members by wards. The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

Due to restrictions of the state constitution relating to the issuance of municipal debt, the City created public trusts pursuant to Title 60 of Oklahoma State Law to finance City services with revenue bonds or other non-general obligation financing, and provide for multi-year contracting. Financing services provided by these public trusts are solely for the benefit of the City. Public trusts created to provide financing services are blended into the City's primary government although retaining separate legal identity. Component units that do not meet the criteria for blending are reported discretely.

Blended Component Units Reported with Primary Government

Component Unit	Brief Description/Inclusion Criteria	Reporting Fund Type
Clinton Public Works Authority (CPWA)	Created November 15, 1977 to finance, develop and operate the water, sewer and solid waste 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.	Enterprise Fund
Clinton Solid Waste Authority (CSWA)	Created September 4, 1997 to finance, develop and operate the solid waste activities of 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.	Enterprise Fund
Clinton Airport Authority (CAA)	Created March 2, 1971 to originally provide airport hanger facilities. The current City Council serves as entire governing body (Trustees). Any issuances of debt would require a two-thirds approval of the City Council.	Enterprise Fund
Clinton Recreational Authority (CRA)	Created December 20, 1990 to finance, develop and operate recreational, athletic, sports, amusement, entertainment, cultural and educational services and facilities. The current City Council serves as entire governing body (Trustees). Any issuances of debt would require a two-thirds approval of the City Council.	Enterprise Fund
Clinton Industrial Authority (CIA)	Created September 20, 1996 to promote industrial development. The current City Council serves as entire governing body (Trustees). Any issuances of debt would require a two-thirds approval of the City Council.	Enterprise Fund
Clinton Hospital Authority (CHA)	Created May 31, 1972 to finance, develop and operate the hospital and other medical activities of the City. The current City Council serves as entire governing body (Trustees). The hospital was leased to Integris on January 1, 1998. This lease is for a 20-year period. Before the leasing of the hospital, it was an excluded component unit.	Enterprise Fund

(C) Government-wide and Fund Financial Statements:

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and statement of activities. These statements report financial information for the City as a whole. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. .

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services with usage fees, fines and forfeitures, and other charges to users of the Town's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. Taxes and other revenues sources not properly included with program revenues are reported as general revenues.

Certain reclassifications have been made to prior period balances in order to conform to the current period's presentation.

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, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary.

Measurement Focus and Basis of Accounting

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States of America, GAAP. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide statements report using the economic resources measurements focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility and repair services provided to City departments. Reimbursements are reported as reductions to expenses. Proprietary and fiduciary fund financial statements and financial statements of the City's component units also report using the same focus and basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both 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 to pay current liabilities. The City considered revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenses are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include: sales and use taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in the proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of provided goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Restricted Assets

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities current in nature are reported with current assets and current liabilities in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reporting amounts and disclosures; accordingly, actual results could differ from those estimates.

Interfund Balances

Generally, outstanding balances between funds reported and due to/due from other funds include outstanding charges by one fund to another for services or goods or miscellaneous receivables/payables between funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year and are described as due to/due from other funds.

All activity between governmental and blended business-type activities are eliminated and any residual balances outstanding between the activities are reported in the government-wide financial statements as internal balances.

(D) Fund Types and Major Funds:

Major Governmental Funds

General Fund
The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Capital Project Fund
The Capital Projects Fund is used to account for sales tax resources restricted for the acquisition or construction of specific capital projects or items.

Cemetery Care
Accounts for 12.5% of cemetery revenue restricted by State law for cemetery capital improvements.

4th Cent Sales Tax
Accounts for the fourth cent of city sales tax which is restricted for Eastside Academy, Clinton Public Schools, Acme Brick Park construction, Acme Brick Park operation, and economic development.

Tax Incremental Financing (TIF)
Accounts for the incremental increase in sales tax, hotel/motel tax, and ad valorem tax received within a defined geographic boundaries set by the council as an enterprise zone. TIF is a method of obtaining financing using future gains in taxes to finance current improvements which will create the conditions for those future gains. When a public project is carried out, the increase in the value of surrounding real estate, and perhaps new investment, generates increased property and sales tax revenues dedicated to finance the debt issued to pay for the project. The City uses TIF to stimulate economic development.

Major Proprietary Funds

Fund	Brief Description
Clinton Public Works Authority	Accounts for the activities of the public trust in providing water and wastewater services to the public.
Clinton Solid Waste Authority	Accounts for the activities of the public trust in providing solid waste services to the public.
Clinton Airport Authority	Accounts for the activities of the public trust in providing airport facilities to the public.
Clinton Recreational Authority	Accounts for the activities of the public trust in providing recreational, cultural, and educational activities and facilities to the public. The Authority presently operates the municipal golf course facility, swimming pool facility, Acme Brick Park, and the remaining park facilities.
Clinton Industrial Authority	Accounts for the activities of the public trust in promoting industrial development within the limits of the City of Clinton.
Clinton Hospital Authority	Accounts for the activities of the public trust in leasing the hospital facility for a 20-year period beginning January 1, 1998.

Internal Service Fund

Accounts for the financing of goods or services provided by on department to other departments within the City on a cost-reimbursement basis. These include fleet services, risk management, and information technology. This proprietary fund is reported primarily with governmental activities in the government-wide financial statements.

Agency Funds

Agency funds account for assets held by the City in a trustee or agency capacity. Expendable trust funds account for financial activity in essentially the same manner as governmental funds. Pension trust funds use the economic resources measurement focus in essentially the same manner as proprietary funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

(E) Assets, Liabilities and Net Assets or Equity

Cash and Investments

For the purposes of the Statement of Net Assets and Statement of Cash Flows, "cash and cash equivalents" includes all demand and savings accounts, and certificate of deposit or short-term investment with an original maturity of three months or less. In addition, revenue bond trust account investments in open-ended mutual funds are considered "cash and cash equivalents". Cash deposits are reported at carrying amount which reasonably estimates fair value.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

Receivables and Uncollectible Accounts

Significant receivables include sales and use tax receivables and amounts due from customers primarily for utility services. These receivables are due within one year. Certain enterprise funds report accounts receivable net of an allowance for uncollectible accounts and revenues net of uncollectibles. The allowance amount is estimated using accounts receivable past due more than 60 to 90 days, depending on the fund.

Prepaids

Prepaids are payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

Capital Assets, Depreciation, and Amortization

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Proprietary and component unit capital assets are also reported in their respective fund and combining component units' financial statements. Donated assets are stated at fair value on the date donated.

The cost of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Costs incurred during the construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service.

- Buildings	25-50 years
- Other Improvements	2-50 years
- Machinery, Furniture and Equipment	5-20 years
- Infrastructure	25-50 years

Long-Term Debt

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method. The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Equity Classifications

Fund Balance
The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes beyond the restrictions applicable to the fund.

Net Assets
Both proprietary fund financial statements and government-wide financial statements report net assets. Amounts invested in capital assets, net of related debt and legally restricted amounts are separated from unrestricted net assets.
Invested in capital assets, net of related debt
The amount restricted 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.

Restricted net assets
Amounts reported as restricted consist of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Governmental Fund Balances
The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below:

Nonspendable
Fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),

Restricted
Fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed
Fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Commission, the City's highest level of decision-making authority,

Assigned
Fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

Unassigned
Fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications

(F) **Revenues, Expenditures and Expenses:**

Sales Tax

The City presently 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. Sales tax collected by the State in June (which represent sales for May) and received by the City in July have been accrued and are included under the caption "Due from other governments". The sales tax received is recorded as sales tax revenue within certain funds as follows:

- 2 cents General Fund
- 1 cent Capital Improvement Fund
- 1 cent Special Revenue Fund (through March 31, 2011)

In accordance with the CPWA Series 2003 Revenue Bond indentures, sales tax is to be appropriated and paid to the Public Works Authority and used for debt service if needed before being transferred back to and used by the General Fund and Capital Improvement Fund.

In accordance with the CPWA Series 2000 Revenue Bond indenture, the fourth cent is used for Eastside Academy, Clinton Public Schools, Acme Park construction, Acme Park operation, and economic development through March 31, 2011. The amount was then reduced to .05 cents for Acme Park operation which was permanent. Subsequently voters approved an additional .95 cent sales tax to begin October 1, 2011 for 5 years which is committed to various capital projects.

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.

The property tax levy, as determined by the City's debt service needs, is submitted to the County Excise Board for approval. County assessors, elected officials, determine the taxable value of real estate and personal property in the County. A State Board of Equalization hears complaints on real estate values with the power to equalize assessments. Under present State law, the ratio of assessed value to true value cannot exceed 35%.

Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October.

For the year ended June 30, 2011, the City's net assessed valuation of taxable property was $31,618,199. The City levied no property taxes this year.

Charges for Services

Program revenues reported with governmental activities include charges for services like permits and fees, parks charges, and fines and forfeitures Business-type activity charges for services include all operating income of proprietary funds.

Grants and Contributions

Governmental grants and contributions primarily consist of grants from Federal and state agencies. The nature of the grant determines if it is reported as operating or capital program revenues.

Business-type activities grants and contributions include restricted investment income, donations from others, as well as grants from Federal and state agencies.

Compensated Absences

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Sick leave accrues to full-time, permanent employees to specified maximums. Generally, after one year of service, employees are entitled to all accrued vacation leave and comp time upon termination. The estimated liabilities include required salary-related payments. Compensated absences are reported as accrued in the government-wide, proprietary and fiduciary financial statements.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) Deficit Fund Net Assets/Fund Balance:

Deficits resulting from accrual reporting do not constitute violations of the Oklahoma State Statues. For the year ended June 30, 2011, the City reported no individual fund deficits.

(B) Budgetary Information:

Budget Policy and Practice

The City Manager submits an annual budget to the City Council in accordance with the City Charter and the Oklahoma Municipal Budget Act. The budget is presented to the City Council for review, and public hearings are held to address priorities and the allocation of resources. In June, the City Council adopts the annual fiscal year budgets for City operating funds. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. Public trusts submit budgets and other planning documents to their respective governing bodies. Other funds budgeted on a project-length basis are also subjected to the Council review and approval process.

Budget Basis of Accounting

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and object class as follows: Personal services, other services and charges, supplies, capital outlay, transfers, and debt service. Budget revisions at this level are subject to final review by the City Council. The legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations without Council approval. Revisions to the budget were made throughout the year.

The budgets for the operating funds and proprietary fund operations are prepared on the cash and expenditures/encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures are budgeted in the year that the applicable purchase orders are expected to be issued. The budget and actual financial statements are reported on these bases. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

For the year ended June 30, 2011, the City complied, in all material respects, with the applicable budget laws. The City did not over-expend appropriations at the legal level of control in any object category.

There were no General Fund supplemental appropriations approved by the City Council during fiscal year 2011.

(C) Revenue Restrictions:

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

Revenue Source	Legal Restrictions of Use
Sales Tax	See Note 1(F)
Gasoline Excise and Commercial Vehicle Tax	Street and Alley Purposes
Airport Revenue	Airport Operations and Debt Service
E-911 Revenue	E-911 Emergency Services Purposes
Clinton Hospital Authority Lease Trust Funds	Only interest on hospital funds may be spent
Golf Course Revenue	Golf Course Operations and Debt Service
Cemetery Revenue (12.5%)	Cemetery Capital Improvements
Lodging Tax	Cost of operating and maintaining a community center
Ad-Valorem Tax	Debt Service on Bonds and Judgments
Incremental tax on sales, hotel/motel & advalorem	Capital improvements in defined area

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

(D) Debt Restrictions and Covenants

Revenue Bond Debt

The various bond indentures relating to the revenue bond issues of the Clinton Public Works Authority contain a number of restrictions or covenants that are financial related. These include covenants such as a required flow of funds through special accounts, a revenue bond debt service coverage requirement and required reserve account balances. The following schedule presents a brief summary of the most significant requirements and the Authorities' level of compliance thereon as of June 30, 2011.

	Requirement	Level of Compliance
a.	Flow of Funds – Bond Reserve Account, Construction Account, Gross Revenue Account, and Sinking Fund Reserve.	All required debt service payments were made.
b.	Revenue Bond Coverage - Net operating revenue must equal 1.25 times average annual debt service on the bonds for the Public Works Authority.	For the year ended June 30, 2011, this requirement was met (see computation below).

Revenue Bond Coverage:	
Gross revenue available for debt service:	
Operating revenues for Public Works and Solid Waste Authorities	$ 4,992,188
Pledged sales tax	1,288,684
Gross revenue available for debt service	6,280,872
Operating expenses for Public Works and Solid Waste Authorities	
Excluding depreciation and amortization	(4,233,555)
Net revenues available for debt service	2,047,317
Debt service requirements:	
Average annual debt service- Series 2002 revenue bonds	237,325
Average annual debt service- Series 2003 revenue bonds	529,325
Average annual debt service- OWRB note	42,258
Average annual debt service – Series 2006 revenue bonds	759,947
Total average annual debt service	1,568,855
Computed coverage	1.30
Coverage requirement	1.25

NOTE 3: DETAIL NOTES ON FUNDS, ACCOUNT GROUPS, AND COMPONENT UNITS

(A) Cash and Investments:

Deposits

The City invests in various investments securities. Investment securities are exposed to various risks such as interest rate risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the City's financial position.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. Deposits of the City's reporting entity are insured or collateralized with securities held by the City, its agent, or by the pledging financial institution's trust department or agent in the name of the City or applicable public trust.

Investments

As of June 30, 2011, the City's reporting entity had the following investments:

Types of Investments	Fair Value/ Carrying Amount	Cost	Average Credit Quality/ Ratings (1)	Weighted Average Days to Maturity (2)
Primary government				
POOLED INVESTMENTS:				
Certificates of deposit	$ 9,826,000	$ 9,826,000	N/A	174
Total pooled investments	9,826,000	9,826,000		
NON-POOLED INVESTMENTS:				
Federal agency notes	2,392,154	2,273,790	Aaa	-
Mortgage backed securities (3)	2,948,732	2,884,851	AAA	
Money market funds (4)	5,798,529	5,798,529	N/A	-
Certificates of deposit	3,416,850	3,416,850	N/A	396
Total non-pooled investments	14,556,265	14,374,020		
Total primary government investments	$ 24,382,265	$ 24,200,020		

Reconciliation to Statement of Net Assets

	Governmental Activities	*Business-Type Activities*	*Total*
Unrestricted Investments	5,330,500	12,053,386	17,383,886
Restricted Investments	-	6,998,379	6,998,379
Total	5,330,500	19,051,765	24,382,265

Fiduciary funds				
POOLED INVESTMENTS:				
Certificates of deposit	$ 231,000	$ 231,000	N/A	189
Total fiduciary investments	$ 231,000	$ 231,000		
Grand total investments	$ 24,613,265	$ 24,431,020		

(1) Ratings are provided where applicable to indicate associated **Credit Risk.** N/A indicates not applicable.

(2) **Interest rate risk** is estimated using either duration or weighted average days to maturity depending on the respective policy.

(3) These include investments highly sensitive to interest rate changes.

(4) Consists solely of US Treasury securities

Generally, the City's investing activities are managed under the custody of the City Treasurer. Investing is performed in accordance with investment policy adopted by the City Council on January 7, 1997 and by complying with State Statutes and the City Charter.

(B) **Accounts Receivable**

Governmental activities report sales and use taxes receivable of $527,665 comprised of amount received after year-end for current year taxes on sales.

	Business-type Activites			
	Public Works	Solid Waste	Airport	Industrial Authority
Accounts Receivable	$ 368,835	$ 123,046	$ 4,602	$ 1,500
Less: allowance for uncollectible accounts	-	-	-	
Net accounts receivable	**$ 368,835**	**$ 123,046**	**$ 4,602**	**$ 1,500**

(C) **Restricted Assets:**

The amounts reported as restricted assets on the combined balance sheet are comprised of cash and investments held by the trustee banks on behalf of the various public trusts authorities related to their required revenue bond accounts.

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

	Public Works Authority		
Type of Restricted Assets	Cash and cash equivalents	Investments	Total
Enterprise Funds:			
Public Works Authority			
Revenue Bond Trustee Accounts:			
2002 Bonds	$ 230,785	$ -	$ 230,785
2003 Bonds	1,218	200,000	201,218
2006 bonds	10,352	1,000,000	1,010,352
2010 bonds	405,624	5,798,529	6,204,153
Grand total enterprise fund	$ 647,979	$ 6,998,529	$ 7,646,508

(D) **Capital Assets:**

Governmental Activities

A summary of the changes in the governmental activities fixed assets is as follows:

	Balance at July 1, 2010	Additions	Disposals	Balance at June 30, 2011
Land	$ 381,960	$ 1,500	$ -	$ 383,460
Buildings	2,250,733	662,024	-	2,912,757
Other improvements	969,610	-	-	969,610
Machinery, furniture & equip.	3,686,276	234,337	108,282	3,812,331
Infrastructure	4,380,208	49,717	-	4,429,925
Construction in process	11,512	414,778	11,512	414,778
	11,680,299	1,362,356	119,794	12,922,861
Less accumulated depreciation	6,954,957	415,702	103,365	7,267,294
Net property, plant, & equipment	$ 4,725,342			$ 5,655,567

Business-Type Activities

A summary of the changes in the business-type activities fixed assets is as follows:

	Balance at July 1, 2010	Additions	Disposals	Balance at June 30, 2011
Land	$ 2,270,494	$ 7,817	$ -	$ 2,278,311
Buildings	10,660,559	6,201	-	10,666,760
Other improvements	6,755,027	488,197	-	7,243,224
Machinery, furniture & equip.	14,594,423	223,021	437,374	14,380,070
Infrastructure	31,315,641	565,188	107,644	31,773,185
Construction in progress	431,067	6,063,694	431,067	6,063,694
	66,027,211	7,354,118	976,085	72,405,244
Less accumulated depreciation	35,540,332	1,580,645	505,087	36,615,890
Net property, plant, & equipment	$ 30,486,879			$ 35,789,354

Fixed assets of the Enterprise Funds were comprised of the following at June 30, 2011:

	Public Works Authority	Solid Waste Authority	Airport Authority	Recreation Authority	Industrial Authority	Hospital Authority
Land	$ 164,305	$ 76,351	$ 127,608	$ 701,267	$ 1,163,973	$ 44,807
Buildings	503,012	72,307	514,933	2,902,836	2,822,090	3,851,582
Other Improvements	492,068	-	767,397	5,696,709	80,465	206,585
Machinery, furniture, & equip.	1,585,420	1,167,809	105,989	2,030,457	271,954	9,218,441
Infrastructure	27,831,293	-	1,447,938	2,380,044	113,910	-
Construction in progress	6,063,694	-	-	-	-	-
Less accumulated depreciation	18,605,847	877,863	1,074,025	2,839,367	705,313	12,513,475
Net property, plant, & equipment	$ 18,033,945	$ 438,604	$ 1,889,840	$ 10,871,946	$ 3,747,079	$ 807,940

Depreciation

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities		Business-type Activities	
General government:		Water	$ 303,052
Governing board & administration	$ 114,257	Sewer	319,153
Finance	3,046	Sanitation	69,813
Public safety & judiciary:		Airport	107,034
Legal and courts	576	Golf	137,920
Police	56,366	Parks and recreation	404,844
Fire	80,787	Swimming	37,709
Inspection/code enforcement	2,967	Healthcare	102,236
Cultural, parks and recreation:		Economic development	98,884
Cemetery	7,182		$ 1,580,645
Transportation:			
Street	150,521		
	$ 415,702		

(E) **Long-Term Debt:**

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

Governmental Activities

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

CAPITAL LEASE PAYABLE:	
Capital lease of a durapatch and crack sealer financed through Welch State Bank , payable in monthly installments of $998.54 beginning December 2008. Lease carries 5.16% interest rate maturing November 2013. Equpiment will be used for street maintenance.	$ 27,162
Master lease purchase agreement through the Security State Bank of Wewoka dated July 1, 2009 for the lease of property totalling $669,700 for governmental and business-type activities in total. Leased equipment attributible to governmental activities includes a new front-end loader, two demo 5 yard dump trucks, and a new skid steer with attachments totaling $237,647. A down payment of $49,470 and quarterly payments are required under the lease. Lease matures June 15, 2013.	108,611
Capital lease of a Canon digital laser copier financed through Canon Financial Services payable in 36 monthly installments of $348.00 beginning September 2010. Lease carries a 12.75% interest rate and matures August 2013.	7,870
Lease purchase agreement through the First Bank and Trust of Clinton dated May 17, 2011 for the lease of property totalling $450,000 for City Hall roof and windows for governmental activities. Equal payments over 5 years of $50,290.31 are due semi-annually on May 10th and November 10th of each year until paid in full at 4.14% begininning on November 17, 2011. Lease matures May 17, 2016.	450,000
	$ 593,643

Business-Type Activities

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

CAPITAL LEASE PAYABLE:	
Capital lease of an irrigation pump financed through Security State Bank of Wewoka payable in semi-annual installments of $6,776.55 beginning April 2009. Lease matures October 2013 with an option to puchase beginning in April 2010. Equipment will be used at the golf course.	$ 31,612
Master lease purchase agreement through the Security State Bank of Wewoka dated July 1, 2009 for the lease of property totalling $669,700 for governmental and business-type activities in total. Leased equipment attributible to business-type activities includes a new truck and packer body, new tractor, greens mower, and more totaling $432,053. A down payment of $17,500 and quarterly payments are required under the lease. Lease matures June 15, 2013.	211,042
Capital lease purchase of golf carts through the PNC Equipment Finance dated July 6, 2010 for the lease of property totalling $105,750. Leased equipment attributible to business-type activities includes 30 new golf carts. Monthly payments of $2,025 are required under the lease beginning August, 2010 with a balloon payment of $24,000 due in July, 2014. Lease matures July 6, 2014.	88,436
	$ 331,090
NOTES PAYABLE	
Note Payable with Oklahoma Water Resources Board for water system improvements, issued by the Clinton Public Works Authority, payable in semi-annual installments to be determined at completion of construction on a 20 year amortization with an annual interest rate of 3.161%.	$ 361,682
Note Payable for water system improvements from CDBG loan funds issued by the Clinton Industrial Authority, payable in monthly installments of $365 to the Oklahoma Department of Commerce, no interest, to begin February 29, 2000.	37,188
	$ 398,870
REVENUE BONDS PAYABLE:	
2002 Series Clinton Public Works Authority Revenue Bonds original issue amount of $2,330,000, dated May 1, 2002, issued by Clinton Public Works Authority, secured by utility revenues and pledged sales tax, interest rates from 4.25% to 5.10%, final maturity on September 1, 2014.	$ 830,000
2003 Series Clinton Public Works Authority Revenue Bonds original issue amount of $7,215,000, dated May 1, 2003, issued by Clinton Public Works Authority, secured by utility revenues and pledged sales tax, interest rates from 2% to 4.40%, final maturity on January 1, 2021.	4,505,000
2006 Series Clinton Public Works Authority Revenue Bonds original issue amount of $6,000,000, dated September 1, 2006, secured by pledged sales tax, interest rates ranging from 3.8% to 4.5%, final maturity September 1, 2017.	3,935,000
Conduit Debt Obligations:	
2010A Series Clinton Public Works Educational Facilities Lease Revenue Bonds original issue amount of $12,660,000, dated August 1, 2010, secured by pledged lease purchase acquisition payments and rental payments on improved property, interest rates ranging from 2.256% to 5.45%, final maturity September 1, 2020. Refer to conduit debt further described below.	12,660,000

2010B Series Clinton Public Works Educational Facilities Lease Revenue Bonds original issue amount of $215,000, dated August 1, 2010, secured by pledged lease purchase acquisition payments and rental payments on improved property, interest rate of 2.256%, final maturity September 1, 2020. Refer to conduit debt further described below.	215,000
Total revenue bonds payable	22,145,000
Less: unamortized discounts	(167,638)
Less: unamortized deferred amount on refunding	(485,465)
Net revenue bonds payable	$ 21,491,897

Conduit Debt

The Clinton Public Works Authority issued $12,875,000 of revenue bonds during the fiscal year to finance school improvements approved by voters on March 2, 2010 including classroom additions to Nance, Southwest and Washington schools, cafeteria addition at Southwest, CHS band room facility, CHS physical education/practice facility, roofing, parking lots, CMS auditorium remodel and other miscellaneous improvements. The Authority entered into a ground lease with the Clinton Public School District to lease the land upon which the improvements were to be constructed. Lease purchase acquisition payments and rental payments derived from the sublease agreement with the District will be assigned to make the debt service payments on the bonds. Upon payment in full of the amounts due under the sublease agreement (September 1, 2020 according to Schedule of Lease Purchase Acquisition Payments for Improvements), possession and ownership of the improvements will then belong to the District. The Authority has no obligation for the debt beyond the funds derived under the lease agreement.

Changes in Long-Term Debt

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

Type of Debt	Balance at July 1, 2010	Amount Issued	Amount Retired	Balance at June 30, 2011	Due Within One Year
Governmental Fund Debt:					
Capital lease payable	$ 268,792	$ 485,109	$ 160,258	$ 593,643	$ 221,905
Total governmental fund debt	$ 268,792	$ 485,109	$ 160,258	$ 593,643	$ 221,905
Enterprise Fund Debt:					
Capital lease payable	$ 342,264	$ 105,750	$ 116,924	$ 331,090	$ 262,341
Notes payable	441,196	-	42,326	398,870	36,785
Revenue bonds payable	10,420,000	-	1,150,000	9,270,000	1,225,000
Conduit debit	-	12,875,000	-	12,875,000	-
Total enterprise fund debt	$ 11,203,460	$ 12,980,750	$ 1,309,250	$ 22,874,960	$ 1,524,126

Annual Debt Service Requirements

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

Year Ending June 30	Governmental Activities		Business-Type Activities					
	Leases Payable		Notes and Leases Payable		Revenue Bonds		Conduit Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	$ 221,905	$ 19,539	$ 299,126	$ 19,281	$ 1,225,000	$ 360,940	$ -	$ 624,485
2013	90,055	14,702	58,843	13,563	1,210,000	310,218	1,150,000	591,617
2014	90,534	10,743	61,327	11,248	1,260,000	259,538	-	565,673
2015	93,614	6,967	66,296	7,979	1,315,000	205,480	1,470,000	565,673
2016	97,535	3,044	41,846	6,789	1,155,000	147,893	-	516,884
2017-2021	-	-	202,522	15,095	3,105,000	217,625	10,255,000	1,898,104
2022	-	-	-	-	-	-	-	-
Totals	$ 593,643	$ 54,995	$ 729,960	$ 73,955	$ 9,270,000	$ 1,501,694	$ 12,875,000	$ 4,762,436

(F) Interfund Transactions and Balances:

Interfund receivables and payables at June 30, 2011 were as follows:

DUE TO AND DUE FROM:	Due From	Due To
GOVERNMENTAL FUNDS:		
4th Cent Sales Tax Fund:		
TIF Fund	$ 1,560,000	$ -
TIF Fund:		
Industrial Authority	57,035	1,560,000
ENTERPRISE FUNDS:		
Public Works Authority:		
Recreation Authority	511,081	-
Industrial Authority	-	37,188
Recreation Authority:		
Public Works Authority	-	511,081
Industrial Authority:		
TIF Fund	-	57,035
Public Works Authority	37,188	-
GRAND TOTAL	$ 2,165,304	$ 2,165,304

Operating transfers for the year ended June 30, 2011 were as follows:

Recreation Authority (an enterprise fund)	-	795,300
Industrial Authority (an enterprise fund)	-	348,218
Total General Fund	2,577,368	3,737,910
SPECIAL REVENUE FUNDS:		
4th Cent Sales Tax :		
Public Works Authority (an enterprise fund)	583,016	1,172,164
Industrial Authority (an enterprise fund)	-	53,693
TIF Fund :		
Industrial Authority (an enterprise fund)	57,035	-
Total Special Revenue Fund	640,051	1,225,857
CAPITAL PROJECTS FUND:		
General Fund	17,024	
Public Works Authority (an enterprise fund)	981,741	1,352,063
Clinton Airport Authority	-	11,046
Clinton Recreation Authority (an enterprise fund)	-	197,730
Industrial Authority (an enterprise fund)	-	8,641
Total Capital Project Funds	998,765	1,569,480
ENTERPRISE FUNDS:		
Clinton Public Works Authority:		
General Fund	2,577,368	2,577,368
Capital Projects Fund	1,352,063	981,741
4th Cent Sales Tax Fund (a special revenue fund)	1,172,164	583,016
Recreation Authority	-	64,434
Clinton Hospital Authority	171,401	-
Clinton Airport Authority:		
Capital Projects Fund	11,046	-
Solid Waste Authority		
Capital Projects Fund	-	418
Clinton Recreation Authority:		
General Fund	795,300	-
Capital Projects Fund	197,730	-
Public Works Authority (an enterprise fund)	64,434	-
Solid Waste Authority	418	-
Clinton Hospital Authority	244,443	-
Clinton Industrial Authority:		
General Fund	348,218	-
Capital Projects Fund	8,641	-
4th Cent Sales Tax Fund (a special revenue fund)	53,693	-
TIF Fund (a special revenue fund)	-	57,035
Clinton Hospital Authority:		
Public Works Authority (an enterprise fund)		171,401
Clinton Recreation Authority	-	244,443
Total Enterprise Funds	6,996,919	4,679,856
GRAND TOTAL	$ 11,213,103	$ 11,213,103

(G) Fund Equity:

Retained Earnings Reserves

The retained earnings of the enterprise funds and internal service funds are reserved for debt retirements and loan disbursements related to the various revenue bond issues. Reserves at June 30, 2011 are as follows:

	Reserved For Debt Service	Reserved Hospital Lease Funds	Total
Enterprise Funds:			
Public Works Authority	$ 1,847,829	$ -	$ 1,847,829
Hospital Authority	-	7,650,000	7,650,000
Total Enterprise Fund	$ 1,847,829	$ 7,650,000	$ 9,497,829

NOTE 4: OTHER NOTES

(A) Employee Pension and Other Benefit Plans:

The City participates in four employee pension systems as follows:

Name of Plan/System	Type of Plan
Oklahoma Municipal Retirement Fund (OMRF - DBP)	Agent Multiple Employer - Defined Benefit Plan
Oklahoma Police Pension and Retirement Fund	Cost Sharing Multiple Employer – Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund	Cost Sharing Multiple Employer – Defined Benefit Plan
Oklahoma Municipal Retirement Fund (OMRF-DCP)	Agent Multiple Employer - Defined Contribution Plan

Oklahoma Municipal Retirement Fund Defined Benefit Plan (OMRF -DBP)

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. An actuarial valuation is performed annually. The following is a summary of eligibility, contribution methods and benefits provisions:

	OMRF Plan
Year established and governing authority	1970, City Council Ordinance
Determination of contribution requirements	Actuarially determined
Employer	12.68% of participant payroll
Plan members	5.25% of participant payroll
Funding of administrative costs	Investment earnings
Period required to vest	7 years
Post-retirement benefit increases	Cost of living adjustment each July 1st based upon the percentage change in the CPI, maximum increase or decrease of 3% in any year
Eligibility for distribution	- Normal retirement- age 65 with 7 or more years of vesting service or age 62 with 30 years of service. - Early retirement at age 55 with 7 years of service - Disability retirement upon total and permanent disability with 7 years of service

Membership of the plan is as follows:

	As of January 1, 2011
Non-vested active members	50
Fully vested active members	19
Retirees and beneficiaries receiving benefits	28
Terminated plan members entitled to but not yet receiving benefits	13
	110

Annual Required Contributions
Actuarial assumptions and other information used to determine the annual required contributions (ARC) for the plan is:

	OMRF Plan
Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Valuation date	March 2011
Actuarial cost method	Entry age normal cost method
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increase	4.0% - 7.42%
Post retirement benefit increase (max)	3%
Other	Mortality table UP 1994 with project mortality improvement; 100% married; 3 year spouse age difference

Funding Status and Progress

Actuarial Valuation Date/Type	Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a/c)
1/1/10	8,330,057	9,327,216	997,159	89.3%	2,463,146	40.5%
1/1/11	8,716,471	9,175,868	459,397	95.0%	2,142,372	21.4%

Oklahoma Police and Firefighter's Pension and Retirement Systems

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

	Oklahoma Police Pension and Retirement System	Oklahoma Firefighter's Pension and Retirement System
Eligibility to participate	All full-time officers, employed 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 hired before age 45.
Authority establishing contribution obligations and benefits	State Statue	State Statute
Plan member's contribution rate	8% of covered payroll	8% of covered payroll
City's contribution rate	13% of covered payroll	13% of covered payroll, $60 per year for volunteer firefighters
Period required to vest	10 years	10 years
Benefits and eligibility for distribution (full time)	20 years credited service, 2 1/2% of final average salary multiplied by the years of credited service with maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits.	20 years credited service, 2 1/2% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits.

Benefits and eligibility for distribution (volunteer)	NA	20 years credited service equal to $7.24 per month per year of service, with a maximum of 30 years considered.
Deferred retirement option	Yes, 20 years credited service with additional option to participate in the Deferred Option plan for a maximum of 5 years.	Yes, 20 years credited service for a maximum of five years

These two systems are administered by agencies of the State of Oklahoma and funded by contributions from participants, employers, insurance premium taxes, and state appropriates, as necessary.

Annual Required Contributions

Actuarial assumptions and other information used to determine the annual required contributions (ARC) for both plans are:

	Oklahoma Police Pension and Retirement System	Oklahoma Firefighter's Pension and Retirement System
Provision for:		
Cost of living adjustment	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
Valuation Date	7/1/11	7/1/11
Actuarial cost method	Individual entry age	Individual entry age normal
Amortization method/period	Level dollar 30 years, open	Level dollar 30 years, open
Actuarial asset valuation method	5 year moving average	5 year moving average
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increase	5.0% - 19.0%	4.0% - 10.0%
Post retirement benefit increase (max)	2.0%	2.0%
Inflation	3.0%	3.0%
Other	1994 group annuity table set forward 1 year for men and 2 years for women	1994 group annuity table set forward 1 year for men and 2 years for women

Employer contribution rates are determined by Oklahoma State Statute.

Oklahoma Municipal Retirement Fund - Defined Contribution Plan - (OMRF-DCP)

The City has also provided effective October 1, 1991, an enhancement to the existing pension benefit structure with the Oklahoma Municipal Retirement Fund. The enhancement is a defined contribution plan available on a voluntary basis to all full-time employees already participating in the existing OMRF defined benefit plan. The plan is a money purchase plan qualified under section 401(a) of the Internal Revenue Code. The employee may contribute to the Plan an amount not less than 2% or more than 10% of their compensation.

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

City total payroll	$ 3,455,555
Payroll for covered employees	$ 357,750
Employees contributions made	$ 10,747
Employer (City) contributions made	$ 0
City contributions as a % of covered payroll	1%

Other Post-Employment Benefits

For the year ended June 30, 2011, the City provided no post-employment benefits (other than pension) to terminated employees.

(B) Commitments and Contingencies:

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.

Clinton Regional Hospital Lease

On January 1, 1998, the Clinton Hospital Authority leased Clinton Regional Hospital to Baptist Health Care of Oklahoma, Inc. (Integris) for an initial term of twenty (20) years beginning January 1, 1998 to, and including, December 31, 2017. The lease terms called for an initial payment of $6 million by Integris and annual payments of $125,000 beginning January 1, 1999 and $150,000 beginning January 1, 2010.

Clinton Public School District Lease

The Clinton Public Works Authority issued $12,875,000 of revenue bonds during the fiscal year to finance school improvements approved by voters on March 2, 2010. The Authority entered into a ground lease with the Clinton Public School District to lease the land upon which the improvements were to be constructed. Lease purchase acquisition payments and rental payments derived from the sublease agreement with the District will be assigned to make the debt service payments on the bonds. Upon payment in full of the amounts due under the sublease agreement (September 1, 2020 according to Schedule of Lease Purchase Acquisition Payments for Improvements), possession and ownership of the improvements will then belong to the District.

Litigation

The City is a party to various legal proceedings, which normally occur in the course of governmental operations. The financial statements do not include accruals 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.

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 judgments, 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.

(C) Subsequent Events:

Sales Tax Extension

On June 14, 2011, City voters approved an additional .95 cent sales tax to begin October 1, 2011 for 8 years which is committed to various capital projects.

City of Clinton, Oklahoma
Schedule of Expenditures of Federal Awards
June 30, 2011

Fund/Program Title	CFDA Number	Identifying Number	Federal Grant Expenditures
U.S Department of Housing and Urban Development:			
Demolition and Revitalization of Severly Distressed Public Housing (Hope VI)	14.866	OK56URD73601	$ 451,875.50
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607		330.00
			330.00
Department of Transportation- Federal Aviation Administration			
Airport Improvement Program	20.106	AIP 3-40-0021-009-2010	381,810.00
Airport Improvement Program	20.106	AIP 3-40-0021-010-2011	4,750.00
Total Federal Aviation Administration			386,560.00
U.S. Department of Defense			
Community Planning Assistance Funds	12.611	CL0713-09-01	12,500.00
Grand Total Federal Assistance			$ 851,265.50

CITY OF CLINTON, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SUMMARY OF AUDITOR'S RESULTS

TYPE OF REPORT ISSUED ON THE FINANCIAL STATEMENTS:		Unqualified Opinion
MATERIAL WEAKNESSES IDENTIFIED IN INTERNAL CONTROL OVER FINANCIAL REPORTING:		No
SIGNIFICANT DEFICIENCIES IDENTIFIED IN INTERNAL CONTROL OVER FINANCIAL REPORTING THAT ARE NOT CONSIDERED TO BE MATERIAL WEAKNESSES:		No
DISCLOSURES OF NONCOMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS:		(None Reported)
MATERIAL WEAKNESSES IDENTIFIED IN INTERNAL CONTROL OVER MAJOR FEDERAL AWARD PROGRAMS:		No
SIGNIFICANT DEFICIENCIES IDENTIFIED IN INTERNAL CONTROL OVER MAJOR FEDERAL AWARD PROGRAMS THAT ARE NOT CONSIDERED TO BE MATERIAL WEAKNESSES:		No
TYPE OF REPORT ISSUED ON COMPLIANCE FOR MAJOR PROGRAMS:		Unqualified Opinion
AUDIT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH SECTION 510(A) OF OMB CIRCULAR A-133:		No
MAJOR PROGRAMS:	14.866	Demolition & Revitalization of Severely Distressed Public Housing (Hope VI)
	20.106	Airport Improvement Program, Cluster
DOLLAR THRESHOLD USED TO DISTINGUISH BETWEEN TYPE A AND B PROGRAMS:		$300,000
QUALIFIED LOW-RISK AUDITEE:		No

BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and City Council
City of Clinton, Oklahoma

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clinton, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise the City of Clinton, Oklahoma's basic financial statements and have issued our report thereon dated November 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the City Council and administrative employees, all applicable county, state and federal agencies and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL AND MILLER
Weatherford, Oklahoma
November 15, 2011

BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor and City Council
City of Clinton, Oklahoma

Compliance

We have audited the compliance of City of Clinton, Oklahoma, 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 its major federal programs for the year ended June 30, 2011. City of Clinton, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Clinton, Oklahoma's management. Our responsibility is to express an opinion on City of Clinton, Oklahoma's compliance based on our audit.

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

In our opinion, City of Clinton, Oklahoma, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of City of Clinton, Oklahoma, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Clinton, Oklahoma's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 entity'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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council and administrative employees, all applicable county, state and federal agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL AND MILLER
November 15, 2011

Clinton
Hub City of Western Oklahoma

Agenda Commentary

Item Title/ Subject: Vehicles

Staff Source: D.E. Crabtree, Chief of Police

History/Background Information: Replacement / Rotation of two Chevrolet 2002 detective units that currently have 106,500 and 156,000 miles. The units are starting to have a lot of maintenance problems. The units where purchased approximately 10 years ago.

Item/Subject Summary: This is a budgeted item for the replacement of police units.

Price/Cost: $ 32,000.00 is budgeted for units and equipment.

Recommendation: It's my recommendation that if approved, we find two low mileage vehicles that meet our requirements. We would also trade in the old vehicles.