DEVON ENERGY CORP/DE
Form 11-K/A
June 28, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 11-K/A

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

or

¨ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 001-32318

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Devon Energy Corporation Incentive Savings Plan

B. Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office:

Devon Energy Corporation

333 West Sheridan Avenue

Oklahoma City, OK 73102-5015

EXPLANATORY NOTE

This Form 11-K/A is being filed to amend and restate the Form 11-K filed June 27, 2013 with respect to the Devon Energy Corporation Incentive Savings Plan. The original Form 11-K failed to attach the consent of the Independent Registered Public Accounting Firm. The consent is attached to this Form 11-K/A. The original Form 11-K is not otherwise changed.

DEVON ENERGY CORPORATION INCENTIVE SAVINGS PLAN

FORM 11-K

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Report of Independent Registered Public Accounting Firm

Plan Administrator

Devon Energy Corporation Incentive Savings Plan

We have audited the accompanying statements of net assets available for benefits of Devon Energy Corporation Incentive Savings Plan (the Plan) as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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. The Plan is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Devon Energy Corporation Incentive Savings Plan as of December 31, 2012 and 2011, and the changes in net assets available for benefits for the year ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2012 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ GRANT THORNTON LLP

Oklahoma City, Oklahoma

June 27, 2013

DEVON ENERGY CORPORATION INCENTIVE SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2012	December 31, 2011
ASSETS		
Investments, at fair value	$ 638,987,799	$ 579,474,149
Employer contributions receivable	21,411,745	16,508,031
Notes receivable from participants	11,009,558	10,354,047
Other receivables	1,527,282	3,747,769
Total assets	672,936,384	610,083,996
LIABILITIES		
Other liabilities	1,638,154	820,080
Total liabilities	1,638,154	820,080
Net assets reflecting all investments at fair value	671,298,230	609,263,916
Adjustment from fair value to contract value for fully benefit-responsive investment contracts held by a collective trust	(120,975)	198,924
NET ASSETS AVAILABLE FOR BENEFITS	$ 671,177,255	$ 609,462,840

See accompanying notes to financial statements

DEVON ENERGY CORPORATION INCENTIVE SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2012
Additions:	
Investment income:	
Net appreciation in fair value of investments	$ 39,016,451
Dividend income	12,165,168
Interest income	59,517
Net investment income	51,241,136
Contributions:	
Participant, including rollovers	34,142,684
Employer, net of forfeitures	37,992,147
Total contributions	72,134,831
Interest income on notes receivable from participants	454,072
Total additions	123,830,039
Deductions:	
Distributions to participants	60,592,747
Administrative expenses	1,522,877
Total deductions	62,115,624
Net increase in net assets available for benefits	61,714,415
Net assets available for benefits:	
Beginning of year	609,462,840
End of year	$ 671,177,255

See accompanying notes to financial statements

DEVON ENERGY CORPORATION INCENTIVE SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

1. Description of Plan

The following description of the Devon Energy Corporation Incentive Savings Plan (the Plan) is provided for general information purposes only. Participants should refer to the plan agreement and respective amendments for a more complete description of the Plan s provisions.

General

The Plan is a multiple employer defined contribution plan covering substantially all United States employees of Devon Energy Corporation (Devon) and Thunder Creek Gas Services, LLC and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Employees are eligible to participate in the Plan as soon as administratively possible following the completion of one hour of service. There is no minimum age requirement for employees to be eligible.

The plan administrator is a committee of Devon employees who are appointed by, and serve at the direction of Devon (the Benefits Committee). The Benefits Committee is responsible for administration of the Plan, except for the duties related to selecting and monitoring the Plan s investment options. The selection and monitoring of investment options, and related functions, is the responsibility of a separate committee of Devon employees who are appointed by, and serve at the direction of Devon (the Investments Committee).

Devon s Board of Directors, or a committee thereof, has the sole responsibility for appointing and removing the Plan s trustee, which is currently Fidelity Management Trust Company (the Trustee). Under the terms of an agreement between the Trustee and the Plan, the Trustee administers the Plan s trust in accordance with instructions provided by the Benefits Committee.

Contributions

As defined in the Plan, participants may elect to contribute from 1% to 50% of their compensation to the Plan on a pre-tax basis or on a designated Roth basis (after-tax contributions). The combined pre-tax and designated Roth contributions are subject to limitations under the Internal Revenue Code (IRC). Participants who have attained age 50 before the end of the Plan year are eligible to make pre-tax or designated Roth catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (Rollover Contributions). Participant Rollover Contributions were approximately $3,334,000 during 2012.

Participants may receive an employer match on their contribution to the Plan in an amount determined annually by Devon. The amount of the matching contribution will vary according to the participant s years of service and whether the participant is eligible for enhanced contributions. Participants employed subsequent to October 1, 2007 and participants who opted out of a separate defined benefit plan sponsored by Devon are eligible for enhanced contributions. During 2012, for all participants with at least five years of service, Devon contributed amounts equal to 100% of each participant s contributions to the Plan, with the matching contribution being limited to the lesser of 6% of the participant s compensation, or $15,000. For participants with less than five years of service, Devon s matching contributions in 2012 were limited to the lesser of 3% of the participant s compensation, or $7,500 (except that participants who were employed prior to October 1, 2007 and elected to continue to participate in a separate defined benefit plan were not eligible for enhanced contributions and received the higher matching contribution described in the preceding sentence even if they had less than five years of service).

Participants eligible for enhanced contributions also receive additional, nondiscretionary contributions by Devon calculated as a percentage of their compensation, as defined in the Plan. In 2012, the enhanced contribution percentage ranged from 8% to 16%, depending upon a participant s years of service.

DEVON ENERGY CORPORATION INCENTIVE SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS CONTINUED

Participant Accounts

Each participant s account is credited with the participant s contribution, Devon s contribution and allocations of earnings or losses on the investments selected by the participant, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

Investments

Participants direct their account balances to be invested in a number of investment options. Participants may change their investment options on a daily basis. Investment options of the Plan as of December 31, 2012 consist of mutual funds, equity securities, Devon common stock, money market funds, collective trust funds, stable value fund and Brokerage Link. Brokerage Link is a self-directed brokerage account that allows participants to invest in a wide variety of funds.

Vesting and Forfeitures

Participants are vested immediately in their contributions, plus the associated investment income or losses. For each year of service up to four years, a participant becomes 25% vested in employer contributions to their account and the associated investment income or losses. Participants will become vested upon a change of control of Devon, as defined in the Plan, or if the participant dies, becomes totally disabled or reaches age 65 while employed by Devon or another participating employer.

Upon a termination of service that results in nonvested amounts in a participant s account, the nonvested portion is forfeited and used to reduce Devon s future contributions. Employer contributions were reduced by $1,264,000 in 2012. As of December 31, 2012 and 2011, there were approximately $976,000 and $1,515,000, respectively, of forfeitures available to reduce future employer contributions.

Notes Receivable from Participants

Participants may borrow from their fund accounts and may have up to two loans outstanding at any time. Total borrowings may not exceed the lesser of 50% of a participant s vested balance or $50,000. The loans are secured by the balance in the participants accounts. The loans bear interest at a fixed rate, which approximates the rate generally charged for consumer loans secured by certificates of deposit or marketable securities. The interest rates ranged from 4.25% to 9.75% at December 31, 2012. The terms of the loans may not exceed five years, except for loans used to purchase a primary residence, in which case the loan term generally will not exceed 15 years. Maturity dates ranged from January 2013 to December 2022 at December 31, 2012. Principal and interest is repaid through biweekly payroll deductions from the participants wages.

Payment of Benefits

While still employed, a participant who is age 59 $^1/_2$ or older may withdraw all or part of the vested interest in their account at any time. Participants who are still employed also may withdraw their Rollover Contributions regardless of age. In addition, participants who are still employed and who have taken all other withdrawals and loans available under the Plan may also request a withdrawal in an amount necessary to satisfy an immediate and heavy financial need.

On termination of service due to death, disability or upon retirement, participants (or a beneficiary in the case of death) may elect to receive either a lump-sum amount equal to the value of the participant s vested interest in their account or equal installments (monthly, quarterly, semi-annually or annually) for any period less than the life expectancy of the participant and their beneficiary. For termination of service for other reasons, participants may receive the value of the vested interest in their account as a lump-sum distribution. Depending on the value of the participant s vested interest in their account at the time of their termination of service, the value of the participant s vested interest may be automatically paid in a lump-sum distribution, paid in a direct rollover or automatically rolled over to an individual retirement account or annuity established in the participant s (or beneficiary s) name.

DEVON ENERGY CORPORATION INCENTIVE SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS CONTINUED

2. Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Plan in preparing the accompanying financial statements:

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan s investments are stated at fair value. Fair value is the price that would be received to sell the investment in an orderly transaction between market participants. This price is commonly referred to as the exit price. Fair value measurements are classified according to a hierarchy that prioritizes the inputs underlying the valuation techniques. This hierarchy consists of three broad levels:

Level 1 Inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. When available, Level 1 inputs are used to measure fair value because they generally provide the most reliable evidence of fair value.

Level 2 Inputs consist of quoted prices that are generally observable for the asset. Common examples of Level 2 inputs include quoted prices for similar assets in active markets or quoted prices for identical assets in markets not considered to be active.

Level 3 Inputs are not observable from objective sources and have the lowest priority. The most common Level 3 fair value measurement is an internally developed cash flow model.

Realized gains or losses are calculated based on proceeds from the sale of investments and the fair value of the investments at the beginning of the plan year or at time of purchase if acquired during the current plan year. Unrealized appreciation or depreciation of the investments is calculated based on the fair value of the investments at the end of the plan year and the fair value of the investments at the beginning of the plan year or at time of purchase if acquired during the current plan year. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The accompanying statements of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The accompanying Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis for fully benefit-responsive investment contracts. Contract value represents the principal balance of the underlying investment contracts, plus accrued interest at the stated contract rates, less withdrawals and administrative charges by the financial institutions. There are no material reserves against contract value for credit risk of the contract issuers or otherwise.

DEVON ENERGY CORPORATION INCENTIVE SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS CONTINUED

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2012 or 2011. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Trustee, audit and certain other administrative fees are paid by Devon on behalf of the Plan and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant s account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

3. Fair Value Measurements

The following tables provide the Plan s investments at fair value according to the fair value hierarchy. The Plan had no Level 3 investments as of December 31, 2012 and 2011. There have been no changes in the methodologies used at December 31, 2012 and 2011.

	As of December 31, 2012		
		Fair Value Measurements Using:	
	Total	**Level 1 Inputs**	**Level 2 Inputs**
Mutual funds:			
Growth funds	$ 33,431,939	$ 33,431,939	$
Fixed income funds	107,270,465	107,270,465	
Balanced funds	28,098,073	28,098,073	
Other funds	14,527,829	14,527,829	
Total mutual funds	183,328,306	183,328,306	
Equity securities:			
Employer stock	57,229,169	57,229,169	
Domestic large cap value	55,083,236	55,083,236	
Domestic large cap growth	52,141,542	52,141,542	
Domestic small cap value	35,592,002	35,592,002	
Domestic small cap growth	24,838,748	24,838,748	
Total equity securities	224,884,697	224,884,697	
Money market funds	45,639,449	45,639,449	
Collective trust funds:			
U.S. equity index (1)	75,393,713		75,393,713
Stable value (2)	40,392,154		40,392,154
International equity index (3)	65,838,189		65,838,189
Real estate investment trust (4)	3,511,291		3,511,291

Total collective trust funds	185,135,347		185,135,347
Total investments	$ 638,987,799	$ 453,852,452	$ 185,135,347

DEVON ENERGY CORPORATION INCENTIVE SAVINGS PLAN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

As of December 31, 2011
Fair Value Measurements Using:

and continue to lead, numerous qualified individuals to leave the country, thus depleting the availability of qualified personnel in South ficant expenditure of time and resources will result in actual sales of our products and services.

or us to enforce our rights and our business could be harmed. If we are not able to defend the patent or trade secret protection position o

o the defense of such claims. We may be required to discontinue using and selling any infringing technology and services, to expend re

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ledge of local market conditions and to facilitate the acquisition of any necessary licenses and permits, as well as the inability to control ould have an adverse effect on our business.

ncludes long-term assumptions regarding investment returns, mortality, morbidity, persistency and operating costs and expenses of the

rder to avoid risking the loss of our government and private contracts, we may have to seek to comply through other means, including b

the growth of our business.

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nt s Discussion and Analysis of Financial Condition and Results of Operations Currency Exchange Rate Information.

tracting and retaining qualified employees.

approval of SARB; (iii) acquire an interest in a foreign venture without the approval of SARB and first having complied with the investr h the debt covenants contained in our Korean debt facility, which could result in default and acceleration of our indebtedness. If this we

ed by OFAC target countries which are typically less developed countries. Since less developed countries present some of the best oppo

EMV product with biometric verification as disruptive to their funds transfer or other businesses and may seek governmental or other re

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common stock.

nforced by a South African court, it will be payable in South African currency. Also, under South Africa s exchange control laws, the a be struck from the court record, with a cost order against AllPay. The High Court issued its ruling, in relation to the application to set as

PART II

Low
$5.77
$5.80
$6.71
$7.79
$7.84
$3.01
$5.01
$6.60

t necessarily indicative of results to be expected in any future period.

		2009
	$	
	$	
	$	

during that year of approximately $3.5 million.

	2009
$	
$	
$	

	2009
$	
$	

35

at any time with other card holders in even the most remote areas so long as a smart card reader, which is often portable and battery po

ith an on-line real-time management system for healthcare transactions. We perform a similar service in the US through our XeoHealth

We recognize this net income from these equity-accounted investments during the period in which the hardware and software is utilized

ur monthly service fee is calculated on the number of grant recipient cardholders.

t such decline may be offset by the amount of new grant recipient cardholders approved by SASSA.

s card. We are paid monthly by SASSA for each recipient cardholder paid by us, regardless of the number of grants received by the rec

38

fiscal 2014.

during the year.

ed tax asset valuation allowance would be charged to income in the period such determination is made. In assessing the need for a valua

tion prescribed in the terms of the awards was not met.

t

6.9962
1,121
6.8449
1,079

y offset by an equity instrument issued pursuant to our BEE transaction and non-deductible expenses (including interest expense relatec

% change
19%
13%
18%
(19%)
11%
16%
(74%)
(97%)
(18%)
(21%)
85%
-
(62%)

% change
35%
27%
34%
(9%)
25%
31%
(70%)
(97%)
(7%)
(11%)
109%
12%
(57%)

2013	Total value 2
105,026,946	
97,042,882	
97,042,882	
-	
6,647,349	
82,811,238	

of intangibles, our operating margin for fiscal 2013 and 2012 was 10% and 12%, respectively.

transaction and non-deductible expenses (including interest expense related to our long-term Korean borrowings and stock-based comp

% change
6%
68%
(6%)
10%
(27%)
14%
(34%)
(31%)
8%
(671%)
70%
51%
(15%)
(7%)
(107%)
407%
nm
(95%)
12%
63%

% change
17%
85%
4%
22%
(20%)
25%
(27%)
(24%)
19%
(730%)
88%
67%
(7%)
2%
(108%)
459%
nm
(94%)
24%
80%

2012		Total value ZA
	52,243,105	
	93,948,192	
	87,866,487	
	6,081,705	
	4,788,923	
	77,725,741	

ne Facilities Agreement are without recourse to, and the covenants and other agreements contained therein do not apply to, us or any of o

	2012 ZAR 000
	123,271
	71,458
	-
	24,803
	(2,121)
	-
	14,615
	232,026
	18,288
	250,314

2012 ZAR 000
180,67
115,61
4,78
1,24
302,31

More than 5 years
-
-
-
-
21,659
21,659

59

	Maturity
10.1397	September 30, 2013

0.24%
(0.24%)

ly accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizat

PART III

PART IV

SIGNATURES

NET 1 UEPS TECHNOLOGIES, INC.

LIST OF CONSOLIDATED FINANCIAL STATEMENTS

	Retained Earnings	
$	392,343	$
	2,647	
$	394,990	$

ned ngs		Accumulated other comprehensive (loss) income
394,990	$	(
44,651		
		(
439,641	$	(

ned ngs		Accumulated other comprehensive (loss) income
439,641	$	(
12,977		
		(
452,618	$	(1

F-8

pany s technology is widely used in South Africa today, where it distributes pension and welfare payments to recipient cardholders in S

3 to 5 years
2 to 10 years
4 to 8 years
5 to 10 years
5 to 10 years

1 to 15 years
3 to 5 years
10 years
7 years
3 to 20 years
3 years

s processed for credit card companies when services are rendered in accordance with the contracts entered into between credit card com

n of the arrangement consideration and revenue recognition is determined for the combined unit as a single unit. Allocation of the consid

deferred income taxes for the year ended June 30, 2011 using a combined rate of 34.55% .

rd initiative. During the year ended June 30, 2013, Pbel achieved its pre-defined financial performance milestones for the first year and t

Maturity
September 30, 2013

g such techniques are included in Level 3 investments.

hed net asset value and has used this value to determine the fair value.

pany reversed the deferred tax liability of $10.4 million associated with this intangible asset.

A

91,692	$
36,082	
4,623	
4,506	
7,125	
734	
144,762	$

ger transaction with each other. Interest on the loans is payable quarterly and is based on the Korean CD rate in effect from time to time

re due in equal installments of $7.1 million each, on October 29, 2013 and April 29, 2014, respectively, and have been classified as curr

pply to, the Company or any of the Company s subsidiaries (other than Net1 Korea and its subsidiaries, including KSNET).

e) administers the Plan.

June 7, 2019, but awards granted on or before such date may extend to later dates.

en vested and nonforfeitable will be immediately forfeited and transferred to the Company for no consideration.

ngs per share (as reflected in the Company's audited consolidated financial statements) to exclude the effects related to the amortization

on of intangible assets and acquisition-related costs, stock-based compensation charges, foreign exchange gains and losses arising from

Weighted Average Grant Date Fair Value ($)
2.6
1.8
2.1
2.9

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$229

y issues new shares to satisfy stock option exercises.

to corporate/eliminations.

ruling, tax deductible goodwill, and net operating loss carryforwards.

. As of June 30, 2013, the gross carrying value of this deferred tax asset is approximately $8.8 million and there is a full valuation allow

)
-
3
-
9)
4

ed in Note 17.

year ended June 30, 2013, there was one such customer, providing 42% of total revenue (2012: one such customer, providing 41% of tot

0 and include KSNET from November 1, 2010.

ts of this operating segment.

003
003)
238
394
111)
004
525
009
652
904
587
191)
314)
647
423
113
-
400
117
-
053

Total YTD

Total YTD

$
$

****

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