

# City of Mustang, Oklahoma

## Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



Mustang, Oklahoma Est. 1895

**CITY OF MUSTANG, OKLAHOMA**

**ANNUAL  
COMPREHENSIVE  
FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2023**

**Prepared by:  
City of Mustang  
Finance Department**

**Janet Watts  
Finance Director**



CITY OF MUSTANG, OKLAHOMA  
 ANNUAL COMPREHENSIVE FINANCIAL REPORT  
 AND ACCOMPANYING INDEPENDENT AUDITOR’S REPORT  
 For the fiscal year ended June 30, 2023

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# ***Introductory Section***



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January 2, 2024

Citizens of Mustang, Oklahoma  
Honorable Mayor and City Council  
And Other Interested Readers:

The City of Mustang (City) fiscal year 2023 Annual Comprehensive Financial Report (ACFR) provides a comprehensive overview of the city's financial position and the results of operation for the past fiscal year. It complies with the City Charter and Oklahoma Statutes requiring an annual independent audit and submission of the report within six months of the close of the fiscal year to the State Auditor and Inspector.

The ACFR was prepared using accounting principles generally accepted in the United States (U.S. GAAP). It is fairly stated in all material respects based on a comprehensive framework of internal controls discussed in more detail later in this letter. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the city. City management's narrative on the financial activities of the city for the fiscal year ended June 30, 2023, is expanded in the Management Discussion and Analysis (MD&A) section of this report, immediately following the Independent Auditor's Report on Financial Statements and Supplementary Information. This letter of transmittal is written to convey the Annual Report to its intended users and provide information about the city that is useful in assessing the city's general economic condition and to recognize contributors to the report. As such, it should be read from that perspective and in conjunction with all other sections of the Annual Report.

***Independent Auditor's Report***

The city engaged Elfrink and Associates, PLLC to express opinions on the financial statements based on their audit. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The audit 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, and evaluating the overall financial statement presentation. The auditor's examination encompassed the basic financial statements, as well as combining and individual fund statements and schedules for the fiscal year ended June 30, 2023. The independent auditor's report is presented as the first component of the financial section of this report. The firm concluded that there was a reasonable basis to render an unmodified opinion on the financial statements of each opinion unit that collectively comprise the city's basic financial statements concluding that the basic financial statements are fairly presented in conformity with the accounting principles generally accepted in the United States (U.S. GAAP).

### ***Grant Awards***

Grant awards that meet the threshold are required for audit under the provisions of the Single Audit Act of 1996, as amended in the OMB Uniform Guidance. Information related to a single audit, if applicable, is included in a separately issued single audit report which can be found under the Single Audit Section.

### ***Management's Discussion and Analysis (MD&A)***

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Mustang's MD&A can be found immediately following the report of the independent auditor.

### ***Profile of the Government***

The city's first United State Post Office appeared in 1895, which was named Mustang, presumably in recognition of a creek by the same name which flowed just north of town limits. Agriculture was the community's mainstay for many years. At one time, the area was home to the Mustang Fruit and Truck Growers Association, a group that actively marketed in cities such as Chicago, Omaha, and St. Louis.

Incorporated on October 16, 1969, the city initiated a Council-Manager form of government. The mayor has an equal vote with a six-member City Council (Council). The mayor is elected at large and the Council members are elected by citizens of their wards. The Mayor and Council appoint the City Manager who serves as the City's Chief Administrative Officer. The Mayor and Council also appoint the City Attorney, City Auditor, and Municipal Judge. The City Manager provides direction for the management of the city's financial resources and operating departments. The city provides all basic municipal services including police and fire protection, animal welfare, street maintenance, traffic control, water and wastewater, and solid waste collection and disposal. The city does not own or operate any landfills.

The City of Mustang is located approximately 15 miles west of downtown Oklahoma City and is part of the Oklahoma City metropolitan statistical area. The central part of Oklahoma is often called "Frontier Country" due to its ecological region known as the Cross Timbers. It has an elevation of 1,348 feet above sea level. The average annual temperature is 60° and the average annual rainfall is 34 inches. With its temperate climate, the city experiences all four seasons of the year.

Oklahoma State Statutes limit the city in its ability to levy a property tax. Property taxes must be approved by the voters and are limited to the repayment of general obligation debt and court assessed judgment principal and interest. With voter's approval, the city can levy a sales tax to fund its operations.

### ***Services***

The Mustang Improvement Authority, a blended component unit, provides water, sewer, sanitation, and recycling services. For financial reporting purposes, the city is defined as including all funds, agencies, boards, commissions, and authorities over which the City Council has financial accountability; therefore, the activities of the Mustang Improvement Authority, the Mustang Special Projects Authority and the Mustang Economic Development Authority are included in the reporting entity.

The city maintains privatization contracts with Wright Water Corporation (water, sewer, and meter reading services); Silver Star Construction (streets and park maintenance services); Pafford EMS of Oklahoma Inc. (ambulance services) and OEMA (sanitation and recycling services).

## ***Economic Outlook***

This year's forecast highlighted substantial recent economic growth that reflected national trends and artificial support from federal policy and was therefore not sustainable. The forecast for Mustang was to see continued growth in fiscal year 2022 with weaker growth in 2023 and possible declines. There were two baseline scenarios which incorporated consumer pricing and inflation expectations into the forecast as well as a scenario for a mild recession. Both scenarios predicted significant economic expansion in fiscal year 2022 eventually leveling off and declining in 2023.

The likelihood of the United States entering a recession in 2023 increased, although Mustang entered the year with a strong labor market and sustainable economic growth. Mustang is expected to maintain positive fiscal performance further into fiscal year 2024 which predict different impacts from federal monetary policy. The "soft landing" scenario in which a strong recession has averted to a sales tax growth of 10.95% in fiscal year 2023, while a "hard landing" approach in which an outright recession materializes projected a sales tax growth of 0%. Per-capita personal income in Mustang is expected to increase by 3.58% in calendar year 2023.

Going forward, there are several factors that position Mustang to successfully weather a period of economic slowdown. The cost of living and the cost of doing business remain highly competitive among other cities in the U.S. Mustang is being recognized more and more as a great place to work, live, and visit. As evidence, Mustang's cost of living is 14% lower than the national average. Living in Mustang offers residents a sparse suburban feel and most residents own their homes. Many families and young professionals live in Mustang. The public schools are highly rated. In addition, low commuting times, convenient travel to the Will Rogers International Airport, public safety and sports opportunities for children and adults make Mustang a great place for businesses and residents.

Mustang received \$4 million from the American Rescue Plan Act (ARPA) which is restricted towards water/sewer infrastructures.

## ***Revenue Outlook***

Sales and use tax collections for FY2022-23 increased by \$1.3 million or 19.31% totaling \$17.1 million compared to \$15.8 million in FY2021-22. In spite of economic conditions, combined sales and use tax revenues exceeded prior to years. The FY2022-23 increase is primarily attributable to a growing community and increased collections related to online sales.

## ***Accountability and Budgetary Controls***

The city's management has established a comprehensive internal control framework designed to provide sufficient reliable information for the preparation of the city's financial statements in conformity with U.S. GAAP. Since the cost of internal controls should not outweigh their benefits, the city's internal controls are designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The city's internal control structure is subject to internal audits performed by the Finance Department, and is also considered in the independent audit. Receipt of material Federal and State financial assistance subjects the city to further internal control analysis under the provisions of the Single Audit Act. The city implements cost-effective management and internal control recommendations.

Duties of the Finance Director and staff include: internal audits and reviews of city financial records, reports, and procedures; property and equipment inventories; accounting internal controls, concessionaries, agreements, and contracts relating to city revenues; along with performance audits; and special projects and investigations.

The City Council is required by State Statute to adopt a budget no later than seven days prior to the first day of the fiscal year (July 1). The annual budget serves as the foundation for the City of Mustang's financial planning and control. All funds of the city with revenues and expenditures are required to have annual budgets, except funds of public trusts or authorities.

The city maintains a system of budgetary controls with the objective of maintaining compliance with the City Charter and the Oklahoma Municipal Budget Act. The legal level of budgetary control is the level at which expenditures cannot exceed appropriations. The level of control is by department within a fund. Expenditure categories are personal services, materials and supplies, other services, debt service, and capital outlay. Expenditures are cash outlays plus encumbrances. Encumbrances not liquidated within 90 days of year-end are closed and re-appropriated by Council for the following fiscal year.

The City Manager or his designee may authorize transfers between departments without City Council approval. Supplemental appropriations require City Council approval and must be filed with the Office of the State Auditor and Inspector. Public trusts or authorities are required to prepare an annual budget, there are no other requirements related to monitoring.

#### **Supplemental Disclosure – Outstanding Bonded Debt**

In response to municipal securities disclosure regulations issued by the Securities and Exchange Commission (SEC), supplemental financial information and operating data for the city and public trust issuers are included to provide updates to official statements and ongoing disclosure of material information. The City's Annual Report and other pertinent financial documents are submitted to the Electronic Municipal Market Access (EMMA) data collection site on or before every December 27th. EMMA is the comprehensive centralized online source for access to municipal disclosures established by the Municipal Securities Rulemaking Board (MSRB).

#### ***Community Outlook***

The city enters into sales tax rebate agreements with developers as allowed in the Oklahoma State Constitution, Article 10, Section, Holdings, L.P. (the Developer). The city has three economic incentive agreements:

- The Developer must lease space to a grocery retailer and renovate the Mustang Trade Center Shopping Center. The rebate cannot exceed \$60,000 annually during the term of the (10) year period (incentive period) beginning with first payment on November 16, 2016.
- The establishment must provide a new commercial and residential development in which to make a construction investment of the property in the approximate amount of \$5 million and maintain an average of fifteen full-time employees and twenty part-time employees. Sales Tax Contribution Commencement for a period of five years; thereafter, the city shall pay to the Company two cents from every four cents of sales tax generated. First payment started September 15, 2022.

- A five-year agreement was executed on May 18, 2023 where the project will attract a major commercial development which will result in increases in ad valorem & sales tax revenues. Businesses to be located on the five lots developed will create job opportunities for residents in Mustang. Mustang's obligation is to reimburse installation of paving, drainage improvements and water/ sewer improvements to complete the basic infrastructure for five parcels. The total amount shall not exceed \$900,000.

Looking ahead to 2024 the economy has proved to be more resilient than expected, and the U.S. has avoided recession so far. Part of the reason why is so hard to pinpoint when exactly a recession could begin is because there's a lag between the Fed's rate hikes and when they start to impact the economy. In the sense, 2023 will be a revelatory year. By the year's end, we should know better our true economic condition and the forces that will shape 2024.

- As of June 30, 2023, active sub-divisions include:

<b>Name of Addition</b>	<b>Status</b>	<b>Available Lots</b>	<b>Total Lots</b>
Crystal Springs	Permit Ready	2	118
Gabe's Crossing	Permit Ready	19	27
Hidden Lakes Estates	Under Review	216	216
Hunter's Hill 4	Permit Ready	8	35
Hunter's Hill 5	Under Construction	68	68
Hyde Park 1	Permit Ready	9	34
Magnolia Trace 6	Permit Ready	2	34
Mustang Highlands	Approved	22	22
Spitler Lake Estates 2	Permit Ready	5	58
Spitler Lake Estates 3	Permit Ready	41	50
Wild Horse Canyon 2	Permit Ready	3	74
Wild Horse Canyon 3	Under Construction	108	108

- Approximately 20% of the city remains available for development. Although the city limits only encompass 12-square miles, Mustang's market area estimated at ten times that area which includes a population of nearly 90,000. Mustang's growth rate over the past 10 years has been 27%. The city's proximity to Will Rogers World Airport, school system and to Oklahoma City adds to its desirability. Local household incomes well exceed the state average, traffic counts continue to increase leading to increased interest from the commercial market. The biggest employer of people living in Mustang is the Federal Aviation Administration.
- Community Development plans for at least 200 new housing starts for FY 2024, and expects at least five or more new subdivisions to develop in this timeframe as well.
- Mustang finished June 2023 with an unemployment rate of 2.6%. The national unemployment rate was 3.6%.
- Mustangs' residents have remained gainfully employed in higher-paying wages found in services/auto/health/education (40%), retail trade (23.1%), finance/insurance/real estate (10.5%), construction (6.9%), agriculture/mining (3.0%), manufacturing (2.3%), other (8.1%), wholesale trade (1.6%), government (2.5), communication/utility (.5%) and transportation (1.4%) sectors.

## ***Long-term Financial Planning and Major Initiatives***

Financial planning for the city is a dynamic interactive effort of the community, businesses, social and cultural service organizations, schools, and municipal government. These dynamics are best demonstrated by the willingness of Mustang's citizens to support both city services and long-term capital investment. On August 23, 2016, the voters of Mustang approved a thirteen-year extended one cent sales tax to fund much needed capital improvements.

City Council has not formally adopted a policy of maintaining a minimum fund balance in the General Fund. Staff has expressed a desire to maintain reserves within the General Fund and the Mustang Improvement Authority at a combined total between 10-15% of the annual budget on a budgetary basis. The General Fund had a 22.26% unappropriated cash reserve and the MIA reflected 30.83% for FY23.

The City of Mustang's investment policy is to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the city and comply with all state statutes governing the investment of public funds. The following investments are authorized by policy:

- Obligations of the United States government, its agencies and instrumentalities;
- Collateralized or insured certificates of deposit and other evidences of deposit at banks, savings banks, savings and loans associations and credit unions located in this state, or fully insured certificates of deposit at banks, savings banks, savings and loan associations and credit unions located out of state;
- Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings bank, a savings and loan association or a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed ten percent (10%) of the surplus funds of the city which may be invested pursuant to this section;
- Prime bankers' acceptances which are eligible for purchase by the Federal Reserve System and which do not exceed 270 days' maturity;
- Prime commercial paper which shall not have a maturity that exceeds one hundred eighty (180) days nor represent more than ten percent (10%) of the outstanding paper of an issuing corporation;
- Repurchase agreements that have underlying collateral;
- Money market mutual funds regulated by the Securities and Exchange.

## ***Major Initiatives***

- EOC/Fire Station No. 2 was completed late Spring of 2023.
- Sara Road Widening – construction completed September 2023.
- Opening of new Dollar General Store, Atwood's Ranch & Home, Schlotzky's Restaurant, Sherwin Williams, Dutch Brother's Coffee, and HTeaO.
- Panda Express and Chili's are being built in the new Mustang Market Addition just east of the Wal-Mart property.
- Ross Terrace Widening at SH152, Frisco Road overlay with asphalt, and W. Forster Drive widening.
- Mustang's Wal-Mart has expanded the drive-thru pick up area. A robotic picker system has been installed to improve efficiency with their online shopping division.
- The Mustang Chamber of Commerce continue with construction on their new headquarters at 1401 N. Mustang Road, adjacent to City Hall. The project is completed.

- The library had a fantastic 2023 Summer Reading Program with 1,622 participants.
- Construction for the new bathroom facility at Brittany's Play Adventure is complete.
- Construction of the new walking Meadow Park trail is completed.
- The new playground for Centennial Park was purchased in FY23.

### ***Major Tax Revenues***

The City of Mustang collects a four-cent sales tax on taxable sales within the city limits. Three-cent sales tax is transferred to the Mustang Improvement Authority as required by bond indentures. Any portion of the one-cent retained by the Authority not utilized for debt service payments is restricted for capital improvements (transferred to Limited Purpose Fund). The remaining sales tax is then transferred to General Fund for general operations.

Pursuant to Ordinance No. 647, the City of Mustang voters approved Ordinance No. 1139 for ninety-percent (90%) of the revenues to be used for capital expenditures for the use and benefit of the city, or any public trust with the city as beneficiary and/or for debt service in connection with obligations issued to finance capital expenditures and ten-percent (10%) of the revenues be used for personnel expenses related to city public safety.

The city also collects a 2% Franchise tax on utilities, a 5% hotel tax, and state-shared revenues taxed on telephones, alcoholic beverages, tobacco, and gasoline.

### ***Awards and Acknowledgements***

***OMAG Recognition Program*** – For the fifth year in a row, the City Council participated in the OMAG Recognition Training. Through the City Council's completion of training, "Stability Test", and self-audit, the city received a check in the amount of \$9,649. This program seeks to strengthen municipal governance and reduce claims through education and self-assessment.

***GFOA Award*** - We are pleased to acknowledge that the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mustang for its Annual Comprehensive Financial Report for the fiscal year ending June 30, 2022. This was the 29th consecutive year that the City of Mustang has achieved this prestigious award. Only 12 cities in Oklahoma have achieved this distinguished award.

The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

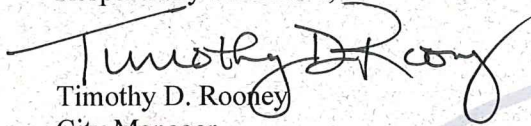
A Certificate of Achievement is valid for a period of one year. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.



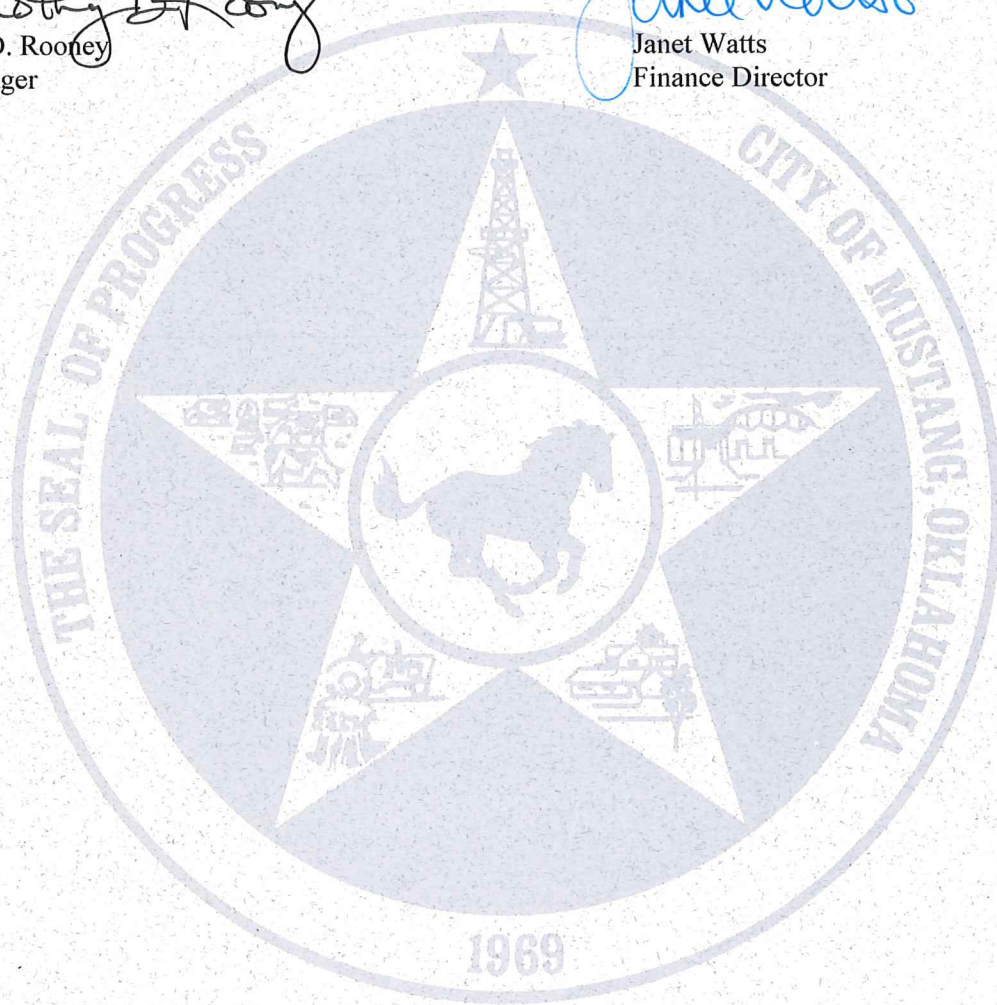
We express our appreciation and acknowledge the thorough, professional, and timely manner in which our independent auditor, Elfrink and Associates, PLLC, conducted the audit.

The preparation of this report is a combined effort of the entire Finance Department and departments of the city. We wish to express our appreciation to all members of the city who assisted and contributed to the preparation of this report. In addition, we express our appreciation to the management team, Mustang Public Schools, Chamber of Commerce and Canadian County who assisted in gathering the statistical information for this report. In addition, our thanks to the Mayor and City Council for their continued support and leadership in strengthening the fiscal policies of the City of Mustang.

Respectfully Submitted,

  
Timothy D. Rooney  
City Manager

  
Janet Watts  
Finance Director



**CITY OF MUSTANG, OKLAHOMA**  
**LIST OF PRINCIPAL OFFICIALS**  
June 30, 2023

**MAYOR AND CITY COUNCIL**

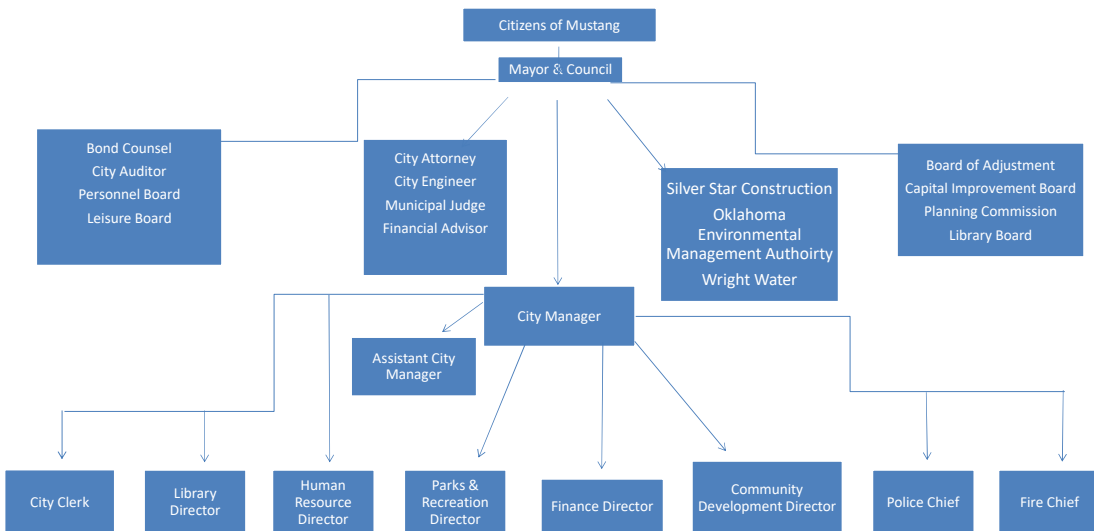
Brian Grider  
Michael Ray  
Joshua Leete  
James Wald  
James Waugh  
Travis McKenzie  
Nathan Sholund

Mayor  
Councilmember Ward 1  
Councilmember Ward 2  
Councilmember Ward 3  
Councilmember Ward 4  
Councilmember Ward 5  
Councilmember Ward 6

**ADMINISTRATION**

Timothy Rooney  
Justin Battles  
Jon Miller  
Lisa Martin  
Jerry Hedrick  
Laura Anderson  
Julie Slupe  
Nic Bailey  
Janet Watts  
Melissa Helsel  
Robert Groseclose  
Craig Carruth

City Manager  
Assistant City Manager  
City Attorney  
City Clerk  
Information Technology  
Human Resources Director  
Library Director  
Parks & Recreation Director  
Finance Director  
Community Development Director  
Police Chief  
Fire Chief





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Mustang  
Oklahoma**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

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## ***Financial Section***

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council  
City of Mustang, Oklahoma

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mustang, Oklahoma ("City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and other post-employment benefit schedules on pages 21-27 and 71-80 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, and schedule of revenue debt service coverage on pages 81-98 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections on pages 3-13 and pages 99-119 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Elfrink and Associates, PLLC". The signature is written in a cursive, flowing style.

Elfrink and Associates, PLLC

Tulsa, Oklahoma  
December 13, 2023

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## MANAGEMENT DISCUSSION AND ANALYSIS

Management of the City of Mustang provides this discussion and analysis of the City of Mustang's financial performance as an overview of the city's financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the *Letter of Transmittal* at the front of this report and the city's financial statements, which follow.

### Financial Highlights

- Total net position of the city increased by \$6,703,005 or 8.43% from the prior year. This is primarily due to contributed capital of \$1,681,624 and an increase in sales and use tax.
- The city's governmental activities net position increased by \$5,298,630 or 9.79% due to the capital contributions and an increase in sales and use tax.
- Net position of the business-type activities increased by \$1,404,375 or 5.53% due to an increase in capital contributions.
- The City implemented GASB Statements 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and Statement 96, *Subscription-Based Information Technology Arrangements*. The city found no items that met the definition of either of these statements.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the city's basic financial statements. The city's basic financial statements include (or are comprised of) three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (pension, OPEB and budgetary schedule information) and other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the city's finances, in a manner similar to private-sector business. The statements are prepared using the accrual basis of accounting. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. The government-wide financial statements include the following:

The *statement of net position* presents information on all the city's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the city that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The *governmental activities* of the city include administrative, culture and recreation, public safety, community development, and streets. The *business-type activities* of the city include three enterprise activities: the water system, the sewer system, and the sanitation system.

The government-wide financial statements include not only the city and the Mustang Improvement Authority (a blended component unit) which comprise the primary government, but also the Mustang Economic Development Authority (MEDA). *This discretely presented component unit* operates similar to private sector business but has financial accountability to the city. The financial information for the component unit is reported separately from the financial information presented for the primary government. Complete financial statements of MEDA, including its MD&A, may be obtained from its Board of Trustees, 1501 N. Mustang Road, Mustang, OK 73064.

The government-wide financial statements can be found immediately following this discussion and analysis on pages 24-25 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into two categories: governmental funds and proprietary funds.

*Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating governments' near-term financing requirements. This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, ARPA, and Capital Improvement Funds which are considered to be a major fund. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found immediately following the government-wide statements on pages 32-35.

*Proprietary funds.* These funds are used to report activities that operate like those of commercial enterprises. Because these funds charge fees for services provided to outside customers, they are known as enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements. The city uses one enterprise fund to account for the operations of its water, sanitary sewer, and sanitation services. This fund is considered a major proprietary fund for presentation purposes. The basic proprietary funds financial statements can be found immediately following the governmental fund financial statements on pages 36-38.

*Component Unit Financial Statements.* As mentioned above, these are operations for which the city has financial accountability, but they have certain independent qualities as well, and they operate similar to business-type activities. The government-wide financial statements present information for the component unit in a single column of the statement of net position and the statement of changes in net position.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements, beginning on page 39.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the city's pension plan and the general fund budget. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with these budgets. Required supplementary information can be found immediately following the notes to the financial statements beginning on page 71.

**Other Information.** The combining statements referred to earlier and budgetary comparisons for General Fund accounts and non-major governmental funds are presented following the required supplementary information beginning on page 81.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Net position is the difference between total assets plus total deferred outflows of resources less total liabilities and deferred inflows of resources and is an indicator of the current fiscal health of the City. For the year ended June 30, 2023, the City's combined net position increased by \$6.6 million. The following table provides a summary of the city's net position:

### Summary of Net Position (Table 1 - In millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total %</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>Change</u>
Current and other assets	\$ 26.8	\$ 20.6	\$ 16.9	\$ 19.0	\$ 43.7	\$ 39.6	10%
Capital assets, net	47.4	47.6	35.7	36.9	83.1	84.5	-2%
<b>Total assets</b>	<u>74.2</u>	<u>68.2</u>	<u>52.6</u>	<u>55.9</u>	<u>126.8</u>	<u>124.1</u>	2%
Deferred Outflows of Resources	4.9	3.5	2.6	2.7	7.5	6.2	21%
Long-term debt outstanding	3.3	3.4	27.6	30.7	30.9	34.1	-9%
Other liabilities	15.2	8.0	0.9	2.5	16.1	10.5	53%
<b>Total liabilities</b>	<u>18.5</u>	<u>11.4</u>	<u>28.5</u>	<u>33.2</u>	<u>47.0</u>	<u>44.6</u>	5%
Deferred Inflows of Resources	1.1	6.2	-	-	1.1	6.2	-82%
Net position							
Net investment in capital assets	44.7	42.2	14.6	16.0	59.3	58.2	2%
Restricted	1.0	0.4	0.8	0.8	1.8	1.2	50%
Unrestricted	13.8	11.5	11.3	8.6	25.1	20.1	25%
<b>Total net position</b>	<u>\$ 59.5</u>	<u>\$ 54.1</u>	<u>\$ 26.7</u>	<u>\$ 25.4</u>	<u>\$ 86.2</u>	<u>\$ 79.5</u>	8%

The above numbers reflect an increase of 9.8% for governmental activities net position and an increase of approximately 5.1% for business-type activities net position. The City's overall financial position increased during fiscal year 2023.

The City's governmental activities net position increased by \$5.3 million. The reason is primarily due to an increase in sales and use tax revenues received.

The net position of our business type activities increased by \$1.4 million. This was primarily due to a decrease in long-term debt outstanding.

The following table provides a summary of the City’s changes in net position:

**Summary of Changes in Net Position  
Table 2 (In millions)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		Total % Change
	2023	2022		2023	2022		2023	2022	2022-23
<b>Revenues</b>									
<b>Program revenue:</b>									
Charges for service	\$ 2.6	\$ 2.6	0%	\$ 10.2	\$ 9.7	5%	\$ 12.8	\$ 12.3	4%
Operating grants and contributions	1.2	0.9	33%	-	0.8	100%	1.2	1.7	-29%
Capital grants and contributions	0.7	0.5	40%	1.0	0.6	67%	1.7	1.1	55%
<b>General Revenue:</b>									
Sales and use taxes	17.2	16.0	8%	-	-	-	17.2	16.0	8%
Property taxes	0.3	0.3	0%	-	-	-	0.3	0.3	0%
Other taxes	1.5	1.2	25%	-	-	-	1.5	1.2	25%
Other	0.8	0.3	167%	1.2	0.8	50%	2.0	1.1	82%
<b>Total Revenues</b>	<u>24.3</u>	<u>21.8</u>	11%	<u>12.4</u>	<u>11.9</u>	4%	<u>36.7</u>	<u>33.7</u>	9%
<b>Program Expenses:</b>									
Administration	3.9	3.4	15%	-	-	-	3.9	3.4	15%
Culture and recreation	4.3	4.0	8%	-	-	-	4.3	4.0	8%
Community development	0.6	0.5	20%	-	-	-	0.6	0.5	20%
Public safety	9.4	7.0	34%	-	-	-	9.4	7.0	34%
Streets	3.3	2.3	43%	-	-	-	3.3	2.3	43%
Water	-	-	-	4.4	4.3	2%	4.4	4.3	2%
Wastewater	-	-	-	1.9	2.2	-14%	1.9	2.2	-14%
Sanitation	-	-	-	1.4	1.3	8%	1.4	1.3	8%
Ambulance	-	-	-	0.3	0.2	50%	0.3	0.2	50%
Interest on gov. activities	0.1	0.1	0%	0.4	0.4	0%	0.5	0.5	0%
<b>Total Expenses</b>	<u>21.6</u>	<u>17.3</u>	25%	<u>8.4</u>	<u>8.4</u>	0%	<u>30.0</u>	<u>25.7</u>	17%
<b>Increase in net position</b>									
before transfers	2.7	4.5	-40%	4.0	3.5	14%	6.7	8.0	-16%
Transfers	2.7	5.4	-50%	(2.7)	(5.4)	-50%	-	-	-
Change in net position	5.4	9.9	-45%	1.3	(1.9)	-168%	6.7	8.0	-16%
Net position, beginning	54.1	44.2		25.4	27.3		79.5	71.5	
Net position, ending	<u>59.5</u>	<u>54.1</u>		<u>26.7</u>	<u>25.4</u>		<u>86.2</u>	<u>79.5</u>	

The results of 2023 were shaped largely by the national economy and population growth. Total net position increased by 8.3% or \$6.6 million. Significant changes were related to:

**Governmental Activities** (see Table 2):

- Charges for services reached a state of no change in activities from FY 22 to FY 23.
- The Library Department continued to maximize grant opportunities from the state and other agencies.
- Capital grants & contributions increased by 40%. Developers are responsible for construction of capital within a development. After completion, capital is dedicated to the city for maintenance and ownership. Spitzer Lake Estates was completed in FY 23.
- Higher than projected, sales & use tax collections increased by 8% which showed Mustang’s economy continues to roll. Sales tax comes from sales within Mustang’s city limits. Use tax comes from goods purchased elsewhere and shipped or brought to Mustang including online sales.
- Other taxes increased by 25%. In 2023, energy prices continued to rise such as electric and natural gas franchise taxes.
- Other revenues increased by 167% due to interest rates continuing to increase, insurance reimbursements, transfers in, and new distributor Oklahoma opioid settlements.
- Administration costs increased by 15% due to salary increases and new local government policy administrative fees.
- Culture and Recreation increased by 8%. All part-time and seasonal staff were adjusted in salaries and wages to adjust to the economic changes.
- Community Development increased by 20% after hiring a part-time building inspector.
- Public Safety increased by 34% due to a 6% cost of living increase, new full-time Animal Welfare Officer, and city absorbed 100% SAFER grant costs after funding for three firefighters.
- Streets increased by 43% due to an increase in street electricity and completing the West Forester Drive Roadway project.
- Interfund transfers were down due to the General Fund sustaining itself.

**Business-type Activities:**

- Water revenues increased due to a continued drought and high temperatures across Oklahoma.
- Operating and capital grants decreased by 29%. Mustang received 12.5% state portion of the 2020 ice storm in FY 23.
- Other revenues increased by 50% due to interest rates continuing to climb in operating and construction funds.
- Water department increased by 2% due to engineering fees, electricity for water wells, and West Forester water line relocation project completed in FY 23.
- Sewer department decreased by 14% due to Basin 10 Sewer project completed in FY 22.
- Sanitation department increased by 8% caused by consumer price increase of 6% reflected in third-party contractor Oklahoma Environmental Management Authority.
- Ambulance subsidy levels continue to increase due to Pafford EMS of Oklahoma, Inc. contract.

**Governmental Activities:**

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

**Governmental Activities**

**Table 3  
(In Thousands)**

	Total Cost of Services		% Inc.	Net Revenue (Cost) of Services		% Inc.
	2023	2022	(Dec.)	2023	2022	(Dec.)
	Administration	\$ 3,894	\$ 3,411	14%	\$ (3,894)	\$ (3,411)
Culture and Recreation	4,308	3,995	8%	(2,710)	(2,524)	7%
Community Development	647	489	32%	(365)	(91)	301%
Public safety	9,411	7,012	34%	(7,672)	(5,559)	38%
Streets and Drainage	3,270	2,343	40%	(2,396)	(1,591)	51%
Interest on Long-term Debt	88	97	-9%	(88)	(97)	-9%
<b>TOTAL</b>	<b>\$ 21,618</b>	<b>\$ 17,347</b>	<b>25%</b>	<b>\$ (17,125)</b>	<b>\$ (13,273)</b>	<b>29%</b>

Overall, the city's governmental activities' total costs increased 25% over last year and net costs increased by 30%. The explanations on the previous page account for the majority of increases in total costs of services as well as increases in the net costs of services in the governmental activities

**Business-type Activities:**

Overall, the total cost of services for the city's business-type activities decreased 1% from last year. The explanations for the major components of the increases are noted on the previous page.

**Business-Type Activities**

**Table 4  
(In Thousands)**

	Total Cost of Services		% Inc.	Net Revenue (Cost) of Services		% Inc.
	2023	2022	(Dec.)	2023	2022	(Dec.)
	Water	\$ 4,402	\$ 4,324	2%	\$ 570	\$ 190
Wastewater	1,938	2,262	-14%	1,160	525	121%
Solid Waste	1,389	1,286	8%	1,431	2,128	-33%
Ambulance	277	201	38%	112	174	-36%
Interest on Gov. Long-Term Debt	374	415	-10%	(373)	(415)	-10%
<b>TOTAL</b>	<b>\$ 8,380</b>	<b>\$ 8,488</b>	<b>-1%</b>	<b>\$ 2,900</b>	<b>\$ 2,602</b>	<b>11%</b>



*The City's Funds*

The General Fund is the city's primary operating fund and the source of day-to-day operations. The general fund is significantly reliant on sales tax revenues for operations. The total fund balance increased by \$1,269,705 from the prior year. This increase is attributed to continued increases in sales and use tax due to grocery and online sales.

The ARPA Fund, a major Special Revenue Fund, is used to account for funds received from the American Rescue Plan. The city plans to use the funds to make necessary improvements in the water and sewer infrastructure. These funds are restricted by the Federal Government.

The Capital Improvement Fund, a major Capital Project Fund, is used to account for the purchase of capital assets. In the current year the fund received proceeds from the issuance of debt of \$659,720 and transfers from other funds for the purchase or construction of assets of \$2,462,213.

*General Fund Budgetary Highlights*

Over the course of the year, the City Council revised the general fund budget to supplement for grants, contributions, and unexpected expenditures. The revised budget showed an increase of \$2,268,075 in appropriations. General Fund actual expenditures were below budgeted appropriations by \$1,520,820 primarily due to lower spending in functional areas. Actual revenues were less than originally forecasted.

*Capital Asset and Debt Administration*

At the end of June 30, 2023, the city had \$83.1 million invested in capital assets due to completion of the Fire Station 2, Spittler Lake Street Improvement, and the additions of various capital improvement projects still under construction.

Information on capital assets is in Note 3.D.

**Capital Assets**  
**Table 5**  
**Net of Accumulated Depreciation**  
(In millions)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>		<b>Total % Change</b>
	2023	2022	2023	2022	2023	2022	
<i>Non-Depreciable Assets</i>							
Land	\$ 1.2	\$ 1.2	\$ 0.5	\$ 0.5	\$ 1.7	\$ 1.7	0%
Construction in progress	-	-	1.5	3.5	1.5	3.5	-57%
<i>Depreciable Assets</i>							
Buildings	16.8	13.7	12.2	12.5	29.0	26.2	11%
Improvements	2.4	2.6	-	-	2.4	2.6	-8%
Machinery and equipment	5.1	4.9	-	-	5.1	4.9	4%
Infrastructure	21.8	22.5	21.5	20.4	43.3	42.9	1%
Intangible leased equipment	0.1	0.1	-	-	0.1	0.1	0%
<b>Totals</b>	<u>\$47.4</u>	<u>\$45.0</u>	<u>\$35.7</u>	<u>\$36.9</u>	<u>\$83.1</u>	<u>\$81.9</u>	1%

**Debt Administration**

At year-end, the city had \$27.6 million in outstanding notes, judgments, bonds, lease obligations and compensated absences. Additional debt information can be found in note 3.E. These debts are further detailed below as follows:

**Outstanding Debt  
Table 6  
(in millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>		<b>Total Percentage Change</b>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
General obligation bonds	\$ 1.0	\$ 1.3	\$ -	\$ -	\$ 1.0	\$ 1.3	-23%
Notes payable	1.6	1.5	24.3	27.5	25.9	29.0	-11%
Accrued Compensation	0.6	0.5	-	-	0.6	0.5	20%
Lease obligations	<u>0.1</u>	<u>0.1</u>	<u>-</u>	<u>-</u>	<u>0.1</u>	<u>0.1</u>	0%
<b>Totals</b>	<u><u>\$3.3</u></u>	<u><u>\$3.4</u></u>	<u><u>\$24.3</u></u>	<u><u>\$27.5</u></u>	<u><u>\$27.6</u></u>	<u><u>\$30.9</u></u>	-11%

*Economic Factors and Next Year's Budget*

Mustang's economy surprisingly accelerated from April through June 2023, driven by solid consumer spending and business investment. Real gross domestic product (GDP) increased at an annual rate of 2.1% in the 2<sup>nd</sup> quarter of 2023. Consumer spending, which accounts for more than two-thirds of economic activity, was solid in the 2<sup>nd</sup> quarter, although it slowed down from the fast pace in the 1<sup>st</sup> quarter. Spending on durable goods declined in the third quarter. Retail spending declined in fall 2023, as residents spent less at the pump and on other discretionary spending items.

*Contacting the City's Financial Management*

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Mustang'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 Finance Director, City of Mustang, 1501 N. Mustang Road, Mustang, OK 73064 or phone (405) 376-4521.

Respectfully submitted,

*Janet Watts*

Janet Watts  
Finance Director

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### ***BASIC FINANCIAL STATEMENTS***

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

- Government-wide financial statements
- Fund Financial Statements:
  - Governmental Funds
  - Proprietary (enterprise) fund

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

City of Mustang, Oklahoma  
Statement of Net Position  
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Mustang Economic Development Authority
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 10,400,999	\$ 5,700,810	\$ 16,101,809	\$ 3,276
Investments	12,784,465	5,165,171	17,949,636	-
Restricted - cash and cash equivalents	-	4,198,493	4,198,493	-
Restricted - investments	-	509,803	509,803	-
Accounts Receivable, net	475,416	1,188,446	1,663,862	-
Due from Other Governments	2,380,726	71,819	2,452,545	-
Other Receivables	296,526	11,692	308,218	-
Inventory	62,568	57,018	119,586	-
<b>Total Current Assets</b>	<b>26,400,700</b>	<b>16,903,252</b>	<b>43,303,952</b>	<b>3,276</b>
<b>Noncurrent Assets:</b>				
Capital Assets				
Land and construction in progress	1,251,229	1,963,640	3,214,869	-
Depreciable buildings, property, and equipment, net	46,185,412	33,776,620	79,962,032	-
Net pension asset	399,003	-	399,003	-
<b>Total Noncurrent Assets</b>	<b>47,835,644</b>	<b>35,740,260</b>	<b>83,575,904</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 74,236,344</b>	<b>\$ 52,643,512</b>	<b>\$ 126,879,856</b>	<b>\$ 3,276</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred amount related to OPEB	288,169	-	288,169	-
Deferred amount related to Pension	4,589,017	-	4,589,017	-
Unamortized asset retirement obligation	-	2,596,240	2,596,240	-
<b>Total deferred outflow of resources</b>	<b>4,877,186</b>	<b>2,596,240</b>	<b>7,473,426</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 1,430,849	\$ 701,786	\$ 2,132,635	\$ -
Accrued interest payable	30,129	142,671	172,800	-
Accrued liabilities	234,878	-	234,878	-
Unearned revenue	3,836,727	-	3,836,727	-
Claims payable	300,462	-	300,462	-
Amounts held in escrow	23,665	-	23,665	-
Deposits subject to refund	-	56,231	56,231	-
Current portion of long-term obligations	709,015	3,263,387	3,972,402	-
<b>Total Current Liabilities</b>	<b>6,565,725</b>	<b>4,164,075</b>	<b>10,729,800</b>	<b>-</b>
<b>Noncurrent Liabilities:</b>				
Total OPEB liability	1,090,034	-	1,090,034	-
Net pension liability	8,242,786	-	8,242,786	-
Asset retirement obligation	-	2,765,560	2,765,560	-
Deposits subject to refund	-	506,079	506,079	-
Noncurrent portion of other long-term obligations	2,597,523	21,023,489	23,621,012	-
<b>Total Noncurrent Liabilities</b>	<b>11,930,343</b>	<b>24,295,128</b>	<b>36,225,471</b>	<b>-</b>
<b>Total Liabilities</b>	<b>18,496,068</b>	<b>28,459,203</b>	<b>46,955,271</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred amount related to OPEB	420,409	-	420,409	-
Deferred amount related to Pension	646,603	-	646,603	-
<b>Total deferred inflow of resources</b>	<b>1,067,012</b>	<b>-</b>	<b>1,067,012</b>	<b>-</b>
<b>NET POSITION:</b>				
Net investment in capital assets	44,701,305	14,649,306	59,350,611	-
Restricted by:				
Enabling legislation	629,841	-	629,841	-
External contracts	398,737	808,643	1,207,380	-
Unrestricted	13,820,567	11,322,600	25,143,167	3,276
<b>Total net position</b>	<b>\$ 59,550,450</b>	<b>\$ 26,780,549</b>	<b>\$ 86,330,999</b>	<b>\$ 3,276</b>

See accompanying notes to the basic financial statements.

**City of Mustang, Oklahoma  
Statement of Activities  
For the fiscal year ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for	Operating Grants	Capital Grants and	Governmental	Business-type	Total	MEDA
		Services	and Contributions	Contributions	Activities	Activities		
<b>Primary government</b>								
Governmental Activities								
Administration	\$ 3,893,307	\$ -	\$ -	\$ -	\$ (3,893,307)	\$ -	\$ (3,893,307)	\$ -
Culture and recreation	4,308,256	1,456,388	142,445	-	(2,709,423)	-	(2,709,423)	-
Community development	646,926	281,477	-	-	(365,449)	-	(365,449)	-
Public Safety	9,411,369	836,322	902,668	-	(7,672,379)	-	(7,672,379)	-
Streets and drainage	3,270,103	-	191,046	682,854	(2,396,203)	-	(2,396,203)	-
Interest on Long-term debt	88,153	-	-	-	(88,153)	-	(88,153)	-
Total governmental activities	<u>21,618,114</u>	<u>2,574,187</u>	<u>1,236,159</u>	<u>682,854</u>	<u>(17,124,914)</u>	<u>-</u>	<u>(17,124,914)</u>	<u>-</u>
Business-type activities								
Water	4,402,301	4,440,696	-	531,491	-	569,886	569,886	-
Wastewater	1,938,366	2,630,990	-	467,279	-	1,159,903	1,159,903	-
Sanitation	1,389,086	2,820,220	-	-	-	1,431,134	1,431,134	-
Ambulance assessment	276,853	389,187	-	-	-	112,334	112,334	-
General government	373,545	-	-	-	-	(373,545)	(373,545)	-
Total business-type activities	<u>8,380,151</u>	<u>10,281,093</u>	<u>-</u>	<u>998,770</u>	<u>-</u>	<u>2,899,712</u>	<u>2,899,712</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 29,998,265</u>	<u>\$ 12,855,280</u>	<u>\$ 1,236,159</u>	<u>\$ 1,681,624</u>	<u>(17,124,914)</u>	<u>2,899,712</u>	<u>(14,225,202)</u>	<u>-</u>
<b>Component Units</b>								
Economic Development	-	-	-	-	-	-	-	-
Total component unit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>General revenues:</b>								
Taxes:								
Sales and use taxes					17,254,305	-	17,254,305	-
Franchise and public service taxes					961,631	-	961,631	-
Advalorem taxes					274,141	-	274,141	-
Intergovernmental revenue not restricted to specific programs					517,017	-	517,017	-
Investment income					398,847	414,532	813,379	18
Miscellaneous					413,397	821,942	1,235,339	-
Transfers - internal activity					2,731,811	(2,731,811)	-	-
Total general revenues and transfers					<u>22,551,149</u>	<u>(1,495,337)</u>	<u>21,055,812</u>	<u>18</u>
Change in net position					5,426,235	1,404,375	6,830,610	18
Net position - beginning					54,124,215	25,376,174	79,500,389	3,258
Net position - ending					<u>\$ 59,550,450</u>	<u>\$ 26,780,549</u>	<u>\$ 86,330,999</u>	<u>\$ 3,276</u>

See accompanying notes to the basic financial statements

**City of Mustang, Oklahoma  
Balance Sheet  
Governmental Funds  
June 30, 2023**

	General Fund	ARPA	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,315,608	\$ 800,907	\$ 2,736,989	\$ 2,144,758	\$ 9,998,262
Investments	3,901,691	3,174,415	2,580,566	2,594,880	12,251,552
Receivables:					
Due from other governments	2,342,416	-	-	38,310	2,380,726
Court fines receivable, net	475,416	-	-	-	475,416
Other receivables	168,920	-	-	127,605	296,525
Inventories	62,568	-	-	-	62,568
Total assets	<u>\$ 11,266,619</u>	<u>\$ 3,975,322</u>	<u>\$ 5,317,555</u>	<u>\$ 4,905,553</u>	<u>\$ 25,465,049</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 454,582	\$ 40,934	\$ 725,809	\$ 209,524	\$ 1,430,849
Accrued liabilities	225,726	-	-	-	225,726
Unearned revenue	-	3,836,727	-	-	3,836,727
Amounts held in escrow	32,817	-	-	-	32,817
Total liabilities	<u>713,125</u>	<u>3,877,661</u>	<u>725,809</u>	<u>209,524</u>	<u>5,526,119</u>
<b>DEFERRED INFLOWS</b>					
Unavailable revenue	<u>417,351</u>	<u>-</u>	<u>-</u>	<u>164,929</u>	<u>582,280</u>
Fund balances:					
Reserved for:					
Nonspendable	62,568	-	-	-	62,568
Restricted	-	97,661	-	489,083	586,744
Committed	-	-	4,591,746	4,042,017	8,633,763
Assigned	4,089	-	-	-	4,089
Unassigned	10,069,486	-	-	-	10,069,486
Total fund balances	<u>10,136,143</u>	<u>97,661</u>	<u>4,591,746</u>	<u>4,531,100</u>	<u>19,356,650</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,266,619</u>	<u>\$ 3,975,322</u>	<u>\$ 5,317,555</u>	<u>\$ 4,905,553</u>	<u>\$ 25,465,049</u>

See accompanying notes to the basic financial statements.

**City of Mustang, Oklahoma**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2023**

<b>Total fund balance, governmental funds</b>	\$	19,356,650
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$62,241,026		47,436,642
Certain other long-term assets are not available to pay current fund liabilities and therefore, are deferred in the funds:		
Court fines receivable		378,419
Other receivable		127,605
Receivable from other governments		76,256
		582,280
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental-activities in the statement of net position.		635,188
Certain liabilities are not due and payable from current financial resources and therefore, are not reported in the funds:		
General obligation bonds payable		(1,050,000)
Accrued compensated absences		(571,202)
Note payable		(1,605,121)
Accrued interest payable		(30,129)
Lease liability		(80,215)
		(3,336,667)
Amounts related to pensions and other post employment benefits are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions		4,589,017
Net pension asset		399,003
Net pension liability		(8,242,786)
Deferred inflows of resources related to pensions		(646,603)
Total OPEB liability		(1,090,034)
Deferred outflows of resources related to OPEB		288,169
Deferred inflows of resources related to OPEB		(420,409)
		(5,123,643)
<b>Net Position of Governmental Activities in the Statement of Net Position</b>	<b>\$</b>	<b>59,550,450</b>

See accompanying notes to the basic financial statements



**City of Mustang, Oklahoma**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the fiscal year ended June 30, 2023**

	General Fund	ARPA	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 18,257,078	\$ -	\$ -	\$ 271,246	\$ 18,528,324
Intergovernmental	1,411,883	151,875	4,000	-	1,567,758
Charges for services	1,436,075	-	-	-	1,436,075
Fines and forfeitures	388,064	-	-	133,039	521,103
Licenses and permits	305,699	-	-	6,050	311,749
Investment income	136,526	94,885	90,256	77,180	398,847
Miscellaneous	540,699	-	135,457	80,411	756,567
Total revenues	<u>22,476,024</u>	<u>246,760</u>	<u>229,713</u>	<u>567,926</u>	<u>23,520,423</u>
<b>EXPENDITURES</b>					
Current:					
Administration	3,684,030	-	-	422	3,684,452
Culture and recreation	3,123,185	-	-	40,096	3,163,281
Community development	615,898	-	-	-	615,898
Public safety	8,277,234	-	-	131,506	8,408,740
Streets and drainage	216,129	-	-	140,191	356,320
Capital outlay	58,628	151,875	1,963,895	1,287,570	3,461,968
Debt Service:					
Principal	30,355	-	534,246	255,000	819,601
Interest and fiscal charges	1,034	-	54,432	32,044	87,510
Total expenditures	<u>16,006,493</u>	<u>151,875</u>	<u>2,552,573</u>	<u>1,886,829</u>	<u>20,597,770</u>
Excess (deficiency) of revenues over expenditures	<u>6,469,531</u>	<u>94,885</u>	<u>(2,322,860)</u>	<u>(1,318,903)</u>	<u>2,922,653</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of long-term debt	-	-	659,720	-	659,720
Transfers in	9,946,104	-	2,462,213	2,305,668	14,713,985
Transfers out	(15,145,930)	-	-	(375,932)	(15,521,862)
Total other financing sources and uses	<u>(5,199,826)</u>	<u>-</u>	<u>3,121,933</u>	<u>1,929,736</u>	<u>(148,157)</u>
Net change in fund balances	1,269,705	94,885	799,073	610,833	2,774,496
Fund balances - beginning	8,866,438	2,776	3,792,673	3,920,267	16,582,154
Fund balances - ending	<u>\$ 10,136,143</u>	<u>\$ 97,661</u>	<u>\$ 4,591,746</u>	<u>\$ 4,531,100</u>	<u>\$ 19,356,650</u>

See accompanying notes to the basic financial statements

**City of Mustang, Oklahoma**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**For the fiscal year ended June 30, 2023**

Net change in fund balances - total governmental funds: \$ 2,774,496

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	2,783,085
Capital assets contributed	682,854
Capital assets transferred from business-type activities	3,781,727
Depreciation/amortization expense	(4,878,601)
Disposal of capital assets	(23,899)
	2,345,166

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Unavailable revenue	206,736
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In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as expenditures. This amount represents the difference between pension contributions and calculated pension expense.

(778)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds; but the repayment reduces long-term liabilities in the Statement of Net Position:

Note payable proceeds	(659,720)
General obligation bond principal payments	255,000
Note payable principal payments	534,246
Lease liability payments	30,355
	159,881

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest	(643)
Accrued compensated absences	(77,353)
Total OPEB liability	(71,663)
	(149,659)

Internal service fund activity is reported as a proprietary fund in the fund financial statements, but certain net revenues are reported in governmental activities on the Statement of Activities

Total change in net position for internal service funds	90,393
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Change in net position of governmental activities	\$ 5,426,235
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See accompanying notes to the basic financial statements

**City of Mustang, Oklahoma  
Statement of Net Position  
Proprietary Funds  
June 30, 2023**

	<b>Enterprise Fund</b>	<b>Governmental Activities</b>
	<b>Mustang Improvement Authority</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 5,700,810	\$ 402,737
Restricted cash and cash equivalents	4,198,493	-
Investments	5,165,171	532,913
Restricted investments	509,803	-
Accounts receivable, net	1,188,446	-
Due from other governments	71,819	-
Other receivable	11,692	-
Inventory	57,018	-
Total current assets	16,903,252	935,650
Non-current assets:		
Land and construction in progress	1,963,640	-
Other capital assets, net	33,776,620	-
Total non-current assets	35,740,260	-
Total assets	52,643,512	935,650
<b>DEFERRED OUTFLOW OF RESOURCES:</b>		
Unamortized asset retirement obligation	2,596,240	-
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	701,786	-
Claims payable	-	300,462
Accrued interest payable	142,671	-
Refundable deposits	56,231	-
Notes payable	3,263,387	-
Total current liabilities	4,164,075	300,462
Non-current liabilities:		
Deposits subject to refund	506,079	-
Asset retirement obligation	2,765,560	-
Notes payable	21,023,489	-
Total non-current liabilities	24,295,128	-
Total liabilities	28,459,203	300,462
<b>NET POSITION</b>		
Net investment in capital assets	14,649,306	-
Restricted for debt service	808,643	-
Unrestricted	11,322,600	635,188
Total net position	\$ 26,780,549	\$ 635,188

See accompanying notes to the basic financial statements

**City of Mustang, Oklahoma**  
**Statement of Revenues, Expenses -and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the fiscal year ended June 30, 2023**

	<u>Enterprise Fund</u>	<u>Governmental</u>
	<u>Mustang</u>	<u>Activities</u>
	<u>Improvement</u>	<u>Internal Service</u>
	<u>Authority</u>	<u>Fund</u>
<b>OPERATING REVENUES</b>		
Charges for services:		
Water charges	\$ 4,338,911	\$ -
Sewer charges	2,514,990	-
Installations and connections	101,785	-
Penalties	180,455	-
Sanitation charges	2,730,975	-
Ambulance assessment	389,187	-
Sewer impact fees	116,000	-
Workers compensation fees	-	300,000
Other	730,708	14,671
Total operating revenues	<u>11,103,011</u>	<u>314,671</u>
<b>OPERATING EXPENSES</b>		
Cost of goods sold	871,369	-
Operations and maintenance	5,395,076	88,894
Claims expense	-	154,922
Depreciation expense	1,557,934	-
Total Operating Expenses	<u>7,824,379</u>	<u>243,816</u>
Operating income	<u>3,278,632</u>	<u>70,855</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	414,532	19,538
Miscellaneous	24	-
Grant Revenue	31,095	-
Interest expense and fiscal charges	(555,772)	-
Capital assets purchased for governmental activities	(3,781,727)	-
Total non-operating revenue (expenses)	<u>(3,891,848)</u>	<u>19,538</u>
Net income (loss) before contributions and transfers	(613,216)	90,393
Contributed capital	967,675	-
Capital asset transfers from governmental activities	242,039	-
Transfers in	14,840,342	-
Transfers out	<u>(14,032,465)</u>	<u>-</u>
Change in net position	1,404,375	90,393
Total net position - beginning	25,376,174	544,795
Total net position - ending	<u>\$ 26,780,549</u>	<u>\$ 635,188</u>

See accompanying notes to the basic financial statements

**City of Mustang, Oklahoma  
Statement Cash Flows  
Proprietary Funds  
For the fiscal year ended June 30, 2023**

	Enterprise Fund	Governmental Activities
	Mustang Improvement Authority	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 11,962,257	\$ 314,671
Payments to suppliers	(7,756,433)	(108,918)
Payment of claims	-	(88,894)
Receipts of customer meter deposits	128,300	-
Refunds of customer meter deposits	(110,730)	-
<b>Net cash provided by operating activities</b>	4,223,394	116,859
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Assets purchased for and transferred to governmental activities	(1,927,595)	-
Transfers from other funds	14,840,342	-
Transfers to other funds	(14,032,465)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	(1,119,718)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(1,032,669)	-
Principal paid on debt	(3,192,442)	-
Interest and fiscal agent fees paid on debt	(573,255)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	(4,798,366)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(586,477)	(107,707)
Interest and dividends	414,532	19,538
<b>Net cash provided by (used in) investing activities</b>	(171,945)	(88,169)
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,866,635)	28,690
<b>Balances - beginning of year</b>	11,765,938	374,047
<b>Balances - end of year</b>	\$ 9,899,303	\$ 402,737
<b>Reconciliation to Statement of Net Position:</b>		
Cash and cash equivalents	\$ 5,700,810	\$ 402,737
Restricted cash and cash equivalents - current	4,198,493	-
Total cash and cash equivalents, end of year	\$ 9,899,303	\$ 402,737
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 3,278,632	\$ 70,855
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,557,934	-
Amortization expense	56,440	-
Miscellaneous revenue	31,119	-
Change in assets and liabilities:		
Accounts receivable	70,090	-
Other receivable	758,037	-
Inventory	23,431	-
Accounts payable	(1,569,859)	-
Deposits subject to refund	17,570	-
Claims payable	-	46,004
<b>Net cash provided by operating activities</b>	\$ 4,223,394	\$ 116,859
<b>Noncash activities:</b>		
Contributed capital assets	\$ 967,675	\$ -
Capital asset transferred to governmental activities	242,039	-
<b>Total noncash activities</b>	\$ 1,209,714	\$ -

See accompanying notes to the basic financial statements

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America (GAAP). Generally Accepted Accounting Principles (GAAP) includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant account principles and practices of Mustang are discussed in subsequent sections of this Note.

### 1.A. FINANCIAL REPORTING ENTITY

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

Primary Government:	City of Mustang
Component Units:	Mustang Improvement Authority
	Mustang Economic Development Authority
	Mustang Special Project Authority, inactive

In determining the financial reporting entity, the city complies with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, and Statement No. 61, *The Financial Reporting Entity: Omnibus* and includes all component units of which the city is fiscally accountable.

Each of these component units is a Public Trust established pursuant to Title 60 of Oklahoma State Statutes. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets that are acquired or constructed with Authority debt or other Authority generated resources. In addition, the city has leased certain existing assets at the creation of the Authorities to the Trustees on a long-term basis. The city, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

#### *BLENDING COMPONENT UNITS*

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the city. The city has operational responsibility for each of its blended component units as they do not have employees. These component units' funds are blended into those of the city's by appropriate fund category to comprise the primary government presentation.

The component units that are blended into the primary governments' fund categories are presented below:

Mustang Improvement Authority - Created June 4, 1963, 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. The MIA is reported as an enterprise fund within the primary government.

Mustang Special Project Authority - Created July 7, 1998, to provide funds for the furthering and authorized or proper functions of the municipality, including but not limited to the furnishing and supplying of economic development services and facilities. The current City Council serves as the entire governing body. Any issuance of debt would require two-thirds approval of the City Council. The trust is currently inactive.

#### *DISCRETELY PRESENTED COMPONENT UNIT*

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The component unit that is discretely presented in the city's report is presented below:

Mustang Economic Development Authority (MEDA) was created February 23, 1982, to promote and encourage development of industry and commerce and other related activities on behalf of the city. Trustees are appointed by the City Council and may be removed at will by the City Council. The city assumes no responsibility for the Authority's day-to-day operations and the Authority's Trustees are responsible for management contracts. In addition, the city has no obligation for the debt of the Authority. Complete financial statements of the discretely presented component unit can be obtained by contacting the Administrative office of the Mustang Economic Development Authority, 1501 N. Mustang Road, Mustang, Oklahoma 73064.

## 1.B. BASIS OF PRESENTATION

### *Government-Wide Financial Statements:*

The statement of net position and statement of activities display information about the city as a whole. They include all financial activities of the reporting entity. Eliminations have been made to minimize the double reporting of transactions involving internal activities. Individual funds are not displayed in these statements. Instead, the statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between the expenses and program revenues directly associated with the different governmental functions and business-type activities to arrive at the net revenue or expense of the function or activity prior to the use of taxes and other general revenues. Program revenues include (1) fees, fines, and services charges generated by the program or activity, (2) operating grants and contributions that are restricted to meeting the operational requirements of the program or activity, and (3) capital grants and contributions that are restricted to meeting the capital requirements of the program or activity and include assets donated by developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

### *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 that constitute its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses. Separate financial statements are presented for the two major fund categories: governmental and proprietary. The city presently has no fiduciary funds. An emphasis of the fund financial statements is placed on major governmental and enterprise funds. A fund is considered major if it is the primary operating fund of the city or meets the following criteria:

1. Total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets plus deferred outflows, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
3. A fund not meeting the criteria of (a) and (b), however management has elected to report the fund as a major fund due to its significance to users of the financial statements.

### *FUND TYPES AND MAJOR FUNDS:*

All remaining governmental and enterprise funds not meeting the above criteria are aggregated and reported as nonmajor funds. The funds of the financial reporting entity are described below:

#### *GOVERNMENTAL FUNDS*

##### *General Fund*

The General Fund is the primary operating fund of the city and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. The following internal activity accounts are combined with the general fund for report purposes only: Health Reimbursement Account, General Reserve Account, and Library Account.

##### *Special Revenue Funds*

Special Revenue Funds are used to account for the proceeds of specified revenue sources that are restricted or committed to expenditures for specified purposes other than capital projects or debt service. The reporting entity includes the following special revenue funds: Police Traffic Enforcement, Alcohol Law Enforcement, Impound Fee, Park Improvement, Park Donation, Street Improvement, Police Technology, Personal Services 10%, Police Narcotics Enforcement, the Juvenile Fund, the Opioid Fund, and the ARPA Fund. The ARPA Fund is considered a major fund.

##### *Debt Service Fund*

The City Debt Service Fund is used to account for ad-valorem taxes levied by the city for use in retiring general obligation bonds, court-assessed judgments, and their related interest and fiscal agent fees. In State law, this fund is referred to as the Sinking Fund. This fund is not considered a major fund.

### *Capital Project Funds*

Capital Project Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities or other capital assets. The reporting entity includes two capital project funds, the city Capital Improvement Fund and the Capital Excess Fund. The Capital Improvement Fund is considered a major fund.

### *PROPRIETARY FUND TYPES*

Proprietary funds include both enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the public. Internal service funds are used to account for business-like activities provided and charged to other funds or entities within the reporting entity. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Mustang Improvement Authority enterprise fund. This fund accounts for activities of the public trust in providing water, wastewater, and sanitation to the public and is considered a major fund. The reporting entity includes one internal service fund, the Worker's Compensation Fund, used to account for self-insured worker's compensation claims. The internal service fund is consolidated with governmental activities at the government-wide level at which time interfund services provided and used are eliminated.

### *COMPONENT UNIT*

The discretely presented component unit is a separate legal entity whose governing body (in majority) is appointed by the Mayor or City Council, but whose governing body is not substantially the same as the City Council nor is it an entity established to provide services primarily to the primary government. Since this component unit is not as closely associated with the city as is a blended component unit, it is reported in a discretely presented column on the government-wide financial statements labeled "Component Units." The reporting entity includes the Mustang Economic Development Authority, a discretely presented component unit.

## **1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

The government-wide financial statements and the proprietary fund statements report using the *economic resources* measurement focus and the accrual basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in Net Position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements report using the "*current financial resources*" measurement focus and the modified accrual basis of accounting. Under the current financial resources focus, only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The city considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Sales and use taxes, franchise taxes, hotel/motel taxes, court fines and interest are considered susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recorded when due.

## **1.D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY**

### *Cash and Cash Equivalents*

Cash and cash equivalents includes all demand, savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. Revenue bond account investments in money market accounts are also considered cash equivalents and carried at cost.



#### *Investments*

Investments consist of non-negotiable certificates of deposit whose original maturity term exceeds three months and investments in U.S. Government Securities. All non-negotiable certificates of deposit are carried at cost. The city places no limit on the amount it may invest in any one issuer. The city has not adopted a formal deposit and investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates other than restrictions set forth in state statutes.

#### *Receivables*

Material receivable in the governmental fund types and the governmental activities include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. These are reported as *Due From Other Governments*. Non-exchange transactions collectible but not available are deferred in the fund financial statements. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Business-type activities and the proprietary type fund consist of revenues earned at year-end and not yet received. Billed and unbilled utility accounts receivable comprise the majority of these receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

#### *Inventories*

The city operates concession stands at the various ball complexes owned by the city and maintains a materials inventory related to the water and sewer facilities. At June 30, 2023, the unconsumed concession supplies and materials are recorded as inventory on the first-in, first-out basis.

#### *Capital Assets and Depreciation*

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

In the government-wide financial statements and the proprietary fund type, property, plant and equipment are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets that are recorded at their estimated acquisition value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 1991. The governmental fund infrastructure assets consisting of streets and drainage systems were capitalized for the first time for the year ended June 30, 2003. The city capitalizes all capital purchases of \$5,000 or more.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The ranges of estimated useful lives by type of asset are as follows:

- |                           |             |
|---------------------------|-------------|
| • Buildings               | 20-50 years |
| • Other Improvements      | 20-50 years |
| • Machinery and Equipment | 3-25 years  |
| • Utility System          | 25-50 years |
| • Infrastructure          | 25-45 years |

Intangible leased assets are amortized over the life of the associated contract.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

#### *Unearned revenue*

It is the City's policy to show insurance recoveries that have been received as unearned revenue if the associated repair or replacement is planned but not completed. In the government-wide financial statements the insurance recovery income is fully recognized when earned. Grants that have not met eligibility requirements are recorded as unearned revenue and recognized as requirements are met.

*Restricted Assets*

Restricted assets reported in the fund financial statements include current assets of the governmental and enterprise funds that are legally restricted as to their use. The primary restricted assets are related to revenue bond trustee accounts restricted for debt service or construction and deposits held for refund.

*Long-Term Debt*

Accounting treatment of long-term debt varies depending upon the source of repayment and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources and business-type and similar discretely presented component unit resources are reported as liabilities as incurred. The long-term debt consists primarily of accrued compensated absences, general obligation bonds payable, and revenue bonds payable. This long-term debt is reported net of unamortized premiums, and discounts, if any.

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

*Compensated Absences*

The city’s policy regarding vacation and compensatory time permits employees to accumulate varying amounts as determined by management and contracts with employee groups. Sick leave may be sold back at various rates accordingly to non-union and union employees.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences that have matured; however, the compensated absences obligation is reported as a fund balance reserve in compliance with the State Constitution. The General Fund is used to liquidate compensated absences. The proprietary fund has no accrued compensated absences due to the transfer of all employees and related costs to a third-party contractor for utility operations.

*Pensions*

The City participates in three employee pension systems as follows:

<u>Name of Plan/System</u>	<u>Type of Defined Benefit Plan</u>
Oklahoma Police Pension and Retirement Plan (OPPRS)	Cost Sharing Multiple Employer
Oklahoma Firefighters Pension and Retirement Plan (OFPRS)	Cost Sharing Multiple Employer
Oklahoma Municipal Retirement Fund (OkMRF)	Agent Multiple Employer

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each plan as well as additions to/deductions from each plan’s respective fiduciary net positions have been determined on the same basis as they are reported by the plan administrator. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with each plan’s respective benefit terms. Investments are reported at fair value.

*Deferred Outflows of Resources*

Deferred outflows represent a consumption of net assets that applies to future period. At June 30, 2023, the City’s deferred outflows of resources were comprised of deferred charges related to unfavorable differences between expected and actual defined benefit pension plan experience, any OPEB deferred outflows, City contributions to defined benefit pension plans subsequent to the plans’ measurement date, and an asset retirement obligation.

*Deferred Inflows of Resources*

Deferred inflows represent an acquisition of net assets that applies to future periods. At June 30, 2023, the City’s deferred inflows of resources were comprised of deferred credits resulting from net differences between projected and actual earnings on defined benefit pension plan investments, favorable differences between expected and actual experience defined benefit pension plan experience, any OPEB deferred inflows, and unavailable court and property tax receivables.

### *Leases*

The city is party as a lessee for various noncancelable long-term leases of equipment. The corresponding lease receivable or lease payable, are recorded in an amount equal to the present value of the expected future minimum lease payments received or received, respectively, discounted by an applicable interest rate.

### *Equity Classifications*

#### *Government-Wide Financial Statements:*

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

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

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

#### *Fund Financial Statements:*

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – included amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance.
- d. Assigned – includes amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority per section 2-4 of the city’s municipal code. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for a specific purpose exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

It is the City’s policy to first use restricted fund balance prior to the use of the unassigned fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City’s policy for the use of fund balance amounts require that restricted amounts would be reduced first, followed by committed amounts and then assigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

## **1.E. REVENUES, EXPENDITURES AND EXPENSES**

### *Sales Tax*

The City levies a four-cent sales tax on taxable sales within the city. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The entire sales tax is recorded as revenue within the General Fund. Upon receipt, the General Fund distributes the dedicated portion of the sales tax as follows:

- Three cents transferred to the Mustang Improvement Authority as required by revenue notes, with two cents transferred back to the general fund for operations. Any portion of the one cent retained by the MIA not used for debt payments is restricted for capital purchase and is transferred to the Capital Improvement Fund.
- Sales tax resulting from sales occurring prior to year-end and received by the City after year end have been accrued and is included under the caption *Due from Other Governments* because they represent taxes on sales occurring during the reporting period.

#### *Property Tax*

Under State statutes, 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. For the year ended June 30, 2023, the City levied a property tax to fund the annual debt service requirements of the 2012 General Obligation Bonds.

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 be less than 11 percent nor more than 13 ½ percent.

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, 2023, the City's net assessed valuation of taxable property was \$182,472,828. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2023, was \$1.49.

#### *Pledge of Future Revenues*

The city has pledged future net water and sewer revenues to repay \$6,590,000 of the 2009 OWRB Note Payable. Proceeds from the note provided financing for upgrades to the wastewater treatment plant. The note is payable through 2029. The total principal and interest payable for the remainder of the life of this note is \$1,776,037. The note is payable from the above-mentioned utility net revenues. Debt service payments of \$249,004 for the current fiscal year were 7.54% of pledged net revenues.

In 2016, the city issued the Utility System and Sales Tax Revenue Note, Series 2016 in the amount of \$13,385,000 and pledged the above-mentioned net utility revenues and four cents of sales tax, if utility revenues will not cover the debt. The note is payable through fiscal year 2031. The total principal and interest payable for the remainder of the life of this note is \$8,929,335. Debt service of \$1,182,425 for the current fiscal year was 6.58% of pledged net revenues.

In 2017, the city issued the Utility System and Sales Tax Revenue Note, Series 2017 in the amount of \$11,615,000 and pledged the above-mentioned net utility revenues and four cents of sales tax, if utility revenues will not cover the debt. The note is payable through fiscal year 2031. The total principal and interest payable for the remainder of the life of this note is \$8,060,485. Debt service of \$1,066,201 for the current fiscal year was 5.93% of pledged net revenues.

In 2020, the city issued the Utility System and Sales Tax Revenue Note, Series 2020 in the amount of \$4,021,000, and pledged the above-mentioned net utility revenues and four cents of sales tax, if utility revenues will not cover the debt. The note is payable through fiscal year 2035. The total principal and interest payable for the remainder of the life of this note is \$4,441,341. Debt service of \$144,868 for the current fiscal year was .8% of pledged net revenues.

In 2020, the city issued the Utility System and Sales Tax Revenue Note, Series 2020A in the amount of \$5,925,000, and pledged the above-mentioned net utility revenues and four cents of sales tax, if utility revenues will not cover the debt. The note is payable through fiscal year 2026. The total principal and interest payable for the remainder of the life of this note is \$3,317,997. Debt service of \$1,105,405 for the current fiscal year was 6.15% of pledged net revenues.

The city has pledged future ad valorem taxes to repay \$3,600,000 of the 2012 General Obligation Bonds. Proceeds from the bonds provided financing for the construction of a baseball complex and the expansion of the library and community center. The bonds are payable through 2027. Levying of an ad valorem tax requires a vote of the citizens. Ad valorem revenue can only be collected to pay principal and interest on general obligation bonds or court assessed judgments. The total principal and interest payable for the remainder of the life of this bond is \$1,119,919. Pledged ad valorem taxes received in the current year were \$271,246. Debt service payments of

\$286,744 for the current fiscal year were 105.7% of the pledged ad valorem taxes. In order to levy enough tax to make debt payments as scheduled, the city must collect debt service in advance for payments due in October.

#### *Expenditures and Expenses*

In the government-wide financial statements, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In the proprietary fund financial statements, expenses are reported by object or activity.

### **1.F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES**

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

#### *Fund Financial Statements:*

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

1. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

#### *Government-Wide Financial Statements:*

Interfund activity related to services provided and used is not eliminated in the process of consolidating the government-wide financial statements. All other interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements, as follows:

1. Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds is not eliminated in the statement of activities.
3. Primary government and component unit activity and balances - resource flows between the primary government (the City and MIA) and the discretely presented component units (the MEDA) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

### **1.G. 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 certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

The city generally uses an estimate based on the municipal bond rate yield curve as the discount rate for leases unless the rate that the lessor/vendor charges is known.

## NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unity, the City and its component units are subject to various federal, state and local laws and contractual regulations.

### 2.A. DEFICIT FUND BALANCES OR NET POSITION

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund of the City (excluding public trusts). At June 30, 2023, the City reported no individual fund deficits.

### 2.B. DEPOSITS AND INVESTMENTS REQUIREMENTS

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

Investments of a City (excluding Public Trusts) are limited by State Statute to the following:

- a. Direct obligations of the U. S. Government, its agencies, and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitations, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality, or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c., and d.

Public trusts created under O.S. Title 60 are not subject to the above noted investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2023, the city and its public trusts, complied with the above investment restrictions.

### 2.C. DEBT RESTRICTIONS AND COVENANTS

#### *General Long-Term Debt*

As required by the Oklahoma State constitution, the City (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue without first obtaining voter approval.

#### *Notes Payable*

The revenue notes issued as well as loan agreement with the Oklahoma Water Resources Board relating to the construction note payable of the Mustang Improvement Authority contains a number of financial restrictions or covenants. These include covenants requiring a flow of funds through special accounts and a note payable debt service coverage requirement. The note agreement requires net revenues of the system plus pledged and transferred sales tax to be at least 125% of maximum annual debt service. The MIA complied with the requirements of the note indentures in all material respects for the fiscal year ended June 30, 2023.

## NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

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

### 3.A. DEPOSITS AND INVESTMENTS

The City's policies regarding deposits of cash and investments are discussed in Note 1.D. and 2.B.

#### *Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the government deposits may not be returned to it. The City is governed by the State Public Deposit Act which requires that the City obtain and hold collateral whose fair value exceeds the amount of uninsured deposits. Investment securities are exposed to custody credit risk if the securities are uninsured, are not registered in the name of the government, and if held by either a counterparty or a counterparty's trust, department, or agent, but not in the government's name.

As of June 30, 2023, the City was not exposed to custodial credit risk as defined above.

Total bank deposits of \$3,276 of the discretely presented component unit were insured with Federal Deposit Insurance Corporation Insurance.

As of June 30, 2023, the City's reporting entity had the following deposits and investments:

Type	Fair Value	Credit Rating	Maturities in Years		
			On Demand	Less than One	1-5
Demand deposits and cash on hand	\$ 16,153,066	n/a	\$ 16,153,066	\$ -	\$ -
Money market fund - federal obligations	4,147,236	AAA	-	4,147,236	-
Certificates of deposit	18,459,439	n/a	-	18,459,439	-
<b>Total deposits and investments</b>	<b>\$ 38,759,741</b>		<b>\$ 16,153,066</b>	<b>\$ 22,606,675</b>	<b>\$ -</b>
<b>Reconciliation to Statement of Net Position:</b>					
Cash and cash equivalents	\$ 16,101,809				
Restricted-cash and cash equivalents	4,198,493				
Investments	17,949,636				
Restricted-investments	509,803				
	<b>\$ 38,759,741</b>				

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2023:

- Money Market Mutual Funds of \$4,147,236 are valued using quoted market prices (Level 1 inputs).

#### *Investments*

The city does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. There is no limit on the amount it may invest in any one issuer. The city has no investment policy that limits its investment choices other than the limitation of State Statutes discussed in Note 2.B.

### 3.B. ACCOUNTS RECEIVABLE

Accounts receivable of the business-type activities consists of customer utilities receivable. Accounts receivable of governmental activities consist of police fines. Receivables detail at June 30, 2023, is as follows:

	Governmental Activities	Business-Type Activities	Totals
Accounts receivable	\$ 1,320,601	\$ 1,209,090	\$ 2,529,691
Allowance for uncollectible accounts	(845,185)	(20,644)	(865,829)
Total accounts receivable	<u>\$ 475,416</u>	<u>\$ 1,188,446</u>	<u>\$ 1,663,862</u>

#### Opioid Settlement Funds:

In June 2022, drug manufacturer distributors reached a \$308 billion-dollar nationwide settlement related to opioid lawsuit(s). These funds will be disbursed to each litigating party over an 18-year period according to an allocation agreement reached with all participating states. Oklahoma's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows: 25% of Net Opioid Funds to Litigating Political Subdivisions, 10% of allocation to establish an appeal fund, and 75% to the State of Oklahoma.

The City as a litigating party received \$12,278 as part of this settlement in fiscal year 2023. Per the terms of the MOA, the City created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. At June 30, 2023, the city recorded a received and deferred revenue of \$127,605 for settlement funds to be received over the next sixteen years. Funds are restricted until expended. No funds have been expended as of June 30th, 2023.

Additional settlement amounts are not listed that the City could be a litigating party; these amounts could not be estimated at this time.

### 3.C. RESTRICTED ASSETS

The amounts reported as restricted assets in the fund financial statements are comprised of cash and investments held by the trustee bank on behalf of the various public trusts (authorities) related to their required revenue note accounts as described in Note 1.E., and deposits held for refund. The restricted assets as of June 30, 2023 were as follows:

	Cash and Cash Equivalents	Investments	Totals
Business-Type Activities:			
Deposits subject to refund	\$ 51,257	\$ 509,803	\$ 561,060
Construction account	3,195,922	-	3,195,922
Debt service	951,314	-	951,314
Total Business-type Activities-Restricted Assets	<u>\$ 4,198,493</u>	<u>\$ 509,803</u>	<u>\$ 4,708,296</u>

### 3.D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

Governmental activities:



	Balance at July 1, 2022	Additions	Deductions	Balance at June 30, 2023
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,181,726	\$ -	\$ -	\$ 1,181,726
Construction-in-progress	46,786	709,095	686,378	69,503
Total capital assets not being depreciated	<u>1,228,512</u>	<u>709,095</u>	<u>686,378</u>	<u>1,251,229</u>
Depreciable assets:				
Buildings	24,543,879	3,791,574	-	28,335,453
Other improvements	4,288,114	95,383	-	4,383,497
Machinery and equipment	12,984,997	1,370,185	467,380	13,887,802
Infrastructure	59,711,141	1,967,808	-	61,678,949
Total depreciable assets	<u>101,528,131</u>	<u>7,224,950</u>	<u>467,380</u>	<u>108,285,701</u>
Less accumulated depreciation:				
Buildings	10,846,382	678,050	-	11,524,432
Other improvements	1,705,067	265,002	-	1,970,069
Machinery and equipment	8,059,707	1,183,943	443,480	8,800,170
Infrastructure	37,164,103	2,720,961	-	39,885,064
Total accumulated depreciation	<u>57,775,259</u>	<u>4,847,956</u>	<u>443,480</u>	<u>62,179,735</u>
Other assets:				
Intangible leased equipment	140,738	-	-	140,738
Total other assets	<u>140,738</u>	<u>-</u>	<u>-</u>	<u>140,738</u>
Less accumulated amortization:				
Intangible leased equipment	30,646	30,646	-	61,292
Net depreciable assets	<u>43,862,964</u>	<u>2,346,348</u>	<u>23,900</u>	<u>46,185,412</u>
Governmental activities capital assets, net	<u>\$ 45,091,476</u>	<u>\$ 3,055,443</u>	<u>\$ 710,278</u>	<u>\$ 47,436,641</u>

Business-type activities:

	Balance at July 1, 2022	Additions	Deductions	Balance at June 30, 2023
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 452,326	\$ -	\$ -	\$ 452,326
Construction-in-progress	3,545,518	3,269,510	5,303,714	1,511,314
Total capital assets not being depreciated	<u>3,997,844</u>	<u>3,269,510</u>	<u>5,303,714</u>	<u>1,963,640</u>
Depreciable assets:				
Buildings	17,384,413	-	-	17,384,413
Other improvements	73,061	7,500	-	80,561
Machinery and equipment	421,271	51,776	19,319	453,728
Utility property	42,525,577	2,363,179	-	44,888,756
Total depreciable assets	<u>60,404,322</u>	<u>2,422,455</u>	<u>19,319</u>	<u>62,807,458</u>
Less accumulated depreciation:				
Buildings	4,867,233	347,618	-	5,214,851
Other improvements	36,117	4,870	-	40,987
Machinery and equipment	423,288	14,604	19,319	418,573
Utility property	22,165,585	1,190,842	-	23,356,427
Total accumulated depreciation	<u>27,492,223</u>	<u>1,557,934</u>	<u>19,319</u>	<u>29,030,838</u>
Net depreciable assets	<u>32,912,099</u>	<u>864,521</u>	<u>-</u>	<u>33,776,620</u>
Business-type activities capital assets, net	<u>\$ 36,909,943</u>	<u>\$ 4,134,031</u>	<u>\$ 5,303,714</u>	<u>\$ 35,740,260</u>

Depreciation/amortization expense was charged to functions in the statement of activities as follows:

Governmental Activities:	
Depreciation:	
Administration	\$ 105,344
Culture and recreation	961,775
Community development	15,138
Public safety	963,320
Streets and drainage	2,802,378
Total depreciation expense for governmental activities	4,847,955
Amortization:	
Administration	
Total amortization expense for governmental activities	30,646
Total depreciation/amortization expense for governmental ac	\$ 4,878,601
Business-type Activities:	
Water	\$ 742,787
Wastewater	812,421
Sanitation	2,726
Total depreciation expense for business-type activities	\$ 1,557,934

#### *Asset Retirement Obligation*

The city reports an asset retirement obligation in the Mustang Improvement Authority. The liability reported is based on the best estimate, using all available evidence, of the current value of outlays expected to be incurred. The city has identified a legally enforceable liability associated with the retirement of the wastewater treatment plant capital asset due to requirements included in Title 27A of the Oklahoma State Statutes. The estimated remaining useful life of the tangible capital is 48 years. The city originally recorded an asset retirement obligation of \$2.8 million, measured at its current value. The overall estimate is based on professional judgment, experience, and historical cost data. The liability could change over time as new information becomes available as a result of changes in technology, legal or regulatory requirements, and types of equipment, facilities or services that will be used to meet the obligation to retire the tangible capital asset.

### **3.E. LONG-TERM DEBT**

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

#### *Governmental Activities:*

At June 30, 2023, the governmental activities long-term debt consisted of the following:

#### General Obligation Bonds:

\$3,600,000 General Obligation Bonds of 2012, due in thirteen annual installments of \$255,000, and a final installment of \$285,000, first payment due June 2013, final payment due June 2027, with interest rates of 0.09% to 3.9%, to be repaid from a property tax levy.

Current portion \$255,000, non-current portion \$795,000.

\$1,050,000

*Business-Type Activities:*

As of June 30, 2023, the long-term debt payable from business-type activities resources consisted of the following:

Direct Borrowings and Direct Placements:

2009 Construction Clean Water SRF Promissory Note to the Oklahoma Water

Resources Board, original issue amount of \$6,590,000, secured by utility revenues and Sales tax revenue, interest rate of 2.310% and administrative fee of .5%, final maturity June 2029. In the event of default, the lender may 1) file suit to require any or all of the borrower covenants to be performed; 2) accelerate the payment of principal and interest accrued on the note; 3) appoint temporary trustees to take over, operate, and maintain the System on a profitable basis; or 4) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the loan agreement.

Current portion \$217,387, non-current portion \$1,442,489. \$1,659,876

2016 Utility System and Sales Tax Revenue Note, original issue amount of \$13,385,000, secured by utility revenues and sales tax revenue, interest rate of 2.15%, final maturity September 2030. In the event of default, the note may be declared due and payable in the manner provided in the indenture. Note was issued to finance capital improvements.

Current portion \$1,015,000, non-current portion \$7,190,000 8,205,000

2017 Utility System and Sales Tax Revenue Note, original issue amount of \$11,615,000, secured by utility revenues and sales tax revenue, interest rate of 2.39%, final maturity September 2030. In the event of default, the note may be declared due and payable in the manner provided in the indenture. Note was issued to finance capital improvements.

Current portion \$895,000, non-current portion \$6,440,000 7,335,000

2020 Utility System and Sales Tax Revenue Note, original issue amount of \$4,021,000, secured by utility revenues and sales tax revenue, interest rate of 2.05%, final maturity June 2035. Note was issued to finance water, sanitary sewer, and street improvements. In the event of default, the note may be declared due and payable in the manner provided in the indenture.

Current portion \$70,000, non-current portion \$3,776,000 3,846,000

2020A Utility System and Sales Tax Revenue Note, original issue amount of \$5,925,000, secured by utility revenues and sales tax revenue, interest rate of 1.35%, final maturity June 2026.

Note was issued to refinance the outstanding 2014B Note. In the event of default, the note may be declared due and payable in the manner provided in the indenture.

Current portion \$1,066,000, non-current portion \$2,175,000 3,241,000

Total Notes Payable outstanding \$ 24,286,876

Current portion \$ 3,263,387

Non-current portion 21,023,489

Total Notes Payable \$24,286,876

Interest expenses related to the 2016 and 2017 Revenue Notes do not relate to the actual programs of the business-type activities, and therefore is not charged to the specific programs. Interest expense of \$373,545 is included in the amount shown on the *Statement of Activities* in a separate line titled *general government activities*.

*Changes in Long-Term Debt*

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Amount due in one year
<b>Governmental Activities :</b>					
General obligation bonds	\$ 1,305,000	\$ -	\$ 255,000	\$ 1,050,000	\$ 255,000
<b>Business-type Activities :</b>					
Notes payable - direct borrowings and direct placements	\$ 27,479,318	\$ -	\$ 3,192,442	\$ 24,286,876	\$ 3,263,387

### Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2023 are as follows:

Year Ending June 30,	<b>Governmental Activities</b>		<b>Business Type Activities</b>	
	General Obligation Bonds		Notes Payable - Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2024	\$ 255,000	\$ 26,644	\$ 3,263,387	\$ 492,296
2025	255,000	20,906	3,328,746	427,755
2026	255,000	14,531	3,395,166	361,888
2027	285,000	7,838	2,658,770	296,848
2028	-	-	10,353,807	612,997
2029-2032	-	-	1,287,000	46,535
Total	\$ 1,050,000	\$ 69,919	\$ 24,286,876	\$ 2,238,319

### 3.F. CHANGES IN OTHER LONG-TERM LIABILITIES

During the year ended June 30, 2023, the City had the following changes in other long-term liabilities to be paid from governmental activities.

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Amount due in one year
<b>Governmental Activities :</b>					
Notes payable - direct borrowings	\$ 1,479,647	\$ 659,720	\$ 534,246	\$ 1,605,121	\$ 366,540
Accrued compensated absences	493,849	788,534	711,181	571,202	57,120
Lease obligations	110,570	-	30,355	80,215	30,355
Total Governmental Activities	\$ 2,084,066	\$ 1,448,254	\$ 1,275,782	\$ 2,256,538	\$ 454,015

Year Ending June 30,	Governmental Activities			
	Notes payable - Direct Borrowings		Lease Obligations	
	Principal	Interest	Principal	Interest
2024	\$ 366,540	\$ 57,756	\$ 30,355	\$ 719
2025	305,921	45,339	30,990	400
2026	88,723	34,606	18,870	94
2027	92,127	312,023	-	-
2028	95,661	27,669	-	-
2029-2033	536,247	80,400	-	-
2034-2036	119,902	3,428	-	-
Total	\$ 1,605,121	\$ 561,221	\$ 80,215	\$ 1,213

Notes Payable:

<p>\$659,720 note to RCB Bank for the purchase of eight police vehicles due in three annual installments of \$227,931 with an interest rate of 3.33%. Current portion is \$130,122 long term portion is \$303,618. If the City defaults, the collateralized vehicles will be returned to the lender.</p>	\$ 433,741
<p>\$211,359 note to RCB Bank for the purchase of three police vehicles due in three annual installments of \$73,036 with an interest rate of 2.85%. Current portion is \$21,296 long term portion is \$49,691. If the City defaults, the collateralized vehicles will be returned to the lender.</p>	70,987
<p>\$1,329,465 note to RCB Bank for the purchase of an aerial fire truck with an interest only payment of \$64,693 on March 1, 2020, and then semi-annual payments of \$61,665 due each March 1 and September 1 beginning September 2020 through March 1, 2034 with an interest rate of 3.80%. Current portion is \$330,118, long term portion is \$770,276. If the City defaults, the collateralized truck will be returned to the lender.</p>	<u>1,100,393</u>
Total Notes Payable Outstanding	<u>\$1,605,121</u>
Current portion	\$ 366,540
Non-current portion	<u>1,238,581</u>
Total Notes Payable	<u>\$1,605,121</u>

Accrued Compensated Absences:

Current portion	\$57,120
Non-current portion	<u>514,082</u>
Total Accrued Compensated Absences	<u>\$571,202</u>

The City as a lessee, has entered into lease agreement involving equipment for city operations.

Lease Obligations:

Current portion	\$30,355
Non-current portion	<u>49,860</u>
Total Lease Obligations	<u>\$80,215</u>

### 3.G. INTERFUND TRANSACTION AND BALANCES

Interfund transfers for the year ended June 30, 2023, were as follows:

Transfer from	Transfer to	Amount	Nature of Interfund Transfer
General Fund	MIA	\$ 14,840,342	Pledged sales tax-bond indenture
General Fund	Capital Project	262,017	Capital asset acquisition
General Fund	Park Improvements	43,571	Business license revenue
Juvenile	General Fund	4,924	Operating
Personal Service 10%	General Fund	371,008	Sales tax per ordinance
MIA	General Fund	2,150,001	Budgeted annual transfer
MIA	General Fund	7,420,171	Return of pledged sales tax-bond indenture
MIA	Streets and Drainage	823,687	Sanitation franchise fees
MIA	Capital Project	2,200,196	Sales tax per ordinance
MIA	Capital Excess	1,067,402	Sales tax per ordinance
MIA	Personal Service 10%	371,008	Sales tax per ordinance
		<u>\$ 29,554,327</u>	

Reconciliation to Fund Financial Statements:	Transfers In	Transfers Out	Net Transfers
Governmental Funds	\$ 14,713,985	\$ 15,521,862	\$ (807,877)
Proprietary Funds	14,840,342	14,032,465	807,877
Total Transfers	<u>\$ 29,554,327</u>	<u>\$ 29,554,327</u>	<u>\$ -</u>

Reconciliation to Statement of Net Activities:	Amount
Net transfers	\$ 807,877
Capital asset transferred to governmental activities	(3,781,727)
Capital asset transferred to business type activities	242,039
Net transfers	<u>\$ (2,731,811)</u>

### 3.H. FUND BALANCES AND NET POSITION

*Government Wide Financial Statements:*

Net Position Restrictions at June 30, 2023 were as follows:

Restricted For:	Restricted By:	Amount
Debt Service	Property tax levy - external	\$ 76,439
Public Safety	Fine revenue -enabling legislat	285,483
Public Safety	External contract	161,911
Park Donation	Donor - external	62,726
Capital	Grant revenue - external	97,661
Pension	Enabling legislation	344,358
Mustang Improvement Authority	Debt covenants - external	808,643
		<u>\$ 1,837,221</u>

*Fund Level Financial Statements:*

	General Fund	ARPA	Capital Improvement	Other Governmental Funds	Total
Fund Balance					
Nonspendable:					
Inventory	\$ 62,568	\$ -	\$ -	\$ -	\$ 62,568
Restricted For:					
Debt service - debt covenants	-	-	-	106,568	106,568
Law enforcement programs-council ordinance	-	-	-	319,789	319,789
Grants	-	97,661	-	-	97,661
Capital improvements - do not restriction	-	-	-	62,726	62,726
Sub-total restricted	-	97,661	-	489,083	586,744
Committed for:					
Capital improvements - city ordinance	-	-	4,591,746	2,771,244	7,362,990
Street improvements - city ordinance	-	-	-	1,172,012	1,172,012
Park improvements - city ordinance	-	-	-	84,359	84,359
Law enforcement programs	-	-	-	14,402	14,402
Sub-total committed	-	-	4,591,746	4,042,017	8,633,763
Assigned for:					
Health reimbursements - council resolution	4,089	-	-	-	4,089
Sub-total assigned	4,089	-	-	-	4,089
Unassigned:	10,069,486	-	-	-	10,069,486
<b>TOTAL FUND BALANCE</b>	<b>\$ 10,136,143</b>	<b>\$ 97,661</b>	<b>\$ 4,591,746</b>	<b>\$ 4,531,100</b>	<b>\$ 19,356,650</b>

**NOTE 4. OTHER NOTES**

**4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS**

The city participates in three employee pension systems as follows:

<u>Name of Plan/System</u>	<u>Type of Plan</u>
Oklahoma Police Pension and Retirement Fund (OPPRS)	Cost Sharing Multiple Employer - Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund (OFPRS)	Cost Sharing Multiple Employer - Defined Benefit Plan
Oklahoma Municipal Retirement Fund (OkMRF)	Agent Multiple Employer – Defined Benefit Plan

Carrying values of the plans at June 30, 2023 were as follows. The OPEB information is included to provide a reconciliation to the amounts shown in the Statement of Net Position.

<u>Governmental Activities</u>	<u>OPPRS</u>	<u>OFPRS</u>	<u>OkMRF</u>	<u>Total Pension</u>	<u>OPEB</u>	<u>Total</u>
Deferred Outflows	\$ 880,612	\$ 2,238,161	\$ 1,470,244	\$ 4,589,017	\$ 288,169	\$ 4,877,186
Deferred Inflows	\$ 54,645	\$ 205,438	\$ 386,520	\$ 646,603	\$ 420,409	\$ 1,067,012
Net pension liability/(asset)	\$ (399,003)	\$ 6,868,080	\$ 1,374,706	\$ 7,843,783	\$ -	\$ 7,843,783
Pension/OPEB expense	\$ 95,955	\$ 1,102,638	\$ 422,916	\$ 1,621,509	\$ 101,090	\$ 1,722,599
OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ 1,090,034	\$ 1,090,034

## Oklahoma Police Pension and Retirement Plan

**Plan description** - The City of Mustang, as the employer, participates in the Oklahoma Police Pension and Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at [www.ok.gov/OPPRS](http://www.ok.gov/OPPRS)

**Benefits provided** - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later. Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

**Contributions** - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$257,799. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$233,512 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$257,799. These on-behalf payments did not meet the criteria of a special funding situation.

**Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** At June 30, 2023, the City reported \$399,003 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was 0.49756 percent.

For the year ended June 30, 2023, the City recognized pension expense of \$95,955. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



	Deferred Outflows of Resources	Deferred Inflow: of Resources
Difference between expected and actual experience	\$ 195,716	\$ 43,462
Changes of assumptions	13,891	-
Net difference between projected and actual earnings on pension plan investments	389,346	-
Changes in proportion	20,178	8,490
City contributions during measurement date	3,682	2,693
City benefit payments subsequent to the measurement date	257,799	-
Total	\$ 880,612	\$ 54,645

The \$257,799 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or addition to the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 125,971
2025	34,542
2026	(103,827)
2027	483,314
2028	28,168
	\$ 568,168

**Actuarial Assumptions**-The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	3.5% to 12% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Cost of Living Adjustments	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar
	Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.
	Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.
	Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA.

The actuarial assumptions used in the July 1, 2022, valuation was based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017. Actuarial experience studies are performed every 5 years.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.34%
Domestic equity	4.69%
International equity	8.34%
Real estate	7.64%
Private equity	9.66%
Commodities	0.00%

The current allocation policy is that approximately 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

**Discount Rate**-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**-The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability (asset)	\$ 1,156,030	\$ (399,003)	\$ (1,713,386)

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OPPRS; which can be located at [www.ok.gov/OPPRS](http://www.ok.gov/OPPRS) .

**Payables to the pension plan** - The City did not have any payables to OPPRS at June 30, 2023.

## Oklahoma Firefighters Pension and Retirement Fund

**Plan description** - The City of Mustang, as the employer, participates in the Firefighters Pension & retirement—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension & Retirement System (FPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the FPRS. FPRS issues a publicly available financial report that can be obtained at [www.ok.gov/fprs](http://www.ok.gov/fprs)

**Benefits provided** - FPRS provides retirement, disability, and death benefits to members of the plan.

Benefits for members hired prior to November 1, 2013, are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more of service

Benefits for members hired after November 1, 2013, are determined as 2.5 percent of the employee's final average compensation times the employee's years of service, and have reached the age of 50 or have completed 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month. Benefits vest with 11 years or more of service

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not-in-the-line-of-duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-line-of-duty disability is also limited to only those with less than 20 years of service and is \$7.53 per year of service. For volunteer firefighters, the in-line-of-duty pension is \$150.60 with less than 20 years of service, or \$7.53 per year of service, with a maximum of 30 years.

A \$5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$5,000 death benefit does not apply to members electing the vested benefit.

**Contributions** - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$265,456. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$600,245 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$538,013. These on-behalf payments did not meet the criteria of a special funding situation.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2023, the City reported a liability of \$6,868,080 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was .5252 percent.

For the year ended June 30, 2023, the City recognized pension expense of \$1,102,638. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 881,676	\$ 34,672
Changes of assumptions	-	43,790
Net difference between projected and actual earnings on pension plan investments	798,144	-
Changes in proportion	291,252	120,675
City contributions during measurement date	1,633	6,301
City contributions subsequent to the measurement date	265,456	-
Total	\$ 2,238,161	\$ 205,438

The \$265,456 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$	558,710
2025		419,014
2026		76,082
2027		713,461
2028		-
		\$ 1,767,267

**Actuarial Assumptions**-The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Inflation:	2.75%
Cost-of-living adjustment:	Paid firefighters with 20 years of service prior to May 26, 1983, receive an increase of half of the dollar amount of a 2.75% assumed increase in base pay. No COLA is assumed for members not eligible for this increase.

Mortality rates were based on the following:

- Active members—Pub-2010 Public Safety Table with generational mortality improvement using MP-2018.
- Retired members—Pub-2010 Public Safety Below Median Table with generational mortality improvement using Scale MP-2018.
- Disabled members—Pub-2010 Public Safety Disabled Table set forward 2 years

The actuarial assumptions used in the July 1, 2022, valuations were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	3.62%
Domestic equity	47%	5.66%
International equity	15%	8.34%
Real estate	10%	7.64%
Other assets	8%	5.08%
	100%	

**Discount Rate**-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**-The following presents the net pension liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	\$ 8,850,034	\$ 6,868,080	\$ 5,210,248

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the FPRS; which can be located at [www.ok.gov/fprs](http://www.ok.gov/fprs) .

**Payables to the pension plan** - The City did not have any payables to FPRS at June 30, 2023.

## Oklahoma Municipal Retirement Plan (OkMRF)

### *Plan Description*

The City contributes to the OkMRF 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 administered by OkMRF. The OkMRF plan issues a separate financial report and can be obtained from OkMRF or from their website: [www.okmrf.org/reports.html](http://www.okmrf.org/reports.html). Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

### *Summary of Significant Accounting Policies*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by OkMRF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value based on published market prices. Detailed information about the OkMRF plans' fiduciary net position is available in the separately issued OkMRF financial report.

*Eligibility Factors and Benefit Provisions*

<u>Provision</u>	<u>OkMRF Plan as of 7/1/22</u>
a. Eligible to participate	Full-time employees except police, firefighters and other employees who are covered under an approved system.
b. Period Required to Vest	10 years of credited service
c. Eligibility for Distribution	-Normal retirement at age 65 with 10 years of service -Early retirement at age 55 with 80 points and 10 years of service -Disability retirement upon disability with 10 years of service -Death benefit with 10 years of service for married employees
d. Benefit Determination Base	Final average salary - the average of the five highest consecutive annual salaries out of the last 10 calendar years of service
e. Benefit Determination Methods:	Normal Retirement- 2.625% of final average salary multiplied by credited years of service Early Retirement -Actuarially reduced benefit based upon age, final average salary, and years of service at termination Disability Retirement -Same as normal retirement Death Benefit -50% of employees accrued benefit, but terminates upon spouse re-marriage Prior to 10 Years of Service -No benefits
f. Benefit Authorization	-Benefits are established and amended by City Council adoption of an ordinance in accordance with O.S. Title, 11, Section 48-101-102
g. Form of Benefit Payments	Normal form is a 60 month certain and life thereafter basis. Employees may elect, with City consent, option form based on actuarial equivalent.

*Employees Covered by Benefit Terms*

Active Employees	44
Deferred Vested Former Employees	3
Retirees or Retiree Beneficiaries	<u>19</u>
Total	<u>66</u>

*Contribution Requirements*

The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The total actuarially determined rate for fiscal year 2023 is 17.73%. Employees contribute 5.25% in accordance with plan provisions. The City contributes 12.48%. In fiscal year 2023, the City recognized \$374,781 of employer contributions to the plan based on covered payroll of 3,003,056.

*Actuarial Assumptions*

Date of Last Actuarial Valuation	July 1, 2022
a. Actuarial cost method	Entry age normal
b. Rate of Return on Investments and Discount Rate	7.50%

c. Projected Salary Increase	Varies between 7.5% and 4.5% based on age										
d. Post Retirement cost-of-Living Increase	None										
e. Inflation Rate	2.75%										
f. Mortality Table	PubG-2010, with projected mortality improvement										
g. Percent of married employees	100%										
h. Spouse age difference	3 years (female spouses younger)										
i. Turnover	Select and ultimate rates Ultimate rates are age-related as shown Additional rates per thousand are added during the first 5 years: <table border="0" style="margin-left: 20px;"> <tr><td>Year 1:</td><td>225</td></tr> <tr><td>Year 2:</td><td>140</td></tr> <tr><td>Year 3:</td><td>100</td></tr> <tr><td>Year 4:</td><td>70</td></tr> <tr><td>Year 5:</td><td>40</td></tr> </table>	Year 1:	225	Year 2:	140	Year 3:	100	Year 4:	70	Year 5:	40
Year 1:	225										
Year 2:	140										
Year 3:	100										
Year 4:	70										
Year 5:	40										
j. Date of last experience study	September 2012 for fiscal years 2007 thru 2011										

*Discount Rate* – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.75% since the plan’s net fiduciary position is projected to be sufficient to make projected benefit payments. The City has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, the sufficiency of pension plan assets was made without a separate projection of cash flows.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of July 1, 2022 are summarized in the following table:

Asset Class	Target Allocation	Real Return	Weighted Return
Large cap stocks S&P 500	25%	5.80%	1.45%
Small/mid cap stocks Russell 2500	10%	6.40%	0.64%
Long/short equity MSCI ACWI	10%	5.00%	0.50%
International stocks MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds Barclay's Capital Aggregate	30%	2.30%	0.69%
Real estate NCREIF	5%	4.60%	0.23%
Cash equivalents 3 month Treasury	0%	0.00%	0.00%
	100%		
Average Real Return			4.75%
Inflation			2.75%
Long-term expected return			7.50%

*Changes in Net Pension Liability (Asset)* – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2022 which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2022 and the City’s report ending date of June 30, 2023, that would have had a significant impact on the net pension liability (asset). The following table reports the components of changes in net pension liability (asset):

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<b>Balances Beginning of Year</b>	\$ 9,980,884	\$ 9,997,095	\$ (16,211)
<b>Changes for the Year:</b>			
Service Cost	370,728	-	370,728
Interest cost	731,683	-	731,683
Difference between expected and actual experience	(269,744)	-	(269,744)
Assumption changes	(211,280)	-	(211,280)
Contributions-City	-	355,284	(355,284)
Contributions-members	-	149,458	(149,458)
Net investment income	-	(1,257,033)	1,257,033
Benefits paid including refunds of contributions	(458,497)	(458,497)	-
Plan administrative expenses	-	(17,239)	17,239
Other changes	-	-	-
<b>Net Changes</b>	<u>162,890</u>	<u>(1,228,027)</u>	<u>1,390,917</u>
<b>Balances End of Year</b>	<u>\$ 10,143,774</u>	<u>\$ 8,769,068</u>	<u>\$ 1,374,706</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.5 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	\$ 2,591,402	\$ 1,374,706	\$ 367,699



The City reported \$422,916 in pension expense for the year ended June 30, 2023. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 226,186	\$ 216,749
Changes of assumptions	41,024	169,771
Net difference between projected and actual earnings on pension plan investments	770,257	-
Changes in proportion	-	-
City contributions during measurement date	57,996	-
City contributions subsequent to the measurement date	374,781	-
<b>Total</b>	<b>\$ 1,470,244</b>	<b>\$ 386,520</b>

The \$374,781 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 203,915
2025	157,838
2026	40,921
2027	314,775
2028	(8,506)
	\$ 708,943

#### Postemployment Health Insurance Implicit Rate Subsidy Plan

**Plan description** - The City offers post-employment benefit (OPEB) options for medical and RX, insurance benefits for retired employees and their dependents under the age of 65 that elect to make required premium benefit payments on a monthly basis. The plan is a single-employer defined benefit OPEB plan. The benefits are provided through a substantive plan in which retired employees and dependents under the age of 65 may continue on their medical plan through the City. A substantive plan is one in which the plan terms are understood by the employer and the plan members. This understanding is based on communications between the employer and plan member and the historical pattern of practice with regard to the sharing of benefit costs. All of the City's employees may become eligible for those post-retirement benefits if they are retired members of the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter's Pension and Retirement System, or the City of Mustang Retirement Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue separate financial statements.

**Benefits provided** - The Plan covers all current retirees of the City who elected postretirement medical coverage through the City Health Plan and future retired employees of the City fully insured health plan. In accordance with administrative policy, the benefit levels are the same as those afforded to active employees; this creates an implicit rate subsidy. The benefits offered by the City to retirees include health and RX benefits. The retiree retains coverage with the City, by making an election within 30 days of termination of service and have 10+ years of creditable service in with the City.

The amount of benefit payments during fiscal year June 30, 2023 were \$26,323.

**Employees Covered by Benefit Terms**

Active Employees	91
Inactive not yet receiving benefits	0
Inactive or beneficiaries receiving benefits	7
Total	98

**Total OPEB Liability** – The total OPEB liability was determined based on an alternative measurement method valuation performed as of June 30, 2022, which is also the measurement date.

**Actuarial Assumptions**- The total OPEB liability in the June 30, 2022, valuation, was determined using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age
- Discount Rate – 4.09% based on the 20 year municipal bond yield
- Retirement Age – Civilians - 55 with 10 years of service, Police and Fire 20 years of service
- Medical Trend Rates

<u>Year</u>	<u>Rate</u>
2022	5.94%
2025	5.86%
2030	5.01%
2035	4.97%
2040	4.81%
2045	4.70%
2050	4.64%
2060	4.54%

**Changes in Total OPEB Liability** –

	Total OPEB Liability
<b>Balances Beginning of Year</b>	\$ 1,316,378
Changes for the Year:	
Service Cost	98,314
Interest expense	30,557
Difference between expected and actual experience	(107,926)
Change of assumptions	(220,966)
Benefits paid	(26,323)
<b>Net Changes</b>	(226,344)
<b>Balances End of Year</b>	\$ 1,090,034

**OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended June 30, 2023, the City recognized OPEB expense of \$101,090. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 134,888	\$ 126,006
Changes of assumptions	123,854	294,403
Net difference between projected and actual earnings on OPEB plan investments	-	-
City contributions subsequent to the measurement date	29,427	-
<b>Total</b>	<b>\$ 288,169</b>	<b>\$ 420,409</b>

The \$29,427 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. Any other amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

	Governmental Activities
<b>Year ended June 30:</b>	
2024	\$ (27,780)
2025	(27,780)
2026	(25,762)
2027	(15,624)
2028	(1,104)
Thereafter	(63,617)
	<b>\$ (161,667)</b>

**Sensitivity of the City's total OPEB liability to changes in the discount rate-** The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current discount rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Employers' total OPEB liability	\$ 1,211,432	\$ 1,090,034	\$ 982,704

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates** - The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.94 percent decreasing to 2.94 percent) or 1-percentage-point higher (6.94 percent decreasing to 4.94 percent) than the current healthcare cost trend rates:

	1% Decrease (4.94% decreasing to 2.94%)	Current Discount Rate (5.94% decreasing to 3.94%)	1% Increase (6.94% decreasing to 4.94%)
Employers' total OPEB liability	\$ 965,493	\$ 1,090,034	\$ 1,238,373

**4.B. RISK MANAGEMENT**

The city is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee’s health and life; and natural disasters. The city manages these various risks of loss with purchased commercial insurance for all major programs except workers’ compensation, for which the city retains risk of loss. For insured programs, there has been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The self-insured workers’ compensation program is accounted for in the General Fund with participating departments charged through estimated annual claim cost. The plan is administered by the city with the assistance of a third party for claims discounting and processing.

*Claims Liability Analysis*

The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirement of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For the self-insured worker’s compensation program, changes in the claims liability for the City from June 30, 2021 through June 30, 2023, was as follows:

<i>Claims Liability Analysis:</i>	
Claim liability, June 30, 2021	\$ 270,570
Claims and changes in estimates	39,662
Claims payments	(55,774)
Claim liability, June 30, 2022	\$ 254,458
Claims and changes in estimates	134,898
Claims payments	(88,894)
Claim liability, June 30, 2023	\$ 300,462
Assets available to pay claims at June 30, 2023	\$ 799,253

Based on past experience, the claims incurred but not reported was estimated at \$50,000. Net position reserves at June 30, 2023 of \$635,188 were the result of the City’s attempt to set aside funds for possible future catastrophic losses. The city maintains a stop-loss policy for plans to limit the risk associated with the self-insured plans. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**4.C. TAX ABATEMENTS**

The City enters into sales tax rebate agreements with local businesses as allowed in the Oklahoma State Constitution, Article 10, Section 14. Under this law, the City may establish economic development programs and provide sales tax increments for development as part of its economic development plan.

The sales tax rebate program allows a retail store business or developer to receive rebated sales tax in an amount up to the amount of sales tax collected on a specific retailer. To be eligible for this program, the project area should be occupied by occupants operating a retail store of a requisite quality which are either existing businesses or new businesses. The sales tax rebate period varies with each agreement and there are no provisions for recapture.

Due to confidentiality laws in Oklahoma statutes Title 68, Section 1354.11, the amounts of sales taxes rebated will not be disclosed. The following businesses had rebate agreements with the City as of June 30, 2023:

- A developer received rebated sales tax revenue during 2023. The Developer must lease space to a Grocery retailer with a maturity of January 15, 2024 and renovate and expanded the Mustang Trade Center Shopping Center. The Developer can receive a sales tax rebate of \$5,000 per month if the sales tax generated by the Grocery retailer exceeds the base line amount by \$5,000 per month. The rebate cannot exceed \$60,000 annually during the term of the incentive or \$600,000 over the entire incentive period. Should the retailer close during the incentive period, then the rebate shall terminate.
- The City entered into a sales tax rebate agreement with a developer during fiscal year 2022. The developer must construct a retail store opened in spring 2022. The developer can receive a rebate for a portion of the sales tax generated for a period of five years. Taxes were rebated in fiscal year 2023.

#### 4.D. COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

##### *Commitments:*

###### *Privatization of Improvement Authority Services*

The City has contracted with independent firms to operate certain public service functions of the city including streets and parks. During fiscal year 2022-2023, the City paid the firm \$1,653,834. The City also paid \$1,995,393 during the current year, including overages for repair and maintenance, to an independent firm to manage the water and sewer services for the Mustang Improvement Authority. Both service contracts provide for the lease of the City's facilities to the firms, allowing the contractors to use city vehicles and equipment (these agreements did not meet the requirements under GASB 87). In addition, the sanitation services are privatized. Total fees related to sanitation privatization were \$1,364,913.

At June 30, 2023, the City and Authority had outstanding construction commitments of \$1,491,748.

##### *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 of reimbursement, which may arise as a result of these audits, cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

###### *Litigation*

The City is a party to various legal proceedings, which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City Sinking Fund for the payment of any court assessed judgment rendered against the city.

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. This statutory taxing ability is not available to the city's public trusts (Authorities).

##### *Subsequent Events:*

The city entered a note payable with a local bank for the purchase of eleven police vehicles. The note has a principal balance of \$737,842 with interest at 4.63% and is payable over three years.

## ***REQUIRED SUPPLEMENTARY INFORMATION***

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

- Schedule of City of Mustang's Share of the Net Pension Liabilities (Assets) – Cost Sharing Defined Benefit Plans
- Schedules of Changes in Net Pension Liability and Related Ratios – Oklahoma Municipal Retirement Fund
- Schedule of Employer Contributions – Defined Benefit Pension Plans
- Budgetary Comparison Schedules – General Fund
- Notes to RSI – Budgetary Comparison Schedules
- RSI - OPEB

**SCHEDULE OF CITY OF MUSTANG'S SHARE OF THE NET PENSION LIABILITIES (ASSETS)  
COST SHARING DEFINED BENEFIT PENSION PLANS**

	2022	2021	2020	2019	2018	2017	2016	2015
<b>OKLAHOMA POLICE PENSION AND RETIREMENT PLAN (OPPRS)</b>								
City's proportion of the net pension liability (asset)	-0.4976%	-0.5166%	0.5278%	0.4966%	0.4980%	0.4465%	0.4225%	0.4316%
City's proportionate share of the net pension liability (asset)	\$ (399,003)	\$(2,478,304)	\$ 606,126	\$ (31,700)	\$ (237,226)	\$ 34,345	\$ 651,577	\$ 17,599
City's covered payroll	\$ 1,784,140	\$ 1,785,359	\$1,765,949	\$1,614,752	\$ 1,519,074	\$ 1,331,464	\$ 1,254,546	\$ 1,226,472
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-22.36%	-138.81%	34.32%	-1.96%	-15.62%	2.58%	51.94%	1.43%
Plan fiduciary net position as a percentage of the total pension liability	102.74%	117.07%	95.80%	100.24%	101.89%	99.68%	93.50%	99.82%
<b>OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN (FPRS)</b>								
City's proportion of the net pension liability	0.5252%	0.5379%	0.5341%	0.4895%	0.4950%	0.4749%	0.4542%	0.4206%
City's proportionate share of the net pension liability	\$ 6,868,080	\$ 3,542,570	\$6,579,240	\$5,172,843	\$ 5,059,235	\$ 5,972,396	\$ 5,549,117	\$ 4,463,767
City's covered payroll	\$ 1,737,930	\$ 1,734,702	\$1,622,986	\$1,513,871	\$ 1,336,757	\$ 1,349,721	\$ 1,271,229	\$ 1,263,654
City's proportionate share of the net pension liability as a percentage of its covered payroll	395%	204%	405%	342%	378%	442%	437%	353%
Plan fiduciary net position as a percentage of the total pension liability	69.49%	68.12%	69.98%	72.85%	70.73%	66.61%	64.87%	68.27%

**Notes to Schedule:**

- (1) The amounts presented for each fiscal year were determined as of 6/30.
- (2) Only eight fiscal years are presented because 10-year data is not yet available.

**OKLAHOMA MUNICIPAL RETIREMENT FUND  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability								
Service cost	\$ 370,728	\$ 321,645	\$ 300,763	\$ 267,272	\$ 276,787	\$ 277,874	\$ 272,267	\$ 260,540
Interest	731,683	673,772	624,581	563,974	519,477	511,174	493,638	465,558
Changes of benefit terms	-	4,170	-	-	-	-	-	-
Differences between expected and actual experience	(269,744)	200,235	116,565	178,870	96,743	44,095	62,317	(120,495)
Changes of assumptions	(211,280)	-	-	153,418	-	121,159	-	-
Benefit payments, including refunds of member contributions	(458,497)	(397,923)	(374,567)	(337,002)	(263,734)	(970,417)	(246,981)	(239,706)
Net change in total pension liability	<u>162,890</u>	<u>801,899</u>	<u>667,342</u>	<u>826,532</u>	<u>629,273</u>	<u>(16,115)</u>	<u>581,241</u>	<u>365,897</u>
Total pension liability - beginning	<u>9,980,884</u>	<u>9,178,985</u>	<u>8,511,643</u>	<u>7,685,111</u>	<u>7,055,838</u>	<u>7,071,953</u>	<u>6,490,712</u>	<u>6,124,815</u>
Total pension liability - ending (a)	<u>\$ 10,143,774</u>	<u>\$ 9,980,884</u>	<u>\$ 9,178,985</u>	<u>\$ 8,511,643</u>	<u>\$ 7,685,111</u>	<u>\$ 7,055,838</u>	<u>\$ 7,071,953</u>	<u>\$ 6,490,712</u>
Plan fiduciary net position								
Contributions - employer	\$ 355,284	\$ 341,587	\$ 288,814	\$ 276,791	\$ 260,478	\$ 269,852	\$ 270,267	\$ 224,726
Contributions - member	149,458	145,092	128,607	123,363	160,670	120,163	120,347	110,884
Net investment income	(1,257,033)	2,157,309	308,868	482,379	468,417	711,587	57,401	162,006
Benefit payments, including refunds of member contributions	(458,497)	(397,923)	(374,567)	(337,002)	(263,734)	(970,417)	(246,981)	(239,706)
Administrative expense	(17,239)	(16,772)	(15,444)	(14,707)	(13,226)	(12,788)	(11,915)	(11,964)
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>(1,228,027)</u>	<u>2,229,293</u>	<u>336,278</u>	<u>530,824</u>	<u>612,605</u>	<u>118,397</u>	<u>189,119</u>	<u>245,946</u>
Plan fiduciary net position - beginning	<u>9,997,095</u>	<u>7,767,802</u>	<u>7,431,524</u>	<u>6,900,700</u>	<u>6,288,095</u>	<u>6,169,698</u>	<u>5,980,579</u>	<u>5,734,633</u>
Plan fiduciary net position - ending (b)	<u>\$ 8,769,068</u>	<u>\$ 9,997,095</u>	<u>\$ 7,767,802</u>	<u>\$ 7,431,524</u>	<u>\$ 6,900,700</u>	<u>\$ 6,288,095</u>	<u>\$ 6,169,698</u>	<u>\$ 5,980,579</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 1,374,706</u>	<u>\$ (16,211)</u>	<u>\$ 1,411,183</u>	<u>\$ 1,080,119</u>	<u>\$ 784,411</u>	<u>\$ 767,743</u>	<u>\$ 902,255</u>	<u>\$ 510,133</u>
Plan fiduciary net position as a percentage of the total pension liability	86.45%	100.16%	84.63%	87.31%	89.79%	89.12%	87.24%	92.14%
Covered payroll	\$ 2,688,025	\$ 2,735,583	\$ 2,469,929	\$ 2,324,039	\$ 2,166,770	\$ 2,217,390	\$ 2,179,040	\$ 2,127,585
Net Pension liability as a percentage of covered payroll	51.14%	-0.59%	57.13%	46.48%	36.20%	34.62%	41.41%	23.98%

**Notes to Schedule:**

\*Only eight fiscal years are presented because 10-year data is not yet available.



**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
DEFINED BENEFIT PENSION PLANS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM</b>								
Statutorily required contribution	\$ 258,049	\$ 231,938	\$ 232,409	\$ 229,573	\$ 209,087	\$ 193,005	\$ 173,090	\$ 163,091
Contributions in relation to the statutorily required contribution	<u>257,799</u>	<u>231,568</u>	<u>232,409</u>	<u>229,573</u>	<u>209,087</u>	<u>193,005</u>	<u>173,090</u>	<u>163,091</u>
Contribution deficiency (excess)	<u>\$ 250</u>	<u>\$ 370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,984,992	\$ 1,784,140	\$ 1,785,359	\$ 1,765,946	\$ 1,608,362	\$ 1,484,654	\$ 1,331,464	\$ 1,226,472
Contributions as a percentage of covered payroll	12.99%	12.98%	13.02%	13.00%	13.00%	13.00%	13.00%	13.30%
<b>OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM</b>								
Statutorily required contribution	\$ 265,456	\$ 243,310	\$ 242,858	\$ 227,218	\$ 207,884	\$ 187,070	\$ 188,961	\$ 176,913
Contributions in relation to the statutorily required contribution	<u>265,456</u>	<u>243,310</u>	<u>242,858</u>	<u>227,218</u>	<u>207,884</u>	<u>187,070</u>	<u>188,961</u>	<u>176,913</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,896,111	\$ 1,737,930	\$ 1,734,702	\$ 1,622,986	\$ 1,484,886	\$ 1,336,214	\$ 1,349,721	\$ 1,263,654
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
<b>OKLAHOMA MUNICIPAL RETIREMENT FUND</b>								
Actuarially determined contribution	\$ 374,781	\$ 342,508	\$ 332,190	\$ 364,906	\$ 276,791	\$ 260,687	\$ 270,267	\$ 224,726
Contributions in relation to the actuarially determined contribution	<u>374,781</u>	<u>342,508</u>	<u>341,587</u>	<u>425,896</u>	<u>276,791</u>	<u>260,687</u>	<u>270,267</u>	<u>224,726</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,397)</u>	<u>\$ (60,990)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,003,056	\$ 2,744,453	\$ 2,763,645	\$ 3,445,761	\$ 2,347,673	\$ 2,166,770	\$ 2,292,336	\$ 2,127,585
Contributions as a percentage of covered payroll	12.48%	12.48%	12.36%	12.36%	11.79%	12.03%	11.79%	10.56%

**Notes to Schedule:**

\*Only eight fiscal years are presented because 10-year data is not yet available.

**CITY OF MUSTANG  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>		<u>Budget Positive</u>
				<u>(Negative)</u>
<b>Beginning Budgetary Fund Balance:</b>	\$ 5,000,000	\$ 1,600,921	\$ 8,607,195	\$ 7,006,274
Resources (inflows):				
Taxes:				
Sales tax	13,500,000	15,000,000	14,929,448	(70,552)
Use tax	1,500,000	2,325,000	2,324,857	(143)
Hotel tax	85,000	90,000	89,573	(427)
Franchise tax	802,000	1,002,000	913,200	(88,800)
Total Taxes	<u>15,887,000</u>	<u>18,417,000</u>	<u>18,257,078</u>	<u>(159,922)</u>
License and Permits:				
Occupational licenses	100,000	96,400	87,572	(8,828)
Construction permits	190,000	148,000	134,577	(13,423)
Animal license	4,000	6,000	5,017	(983)
Inspection fees	60,000	50,000	49,360	(640)
Other permits and licenses	33,300	34,400	29,173	(5,227)
Total Licenses and Permits	<u>387,300</u>	<u>334,800</u>	<u>305,699</u>	<u>(29,101)</u>
Intergovernmental:				
Alcoholic beverage tax	170,000	180,000	174,153	(5,847)
Tobacco tax	110,000	107,000	101,416	(5,584)
Grants	-	800	790	(10)
Gasoline excise tax	40,000	40,000	37,503	(2,497)
Commercial vehicle fee	175,000	157,000	153,543	(3,457)
911 communication fee	45,000	48,450	48,431	(19)
Total Intergovernmental	<u>540,000</u>	<u>533,250</u>	<u>515,836</u>	<u>(17,414)</u>
Charges for Services:				
Aquatic charges	220,000	268,000	260,955	(7,045)
Concessions	370,000	414,000	409,102	(4,898)
Recreational programs	55,000	55,000	47,447	(7,553)
Ball league and gate fees	69,000	71,500	64,018	(7,482)
Ball and sports merchandise sales	3,000	3,000	1,983	(1,017)
Aerobic fees	45,000	55,000	54,276	(724)
Community center league fees	40,000	21,000	9,910	(11,090)
Room rentals	93,000	84,000	76,016	(7,984)
Personal trainer fees	40,000	50,000	48,255	(1,745)
Camps - summer and other	105,000	106,000	101,461	(4,539)
Other tournaments	18,000	33,000	32,648	(352)
Vendor fees	2,400	2,400	1,400	(1,000)
Memberships	290,000	330,000	326,794	(3,206)
Total Charges for Services	<u>1,350,400</u>	<u>1,492,900</u>	<u>1,434,265</u>	<u>(58,635)</u>
Fines and Forfeitures	410,335	410,335	345,805	(64,530)
Miscellaneous:				
Donations	3,000	18,000	13,686	(4,314)
Miscellaneous	396,345	537,095	513,226	(23,869)
Total Licenses and Permits	<u>399,345</u>	<u>555,095</u>	<u>526,912</u>	<u>(28,183)</u>
Investment Income	12,000	129,000	127,194	(1,806)
Other Financial Sources:				
Transfers In	10,569,000	11,155,000	10,003,280	(1,151,720)
Amounts available for appropriation	<u>\$ 34,555,380</u>	<u>\$ 34,628,301</u>	<u>\$ 40,123,264</u>	<u>\$ 5,494,963</u>

(continued)

**CITY OF MUSTANG  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Mayor/Council	356,742	410,677	360,667	50,010
Information Technology	159,125	166,455	157,230	9,225
City Manager	898,073	873,273	800,621	72,652
Finance	857,124	875,324	798,620	76,704
General Government	<u>1,850,800</u>	<u>1,739,419</u>	<u>1,583,975</u>	<u>155,444</u>
Total Administration	<u>4,121,864</u>	<u>4,065,148</u>	<u>3,701,113</u>	<u>364,035</u>
Culture and Recreation:				
Library	504,944	488,972	460,344	28,628
Ball Complex	1,395,649	1,321,900	1,230,002	91,898
Aquatic	380,140	390,690	358,552	32,138
Town Center	654,475	789,475	727,802	61,673
Parks	<u>322,525</u>	<u>367,635</u>	<u>333,455</u>	<u>34,180</u>
Total Culture and Recreation	<u>3,257,733</u>	<u>3,358,672</u>	<u>3,110,155</u>	<u>248,517</u>
Community Development	<u>627,317</u>	<u>666,758</u>	<u>615,897</u>	<u>50,861</u>
Public Safety:				
Police	3,583,197	3,819,462	3,596,485	222,977
Support Services	623,210	633,210	569,724	63,486
Animal Control	234,499	274,756	229,813	44,943
Fire	<u>3,083,260</u>	<u>3,393,769</u>	<u>3,053,701</u>	<u>340,068</u>
Total Public Safety	<u>7,524,166</u>	<u>8,121,197</u>	<u>7,449,723</u>	<u>671,474</u>
Street	<u>214,200</u>	<u>222,980</u>	<u>216,129</u>	<u>6,851</u>
Other Financial Uses:				
Transfers to Other Funds	<u>13,810,000</u>	<u>15,388,600</u>	<u>15,209,518</u>	<u>179,082</u>
Total Charges to Appropriations	<u>29,555,280</u>	<u>31,823,355</u>	<u>30,302,535</u>	<u>1,520,820</u>
Fund balances - ending	<u>\$ 5,000,100</u>	<u>\$ 2,804,946</u>	<u>\$ 9,820,729</u>	<u>\$ 7,015,783</u>

**CITY OF MUSTANG  
 BUDGETARY COMPARISON SCHEDULE  
 MAJOR SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	AMERICAN RESCUE PLAN			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,028,956	\$ 3,988,603	\$ 151,875	\$ (3,836,728)
Investment income	4,000	114,300	94,885	(19,415)
Miscellaneous	-	-	-	-
Total Revenues	2,032,956	4,102,903	246,760	(3,856,143)
<b>EXPENDITURES</b>				
Current:				
Capital outlay	144,243	364,863	151,875	212,988
Total Expenditures	144,243	364,863	151,875	212,988
Revenues over (under) expenditures	1,888,713	3,738,040	94,885	(3,643,155)
Fund balances - beginning	2,010,000	53	2,776	2,723
Fund balances - ending	\$ 3,898,713	\$ 3,738,093	\$ 97,661	\$ (3,640,432)

**CITY OF MUSTANG, OKLAHOMA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
ON BUDGETARY ACCOUNTING AND CONTROL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>General Fund</b>
<b>Sources/inflows of resources</b>	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 40,123,264
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(8,607,195)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(10,003,280)
Payments to police and fire pension systems made by the State of Oklahoma are revenues for financial reporting purpose but not budgetary purposes	833,757
Accounts combined with the General Fund due to the implementation of GASB Statement 54 are revenues for financial reporting purposes but not budgetary purposes	129,478
<b><i>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</i></b>	<b>\$ 22,476,024</b>
<b>Uses/outflows of resources</b>	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	30,302,535
Differences - budget to GAAP:	
Payments to police and fire pension systems made by the State of Oklahoma are expenses for financial reporting purpose but not budgetary purposes	833,757
Account combined with the General Fund due to the implementation of GASB Statement 54 are expenditures for financial reporting purposes but not budgetary purposes	79,719
Other expenditures	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(15,209,518)
<b><i>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</i></b>	<b>\$ 16,006,493</b>

## BUDGETARY ACCOUNTING AND CONTROL

### Budget Law

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

- a. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 15 days prior to July 1.
- c. Subsequent to the public hearings but no later than seven days prior to July 1, the budget is adopted by resolution of the City Council.
- d. By July 1, the adopted budget is filed with the Office of State Auditor and Inspector.

All funds of the city with revenues and expenditures are required to have annual budgets under this section of the state law, except funds of public trusts or authorities. The legal level of control at which expenditures may not legally exceed appropriations is the department within a fund. The Budget Act recognizes the following object categories of control by department within a fund: Personal Services, Materials and Supplies, Other Services and Charges, Capital Outlay, Debt Service, and Interfund Transfers.

Transfers of appropriations between departments and supplemental appropriations require City Council approval. The City Manager may transfer appropriations between object categories within a department without City Council approval. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector. The City's actual spending did not exceed appropriations in the current year.

### *Budgetary Accounting*

The annual operating budgets of the General Fund are prepared and presented on the modified accrual basis of accounting for revenues and on the cash basis for expenditures, excluding internal service account activity of the General Fund.

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

**Schedule of Changes in Total OPEB Liability and Related Ratios**  
Postemployment Health Insurance Implicit Rate Subsidy Plan

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 98,314	\$ 80,581	\$ 74,092	\$ 53,479	\$ 63,737	\$ 71,567
Interest	30,557	24,683	34,993	31,540	30,131	23,357
Differences between expected and actual experience	(107,926)	125,080	(43,887)	56,828	10,758	-
Changes in assumptions	(220,966)	72,434	65,213	40,526	(165,261)	(80,584)
Experience Gain/(Loss)	<u>(26,323)</u>	<u>(22,707)</u>	<u>(19,799)</u>	<u>(18,199)</u>	<u>(19,494)</u>	<u>(15,197)</u>
Net change in total OPEB liability	(226,344)	280,071	110,612	164,174	(80,129)	(857)
Total OPEB liability - beginning	<u>1,316,378</u>	<u>1,036,307</u>	<u>925,695</u>	<u>761,521</u>	<u>841,650</u>	<u>842,507</u>
Total OPEB liability - ending	<u>\$ 1,090,034</u>	<u>\$ 1,316,378</u>	<u>\$ 1,036,307</u>	<u>\$ 925,695</u>	<u>\$ 761,521</u>	<u>\$ 841,650</u>
Covered employee payroll	\$ 6,159,000	\$ 5,463,000	\$ 5,463,000	\$ 5,292,000	\$ 4,806,000	\$4,823,000
Total OPEB liability as a percentage of covered-employee payroll	17.70%	24.10%	18.97%	17.49%	15.85%	17.45%

**Notes to Schedule:**

\* Only six fiscal years are presented because 10-year data is not yet available.

1) The Plan has no assets that are accumulated in trust to pay related benefits for the OPEB plan.

## ***OTHER INFORMATION***

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

Such statements and schedules include:

- Combining Schedules – General Fund Accounts
- Budgetary Comparison Schedules – General Fund Accounts
- Combining Schedules – Non-major governmental funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Combining Schedules – Enterprise Fund Accounts
- Schedule of Federal Awards-
- Schedule of Revenue Bond Coverage



**City of Mustang  
Combining Balance Sheet  
General Fund Accounts  
June 30, 2023**

	General Fund	General Reserve Fund	Health Reimbursement	Library Fund	Total General Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,903,202	\$ 323,759	\$ 8,873	\$ 79,774	\$ 4,315,608
Investments	3,901,691	-	-	-	3,901,691
Due from other governments	2,342,416	-	-	-	2,342,416
Court fines receivable, net	475,416	-	-	-	475,416
Other receivables	167,132	-	-	1,788	168,920
Inventories	62,426	-	-	142	62,568
<b>Total assets</b>	<b>\$ 10,852,283</b>	<b>\$ 323,759</b>	<b>\$ 8,873</b>	<b>\$ 81,704</b>	<b>\$ 11,266,619</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 453,612	\$ -	\$ -	\$ 970	\$ 454,582
Accrued liabilities	220,942	-	4,784	-	225,726
Amounts held in escrow	32,817	-	-	-	32,817
<b>Total liabilities</b>	<b>707,371</b>	<b>-</b>	<b>4,784</b>	<b>970</b>	<b>713,125</b>
<b>DEFERRED INFLOWS</b>					
Unavailable revenue	378,419	-	-	38,932	417,351
<b>Fund balances:</b>					
<b>Reserved for:</b>					
Nonspendable	62,568	-	-	-	62,568
Assigned	-	-	4,089	-	4,089
Unassigned	9,703,925	323,759	-	41,802	10,069,486
<b>Total fund balances</b>	<b>9,766,493</b>	<b>323,759</b>	<b>4,089</b>	<b>41,802</b>	<b>10,136,143</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 10,852,283</b>	<b>\$ 323,759</b>	<b>\$ 8,873</b>	<b>\$ 81,704</b>	<b>\$ 11,266,619</b>

**City of Mustang  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
General Fund Accounts  
For the Year Ended June 30, 2023**

	General Fund	General Reserve Fund	Health Reimbursement	Library Fund	Total General Fund
<b>REVENUES</b>					
Taxes	\$ 18,257,078	\$ -	\$ -	\$ -	\$ 18,257,078
Intergovernmental	1,349,593	-	-	62,290	1,411,883
Charges for services	1,434,265	-	-	1,810	1,436,075
Fines and forfeitures	384,287	-	-	3,777	388,064
Licenses and permits	305,699	-	-	-	305,699
Investment income	130,817	4,312	251	1,146	136,526
Miscellaneous	526,911	-	2,850	10,938	540,699
Total revenues	<u>22,388,650</u>	<u>4,312</u>	<u>3,101</u>	<u>79,961</u>	<u>22,476,024</u>
<b>EXPENDITURES</b>					
Current:					
Administration	3,682,776	-	1,254	-	3,684,030
Culture and recreation	3,064,019	-	-	59,166	3,123,185
Community development	615,898	-	-	-	615,898
Public safety	8,277,234	-	-	-	8,277,234
Streets and drainage	216,129	-	-	-	216,129
Capital outlay	52,508	-	-	6,120	58,628
Debt service:					
Principal	30,355	-	-	-	30,355
Interest and fiscal charges	1,034	-	-	-	1,034
Total expenditures	<u>15,939,953</u>	<u>-</u>	<u>1,254</u>	<u>65,286</u>	<u>16,006,493</u>
Excess (deficiency) of revenues over expenditures	<u>6,448,697</u>	<u>4,312</u>	<u>1,847</u>	<u>14,675</u>	<u>6,469,531</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	9,946,104	-	-	-	9,946,104
Transfers out	(15,145,930)	-	-	-	(15,145,930)
Transfers in - interaccount	-	89,573	-	-	89,573
Transfers out - interaccount	(89,573)	-	-	-	(89,573)
Total other financing sources and uses	<u>(5,289,399)</u>	<u>89,573</u>	<u>-</u>	<u>-</u>	<u>(5,199,826)</u>
Net change in fund balances	1,159,298	93,885	1,847	14,675	1,269,705
Fund balances - beginning	8,607,195	229,874	2,242	27,127	8,866,438
Fund balances - ending	<u>\$ 9,766,493</u>	<u>\$ 323,759</u>	<u>\$ 4,089</u>	<u>\$ 41,802</u>	<u>\$ 10,136,143</u>

City of Mustang  
Budgetary Comparison Schedule  
General Fund Accounts  
For the Year Ended June 30, 2023

	General Reserve				Health Reimbursement				Library			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final			Original	Final		
<b>REVENUES</b>												
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,145	\$ 62,290	\$ (44,855)
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	2,000	3,900	3,777	(123)
Investment income	100	4,400	4,312	(88)	5	305	251	(54)	200	1,220	1,147	(73)
Miscellaneous	-	-	-	-	4,000	4,000	2,850	(1,150)	11,000	14,000	12,747	(1,253)
Total Revenues	100	4,400	4,312	(88)	4,005	4,305	3,101	(1,204)	13,200	126,265	79,961	(46,304)
<b>EXPENDITURES</b>												
Current:												
Administration	6,000	6,000	-	6,000	-	1,400	1,254	146	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	31,000	124,295	65,286	59,009
Total Expenditures	6,000	6,000	-	6,000	-	1,400	1,254	146	31,000	124,295	65,286	59,009
Revenues over (under) expenditures	(5,900)	(1,600)	4,312	5,912	4,005	2,905	1,847	(1,058)	(17,800)	1,970	14,675	12,705
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers in	85,000	90,000	89,573	(427)	-	-	-	-	-	-	-	-
Transfers out	(150,000)	(150,000)	-	150,000	(4,000)	(4,000)	-	4,000	-	-	-	-
Total other financing sources (uses)	(65,000)	(60,000)	89,573	149,573	(4,000)	(4,000)	-	4,000	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(70,900)	(61,600)	93,885	155,485	5	(1,095)	1,847	2,942	(17,800)	1,970	14,675	12,705
Fund balances - beginning	230,000	220,700	229,874	9,174	6,000	5,700	2,242	(3,458)	40,000	20,050	27,127	7,077
Fund balances - ending	\$ 159,100	\$ 159,100	\$ 323,759	\$ 164,659	\$ 6,005	\$ 4,605	\$ 4,089	\$ (516)	\$ 22,200	\$ 22,020	\$ 41,802	\$ 19,782

City of Mustang  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

	SPECIAL REVENUE										DEBT SERVICE	CAPITAL PROJECTS	Total Nonmajor Governmental Funds	
	Traffic Enforcement	Alcohol Law Enforcement	Impound Fee	Police Technology	Park Improvements	Street Improvement	Parks Donation	Personal Service 10%	Narcotics Enforcement	Juvenile	Opioid Settlement	Sinking Fund		Capital Excess
<b>ASSETS</b>														
Cash and cash equivalents	\$ 27,405	\$ 890	\$ 19,399	\$ 103,914	\$ 87,254	\$ 781,062	\$ 67,360	\$ 14,402	\$ 7,562	\$ 22,131	\$ 34,306	\$ 46,271	\$ 932,802	\$ 2,144,758
Investments	5,310	9,105	40,469	-	-	418,922	-	-	51,598	-	-	59,311	2,010,165	2,594,880
Receivables:														
Due from other governments	-	-	-	-	-	-	-	-	-	-	-	38,310	-	38,310
Other receivables	-	-	-	-	-	-	-	-	-	-	127,605	-	-	127,605
Total assets	<u>\$ 32,715</u>	<u>\$ 9,995</u>	<u>\$ 59,868</u>	<u>\$ 103,914</u>	<u>\$ 87,254</u>	<u>\$ 1,199,984</u>	<u>\$ 67,360</u>	<u>\$ 14,402</u>	<u>\$ 59,160</u>	<u>\$ 22,131</u>	<u>\$ 161,911</u>	<u>\$ 143,892</u>	<u>\$ 2,942,967</u>	<u>\$ 4,905,553</u>
<b>LIABILITIES AND FUND BALANCES</b>														
Liabilities:														
Accounts payable	\$ 1,120	\$ -	\$ -	\$ 1,180	\$ 2,895	\$ 27,972	\$ 4,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,723	\$ 209,524
Total liabilities	<u>1,120</u>	<u>-</u>	<u>-</u>	<u>1,180</u>	<u>2,895</u>	<u>27,972</u>	<u>4,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,723</u>	<u>209,524</u>
<b>DEFERRED INFLOWS</b>														
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	127,605	37,324	-	164,929
Fund balances:														
Restricted	31,595	9,995	59,868	102,734	-	-	62,726	-	59,160	22,131	34,306	106,568	-	489,083
Committed	-	-	-	-	84,359	1,172,012	-	14,402	-	-	-	-	2,771,244	4,042,017
Total fund balances	<u>31,595</u>	<u>9,995</u>	<u>59,868</u>	<u>102,734</u>	<u>84,359</u>	<u>1,172,012</u>	<u>62,726</u>	<u>14,402</u>	<u>59,160</u>	<u>22,131</u>	<u>34,306</u>	<u>106,568</u>	<u>2,771,244</u>	<u>4,531,100</u>
Total liabilities deferred inflows, and fund balances	<u>\$ 32,715</u>	<u>\$ 9,995</u>	<u>\$ 59,868</u>	<u>\$ 103,914</u>	<u>\$ 87,254</u>	<u>\$ 1,199,984</u>	<u>\$ 67,360</u>	<u>\$ 14,402</u>	<u>\$ 59,160</u>	<u>\$ 22,131</u>	<u>\$ 161,911</u>	<u>\$ 143,892</u>	<u>\$ 2,942,967</u>	<u>\$ 4,905,553</u>

City of Mustang  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

	SPECIAL REVENUE										DEBT SERVICE	CAPITAL PROJECTS	Total Nonmajor Governmental Funds	
	Traffic Enforcement	Alcohol Law Enforcement	Impound Fee	Police Technology	Park Improvements	Street Improvement	Parks Donation	Personal Service 10%	Narcotics Enforcement	Juvenile	Opioid Settlement	Sinking Fund		Capital Excess
<b>REVENUES</b>														
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,246	\$ -	\$ 271,246
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	6,050	-	-	-	-	-	-	-	-	6,050
Fines and forfeitures	37,154	1,230	25,300	45,499	-	-	-	-	12,444	11,412	-	-	-	133,039
Investment income	472	195	1,012	1,790	1,527	11,258	1,250	-	1,125	373	-	-	58,178	77,180
Miscellaneous	-	-	-	-	559	-	45,546	-	-	-	34,306	-	-	80,411
Total revenues	<u>37,626</u>	<u>1,425</u>	<u>26,312</u>	<u>47,289</u>	<u>8,136</u>	<u>11,258</u>	<u>46,796</u>	<u>-</u>	<u>13,569</u>	<u>11,785</u>	<u>34,306</u>	<u>271,246</u>	<u>58,178</u>	<u>567,926</u>
<b>EXPENDITURES</b>														
Current:														
General government	-	-	-	-	-	-	-	-	-	-	-	-	422	422
Public safety	58,900	264	-	71,476	-	-	-	-	866	-	-	-	-	131,506
Highways and roads	-	-	-	-	-	140,191	-	-	-	-	-	-	-	140,191
Culture and recreation	-	-	-	-	-	-	40,096	-	-	-	-	-	-	40,096
Capital Outlay	-	-	-	-	43,932	288,914	-	-	3,485	-	-	-	951,239	1,287,570
Debt Service:														
Principal	-	-	-	-	-	-	-	-	-	-	-	255,000	-	255,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	32,044	-	32,044
Total Expenditures	<u>58,900</u>	<u>264</u>	<u>-</u>	<u>71,476</u>	<u>43,932</u>	<u>429,105</u>	<u>40,096</u>	<u>-</u>	<u>4,351</u>	<u>-</u>	<u>-</u>	<u>287,044</u>	<u>951,661</u>	<u>1,886,829</u>
Excess (deficiency) of revenues over expenditures	<u>(21,274)</u>	<u>1,161</u>	<u>26,312</u>	<u>(24,187)</u>	<u>(35,796)</u>	<u>(417,847)</u>	<u>6,700</u>	<u>-</u>	<u>9,218</u>	<u>11,785</u>	<u>34,306</u>	<u>(15,798)</u>	<u>(893,483)</u>	<u>(1,318,903)</u>
<b>OTHER FINANCING SOURCES (USES)</b>														
Issuance of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	43,571	823,687	-	371,008	-	-	-	-	1,067,402	2,305,668
Transfers out	-	-	-	-	-	-	-	(371,008)	-	(4,924)	-	-	-	(375,932)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,571</u>	<u>823,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,924)</u>	<u>-</u>	<u>-</u>	<u>1,067,402</u>	<u>1,929,736</u>
Net change in fund balances	<u>(21,274)</u>	<u>1,161</u>	<u>26,312</u>	<u>(24,187)</u>	<u>7,775</u>	<u>405,840</u>	<u>6,700</u>	<u>-</u>	<u>9,218</u>	<u>6,861</u>	<u>34,306</u>	<u>(15,798)</u>	<u>173,919</u>	<u>610,833</u>
Fund balances - beginning	<u>52,869</u>	<u>8,834</u>	<u>33,556</u>	<u>126,921</u>	<u>76,584</u>	<u>766,172</u>	<u>56,026</u>	<u>14,402</u>	<u>49,942</u>	<u>15,270</u>	<u>-</u>	<u>122,366</u>	<u>2,597,325</u>	<u>3,920,267</u>
Fund balances - ending	<u>\$ 31,595</u>	<u>\$ 9,995</u>	<u>\$ 59,868</u>	<u>\$ 102,734</u>	<u>\$ 84,359</u>	<u>\$ 1,172,012</u>	<u>\$ 62,726</u>	<u>\$ 14,402</u>	<u>\$ 59,160</u>	<u>\$ 22,131</u>	<u>\$ 34,306</u>	<u>\$ 106,568</u>	<u>\$ 2,771,244</u>	<u>\$ 4,531,100</u>

City of Mustang  
Budgetary Comparison Schedule  
Major Governmental Fund  
For the Year Ended June 30, 2023

**CAPITAL PROJECTS-CAPITAL IMPROVEMENT**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	4,000	4,000	-
Fines and forfeitures	-	-	-	-
License and permits	-	-	-	-
Investment income	9,000	90,300	90,256	(44)
Miscellaneous	118,500	171,000	135,457	(35,543)
Total Revenues	<u>127,500</u>	<u>265,300</u>	<u>229,713</u>	<u>(35,587)</u>
<b>EXPENDITURES</b>				
Current:				
Administration	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Public safety	737,392	933,297	776,842	156,455
Streets and drainage	-	-	-	-
Capital outlay	1,735,108	2,008,144	1,116,011	892,133
Debt service	-	-	-	-
Total Expenditures	<u>2,472,500</u>	<u>2,941,441</u>	<u>1,892,853</u>	<u>1,048,588</u>
Revenues over (under) expenditures	<u>(2,345,000)</u>	<u>(2,676,141)</u>	<u>(1,663,140)</u>	<u>1,013,001</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,145,000	2,516,616	2,462,213	(54,403)
Transfers out	<u>(200,000)</u>	-	-	-
Total other financing sources (uses)	<u>1,945,000</u>	<u>2,516,616</u>	<u>2,462,213</u>	<u>(54,403)</u>
Revenues and other sources over (under) expenditures and other uses	(400,000)	(159,525)	799,073	958,598
Fund balances - beginning	3,000,000	3,050,133	3,792,673	742,540
Fund balances - ending	<u>\$ 2,600,000</u>	<u>\$ 2,890,608</u>	<u>\$ 4,591,746</u>	<u>\$ 1,701,138</u>

City of Mustang  
Budgetary Comparison Schedule  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

	SPECIAL REVENUE-TRAFFIC ENFORCEMENT				SPECIAL REVENUE-ALCOHOL LAW ENFORCEMENT			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Fines and forfeitures	50,000	50,000	37,154	(12,846)	2,000	2,000	1,230	(770)
License and permits	-	-	-	-	-	-	-	-
Investment income	50	50	472	422	10	210	195	(15)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	<u>50,050</u>	<u>50,050</u>	<u>37,626</u>	<u>(12,424)</u>	<u>2,010</u>	<u>2,210</u>	<u>1,425</u>	<u>(785)</u>
<b>EXPENDITURES</b>								
Current:								
Administration	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	67,580	61,080	58,900	2,180	4,000	264	264	-
Streets and drainage	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total Expenditures	<u>67,580</u>	<u>61,080</u>	<u>58,900</u>	<u>2,180</u>	<u>4,000</u>	<u>264</u>	<u>264</u>	<u>-</u>
Revenues over (under) expenditures	<u>(17,530)</u>	<u>(11,030)</u>	<u>(21,274)</u>	<u>(10,244)</u>	<u>(1,990)</u>	<u>1,946</u>	<u>1,161</u>	<u>(785)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>(17,530)</u>	<u>(11,030)</u>	<u>(21,274)</u>	<u>(10,244)</u>	<u>(1,990)</u>	<u>1,946</u>	<u>1,161</u>	<u>(785)</u>
Fund balances - beginning	50,000	49,575	52,869	3,294	8,000	7,800	8,834	1,034
Fund balances - ending	<u>\$ 32,470</u>	<u>\$ 38,545</u>	<u>\$ 31,595</u>	<u>\$ (6,950)</u>	<u>\$ 6,010</u>	<u>\$ 9,746</u>	<u>\$ 9,995</u>	<u>\$ 249</u>

City of Mustang  
Budgetary Comparison Schedule  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

	SPECIAL REVENUE-IMPOUND FEE				SPECIAL REVENUE-POLICE TECHNOLOGY			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Fines and forfeitures	25,000	28,000	25,300	(2,700)	60,000	60,000	45,499	(14,501)
License and permits	-	-	-	-	-	-	-	-
Investment income	20	1,070	1,012	(58)	50	2,150	1,790	(360)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	<u>25,020</u>	<u>29,070</u>	<u>26,312</u>	<u>(2,758)</u>	<u>60,050</u>	<u>62,150</u>	<u>47,289</u>	<u>(14,861)</u>
<b>EXPENDITURES</b>								
Current:								
Administration	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	14,500	-	-	-	72,150	71,677	71,476	201
Streets and drainage	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total Expenditures	<u>14,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,150</u>	<u>71,677</u>	<u>71,476</u>	<u>201</u>
Revenues over (under) expenditures	<u>10,520</u>	<u>29,070</u>	<u>26,312</u>	<u>(2,758)</u>	<u>(12,100)</u>	<u>(9,527)</u>	<u>(24,187)</u>	<u>(14,660)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	10,520	29,070	26,312	(2,758)	(12,100)	(9,527)	(24,187)	(14,660)
Fund balances - beginning	35,000	30,950	33,556	2,606	135,000	132,900	126,921	(5,979)
Fund balances - ending	<u>\$ 45,520</u>	<u>\$ 60,020</u>	<u>\$ 59,868</u>	<u>\$ (152)</u>	<u>\$ 122,900</u>	<u>\$ 123,373</u>	<u>\$ 102,734</u>	<u>\$ (20,639)</u>



City of Mustang  
Budgetary Comparison Schedule  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

	SPECIAL REVENUE-PARK IMPROVEMENTS				SPECIAL REVENUE-STREET IMPROVEMENT			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Fines and forfeitures	50,000	50,000	38,486	(11,514)	-	-	-	-
License and permits	15,000	15,000	6,050	(8,950)	-	-	-	-
Investment income	50	1,650	1,527	(123)	3,000	11,300	11,258	(42)
Miscellaneous	-	560	559	(1)	-	-	-	-
Total Revenues	<u>65,050</u>	<u>67,210</u>	<u>46,622</u>	<u>(20,588)</u>	<u>3,000</u>	<u>11,300</u>	<u>11,258</u>	<u>(42)</u>
<b>EXPENDITURES</b>								
Current:								
Administration	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Streets and drainage	-	-	-	-	385,046	827,503	429,105	398,398
Capital outlay	47,000	67,600	43,932	23,668	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total Expenditures	<u>47,000</u>	<u>67,600</u>	<u>43,932</u>	<u>23,668</u>	<u>385,046</u>	<u>827,503</u>	<u>429,105</u>	<u>398,398</u>
Revenues over (under) expenditures	<u>18,050</u>	<u>(390)</u>	<u>2,690</u>	<u>3,080</u>	<u>(382,046)</u>	<u>(816,203)</u>	<u>(417,847)</u>	<u>398,356</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	6,000	6,000	5,085	(915)	186,000	836,000	823,687	(12,313)
Transfers out	-	-	-	-	(152,225)	(152,225)	-	152,225
Total other financing sources (uses)	<u>6,000</u>	<u>6,000</u>	<u>5,085</u>	<u>(915)</u>	<u>33,775</u>	<u>683,775</u>	<u>823,687</u>	<u>139,912</u>
Revenues and other sources over (under) expenditures and other uses	24,050	5,610	7,775	2,165	(348,271)	(132,428)	405,840	538,268
Fund balances - beginning	60,000	87,840	76,584	(11,256)	900,000	272,412	766,172	493,760
Fund balances - ending	<u>\$ 84,050</u>	<u>\$ 93,450</u>	<u>\$ 84,359</u>	<u>\$ (9,091)</u>	<u>\$ 551,729</u>	<u>\$ 139,984</u>	<u>\$ 1,172,012</u>	<u>\$ 1,032,028</u>

City of Mustang  
Budgetary Comparison Schedule  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

	SPECIAL REVENUE-PARK DONATION FUND				SPECIAL REVENUE-PERSONAL SERVICE 10%			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
License and permits	-	-	-	-	-	-	-	-
Investment income	25	1,325	1,250	(75)	-	-	-	-
Miscellaneous	45,300	50,200	45,546	(4,654)	-	-	-	-
Total Revenues	45,325	51,525	46,796	(4,729)	-	-	-	-
<b>EXPENDITURES</b>								
Current:								
Administration	-	-	-	-	-	-	-	-
Culture and recreation	18,190	77,299	40,096	37,203	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Streets and drainage	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total Expenditures	18,190	77,299	40,096	37,203	-	-	-	-
Revenues over (under) expenditures	27,135	(25,774)	6,700	32,474	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	350,000	375,000	371,009	(3,991)
Transfers out	-	-	-	-	(350,000)	(375,000)	(371,009)	3,991
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	27,135	(25,774)	6,700	32,474	-	-	-	-
Fund balances - beginning	53,000	51,800	56,026	4,226	80,000	55,000	14,402	(40,598)
Fund balances - ending	\$ 80,135	\$ 26,026	\$ 62,726	\$ 36,700	\$ 80,000	\$ 55,000	\$ 14,402	\$ (40,598)

City of Mustang  
Budgetary Comparison Schedule  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

	SPECIAL REVENUE-NARCOTICS ENFORCEMENT				SPECIAL REVENUE-JUVENILE			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Fines and forfeitures	10,000	15,000	12,444	(2,556)	15,000	15,000	11,412	(3,588)
License and permits	-	-	-	-	-	-	-	-
Investment income	50	1,200	1,125	(75)	10	510	373	(137)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	<u>10,050</u>	<u>16,200</u>	<u>13,569</u>	<u>(2,631)</u>	<u>15,010</u>	<u>15,510</u>	<u>11,785</u>	<u>(3,725)</u>
<b>EXPENDITURES</b>								
Current:								
Administration	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	33,420	28,521	4,351	24,170	-	-	-	-
Streets and drainage	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total Expenditures	<u>33,420</u>	<u>28,521</u>	<u>4,351</u>	<u>24,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(23,370)</u>	<u>(12,321)</u>	<u>9,218</u>	<u>21,539</u>	<u>15,010</u>	<u>15,510</u>	<u>11,785</u>	<u>(3,725)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(5,000)	(5,000)	(4,924)	76
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(4,924)</u>	<u>76</u>
Revenues and other sources over (under) expenditures and other uses	(23,370)	(12,321)	9,218	21,539	10,010	10,510	6,861	(3,649)
Fund balances - beginning	50,000	43,850	49,942	6,092	18,000	17,500	15,270	(2,230)
Fund balances - ending	<u>\$ 26,630</u>	<u>\$ 31,529</u>	<u>\$ 59,160</u>	<u>\$ 27,631</u>	<u>\$ 28,010</u>	<u>\$ 28,010</u>	<u>\$ 22,131</u>	<u>\$ (5,879)</u>

City of Mustang  
Budgetary Comparison Schedule  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

	CAPITAL PROJECTS-CAPITAL EXCESS				DEBT SERVICE SINKING FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 283,000	\$ 313,000	\$ 271,246	\$ (41,754)
Intergovernmental	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
License and permits	-	-	-	-	-	-	-	-
Investment income	7,000	62,000	58,178	(3,822)	1,000	4,500	-	(4,500)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	<u>7,000</u>	<u>62,000</u>	<u>58,178</u>	<u>(3,822)</u>	<u>284,000</u>	<u>317,500</u>	<u>271,246</u>	<u>(46,254)</u>
<b>EXPENDITURES</b>								
Current:								
Administration	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	1,044,775	1,065,569	951,661	113,908	-	-	-	-
Streets and drainage	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	500	500	-	500	287,044	287,044	287,044	-
Total Expenditures	<u>1,045,275</u>	<u>1,066,069</u>	<u>951,661</u>	<u>114,408</u>	<u>287,044</u>	<u>287,044</u>	<u>287,044</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,038,275)</u>	<u>(1,004,069)</u>	<u>(893,483)</u>	<u>110,586</u>	<u>(3,044)</u>	<u>30,456</u>	<u>(15,798)</u>	<u>(46,254)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	820,000	1,103,000	1,067,402	(35,598)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>820,000</u>	<u>1,103,000</u>	<u>1,067,402</u>	<u>(35,598)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	(218,275)	98,931	173,919	74,988	(3,044)	30,456	(15,798)	(46,254)
Fund balances - beginning	2,600,000	2,262,000	2,597,325	335,325	200,000	166,500	122,366	(44,134)
Fund balances - ending	<u>\$ 2,381,725</u>	<u>\$ 2,360,931</u>	<u>\$ 2,771,244</u>	<u>\$ 410,313</u>	<u>\$ 196,956</u>	<u>\$ 196,956</u>	<u>\$ 106,568</u>	<u>\$ (90,388)</u>

City of Mustang  
Statement of Net Position  
Combining Schedule of Accounts of the MIA  
June 30, 2023

	Mustang Improvement Authority	MIA Reserve	Sewer Impact	2016 Revenue Note	2017 Revenue Note	2020A Revenue Note	2020 Revenue Note	Utility Deposit	Total Mustang Improvement Authority
<b>ASSETS</b>									
Current assets:									
Cash and cash equivalents	\$ 4,730,524	\$ 858,656	\$ 110,380	\$ -	\$ -	\$ -	\$ -	\$ 1,250	\$ 5,700,810
Restricted cash and cash equivalents	3,195,922	-	68,633	404,182	362,995	101,613	13,891	51,257	4,198,493
Investments	4,286,424	-	878,747	-	-	-	-	-	5,165,171
Restricted investments	-	-	-	-	-	-	-	509,803	509,803
Accounts receivable, net	1,188,446	-	-	-	-	-	-	-	1,188,446
Due from other funds - interaccount	-	34,947	-	-	-	-	-	-	34,947
Due from other governments	71,819	-	-	-	-	-	-	-	71,819
Other receivable	11,692	-	-	-	-	-	-	-	11,692
Inventory	57,018	-	-	-	-	-	-	-	57,018
Total current assets	13,541,845	893,603	1,057,760	404,182	362,995	101,613	13,891	562,310	16,938,199
Non-current assets:									
Land and construction in progress	1,963,640	-	-	-	-	-	-	-	1,963,640
Other capital assets, net of depreciation	33,776,620	-	-	-	-	-	-	-	33,776,620
Total non-current assets	35,740,260	-	-	-	-	-	-	-	35,740,260
Total assets	49,282,105	893,603	1,057,760	404,182	362,995	101,613	13,891	562,310	52,678,459
<b>DEFERRED OUTFLOW OF RESOURCES:</b>									
Unamortized asset retirement obligation	2,596,240	-	-	-	-	-	-	-	2,596,240
<b>LIABILITIES</b>									
Current liabilities:									
Accounts payable	685,582	16,204	-	-	-	-	-	-	701,786
Due to other funds - interaccount	34,947	-	-	-	-	-	-	-	34,947
Accrued interest payable	-	-	13,263	59,783	59,409	3,646	6,570	-	142,671
Refundable deposits	-	-	-	-	-	-	-	56,231	56,231
Notes payable, current portion	-	-	217,387	1,015,000	895,000	1,066,000	70,000	-	3,263,387
Total current liabilities	720,529	16,204	230,650	1,074,783	954,409	1,069,646	76,570	56,231	4,199,022
Non-current liabilities:									
Deposits subject to refund	-	-	-	-	-	-	-	506,079	506,079
Asset retirement obligation	2,765,560	-	-	-	-	-	-	-	2,765,560
Notes payable	-	-	1,442,489	7,190,000	6,440,000	2,175,000	3,776,000	-	21,023,489
Total non-current liabilities	2,765,560	-	1,442,489	7,190,000	6,440,000	2,175,000	3,776,000	506,079	24,295,128
Total liabilities	3,486,089	16,204	1,673,139	8,264,783	7,394,409	3,244,646	3,852,570	562,310	28,494,150
<b>NET POSITION</b>									
Net investment in capital assets	38,936,182	-	(1,659,876)	(8,205,000)	(7,335,000)	(3,241,000)	(3,846,000)	-	14,649,306
Restricted for debt service	-	-	55,370	344,399	303,586	97,967	7,321	-	808,643
Unrestricted	9,456,074	877,399	989,127	-	-	-	-	-	11,322,600
Total net position	\$ 48,392,256	\$ 877,399	\$ (615,379)	\$ (7,860,601)	\$ (7,031,414)	\$ (3,143,033)	\$ (3,838,679)	\$ -	\$ 26,780,549

City of Mustang  
Statement of Revenues, Expenses and Changes in Net Position  
Combining Schedule of Accounts of the MIA  
For the Year Ended June 30, 2023

	Mustang Improvement Authority	MIA Reserve	Sewer Impact	2016 Revenue Note	2017 Revenue Note	2020A Revenue Note	2020 Revenue Note	Utility Deposit	Total Mustang Improvement Authority
<b>REVENUES</b>									
Charges for Service:									
Water charges	\$ 4,338,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,338,911
Sewer charges	2,514,990	-	-	-	-	-	-	-	2,514,990
Installations and connections	101,785	-	-	-	-	-	-	-	101,785
Penalties	180,455	-	-	-	-	-	-	-	180,455
Sanitation charges	2,730,975	-	-	-	-	-	-	-	2,730,975
Ambulance assessment	389,187	-	-	-	-	-	-	-	389,187
Sewer impact fees	-	-	116,000	-	-	-	-	-	116,000
Other	730,708	-	-	-	-	-	-	-	730,708
Total operating revenues	10,987,011	-	116,000	-	-	-	-	-	11,103,011
<b>OPERATING EXPENSES</b>									
Cost of goods sold	871,369	-	-	-	-	-	-	-	871,369
Operations and maintenance	5,053,543	340,533	1,000	-	-	-	-	-	5,395,076
Depreciation expense	1,557,934	-	-	-	-	-	-	-	1,557,934
Total operating expenses	7,482,846	340,533	1,000	-	-	-	-	-	7,824,379
Operating income (loss)	3,504,165	(340,533)	115,000	-	-	-	-	-	3,278,632
<b>NON-OPERATING REVENUES (EXPENSES)</b>									
Investment income	348,415	23,050	14,653	8,916	8,014	10,181	1,303	-	414,532
Miscellaneous	24	-	-	-	-	-	-	-	24
Grant revenue	31,095	-	-	-	-	-	-	-	31,095
Interest expense and fiscal charges	(750)	-	(44,897)	(187,212)	(185,933)	(55,223)	(81,757)	-	(555,772)
Capital assets purchased for governmental activities	(3,781,727)	-	-	-	-	-	-	-	(3,781,727)
Total non-operating revenue (expenses)	(3,402,943)	23,050	(30,244)	(178,296)	(177,919)	(45,042)	(80,454)	-	(3,891,848)
Net income (loss) before contributions and transfers	101,222	(317,483)	84,756	(178,296)	(177,919)	(45,042)	(80,454)	-	(613,216)
Capital contributions	967,675	-	-	-	-	-	-	-	967,675
Capital asset transfers from governmental	242,039	-	-	-	-	-	-	-	242,039
Transfers in - interaccount	88,560	658,043	258,228	1,186,530	1,066,917	1,106,023	147,255	-	4,511,556
Transfers out - interaccount	(4,322,996)	(88,560)	(100,000)	-	-	-	-	-	(4,511,556)
Transfers in	14,840,342	-	-	-	-	-	-	-	14,840,342
Transfers out	(14,032,465)	-	-	-	-	-	-	-	(14,032,465)
Change in net position	(2,115,623)	252,000	242,984	1,008,234	888,998	1,060,981	66,801	-	1,404,375
Total net position - beginning	50,507,879	625,399	(858,363)	(8,868,835)	(7,920,412)	(4,204,014)	(3,905,480)	-	25,376,174
Total net position - ending	\$ 48,392,256	\$ 877,399	\$ (615,379)	\$ (7,860,601)	\$ (7,031,414)	\$ (3,143,033)	\$ (3,838,679)	\$ -	\$ 26,780,549

Statement of Cash Flows  
Combining Schedule Accounts of the Mustang Improvement Authority (MIA)  
For the Year Ended June 30, 2023

Accounts of the Mustang Improvement Authority									
	Mustang Improvement Authority (MIA)	MIA Reserve	Sewer Impact	2016 Revenue Note	2017 Revenue Note	2020A Revenue Note	2020 Revenue Note	Utility Deposits	Total Mustang Improvement Authority
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Receipts from customers	\$ 11,846,257	\$ -	\$ 116,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,962,257
Payments to suppliers	(7,321,859)	(433,574)	(1,000)	-	-	-	-	-	(7,756,433)
Receipts of customer meter deposits	-	-	-	-	-	-	-	128,300	128,300
Refunds of customer meter deposits	-	-	-	-	-	-	-	(110,730)	(110,730)
Interfund receipts/payments	34,947	(34,947)	-	-	-	-	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>4,559,345</b>	<b>(468,521)</b>	<b>115,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,570</b>	<b>4,223,394</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>									
Assets purchased for and transferred to governmental activities	(1,927,595)	-	-	-	-	-	-	-	(1,927,595)
Transfers from other funds	14,840,342	-	-	-	-	-	-	-	14,840,342
Transfers to other funds	(14,032,465)	-	-	-	-	-	-	-	(14,032,465)
Transfers from other funds - interaccount	-	658,043	258,228	1,186,530	1,066,917	1,106,023	147,255	-	4,422,996
Transfers to other funds - interaccount	(4,322,996)	-	(100,000)	-	-	-	-	-	(4,422,996)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(5,442,714)</b>	<b>658,043</b>	<b>158,228</b>	<b>1,186,530</b>	<b>1,066,917</b>	<b>1,106,023</b>	<b>147,255</b>	<b>-</b>	<b>(1,119,718)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Purchases of capital assets	(944,109)	(88,560)	-	-	-	-	-	-	(1,032,669)
Principal paid on debt	-	-	(211,442)	(990,000)	(875,000)	(1,051,000)	(65,000)	-	(3,192,442)
Interest and fiscal agent fees paid on debt	(750)	-	(46,786)	(194,425)	(193,020)	(56,406)	(81,868)	-	(573,255)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(944,859)</b>	<b>(88,560)</b>	<b>(258,228)</b>	<b>(1,184,425)</b>	<b>(1,068,020)</b>	<b>(1,107,406)</b>	<b>(146,868)</b>	<b>-</b>	<b>(4,798,366)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Purchase of investments	(568,600)	-	(9,318)	-	-	-	-	(8,559)	(586,477)
Interest and dividends	348,415	23,050	14,653	8,916	8,014	10,181	1,303	-	414,532
<b>Net cash provided by (used in) investing activities</b>	<b>(220,185)</b>	<b>23,050</b>	<b>5,335</b>	<b>8,916</b>	<b>8,014</b>	<b>10,181</b>	<b>1,303</b>	<b>(8,559)</b>	<b>(171,945)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,048,413)</b>	<b>124,012</b>	<b>20,335</b>	<b>11,021</b>	<b>6,911</b>	<b>8,798</b>	<b>1,690</b>	<b>9,011</b>	<b>(1,866,635)</b>
<b>Balances - beginning of year</b>	<b>9,974,859</b>	<b>734,644</b>	<b>158,678</b>	<b>393,161</b>	<b>356,084</b>	<b>92,815</b>	<b>12,201</b>	<b>43,496</b>	<b>11,765,938</b>
<b>Balances - end of year</b>	<b>\$ 7,926,446</b>	<b>\$ 858,656</b>	<b>\$ 179,013</b>	<b>\$ 404,182</b>	<b>\$ 362,995</b>	<b>\$ 101,613</b>	<b>\$ 13,891</b>	<b>\$ 52,507</b>	<b>\$ 9,899,303</b>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

SCHEDULE OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Agency Grantor/Program Title	Federal AL Number	Entity Identifying Number	Contract Amount	Contract Expenditures
<b>FEDERAL AWARDS:</b>				
<u>U. S. DEPARTMENT OF JUSTICE:</u>				
Bulletproof Vest Partnership Program	16.607	2020	\$ 3,040	\$ 790
Total US Department of Justice			3,040	790
Institute of Museum and Library Services: <i>Passed through the Oklahoma Department of Libraries:</i>				
Healthy Literacy	45.310	F-22-049	9,000	8,871
American Rescue Plan	45.310		5,895	5,883
			14,895	14,754
<u>U. S. DEPARTMENT OF THE TREASURY:</u>				
American Rescue Plan	21.027	ARPA	4,028,919	151,875
Total US Department of the Treasury			4,028,919	151,875
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 4,046,854</b>	<b>\$ 167,419</b>

**Note 1. Basis of Presentation**

This schedule includes the federal grant activity of the City of Mustang, Oklahoma under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the City of Mustang, Oklahoma, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Mustang, Oklahoma.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting which may be different from other information contained in the City's financial statements.

**Note 3. De Minimis Indirect Cost Rate**

The 10% de minimis indirect cost rate as covered in 2 CFR section 200.414 of the *Uniform Guidance* was not used as the programs listed above were not eligible for indirect cost reimbursement.



**MUSTANG IMPROVEMENT AUTHORITY  
SCHEDULE OF REVENUE BOND DEBT SERVICE COVERAGE  
YEAR ENDED JUNE 30, 2023**

Gross Revenue Available for Debt Service:	
Operating Revenues (1)	\$ 7,327,052
Investment Income	414,532
Sales Tax Revenues (2)	<u>14,840,342</u>
Total Gross Revenues Available	<u>22,581,926</u>
Authority Operating Expenses (3)	<u>4,602,608</u>
Net Revenue Available for Debt Service	<u><u>\$ 17,979,318</u></u>
Average Annual Debt Service Requirements for Term:	
2016 Revenue Note	1,133,522
2017 Revenue Note	1,023,612
2020 Revenue Note	344,015
2020A Revenue Note	1,121,789
OWRB Loan	<u>251,993</u>
Total Average Annual Debt Service	<u><u>\$ 3,874,931</u></u>
Computed Coverage	<u><u>4.64</u></u>
Coverage Requirement - Revenue Bond Indenture	<u><u>1.25</u></u>

(1) Operating revenues of the system per the bond indenture only include water and sanitary sewer charges.

(2) Includes entire amount pledged, MIA only retains two-cents.

(3) Excludes amortization and depreciation.

## ***Statistical Section***

## *Statistical Section*

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

*Financial Trends* – These schedules contain trend information to help the reader understand how the city’s financial performance and well-being have changed over time. (Table 1-4)

*Revenue Capacity* – These schedules contain information to help the reader assess the city’s most significant local revenue sources, property tax and sales tax. (Table 5-11)

*Debt Capacity* – These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future. (Table 12-16)

*Demographic and Economic Information* – These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place. (Table 17-18)

*Operating Information* – These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs. (Table 19-21)

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years and data maintained by each department of the city.

THE CITY OF MUSTANG, OKLAHOMA  
 NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS

Table 1

Description	Fiscal Year									
	2023	2022	2021	2020	2019	2018 (4)	2017	2016	2015 (3)	2014
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 44,701,305	\$ 42,196,259	\$ 37,589,450	\$ 35,730,945	\$ 26,684,117	\$ 25,352,063	\$ 25,186,796	\$ 26,859,002	\$ 26,881,707	\$ 26,998,281
Restricted for (by):										
Enabling legislation	629,841	287,392	241,328	193,876	184,337	189,032	203,458	216,775	240,457	244,698
External Contracts	398,737	151,681	162,461	-	-	-	-	-	154,257	398,584
Unrestricted	13,820,567	11,488,883	6,189,202	4,784,401	7,739,865	2,496,901	1,670,647	466,496	467,928	6,137,408
Total Governmental Activities Net Position	59,550,450	54,124,215	44,182,441	40,709,222	34,608,319	28,037,996	27,060,901	27,542,273	27,744,349	33,778,971
<b>Business-type Activities:</b>										
Net investment in capital assets	14,649,306	15,980,881	19,121,544	17,641,399	24,140,156	22,040,351	18,466,270	12,899,630	10,184,873	16,339,447
Restricted for:	-	-	-	-	-	-	-	-	-	-
External Contracts	808,643	761,070	761,047	918,536	699,476	671,739	1,297,995	7,512,667	8,074,593	377,268
Unrestricted	11,322,600	8,634,223	7,494,655	6,082,898	821,219	4,566,308	4,889,402	1,199,008	(995,226)	(3,194,127)
Total Business-type Activities Net Position	26,780,549	25,376,174	27,377,246	24,642,833	25,660,851	27,278,398	24,653,667	21,611,305	17,264,240	13,522,588
<b>Primary Government:</b>										
Net investment in capital assets	59,350,611	58,177,140	56,710,994	53,372,344	50,824,273	41,767,414	38,028,066	34,133,632	31,441,580	35,597,728
Restricted for:										
Enabling legislation	629,841	287,392	241,328	193,876	184,337	189,032	203,458	216,775	240,457	244,698
External Contracts	1,207,380	912,751	923,508	918,536	699,476	671,739	1,297,995	7,512,667	8,228,850	775,852
Unrestricted	25,143,167	20,123,106	13,683,857	10,867,299	8,561,084	12,688,209	12,185,049	7,290,504	5,097,702	10,683,281
Total Primary Government Net Position (1)	\$ 86,330,999	\$ 79,500,389	\$ 71,559,687	\$ 65,352,055	\$ 60,269,170	\$ 55,316,394	\$ 51,714,568	\$ 49,153,578	\$ 45,008,589	\$ 47,301,559

(1) See Table 2 for changes in net position from year to year.  
 (2) The City implemented GASB 54 in FY 2011 (Fund Balance Classification)  
 (3) The City implemented GASB 68 in FY2015 (Accounting and Reporting for Pensions)  
 (4) The City implemented GASB 75 in FY2018 (OPEB)

**THE CITY OF MUSTANG, OKLAHOMA**  
**CHANGES IN NET POSITION**  
LAST TEN FISCAL YEARS

**Table 2**  
**page 1 of 2**

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses</b>										
<i>Governmental Activities:</i>										
Administration	\$ 3,893,307	\$ 3,410,678	\$ 4,030,060	\$ 3,331,538	\$ 3,453,943	\$ 3,328,631	\$ 2,863,226	\$ 2,999,583	\$ 4,453,726	\$ 2,679,868
Culture and recreation:	4,308,256	3,994,653	3,812,935	3,651,393	3,618,650	3,564,770	3,567,937	3,228,708	2,390,411	2,186,150
Community Development	646,926	489,358	541,674	522,978	501,522	510,685	610,420	495,420	459,637	555,401
Public safety	9,411,369	7,012,416	8,883,011	8,028,420	6,334,290	6,678,311	6,254,011	5,478,257	5,293,939	5,715,201
Streets and Drainage	3,270,103	2,343,282	1,412,632	1,082,056	1,118,140	1,097,100	1,238,504	1,263,980	1,088,969	791,460
Interest on long-term debt	88,153	96,690	93,967	59,819	53,550	48,825	51,042	62,404	70,400	80,226
Total governmental activities expenses	21,618,114	17,347,077	18,774,299	16,676,204	15,080,095	15,228,322	14,585,140	13,528,352	13,757,082	12,008,306
<i>Business-type activities:</i>										
Water operations	4,402,301	4,323,904	4,039,710	3,680,461	2,942,314	2,622,410	2,724,897	2,227,930	2,191,631	2,181,575
Wastewater operations	1,938,366	2,261,712	2,050,300	1,699,943	1,541,879	1,697,216	1,422,103	1,051,416	1,870,256	2,026,568
Solid waste operations	1,389,086	1,286,320	6,325,670	1,125,285	1,074,503	1,038,627	1,042,476	2,741,908	964,095	1,234,414
Ambulance	276,853	201,608	141,036	138,148	134,176	197,112	155,336	147,636	157,704	195,876
Interest on general long-term debt for governmental act.	373,545	414,939	473,466	500,694	537,299	1,367,881	773,043	388,258	398,815	853,719
Total business-type activities expenses	8,380,151	8,488,483	13,030,182	7,144,531	6,230,171	6,923,246	6,117,855	6,557,148	5,582,501	6,492,152
Total primary government expenses	29,998,265	25,835,560	31,804,481	23,820,735	21,310,266	22,151,568	20,702,995	20,085,500	19,339,583	18,500,458
<b>Program Revenues</b>										
<i>Governmental Activities:</i>										
<i>Charges for Services</i>										
Administration	-	-	-	-	1,043,807	-	-	-	-	-
Culture and recreation:	1,456,388	1,345,401	1,109,515	957,080	1,030,473	1,015,256	898,007	828,175	851,776	
Community Development	281,477	397,926	303,305	289,377	348,835	292,651	206,107	317,749	264,257	270,059
Public safety	836,322	865,320	826,151	602,752	782,175	614,028	411,004	531,713	571,153	472,607
Operating Grants and Contributions	1,236,159	912,580	3,232,086	848,007	838,965	778,632	629,574	664,784	1,496,615	660,106
Capital Grants and Contributions	682,854	552,679	1,460,365	32,683	-	38,798	310,680	-	-	961,651
Total governmental activities program revenues	4,493,200	4,073,906	6,931,422	2,729,899	3,013,782	2,754,582	2,572,621	2,412,253	3,160,200	3,216,199
<i>Business-type Activities:</i>										
Water operations	4,440,696	4,183,523	3,913,717	3,927,800	3,277,742	3,678,450	3,361,715	3,294,558	2,917,281	2,830,188
Wastewater operations	2,630,990	2,512,643	2,291,420	2,222,085	2,288,739	2,125,571	2,045,271	2,012,659	1,922,576	1,774,876
Solid waste operations	2,820,220	2,613,671	2,554,384	2,335,465	2,103,559	2,398,012	2,048,241	1,959,307	1,915,451	2,288,466
Ambulance	389,187	375,221	354,997	344,111	289,390	244,414	239,426	236,848	234,860	232,232
Operating Grants and Contributions	-	800,823	3,819,083	-	-	-	-	1,555,797	-	-
Capital Grants and Contributions	998,770	604,644	1,420,137	-	-	-	-	-	-	-
Total business-type activities program revenues	11,279,863	11,090,525	14,353,738	8,829,461	7,959,430	8,446,447	7,694,653	9,059,169	6,990,168	7,125,762
Total primary government program revenues	15,773,063	15,164,431	21,285,160	11,559,360	10,973,212	11,201,029	10,267,274	11,471,422	10,150,368	10,341,961

**THE CITY OF MUSTANG, OKLAHOMA**  
**CHANGES IN NET POSITION**  
LAST TEN FISCAL YEARS

**Table 2**  
**page 2 of 2**

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Net (Expenses) Revenues (1)</b>										
<i>Governmental Activities</i>	\$ (17,124,914)	\$ (13,273,171)	\$ (11,842,877)	\$ (13,946,305)	\$ (12,066,313)	\$ (12,473,740)	\$ (12,012,519)	\$ (11,116,099)	\$ (10,596,882)	\$ (8,792,107)
<i>Business-type Activities</i>	2,899,712	2,602,042	1,323,556	1,684,930	1,729,259	1,523,201	1,576,798	2,502,021	1,407,667	633,610
Total Primary Government Net (Expenses)	(14,225,202)	(10,671,129)	(10,519,321)	(12,261,375)	(10,337,054)	(10,950,539)	(10,435,721)	(8,614,078)	(9,189,215)	(7,936,772)
<b>General Revenues and Other Changes in Net Position</b>										
<i>Governmental Activities:</i>										
<i>Taxes:</i>										
Sales and use taxes	17,254,305	15,962,062	14,272,135	12,970,045	12,373,676	11,383,884	10,706,270	10,327,396	10,187,816	9,616,128
Franchise and public service taxes	961,631	874,102	795,630	1,086,671	1,129,553	1,131,556	1,102,695	1,077,544	1,096,543	1,050,963
E-911 taxes	274,141	281,685	43,548	41,406	43,372	60,206	5,569	5,474	5,238	5,271
Intergovernmental revenue	517,017	406,119	543,172	433,693	392,166	407,623	395,023	390,354	407,182	363,014
Investment Income	398,847	31,287	42,924	82,959	71,852	33,049	24,407	22,810	18,559	21,087
Miscellaneous	413,397	243,862	277,029	630,841	288,403	1,083,565	278,204	426,114	538,049	377,238
Transfers - Internal Activity	2,731,811	5,415,828	(658,343)	4,801,593	4,337,614	(426,728)	(981,011)	(1,335,669)	(1,912,697)	(965,487)
Total Governmental Activities	22,551,149	23,214,945	15,316,095	20,047,208	18,636,636	13,673,155	11,531,147	10,914,023	10,340,690	10,468,214
<i>Business-type Activities:</i>										
Intergovernmental revenue	-	-	-	-	-	-	-	-	3,596	-
Investment Income	414,532	28,285	31,455	264,715	473,595	204,696	29,130	21,878	7,273	16,674
Miscellaneous (5)	821,942	784,429	721,060	1,833,930	517,213	470,106	455,423	487,497	414,015	147,169
Transfers - Internal Activity	(2,731,811)	(5,415,828)	658,342	(4,801,593)	(4,337,614)	426,728	981,011	1,335,669	1,912,697	965,487
Total Business-type Activities	(1,495,337)	(4,603,114)	1,410,857	(2,702,948)	(3,346,806)	1,101,530	1,465,564	1,845,044	2,337,581	1,129,330
Total Primary Government	21,055,812	18,611,831	16,726,952	17,344,260	15,289,830	14,774,685	12,996,711	12,759,067	12,678,271	11,597,544
<b>Change in Net Position (3)</b>										
<i>Governmental Activities</i>	5,426,235	9,941,774	3,473,218	6,100,903	6,570,323	1,199,415	(481,372)	(256,192)	1,676,107	447,459
<i>Business-type Activities</i>	1,404,375	(2,001,072)	2,734,413	(1,018,018)	(1,617,547)	2,624,731	3,042,362	3,741,652	1,766,536	1,844,416
<b>Total Primary Government (2)</b>	\$ 6,830,610	\$ 7,940,702	\$ 6,207,631	\$ 5,082,885	\$ 4,952,776	\$ 3,824,146	\$ 2,560,990	\$ 3,485,460	\$ 3,442,643	\$ 1,533,875

**THE CITY OF MUSTANG, OKLAHOMA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 LAST TEN FISCAL YEARS

**Table 3**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Fund:</b>										
Nonspendable	\$ 62,568	\$ 63,109	\$ 47,900	\$ 50,877	\$ 84,979	\$ 59,634	\$ 56,274	\$ 52,027	\$ 41,925	\$ 40,036
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	74,597	1,029,525	1,102,550	546,167	580,000
Assigned	4,089	2,242	4,320	70,288	151,556	1,409	1,144	162,934	177,250	376,512
Unreserved/Unassigned	10,069,486	8,801,087	7,048,426	5,244,410	4,157,881	3,767,302	2,472,814	2,129,528	2,678,631	2,499,445
<b>Total General Fund</b>	<b>10,136,143</b>	<b>8,866,438</b>	<b>7,100,646</b>	<b>5,365,575</b>	<b>4,394,416</b>	<b>3,902,942</b>	<b>3,559,757</b>	<b>3,447,039</b>	<b>3,443,973</b>	<b>3,495,993</b>
<b>Other Governmental Funds:</b>										
Nonspendable	-	4,745	-	-	-	-	-	-	-	-
Restricted	586,744	468,560	431,581	193,876	184,337	189,032	203,458	216,775	394,714	643,282
Committed	8,633,763	7,242,411	5,151,635	4,164,762	3,163,430	2,469,906	1,753,465	2,239,971	2,463,465	2,633,512
Assigned	-	-	-	233,376	218,946	120,836	38,511	79,983	175,767	71,820
Unreserved/Unassigned	-	-	-	-	-	-	-	37	37	-
<b>Total Other Governmental Funds</b>	<b>9,220,507</b>	<b>7,715,716</b>	<b>5,583,216</b>	<b>4,592,014</b>	<b>3,566,713</b>	<b>2,779,774</b>	<b>1,995,434</b>	<b>2,536,766</b>	<b>3,033,983</b>	<b>3,348,614</b>
<b>Total Governmental Funds</b>	<b>19,356,650</b>	<b>16,582,154</b>	<b>12,683,862</b>	<b>9,957,589</b>	<b>7,961,129</b>	<b>6,682,716</b>	<b>5,555,191</b>	<b>5,983,805</b>	<b>6,477,956</b>	<b>6,844,607</b>

**THE CITY OF MUSTANG, OKLAHOMA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 LAST TEN FISCAL YEARS

**Table 4**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues:</b>										
Taxes (1)	\$18,528,324	\$17,150,196	\$15,362,796	\$14,098,122	\$13,500,753	\$12,498,945	\$11,808,692	\$11,414,279	\$11,289,598	\$10,671,800
Intergovernmental	1,567,758	1,394,263	3,290,897	656,344	500,048	506,627	446,236	523,744	1,971,612	1,407,842
Charges for services	1,436,075	1,318,278	1,081,123	938,580	1,043,807	999,201	1,015,256	898,007	828,175	270,059
Fines and forfeitures	521,103	508,209	601,733	609,722	726,879	625,683	421,011	502,660	565,697	851,776
Licenses and permits	311,749	436,257	336,873	309,942	348,834	301,452	206,107	317,749	264,257	474,728
Investment income	398,847	31,287	42,924	82,959	66,091	29,900	21,814	20,304	16,387	18,405
Miscellaneous	756,567	526,493	545,003	630,841	460,533	467,635	307,086	308,102	494,040	345,044
<b>Total Revenues</b>	<b>\$23,520,423</b>	<b>\$21,364,983</b>	<b>\$21,261,349</b>	<b>\$17,326,510</b>	<b>\$16,646,945</b>	<b>\$15,429,443</b>	<b>\$14,226,202</b>	<b>\$13,984,845</b>	<b>\$15,429,766</b>	<b>\$14,039,654</b>
<b>Expenditures:</b>										
Current:										
Administration	3,684,452	3,314,938	3,889,814	3,146,072	3,118,957	2,897,264	2,570,993	2,757,277	4,021,356	2,292,428
Culture and recreation (2)	3,163,281	2,808,432	2,677,962	2,709,104	2,884,660	2,839,747	2,859,964	2,602,934	2,092,002	1,924,972
Community development	615,898	476,628	503,999	490,717	494,948	506,535	599,292	503,098	456,330	540,325
Public safety	8,408,740	7,669,789	7,015,627	6,257,226	5,959,118	5,561,352	5,235,387	5,029,007	5,194,260	5,298,949
Streets and drainage	356,320	548,051	283,546	304,217	362,470	384,908	572,450	614,579	402,124	268,115
Capital outlay	3,461,968	1,339,121	1,716,745	931,863	2,386,724	1,240,754	1,403,964	1,274,771	1,404,532	4,396,386
Debt service:										
Principal retirement	819,601	588,647	526,772	366,116	411,075	418,156	405,073	422,691	430,753	414,387
Interest and fiscal charges	87,510	94,994	94,283	47,506	52,285	52,153	54,964	63,419	72,268	82,282
<b>Total Expenditures</b>	<b>20,597,770</b>	<b>16,840,600</b>	<b>16,708,748</b>	<b>14,252,821</b>	<b>15,670,237</b>	<b>13,900,869</b>	<b>13,702,087</b>	<b>13,267,776</b>	<b>14,073,625</b>	<b>15,217,844</b>
Excess of revenues over(under) expenditures	\$2,922,653	\$4,524,383	\$4,552,601	\$3,073,689	\$976,708	\$1,528,574	\$524,115	\$717,069	\$1,356,141	(\$1,178,190)
<b>Other Financing Sources (Uses):</b>										
Transfers in	14,713,985	13,471,468	10,852,000	11,092,603	11,228,707	10,689,392	9,282,192	8,858,781	8,630,650	8,475,791
Transfers out	(15,521,862)	(14,308,918)	(13,155,523)	(12,169,821)	(12,366,248)	(11,316,570)	(10,370,003)	(10,194,420)	(10,543,347)	(9,441,297)
Issuance of debt	659,720	211,359	477,195	-	1,439,246	226,129	135,082	124,448	189,905	189,275
<b>Total Other Financing Sources (Uses)</b>	<b>(148,157)</b>	<b>(626,091)</b>	<b>(1,826,328)</b>	<b>(1,077,218)</b>	<b>301,705</b>	<b>(401,049)</b>	<b>(952,729)</b>	<b>(1,211,191)</b>	<b>(1,722,792)</b>	<b>(776,231)</b>
<b>Net change in fund balances</b>	<b>\$2,774,496</b>	<b>\$3,898,292</b>	<b>\$2,726,273</b>	<b>\$1,996,471</b>	<b>\$1,278,413</b>	<b>\$1,127,525</b>	<b>(\$428,614)</b>	<b>(\$494,122)</b>	<b>(\$366,651)</b>	<b>(\$1,954,421)</b>
Debt Service as a Percentage of Non-Capital Expenditures	5.09%	4.37%	4.07%	3.11%	3.49%	3.71%	3.74%	4.05%	3.97%	4.59%

(1) See Table 5 for additional tax detail.

**THE CITY OF MUSTANG, OKLAHOMA  
 TAX REVENUES BY SOURCE (1)**

LAST TEN FISCAL YEARS

**Table 5**

<b>Fiscal Year</b>	<b>Ad Valorem Tax (2)</b>	<b>Sales Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Hotel &amp; Franchise Tax (3)</b>	<b>Commercial Vehicle Tax</b>
2014	\$ 316,640	\$ 9,160,774	\$ 73,297	\$ 714,468	\$ 141,998
2015	318,525	9,766,692	75,830	783,216	144,843
2016	306,152	9,949,400	74,871	791,215	142,372
2017	287,029	10,226,927	78,974	804,332	138,367
2018	306,264	10,825,564	80,239	825,292	144,536
2019	288,320	11,437,794	103,917	830,410	150,553
2020	280,929	11,771,964	125,979	847,149	152,807
2021	282,357	12,514,567	137,966	808,304	168,021
2022	273,853	13,840,005	168,714	910,707	163,229
2023	271,246	14,929,448	174,153	999,201	153,543

<b>Fiscal Year</b>	<b>Fuel Tax</b>	<b>Use Tax</b>	<b>Telephone Tax</b>	<b>Tobacco Tax</b>	<b>Totals</b>
2014	\$ 33,602	\$ 351,964	\$ 5,336	\$ 107,735	\$ 10,905,814
2015	34,762	421,124	5,238	115,017	11,665,247
2016	37,887	377,996	4,838	118,282	11,803,013
2017	36,877	479,342	11,062	124,414	12,187,324
2018	38,751	558,320	60,207	124,268	12,963,441
2019	38,583	935,881	43,372	99,095	13,927,925
2020	38,738	1,198,081	41,406	109,828	14,566,881
2021	40,015	1,757,568	43,548	110,254	15,862,600
2022	36,112	2,122,057	3,574	111,969	17,630,220
2023	37,503	2,324,857	3,572	101,416	18,994,939

(1) This schedule reports using the modified accrual basis of accounting



**THE CITY OF MUSTANG, OKLAHOMA**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
 LAST TEN FISCAL YEARS

**Table 6**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Property</b>	<b>Total Assessed Value</b>	<b>Homestead &amp; Veterans Exemption</b>	<b>Net Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Total Mileage Levied</b>
2023	\$ 179,980,368	\$ 7,355,297	\$ 3,604,509	\$ 190,940,174	\$ 4,243,665	\$ 185,696,509	\$ 182,472,828	1.49
2022	168,570,815	6,690,770	3,529,091	178,790,676	4,264,832	174,525,844	171,005,095	1.60
2021	159,966,883	7,137,011	3,225,735	170,329,629	4,227,332	166,102,297	163,116,387	1.73
2020	149,649,298	6,354,480	3,030,326	159,034,104	4,181,165	154,852,939	152,575,992	1.85
2019	139,411,425	6,196,641	3,042,960	148,651,026	4,119,332	144,531,694	142,429,085	2.03
2018	134,569,786	5,914,971	3,058,988	143,543,745	4,093,166	139,450,579	137,527,125	2.11
2017	127,814,090	5,827,763	4,050,425	137,692,278	4,037,999	133,654,279	132,130,068	2.19
2016	122,079,821	5,731,386	4,264,218	132,075,425	3,941,499	128,133,926	126,840,666	2.35
2015	118,173,931	5,250,275	3,854,046	127,278,252	5,150,632	122,127,620	122,127,920	2.52
2014	113,352,018	5,071,881	3,876,847	122,300,746	5,065,796	117,234,950	117,229,911	2.72

(1) Property in the City is reassessed each year by the Canadian County Assessors Office. Tax rates are per \$1,000 of assessed values.  
 (2) The source of property value information is the Canadian County Assessor's Office - [wehmullerm@canadiancounty.org](mailto:wehmullerm@canadiancounty.org) (Matt Wehmuller)  
 (3) Voter approval is required to increase property taxes. Under Oklahoma State Statutes a municipality can only levy a property taxes for the repayment of principal and interest on general obligation bond debt or court assessed judgments. Property taxes cannot be used for operations.  
[robinsond@canadiancounty.org](mailto:robinsond@canadiancounty.org) (Diana Robinson)

**THE CITY OF MUSTANG, OKLAHOMA  
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 (PER \$1,000 OF ASSESSED VALUE)**

LAST TEN FISCAL YEARS

**Table 7**

<b>Fiscal Year</b>	<b>Debt Service Fund</b>	<b>Mustang School District</b>	<b>Canadian County</b>	<b>Canadian Valley Vo-Tech</b>	<b>Mustang City Resident</b>
2023	1.49	67.52	16.11	16.15	101.27
2022	1.60	67.99	16.11	16.17	101.87
2021	1.73	67.85	16.11	16.20	101.89
2020	1.85	69.78	16.11	16.31	104.05
2019	2.03	69.78	16.11	16.37	104.29
2018	2.11	68.44	16.11	16.38	103.04
2017	2.19	68.48	16.11	16.47	103.25
2016	2.35	68.26	16.11	16.61	103.33
2015	2.52	68.77	16.13	16.44	103.86
2014	2.72	66.30	16.11	15.60	100.73

Source: Canadian County Assessor's Office.

**CITY OF MUSTANG, OKLAHOMA  
 SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS**

Last Ten Fiscal Years

**Table 8**

	<b>Fiscal Year</b>									
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City - General Fund	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
City - Debt Service (1)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<b>Total City of Mustang</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>
Canadian County	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
State of Oklahoma	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
<b>Total</b>	<b>8.85%</b>	<b>8.85%</b>	<b>8.85%</b>	<b>8.85%</b>	<b>8.85%</b>	<b>8.85%</b>	<b>8.85%</b>	<b>8.85%</b>	<b>8.85%</b>	<b>8.85%</b>

The source for sales tax is the City of Mustang Annual Financial Report and the Oklahoma Tax Commission. Sales tax is the main operating tax for the City of Mustang. Under State Statutes, the City cannot levy a property tax for operations. All sales tax increases must be approved by the voters.

(1) The voters approved a one-cent sales tax effective October 1, 2001 and ending July 31, 2030 for the purpose of paying principal and interest on the 1999 MIA Revenue Bonds used to construct and equip a community center and library complex, police complex, sports complex, and aquatic facility.

(2) The voters approved to extend the 4th penny sales tax for 13 years on August 23, 2016.

**CITY OF MUSTANG, OKLAHOMA**  
**TAXABLE SALES BY CATEGORY**  
 Last Ten Fiscal Years

Table 9

Category	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014 (1)
Amusement & Recreation	\$ 159,905	\$ 119,707	\$ 63,972	\$ 49,448	\$ 41,981	\$ 5,987	\$ 5,202	\$ 4,671	\$ 4,733	\$ 13,796
Construction (2)	42,009	19,675	14,613	10,630	13,892	4,205	4,792	5,212	6,960	10,064
Manufacturing	319,210	367,531	175,191	136,983	193,217	145,202	140,265	168,889	192,846	166,726
Public Utilities	806,318	651,917	552,288	518,933	536,075	552,750	509,971	487,600	537,785	513,361
Retail - Furniture and Accessories	210,989	295,097	204,487	184,754	306,000	251,444	263,388	279,965	309,663	182,317
Retail - Apparel	115,612	122,851	1,593,106	1,079,788	120,524	97,093	94,334	98,332	103,318	76,093
Retail - Automotive	547,403	453,285	298,091	290,222	296,454	276,115	230,557	186,388	207,158	196,191
Retail - Building Materials	2,364,524	2,328,898	2,114,460	1,693,303	1,636,714	1,464,000	1,369,078	1,508,604	1,441,890	1,615,726
Retail - Food	808,629	662,817	876,227	511,779	608,563	568,518	537,196	459,562	417,187	386,310
Retail - General Merchandise	4,962,658	4,469,100	3,102,195	3,734,598	4,384,756	4,200,519	3,991,888	3,785,451	3,826,923	3,560,456
Retail - Miscellaneous	272,312	334,441	292,702	261,699	166,648	182,187	124,894	245,798	108,573	86,480
Retail - Restaurants	2,471,745	2,349,038	1,924,625	1,923,467	1,900,050	1,796,979	1,718,111	1,566,586	1,470,395	1,317,485
Services - Automotive Repair	211,016	167,973	86,416	73,697	78,404	107,976	102,384	79,753	66,046	74,782
Services - Business	193,844	146,448	140,417	174,947	138,794	122,461	108,402	116,439	110,833	127,338
Services - Personal	49,116	84,067	81,447	63,443	64,660	48,518	55,233	50,232	56,265	30,450
Telecommunications	295,284	307,265	302,269	256,926	271,782	270,453	290,232	305,766	317,801	335,090
Transportation (2)	42,056	49,038	30,994	11,052	10,623	5,576	4,252	3,264	806	601
Wholesale Trade	907,558	606,044	611,817	534,054	599,594	535,805	508,430	487,492	486,155	377,790
All Other Categories	60,156	69,230	64,399	57,518	89,373	63,806	91,141	86,242	42,699	89,718
	<b>\$ 14,840,344</b>	<b>\$ 13,604,422</b>	<b>\$ 12,529,716</b>	<b>\$ 11,567,241</b>	<b>\$ 11,458,104</b>	<b>\$ 10,699,594</b>	<b>\$10,149,750</b>	<b>\$ 9,926,246</b>	<b>\$ 9,708,036</b>	<b>\$ 9,160,774</b>

Information shown is on a cash basis and obtained from reports provided by the Oklahoma Tax Commission. Oklahoma State Statutes prohibits the reporting of individual sales tax payers.

(1) The restaurant base began growing in fiscal year 2014 with the opening of several new restaurants

(2) The Oklahoma Tax Commission revamped its website breaking out new categories (i.e., construction and transportation); previously included in "All Other Categories"

**CITY OF MUSTANG, OKLAHOMA  
 PRINCIPAL PROPERTY TAXPAYERS**  
 Current Year and Ten Years Ago

**Table 10**

2023			2013		
Taxpayer	Taxable Assessed Value (1)	Percentage of Total Net Assessed Value	Taxpayer	Taxable Assessed Value (1)	Percentage of Total Net Assessed Value
Greens at Pebble Creek	\$2,349,219	1.16%	Oklahoma Gas & Electric	\$2,523,826	2.28%
Oklahoma Gas & Electric	2,013,950	1.00%	Lowe's Home Centers Inc	1,666,305	1.50%
PS Mid-West, LLC	1,506,233	0.75%	Park Place Apartments	1,154,568	1.04%
Laurel Springs, LLC Retirement Center	1,386,721	0.69%	Wal-mart Real Estate Business	955,542	0.86%
Wal-Mart Real Estate Business	1,152,954	0.57%	Wal-mart Stores East LP	848,250	0.77%
Oklahoma Natural Gas Company	1,119,073	0.55%	Lowe's Home Centers Inc	680,093	0.61%
Lowe's Home Centers Inc	1,109,388	0.55%	Oklahoma Natural Gas Company	669,739	0.60%
Lowe's Home Centers Inc	1,037,057	0.51%	AT&T Mobility LLC	424,448	0.38%
Wal-Mart Stores East LP	957,743	0.47%	Roman, Joseph J JR & Jay P Co	414,964	0.37%
The Bradford Rentals, LLC	870,884	0.43%	Southwestern Bell Telephone	381,072	0.34%
<b>TOTAL</b>	<b>\$13,503,222</b>	<b>6.69%</b>	<b>TOTAL</b>	<b>\$9,718,807</b>	<b>8.75%</b>

(1) The source for property value information is the Canadian County Assessor's Office.

**CITY OF MUSTANG, OKLAHOMA  
 PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years

**Table 11**

Fiscal Year Ended June 30,	Collected in the Year of the Levy			Collected Subsequent Year	Total Collections To Date		Percentage of Levy
	Gross Tax Levy	Amount	Percentage of Levy		Amount	Percentage of Levy	
2023	\$ 272,586	\$ 269,047	98.70%	\$ 182	\$ 269,229	98.77%	
2022	273,814	277,460	101.33%	149	277,609	101.39%	
2021	281,686	279,373	99.18%	2,984	282,357	100.24%	
2020	283,116	277,460	98.00%	572	278,032	98.20%	
2019	289,084	285,512	98.76%	434	285,946	98.91%	
2018	289,932	285,465	98.46%	161	285,626	98.51%	
2017	289,378	284,278	98.24%	489	284,767	98.41%	
2016	298,074	293,426	98.44%	695	294,121	98.67%	
2015	307,762	303,288	98.55%	4,348	303,297	98.55%	
2014	318,865	312,281	97.94%	6,182	308,463	96.74%	

(1) Actual Tax Levy for prior tax year from Canadian County Clerk's records.

**CITY OF MUSTANG, OKLAHOMA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS** **Table 12**

**GOVERNMENTAL ACTIVITIES**

FISCAL YEAR	GENERAL OBLIGATION BONDS	LEASE LIABILITY	NOTE PAYABLE
2023	\$ 1,050,000	\$ 80,215	\$ 1,605,121
2022	1,305,000	110,570	1,479,647
2021	1,560,000	-	1,571,767
2020	1,815,000	-	1,366,327
2019	2,070,000	-	1,477,443
2018	2,325,000	-	194,272
2017	2,580,000	-	131,300
2016	2,835,000	-	146,289
2015	3,090,000	-	189,532
2014	3,345,000	-	175,380

**BUSINESS TYPE ACTIVITIES**

FISCAL YEAR	REVENUE BONDS	LEASE LIABILITY	NOTES PAYABLE
2023	\$ -	\$ -	\$ 24,286,876
2022	-	-	27,479,318
2021	-	-	30,591,862
2020	-	-	29,541,673
2019	-	-	32,365,730
2018	-	-	35,059,555
2017	-	-	26,678,113
2016	-	-	16,731,550
2015	-	-	20,104,775
2014	-	-	15,538,404

FISCAL YEAR	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
2023	\$ 27,022,212	3.3%	\$1,215
2022	30,374,535	4.1%	1,263
2021	33,723,629	4.4%	1,435
2020	35,913,173	5.1%	1,564
2019	35,913,173	5.0%	1,633
2018	37,578,827	5.6%	1,771
2017	29,389,413	4.4%	1,413
2016	19,712,839	5.9%	1,395
2015	24,986,179	7.1%	1,511
2014	27,192,549	7.3%	1,460

> Personal income and population data are available on Table 17.

**CITY OF MUSTANG, OKLAHOMA**

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING,  
LAST TEN FISCAL YEARS**

**Table 13**

Fiscal Year	General Bonded Debt Outstanding			Restricted Debt Service Funds	Net Bonded Debt
	General Obligation Bonds	Judgment Funding Bonds	Total		
	2023	\$ 1,050,000	\$ -		
2022	1,305,000	-	1,305,000	120,951	1,184,049
2021	1,560,000	-	1,560,000	140,365	1,419,635
2020	1,815,000	-	1,815,000	150,656	1,664,344
2019	2,070,000	-	2,070,000	168,425	1,901,575
2018	2,325,000	-	2,325,000	180,587	2,144,413
2017	2,580,000	-	2,580,000	197,592	2,383,750
2016	2,835,000	-	2,835,000	214,532	2,620,468
2015	3,090,000	-	3,090,000	230,680	2,859,320
2014	3,345,000	-	3,345,000	245,229	3,099,771

Fiscal Year	Percentage of Actual Taxable Value of Property (2)	Ratio of Net Bonded Debt to Assessed Value (2)	Estimated Population (1)	Bonded Debt Per Capita	Net Bonded Debt Per Capita
2023	1.98%	2.27%	22,232	\$ 47.23	\$ 43.79
2022	2.06%	2.44%	24,049	54.26	49.23
2021	1.98%	4.55%	23,504	66.37	60.40
2020	1.99%	3.97%	22,959	79.05	72.49
2019	2.14%	2.85%	21,997	94.10	86.45
2018	2.22%	2.85%	21,222	109.56	101.05
2017	3.07%	2.94%	20,792	124.09	114.65
2016	2.14%	1.96%	19,064	148.71	137.46
2015	2.44%	2.25%	19,025	162.42	150.29
2014	2.34%	2.34%	19,001	176.04	163.14

(1) Information obtained from the US Census Bureau and the Oklahoma Department of Commerce.

(2) Property tax values are located in Table 6. (County Assessor's Office) Carolyn Leck

(3) The State of Oklahoma only allows a property tax to be assessed for the issuance of general obligation bonds.

**CITY OF MUSTANG, OKLAHOMA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
*As of June 30, 2023*

**Table 14**

<u>Entity</u>	<u>Net General Bonded Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Mustang</u>	<u>Amount Applicable to City of Mustang</u>
Mustang Public Schools	\$65,020,000	23.28%	\$15,136,656
City of Mustang (2)	1,050,000	100.00%	1,050,000
City of Mustang - Notes Payable	1,605,121	100.00%	1,605,121
Total Direct and Overlapping Debt	<u>\$67,675,121</u>		<u>\$17,791,777</u>

(1) Debt outstanding provided by each entity.

(2) Includes general obligation bonds and notes payable to be repaid by governmental activities

**CITY OF MUSTANG, OKLAHOMA  
MUSTANG IMPROVEMENT AUTHORITY  
PLEGDED-REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS**

**Table 15**

Fiscal Year	Gross Revenue (including pledged sales tax)	Direct Operating Expenses (1)	Net Revenue Available for Debt Service (2)	Bond Indenture Requirement (3)		
				Average Annual Debt Service	Calculated Coverage	Required Coverage
2023	\$ 22,581,926	\$ 4,602,608	\$ 17,979,318	\$ 3,874,931	4.64	1.25
2022	20,616,722	4,890,706	15,726,016	3,874,931	4.06	1.25
2021	19,456,929	3,278,428	16,178,501	3,874,931	4.18	1.25
2020	18,823,619	3,966,913	14,856,706	3,546,263	4.19	1.25
2019	20,388,032	3,110,012	17,278,020	3,553,094	4.86	1.25
2018	16,641,711	2,663,236	13,978,475	3,858,942	3.62	1.25
2017	15,410,813	2,630,243	12,780,570	4,376,594	2.92	1.25
2016	15,388,906	1,886,026	13,502,880	3,763,635	3.59	1.25
2015	14,349,602	2,493,695	11,855,907	3,942,963	3.01	1.25
2014	14,237,866	3,010,200	11,227,666	3,098,056	3.62	1.25

(1) Direct operating expenses exclude amortization, depreciation and bad debt expenses.

(2) Gross revenues included pledged revenues of water, sewer and sales tax.

(3) The MIA Revenue Bond Indentures require a coverage requirement of 1.25 times annually using the average annual debt service over the life of the bond issues.



**CITY OF MUSTANG, OKLAHOMA  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS**

**Table 16**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net assessed valuation	\$182,472,828	\$171,005,095	\$163,116,387	\$163,825,350	\$152,575,992
Debt limit (1)	18,247,283	17,100,510	16,311,639	16,382,535	15,257,599
Applicable bonds outstanding:					
2012 General Obligation Bonds	1,050,000	1,305,000	1,560,000	1,815,000	2,070,000
2007 General Obligation Bonds	-	-	-	-	-
Total Debt Outstanding	<u>1,050,000</u>	<u>1,305,000</u>	<u>1,560,000</u>	<u>1,815,000</u>	<u>2,070,000</u>
 Legal debt margin	 <u>\$17,197,283</u>	 <u>\$15,795,510</u>	 <u>\$14,751,639</u>	 <u>\$14,567,535</u>	 <u>\$13,187,599</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net assessed valuation	\$142,429,085	\$137,527,125	\$132,130,068	\$126,840,666	\$122,127,620
Debt limit (1)	14,242,909	13,752,713	13,213,007	12,684,067	12,212,762
Applicable bonds outstanding:					
2012 General Obligation Bonds	2,325,000	2,580,000	2,835,000	3,090,000	3,345,000
2007 General Obligation Bonds	-	-	-	-	-
Total Debt Outstanding	<u>2,325,000</u>	<u>2,580,000</u>	<u>2,835,000</u>	<u>3,090,000</u>	<u>3,345,000</u>
 Legal debt margin	 <u>\$11,917,909</u>	 <u>\$11,172,713</u>	 <u>\$10,378,007</u>	 <u>\$9,594,067</u>	 <u>\$8,867,762</u>

(1) Article 10, Section 26 of the Oklahoma Constitution limits the amount of outstanding general obligation bonded debt of the municipality for non-utility or non-street purposes to no more than 10% of net assessed valuation of property.

**CITY OF MUSTANG, OKLAHOMA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 LAST TEN CALENDAR YEARS

Table 17

Year	Population (1)	Personal Income	Per Capita Personal Income (1) (4)	Median Age (1) (4)
2022	22,232	\$ 814,713,872	\$ 36,646	38.9
2021	24,049	734,569,966	34,918	38.7
2020	23,504	766,465,679	31,871	38.5
2019	22,959	710,649,927	30,953	37.3
2018	21,997	716,288,311	32,563	39.2
2017	21,222	675,984,366	31,853	37.3
2016	20,792	667,506,368	32,104	37.0
2015	19,064	587,380,904	30,811	37.0
2014	19,638	553,222,098	28,171	37.0
2013	19,097	490,573,602	28,312	33.5

Year	Education Level in Years of Schooling (1) (4) (5)	School Enrollment (2)	Unemployment Rate (3)
2022	93%	13,691	2.60%
2021	93%	13,528	2.50%
2020	93%	13,100	4.60%
2019	93%	12,385	2.90%
2018	93%	12,377	2.80%
2017	93%	11,550	3.60%
2016	93%	11,031	3.87%
2015	93%	10,798	3.70%
2014	93%	10,500	3.60%
2013	90%	9,981	4.0%

- (1) Information obtained from the U.S. Census Bureau and the Oklahoma Department of Commerce. Estimated population with exception of census years. Chamber of Commerce Data Sheet - Mustang, OK
- (2) Information obtained from the Superintendent's Office the Mustang Public School District. (Janna West)
- (3) Information obtained from the Oklahoma Employment Security Commission, for the Oklahoma City metropolitan area.
- (4) The City of Mustang is considered part of the Oklahoma City Metropolitan Statistical Area. The most recent data available for the City of Mustang relates to the 2000 and 2010 census. Estimates from the Oklahoma Department of Commerce have been used when available. Data from 2000-2009 relates to the 2000 census. Data from 2010-2019 relates to the 2010 census.
- (5) Represents the percent of the population 25 years and older who are high school graduates or higher.

**CITY OF MUSTANG, OKLAHOMA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND THREE YEARS**

**Table 18**

2023				2022			
	Employees	Rank	Percentage of Total		Employees	Rank	Percentage of Total
			City Employment				City Employment
Mustang Public Schools, Education	1655	1	35.40%	Mustang Public Schools, Education	1683	1	27.10%
Wal-Mart Super Center, Retail	335	2	7.20%	Airforce Reserve Command	943	2	10.30%
City of Mustang, Government	214	3	4.60%	Wal-Mart Super Center, Retail	320	3	6.40%
Lowes Home Improvement, Retail	184	4	3.90%	City of Mustang, Government	207	4	3.30%
SSM Health, St. Anthony's Healthplex	90	5	1.90%	Lowes Home Improvement, Retail	168	5	2.60%
Mustang McDonald's, Restaurant	55	6	1.30%	St. Anthony's Healthplex	125	6	1.60%
Whataburger, Restaurant	50	7	1.00%	Mustang McDonald's, Restaurant	80	7	1.10%
Cash Saver, Grocery	50	8	1.00%	Whataburger, Restaurant	45	8	0.80%
Swadley's, Restaurant	50	9	1.10%	Cash Saver, Grocery	45	9	0.70%
Atwoods, Retail	41	10	90.00%	Swadley's, Restaurant	43	10	0.70%
	2,724				3,659		
2021				2020			
	Employees	Rank	Percentage of Total		Employees	Rank	Percentage of Total
			City Employment				City Employment
Mustang Public Schools, Education	1683	1	27.10%	Mustang Public Schools, Education	1503	1	22.90%
Airforce Reserve Command	640	2	10.30%	Wal-Mart Super Center, Retail	943	2	14.40%
Wal-Mart Super Center, Retail	400	3	6.40%	City of Mustang, Government	373	3	5.70%
City of Mustang, Government	202	4	3.30%	Lowes Home Improvement, Retail	215	4	3.30%
Lowes Home Improvement, Retail	163	5	2.60%	St. Anthony's Healthplex	178	5	2.70%
St. Anthony's Healthplex	100	6	1.60%	Mustang McDonald's, Restaurant	80	6	1.20%
Mustang McDonald's, Restaurant	68	7	1.10%	Coldwell Banker Select, Real Estate	76	7	1.20%
Whataburger, Restaurant	50	8	0.80%	Swadley's, Restaurant	63	8	1.00%
Swadley's, Restaurant	42	9	0.70%	Whataburger, Restaurant	44	9	0.07%
Cash Saver, Grocery	42	10	0.70%	Cash Saver, Grocery	41	10	0.06%
	3,390				3,516		

Source: Mustang Chamber of Commerce and the Oklahoma Department of Commerce

(1) Because the City of Mustang is a bedroom community to Oklahoma City, the majority of our residents leave the City for full-time employment.

(2) Added (2) new schools in 2018.

**CITY OF MUSTANG, OKLAHOMA**  
**FULL-TIME EQUIVALENT CITY OF MUSTANG EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

**Table 19**

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Administration:</b>										
City Attorney	1	1	0.25	-	-	-	-	-	-	-
Information Technology	1	-	-	-	-	-	-	-	-	-
City Manager	4	4	4.5	4.5	4	3.5	3	3	3	4
Finance	8	8	8	8	7	7	7	7	7	6
Community Development	6.5	6	6	6	6	6	6	6	6	6
<b>Culture and Recreation:</b>										
Parks	46.5	42.25	39	41	46	44	44.75	40.5	38.5	37
Library	6.75	7.25	6.75	6.5	7.5	7.5	7.5	7.5	6.5	6
Town Center Complex	1	1	1	1.25	1.25	1.25	1.25	1.25	1.25	1.25
<b>Public Safety:</b>										
<b>Police</b>										
Officers	27	24	24	24	24	22	21	22	21	21
Dispatch	8	8	7	7	7	7	7	7	6	5
Administration	7	5	6	7	7	7	6.5	5.5	5	4.5
<b>Fire</b>										
Firefighters	20	21	22	22	23	17	17	17	16	15
Administration	3	3	2	2	2	2	2	2	2	2
<b>Total</b>	<b>139.75</b>	<b>130.50</b>	<b>126.25</b>	<b>129.25</b>	<b>134.75</b>	<b>124.25</b>	<b>123.00</b>	<b>118.75</b>	<b>112.25</b>	<b>107.75</b>

Note: Information provide by City of Mustang Human Resources.

CITY OF MUSTANG, OKLAHOMA  
 OPERATING INDICATORS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

Table 20

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Police</b>										
Arrests	596	1044	650	754	848	708	574	662	749	566
Total Citations	3695	4075	3609	3686	4942	4203	2809	3444	4,555	4,253
Total Incident Reports	2223	1914	2362	1731	1735	1591	1377	1561	1,564	2,430
<b>Fire</b>										
Medical Alarms	1226	1549	1427	2037	1346	1368	1283	1274	1,280	1,369
Total Alarms	1610	2121	2125	2158	1929	1990	1723	1770	1,706	2,080
Average Response Time	3:26	3:47	3:58	4:37	3:46	3:42	3:36	3:26	3:31	3:25
<b>Culture and Recreation</b>										
Town Center Memberships	2,938	2,295	2,582	2,188	2,785	2,984	2,073	2,342	2,012	2,411
Park Permits	2,686	2,351	1,296	1,828	2,146	1,621	1,935	2,448	980	1,286
Conference Center Room Rentals	958	1,402	831	923	2,028	2,010	1,666	1,711	1,450	1,352
Senior Center Lunch Participants	9,109	5,462	4,080	6,177	7,159	8,612	8,823	9,067	7,929	9,890
Aquatic Center Attendance	37,902	33,527	26,878	29,902	32,831	33,600	31,520	30,958	32,170	31,899
Sports (Adult and Youth) League & Gate participants	5,128	6,671	4,280	4,561	3,500	35,210	32,500	31,080	31,210	40,038
<b>Library</b>										
Age of library collections										
0 to 5 years	9%	17%	9%	20%	20%	35%	20%	20%	22%	21%
6 to 10 years	31%	25%	49%	24%	23%	22%	23%	24%	24%	27%
11 to 25 years	6%	49%	26%	46%	45%	41%	42%	45%	48%	47%
26 or more years	53%	9%	16%	10%	12%	2%	15%	11%	6%	5%
Volumes in collection	44,692	34,188	40,673	43,630	51,279	55,188	60,051	59,381	60,193	57,700
Ebooks	61,814	58,700	555,521	67,777	45,806	42,905	48,102	42,025	20,340	15,999
Databases	39	44	49	22	42	42	37	49	32	5
Cultural/educational program	500	426	664	248	491	575	426	459	320	320
Cultural/educational attendance	9,795	9,286	7,446	11,416	23,146	22,374	20,212	19,887	15,138	14,073
Total volumes borrowed	222,885	141,503	105,438	259,671	214,109	385,061	374,673	256,274	288,485	233,428
Membership	22,556	23,723	36,864	40,684	39,186	36,927	34,464	31,908	35,431	36,337
Library Room Rentals	21.00	10.00	0	11	8	15	8	11	9	4
<b>Water</b>										
New Connections	132	193	151	185	153	157	96	186	108	60
Average daily consumption (in million gallons per day)	1.44	1.59	1.54	1.54	1.39	1.51	1.45	1.52	1.56	1.42
<b>Wastewater</b>										
Average effluent flow in mgd	2.2	2.34	2.1	2.05	1.5	1.34	1.32	1.65	1.50	1.79
<b>Streets</b>										
Cubic yards of street panels replaced	350.00	200.00	365.00	295.00	250.00	225.00	183.34	170.00	-	1.17
Cubic feet of potholes patched	8,500	6,000	5,285	3,900	3,200	3,200	3,853	3,200	3,114	3417
<b>Community Development</b>										
Commercial construction permits	2	4	10	5	5	14	14	8	9	11
Commercial construction cost	\$950,000	\$8,107,105	\$5,842,500	\$2,296,000	\$29,575,000	\$9,950,000	\$9,006,445	\$5,467,828	\$8,760	\$12,600
Residential construction permits	102	198	154	206	220	184	83	92	86	56
Residential construction cost	\$23,633,669	\$36,164,688	\$32,746,910	\$4,033,291	\$41,247,224	\$33,754,736	\$18,289,800	\$21,282,300	\$26,058	\$16,924
<b>Stormwater management</b>										
Construction erosion inspections	2183	2110	790	756	730	784	388	251	442	403
Stormwater permits issued	109	185	170	213	215	190	100	100	95	67
<b>Occupation and Business</b>										
Occupation licenses	639	667	577	531	573	783	579	665	702	627
Business licenses	345	372	379	371	361	361	332	374	378	380

Source: internal city documents.

CITY OF MUSTANG, OKLAHOMA  
 CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

Table 21

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
<b>Streets</b>										
Street (miles)	98	95.3	93.9	91.74	91	89	88	88	85.53	85.28
Traffic Signals	9	9	9	9	9	9	9	9	9	9
<b>Parks and Recreation</b>										
Acreage	187.5	187.5	187.5	187.5	187.5	187.5	187.5	187.5	187.5	187.5
Playgrounds	10	10	9	9	9	9	9	8	8	8
Splashpad	1	1	1	1	-	-	-	-	-	-
Baseball/softball diamonds	11	11	11	11	11	11	11	11	11	11
Soccer/football fields	4	4	4	4	4	4	4	4	4	4
Walking Trails (miles)	4.9	4	4	2.05	2.05	2.05	2.05	2.05	2.05	2.05
<b>Water</b>										
Water mains (miles)	243	235	190	176	160	132	130	130	130	130
Fire hydrants	1043	1000	975	968	961	923	932	912	888	856
Storage capacity (millions of gallons)	3.4	3.4	3	4	3.4	3.35	3.35	3.35	3.35	3.35
Water wells	11	12	12	12	12	12	12	12	12	12
Booster Stations	3	3	3	3	3	3	3	3	3	3
<b>Wastewater</b>										
Sanitary sewer lines (miles)	212	190	155	144	120	95	94	94	94	90
Treatment capacity (millions of gallons per day)	3	3	3	3	3	2	2	2	2	2
Lift stations	10	10	10	8	9	9	7	6	6	6

Source: Internal city documents.

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## ***Compliance Section***



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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*

To the Honorable Mayor and City Council  
City of Mustang, Oklahoma

We have audited, in accordance with the 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 the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Mustang, Oklahoma ("City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 13, 2023.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Elfrink and Associates, PLLC

Tulsa, Oklahoma  
December 13, 2023